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State of Minnesota

HOUSE OF REPRESENTATIVES

Unofficial Engrossment

House Engrossment of a Senate File

NINETIETH SESSION

S. F. No. 2214

- 03/29/2017 Companion to House File No. 2477. (Authors:Nornes)  
Read First Time and Referred to the Committee on Ways and Means
- 03/31/2017 Adoption of Report: Placed on the General Register as Amended  
Read for the Second Time
- 04/04/2017 Calendar for the Day, Amended  
Read Third Time as Amended  
Passed by the House as Amended and transmitted to the Senate to include Committee and Floor Amendments
- 04/18/2017 Refused to concur and a Conference Committee was appointed

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; appropriating money; amending Minnesota Statutes

1.6 2016, sections 43A.06, subdivision 1; 135A.031, subdivision 7; 135A.15,

1.7 subdivision 1a; 136A.101, subdivision 5a; 136A.103; 136A.125, subdivisions 2,

1.8 4; 136A.1795, subdivision 4; 136A.62, by adding a subdivision; 136A.646;

1.9 136A.65, subdivisions 1a, 4, 7; 136A.653; 136A.657, by adding a subdivision;

1.10 136A.67; 136A.68; 136A.685; 136A.821, by adding subdivisions; 136A.822,

1.11 subdivisions 4, 6, 12, 13; 136A.826, subdivision 2; 136A.827, subdivisions 2, 3;

1.12 136A.828, subdivision 3; 136A.83; 136A.833; 136A.834, by adding a subdivision;

1.13 136A.902, subdivision 1; 148.89, subdivision 5; Laws 2015, chapter 69, article 3,

1.14 section 20, subdivision 10; proposing coding for new law in Minnesota Statutes,

1.15 chapters 135A; 136A; 136F; 137; 148.

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

1.17 ARTICLE 1

1.18 HIGHER EDUCATION APPROPRIATIONS

1.19 Section 1. HIGHER EDUCATION APPROPRIATIONS.

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

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

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

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

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

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

1.26 is fiscal years 2018 and 2019.

1.27 APPROPRIATIONS

1.28 Available for the Year

2.1		<u>Ending June 30</u>	
2.2		<u>2018</u>	<u>2019</u>
2.3	<b>Sec. 2. <u>MINNESOTA OFFICE OF HIGHER</u></b>		
2.4	<b><u>EDUCATION</u></b>		
2.5	<b><u>Subdivision 1. Total Appropriation</u></b>	<b><u>\$ 252,725,000</u></b>	<b><u>\$ 248,535,000</u></b>
2.6	<u>The amounts that may be spent for each</u>		
2.7	<u>purpose are specified in the following</u>		
2.8	<u>subdivisions.</u>		
2.9	<b><u>Subd. 2. State Grants</u></b>	<u>193,281,000</u>	<u>193,281,000</u>
2.10	<u>If the appropriation in this subdivision for</u>		
2.11	<u>either year is insufficient, the appropriation</u>		
2.12	<u>for the other year is available for it.</u>		
2.13	<b><u>Subd. 3. Child Care Grants</u></b>	<u>6,708,000</u>	<u>6,709,000</u>
2.14	<b><u>Subd. 4. State Work-Study</u></b>	<u>14,502,000</u>	<u>14,502,000</u>
2.15	<b><u>Subd. 5. Interstate Tuition Reciprocity</u></b>	<u>11,018,000</u>	<u>11,018,000</u>
2.16	<u>If the appropriation in this subdivision for</u>		
2.17	<u>either year is insufficient, the appropriation</u>		
2.18	<u>for the other year is available to meet</u>		
2.19	<u>reciprocity contract obligations.</u>		
2.20	<b><u>Subd. 6. Safety Officer's Survivors</u></b>	<u>100,000</u>	<u>100,000</u>
2.21	<u>(a) This appropriation is to provide educational</u>		
2.22	<u>benefits under Minnesota Statutes, section</u>		
2.23	<u>299A.45, to eligible dependent children and</u>		
2.24	<u>to the spouses of public safety officers killed</u>		
2.25	<u>in the line of duty.</u>		
2.26	<u>(b) If the appropriation in this subdivision for</u>		
2.27	<u>either year is insufficient, the appropriation</u>		
2.28	<u>for the other year is available for it.</u>		
2.29	<b><u>Subd. 7. Indian Scholarships</u></b>	<u>3,500,000</u>	<u>3,500,000</u>
2.30	<u>The commissioner must contract with or</u>		
2.31	<u>employ at least one person with demonstrated</u>		
2.32	<u>competence in American Indian culture and</u>		
2.33	<u>residing in or near the city of Bemidji to assist</u>		

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

4.1 medicine in underserved rural and urban areas  
 4.2 of the state. It is intended that this program  
 4.3 will improve health care in underserved  
 4.4 communities, provide affordable access to  
 4.5 appropriate medical care, and manage the  
 4.6 treatment of patients in a cost-effective  
 4.7 manner.

4.8 **Subd. 15. MnLINK Gateway and Minitex** 5,905,000 5,905,000

4.9 **Subd. 16. Statewide Longitudinal Education**  
 4.10 **Data System** 882,000 882,000

4.11 **Subd. 17. Hennepin County Medical Center** 645,000 645,000

4.12 For transfer to Hennepin County Medical  
 4.13 Center for graduate family medical education  
 4.14 programs at Hennepin County Medical Center.

4.15 **Subd. 18. MNSCU Two-Year Public College**  
 4.16 **Program** 3,481,000 0

4.17 For the MNSCU two-year public college  
 4.18 program under Laws 2015, chapter 69, article  
 4.19 3, section 20.

4.20 **Subd. 19. College Possible** 250,000 250,000

4.21 (a) This appropriation is for immediate transfer  
 4.22 to College Possible to support programs of  
 4.23 college admission and college graduation for  
 4.24 low-income students through an intensive  
 4.25 curriculum of coaching and support at both  
 4.26 the high school and postsecondary level.

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

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

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

5.18	<b><u>Subd. 20. <u>Addiction Medicine Graduate</u></u></b>		
5.19	<b><u>Fellowship Program</u></b>	<u>210,000</u>	<u>0</u>

5.20 For the addiction medicine graduate fellowship  
 5.21 program under Laws 2016, chapter 189, article  
 5.22 1, section 2, subdivision 4.

5.23	<b><u>Subd. 21. <u>Large Animal Veterinarian Loan</u></u></b>		
5.24	<b><u>Forgiveness Program</u></b>	<u>250,000</u>	<u>0</u>

5.25 For the large animal veterinarian loan  
 5.26 forgiveness program under Minnesota Statutes,  
 5.27 section 136A.1795. This is a onetime  
 5.28 appropriation and is available until June 30,  
 5.29 2024.

5.30	<b><u>Subd. 22. <u>Spinal Cord Injury and Traumatic</u></u></b>		
5.31	<b><u>Brain Injury Research Grant Program</u></b>	<u>2,000,000</u>	<u>2,000,000</u>

5.32 (a) For spinal cord injury and traumatic brain  
 5.33 injury research grants authorized under  
 5.34 Minnesota Statutes, section 136A.901.

6.1 (b) The commissioner may use no more than  
 6.2 three percent of this appropriation to  
 6.3 administer the grant program under this  
 6.4 subdivision.

6.5 **Subd. 23. Summer Academic Enrichment**  
 6.6 **Program**

200,000

200,000

6.7 (a) For summer academic enrichment grants  
 6.8 under Minnesota Statutes, section 136A.091.

6.9 (b) The commissioner may use no more than  
 6.10 three percent of this appropriation to  
 6.11 administer the grant program under this  
 6.12 subdivision.

6.13 **Subd. 24. Dual Training Competency Grants;**  
 6.14 **Office of Higher Education**

2,000,000

2,000,000

6.15 (a) For training grants under Minnesota  
 6.16 Statutes, section 136A.246.

6.17 (b) The commissioner may use no more than  
 6.18 three percent of this appropriation to  
 6.19 administer the grant program under this  
 6.20 subdivision.

6.21 **Subd. 25. Dual Training Competency Grants;**  
 6.22 **Department of Labor and Industry**

200,000

200,000

6.23 For transfer to the commissioner of labor and  
 6.24 industry for identification of competency  
 6.25 standards for dual training under Minnesota  
 6.26 Statutes, section 175.45.

6.27 **Subd. 26. Concurrent Enrollment Courses**

340,000

340,000

6.28 (a) \$225,000 in fiscal year 2018 and \$225,000  
 6.29 in fiscal year 2019 are for grants to develop  
 6.30 new concurrent enrollment courses under  
 6.31 Minnesota Statutes, section 124D.09,  
 6.32 subdivision 10, that satisfy the elective  
 6.33 standard for career and technical education.

6.34 Any balance in the first year does not cancel  
 6.35 but is available in the second year.

7.1 (b) \$115,000 in fiscal year 2018 and \$115,000  
 7.2 in fiscal year 2019 are for grants to  
 7.3 postsecondary institutions currently  
 7.4 sponsoring a concurrent enrollment course to  
 7.5 expand existing programs. The commissioner  
 7.6 shall determine the application process and  
 7.7 the grant amounts. The commissioner must  
 7.8 give preference to expanding programs that  
 7.9 are at capacity. Any balance in the first year  
 7.10 does not cancel but is available in the second  
 7.11 year.

7.12 (c) By December 1 of each year, the office  
 7.13 shall submit a brief report to the chairs and  
 7.14 ranking minority members of the legislative  
 7.15 committees with jurisdiction over higher  
 7.16 education regarding:

7.17 (1) the courses developed by grant recipients  
 7.18 and the number of students who enrolled in  
 7.19 the courses under paragraph (a); and

7.20 (2) the programs expanded and the number of  
 7.21 students who enrolled in programs under  
 7.22 paragraph (b).

7.23 **Subd. 27. Student Loan Debt Counseling** 200,000 200,000

7.24 For student loan debt counseling under  
 7.25 Minnesota Statutes, section 136A.1705.

7.26 **Subd. 28. Campus Sexual Assault Reporting** 25,000 25,000

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

7.29 **Subd. 29. Teacher Shortage Loan Forgiveness** 200,000 200,000

7.30 (a) For the loan forgiveness program under  
 7.31 Minnesota Statutes, section 136A.1791.

8.1	<u>(b) The commissioner may use no more than</u>		
8.2	<u>three percent of this appropriation to</u>		
8.3	<u>administer the program under this subdivision.</u>		
8.4	<b><u>Subd. 30. Student and Employer Connection</u></b>		
8.5	<b><u>Information System</u></b>	<u>405,000</u>	<u>405,000</u>
8.6	<u>For a grant to the Saint Paul Foundation in</u>		
8.7	<u>accordance with Laws 2016, chapter 189,</u>		
8.8	<u>article 1, section 2, subdivision 5. The</u>		
8.9	<u>foundation must report by January 15 of each</u>		
8.10	<u>year on activities under this subdivision to the</u>		
8.11	<u>chairs and ranking minority members of the</u>		
8.12	<u>legislative committees with jurisdiction over</u>		
8.13	<u>higher education finance.</u>		
8.14	<b><u>Subd. 31. Grants for Students with Intellectual</u></b>		
8.15	<b><u>and Developmental Disabilities</u></b>	<u>375,000</u>	<u>375,000</u>
8.16	<u>For grants for students with intellectual and</u>		
8.17	<u>developmental disabilities under Minnesota</u>		
8.18	<u>Statutes, section 136A.1215.</u>		
8.19	<b><u>Subd. 32. Agricultural Educators Loan</u></b>		
8.20	<b><u>Forgiveness</u></b>	<u>250,000</u>	<u>0</u>
8.21	<u>For deposit in the agricultural education loan</u>		
8.22	<u>forgiveness account.</u>		
8.23	<b><u>Subd. 33. Loan Repayment Assistance Program</u></b>	<u>50,000</u>	<u>50,000</u>
8.24	<u>For a grant to the Loan Repayment Assistance</u>		
8.25	<u>Program of Minnesota to provide education</u>		
8.26	<u>debt relief to attorneys with full-time</u>		
8.27	<u>employment providing legal advice or</u>		
8.28	<u>representation to low-income clients or support</u>		
8.29	<u>services for this work.</u>		
8.30	<b><u>Subd. 34. Minnesota Life College</u></b>	<u>1,000,000</u>	<u>1,000,000</u>
8.31	<u>For a grant to Minnesota Life College for</u>		
8.32	<u>need-based scholarships and tuition reduction.</u>		
8.33	<b><u>Subd. 35. Aviation Degree Loan Forgiveness</u></b>		
8.34	<b><u>Program</u></b>	<u>50,000</u>	<u>50,000</u>

9.1	<u>For the aviation degree loan forgiveness</u>		
9.2	<u>program under Minnesota Statutes, section</u>		
9.3	<u>136A.1789.</u>		
9.4	<b><u>Subd. 36. Greater Minnesota Loan Forgiveness</u></b>		
9.5	<b><u>Program</u></b>	<u>150,000</u>	<u>150,000</u>
9.6	<u>For the greater Minnesota loan forgiveness</u>		
9.7	<u>program under Minnesota Statutes, section</u>		
9.8	<u>136A.1788.</u>		
9.9	<b><u>Subd. 37. Teacher Candidates of Color</u></b>		
9.10	<b><u>Scholarship Program</u></b>	<u>200,000</u>	<u>200,000</u>
9.11	<u>For the teacher candidates of color scholarship</u>		
9.12	<u>program under Minnesota Statutes, section</u>		
9.13	<u>136A.1265.</u>		
9.14	<b><u>Subd. 38. Agency Administration</u></b>	<u>2,564,000</u>	<u>2,564,000</u>
9.15	<b><u>Subd. 39. Balances Forward</u></b>		
9.16	<u>A balance in the first year under this section</u>		
9.17	<u>does not cancel, but is available for the second</u>		
9.18	<u>year.</u>		
9.19	<b><u>Subd. 40. Transfers</u></b>		
9.20	<u>The Minnesota Office of Higher Education</u>		
9.21	<u>may transfer unencumbered balances from the</u>		
9.22	<u>appropriations in this section to the state grant</u>		
9.23	<u>appropriation, the interstate tuition reciprocity</u>		
9.24	<u>appropriation, the child care grant</u>		
9.25	<u>appropriation, the Indian scholarship</u>		
9.26	<u>appropriation, the state work-study</u>		
9.27	<u>appropriation, the get ready appropriation, and</u>		
9.28	<u>the public safety officers' survivors</u>		
9.29	<u>appropriation. Transfers from the child care</u>		
9.30	<u>or state work-study appropriations may only</u>		
9.31	<u>be made to the extent there is a projected</u>		
9.32	<u>surplus in the appropriation. A transfer may</u>		
9.33	<u>be made only with prior written notice to the</u>		
9.34	<u>chairs and ranking minority members of the</u>		
9.35	<u>senate and house of representatives</u>		



11.1 The student tuition relief may not be offset by  
11.2 increases in mandatory fees, charges, or other  
11.3 assessments to the student.

11.4 This appropriation includes \$500,000 in fiscal  
11.5 year 2018 and \$500,000 in fiscal year 2019  
11.6 for a program for students with intellectual  
11.7 and developmental disabilities under  
11.8 Minnesota Statutes, section 136F.38.

11.9 Of this amount, \$150,000 in each year is  
11.10 designated for the existing programs for  
11.11 students with intellectual and developmental  
11.12 disabilities at Ridgewater College and Central  
11.13 Lakes College.

11.14 This appropriation includes \$5,000,000 in  
11.15 fiscal year 2018 and \$5,000,000 in fiscal year  
11.16 2019 for upgrading the Integrated Statewide  
11.17 Record System.

11.18 This appropriation includes \$1,250,000 in  
11.19 fiscal year 2018 and \$1,250,000 in fiscal year  
11.20 2019 for workforce development scholarships  
11.21 under Minnesota Statutes, section 136F.38.

11.22 \$140,000 each year is for transfer to the Cook  
11.23 County Higher Education Board to provide  
11.24 educational programming and academic  
11.25 support services to remote regions in  
11.26 northeastern Minnesota. The Cook County  
11.27 Higher Education Board shall continue to  
11.28 provide information to the Board of Trustees  
11.29 on the number of students served, credit hours  
11.30 delivered, and services provided to students.

11.31 \$175,000 in fiscal year 2018 and \$175,000 in  
11.32 fiscal year 2019 are for the  
11.33 veterans-to-agriculture pilot program  
11.34 established by Laws 2015, chapter 69, article

12.1 1, section 4, subdivision 3. The program shall  
12.2 continue to conform to the requirements of  
12.3 that subdivision. The appropriation shall be  
12.4 used to support, in equal amounts, up to six  
12.5 program sites statewide. No more than two  
12.6 percent of the total appropriation provided by  
12.7 this section may be used for administrative  
12.8 purposes at the system level.

12.9 No later than December 15, 2018, the program  
12.10 shall report to the committees of the house of  
12.11 representatives and the senate with jurisdiction  
12.12 over issues related to agriculture, veterans  
12.13 affairs, and higher education on program  
12.14 operations, including information on  
12.15 participation rates, new job placements, and  
12.16 any unmet needs.

12.17 \$100,000 in fiscal year 2018 is for use by  
12.18 Winona State University for HealthForce  
12.19 Minnesota to develop educational materials  
12.20 that increase awareness of career opportunities  
12.21 available in the field of senior care. The  
12.22 educational materials developed under this  
12.23 provision must be appropriate for students in  
12.24 K-12 education settings, dislocated workers,  
12.25 and rural communities. Materials must be  
12.26 developed in collaboration with employers  
12.27 and trade organizations representing  
12.28 employers in the field of senior care.

12.29 Winona State University shall submit a report  
12.30 by February 1, 2019, to the chairs and ranking  
12.31 minority members of the legislative  
12.32 committees with jurisdiction over higher  
12.33 education finance and policy. The report must  
12.34 include information about the materials  
12.35 developed, to whom materials were

- 13.1 distributed, and identify any collaborations  
13.2 with employers and trade organizations.
- 13.3 Five percent of the fiscal year 2019  
13.4 appropriation specified in this subdivision is  
13.5 available according to the schedule in clauses  
13.6 (1) to (5) in fiscal year 2019 when the Board  
13.7 of Trustees of the Minnesota State Colleges  
13.8 and Universities demonstrates to the  
13.9 commissioner of management and budget that  
13.10 the board has met the following specified  
13.11 number of performance goals:
- 13.12 (1) 100 percent if the board meets three, four,  
13.13 or five goals;
- 13.14 (2) 67 percent if two of the goals are met;
- 13.15 (3) 33 percent if one of the goals are met; and
- 13.16 (4) zero percent if none of the goals are met.
- 13.17 The performance goals are:
- 13.18 (1) increase by at least two percent in fiscal  
13.19 year 2017, compared to fiscal year 2010,  
13.20 degrees, diplomas, and certificates conferred  
13.21 and provide a report to the chairs and ranking  
13.22 minority members of the legislative  
13.23 committees with jurisdiction over higher  
13.24 education on the separate changes in the  
13.25 number of degrees, diplomas, and certificates  
13.26 conferred;
- 13.27 (2) increase by at least two percent the fiscal  
13.28 year 2017-related employment rate for 2016  
13.29 graduates, compared to the 2013 rate for 2012  
13.30 graduates;
- 13.31 (3) for fiscal year 2018, reallocate \$22,000,000  
13.32 of costs. The Board of Trustees is requested  
13.33 to redirect those funds to invest in direct

- 14.1 mission activities, stem growth in tuition and  
14.2 student fees, and to programs that benefit  
14.3 students;
- 14.4 (4) decrease by at least ten percent the fiscal  
14.5 year 2017 headcount of students enrolled in  
14.6 developmental courses compared to fiscal year  
14.7 2015 headcount of students enrolled in  
14.8 developmental courses; and
- 14.9 (5) increase by at least five percent the fiscal  
14.10 year 2017 degrees awarded to students who  
14.11 took no more than 128 credits for a  
14.12 baccalaureate degree and 68 credits for  
14.13 associate in arts, associate of science, or  
14.14 associate in fine arts degrees, as compared to  
14.15 the rate for 2013 graduates.
- 14.16 By August 1, 2017, the Board of Trustees and  
14.17 the Minnesota Office of Higher Education  
14.18 must agree on specific numerical indicators  
14.19 and definitions for each of the five goals that  
14.20 will be used to demonstrate the Minnesota  
14.21 State Colleges and Universities' attainment of  
14.22 each goal. On or before April 1, 2018, the  
14.23 Board of Trustees must report to the legislative  
14.24 committees with primary jurisdiction over  
14.25 higher education finance and policy the  
14.26 progress of the Minnesota State Colleges and  
14.27 Universities toward attaining the goals. The  
14.28 appropriation base for the next biennium shall  
14.29 include appropriations not made available  
14.30 under this subdivision for failure to meet  
14.31 performance goals. All of the appropriation  
14.32 that is not available due to failure to meet  
14.33 performance goals is appropriated to the  
14.34 commissioner of the Office of Higher  
14.35 Education for fiscal year 2019 for the purpose

15.1 of the state grant program under Minnesota  
 15.2 Statutes, section 136A.121.

15.3 Performance metrics are intended to facilitate  
 15.4 progress toward the attainment goal under  
 15.5 Minnesota Statutes, section 135A.012.

15.6 **Subd. 4. Learning Network of Minnesota** 4,115,000 4,115,000

15.7 **Sec. 4. BOARD OF REGENTS OF THE**  
 15.8 **UNIVERSITY OF MINNESOTA**

15.9 **Subdivision 1. Total Appropriation** **\$ 638,556,000 \$ 640,556,000**

15.10 Appropriations by Fund

15.11 General 636,399,000 638,399,000

15.12 Health Care Access 2,157,000 2,157,000

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

15.16 **Subd. 2. Operations and Maintenance** 567,961,000 569,961,000

15.17 This appropriation includes funding for  
 15.18 operation and maintenance of the system. Of  
 15.19 the amount appropriated in this subdivision:

15.20 \$6,800,000 in fiscal year 2018 and \$8,800,000  
 15.21 in fiscal year 2019 are for health training  
 15.22 restoration. This appropriation must be used  
 15.23 to support all of the following:

15.24 (1) faculty physicians who teach at eight  
 15.25 residency program sites, including medical  
 15.26 resident and student training programs in the  
 15.27 Department of Family Medicine;

15.28 (2) the Mobile Dental Clinic; and

15.29 (3) expansion of geriatric education and family  
 15.30 programs.

15.31 \$1,000,000 in fiscal year 2018 and \$1,000,000  
 15.32 in fiscal year 2019 are for the Minnesota

16.1 Discovery, Research, and Innovation Economy  
16.2 program. This appropriation is to advance  
16.3 research strengths to fight cancer, strengthen  
16.4 communities, improve water quality, and  
16.5 advance data.

16.6 \$300,000 in fiscal year 2018 and \$300,000 in  
16.7 fiscal year 2019 are for a program for students  
16.8 with intellectual and developmental disabilities  
16.9 under Minnesota Statutes, section 137.45.

16.10 \$750,000 in fiscal year 2018 and \$750,000 in  
16.11 fiscal year 2019 are for the University of  
16.12 Minnesota, Morris branch, to cover the costs  
16.13 of tuition waivers under Minnesota Statutes,  
16.14 section 137.16.

16.15 Five percent of the fiscal year 2019  
16.16 appropriation specified in this subdivision is  
16.17 available according to the schedule in clauses  
16.18 (1) to (5) in fiscal year 2019 when the Board  
16.19 of Regents of the University of Minnesota  
16.20 demonstrates to the commissioner of  
16.21 management and budget that the board has  
16.22 met the following specified number of  
16.23 performance goals:

16.24 (1) 100 percent if the board meets three, four,  
16.25 or five goals;

16.26 (2) 67 percent if two of the goals are met;

16.27 (3) 33 percent if one of the goals are met; and

16.28 (4) zero percent if none of the goals are met.

16.29 The performance goals are:

16.30 (1) increase by at least one percent the  
16.31 four-year, five-year, or six-year undergraduate  
16.32 graduation rates, averaged over three years,  
16.33 for students of color systemwide at the

17.1 University of Minnesota reported in fall 2018  
17.2 over fall 2016. The average rate for fall 2016  
17.3 is calculated with the graduation rates reported  
17.4 in fall 2014, 2015, and 2016;

17.5 (2) increase by at least two percent the total  
17.6 number of undergraduate STEM degrees,  
17.7 averaged over three years, conferred  
17.8 systemwide by the University of Minnesota  
17.9 reported in fiscal year 2018 over fiscal year  
17.10 2016. The averaged number for fiscal year  
17.11 2016 is calculated with the fiscal year 2014,  
17.12 2015, and 2016 numbers;

17.13 (3) increase by at least one percent the  
17.14 four-year undergraduate graduation rate at the  
17.15 University of Minnesota reported in fall 2018  
17.16 over fall 2016. The average rate for fall 2016  
17.17 is calculated with the graduation rates reported  
17.18 in fall 2014, 2015, and 2016. The averaged  
17.19 number for fiscal year 2016 is calculated with  
17.20 the fiscal year 2014, 2015, and 2016 numbers;

17.21 (4) for fiscal year 2018, reallocate \$15,000,000  
17.22 of administrative costs. The Board of Regents  
17.23 is requested to redirect those funds to invest  
17.24 in direct mission activities, stem growth in  
17.25 cost of attendance, and to programs that  
17.26 benefit students; and

17.27 (5) increase licensing disclosures by three  
17.28 percent for fiscal year 2018 over fiscal year  
17.29 2017.

17.30 By August 1, 2017, the Board of Regents and  
17.31 the Office of Higher Education must agree on  
17.32 specific numerical indicators and definitions  
17.33 for each of the five goals that will be used to  
17.34 demonstrate the University of Minnesota's

18.1 attainment of each goal. On or before April 1,  
 18.2 2018, the Board of Regents must report to the  
 18.3 legislative committees with primary  
 18.4 jurisdiction over higher education finance and  
 18.5 policy the progress of the University of  
 18.6 Minnesota toward attaining the goals. The  
 18.7 appropriation base for the next biennium shall  
 18.8 include appropriations not made available  
 18.9 under this subdivision for failure to meet  
 18.10 performance goals. All of the appropriation  
 18.11 that is not available due to failure to meet  
 18.12 performance goals is appropriated to the  
 18.13 commissioner of the Office of Higher  
 18.14 Education for fiscal year 2019 for the purpose  
 18.15 of the state grant program under Minnesota  
 18.16 Statutes, section 136A.121.

18.17 Performance metrics are intended to facilitate  
 18.18 progress toward the attainment goal under  
 18.19 Minnesota Statutes, section 135A.012.

18.20	<b><u>Subd. 3. Primary Care Education Initiatives</u></b>	<u>2,157,000</u>	<u>2,157,000</u>
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18.21 This appropriation is from the health care  
 18.22 access fund.

18.23 **Subd. 4. Special Appropriations**

18.24	<b><u>(a) Agriculture and Extension Service</u></b>	<u>42,922,000</u>	<u>42,922,000</u>
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18.25 For the Agricultural Experiment Station and  
 18.26 the Minnesota Extension Service:

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

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

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

19.14 (ii) alternative bioenergy crops and cropping  
19.15 systems; and

19.16 (iii) biofuel coproducts used for livestock feed;

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

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

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

- 20.1 (ii) fertilizer and soil fertility research and  
20.2 development;
- 20.3 (iii) soil, groundwater, and surface water  
20.4 conservation practices and contaminant  
20.5 reduction research;
- 20.6 (iv) discovering and developing plant varieties  
20.7 that use nutrients more efficiently;
- 20.8 (v) breeding and development of turf seed and  
20.9 other biomass resources in all three Minnesota  
20.10 biomes;
- 20.11 (vi) development of new disease-resistant and  
20.12 pest-resistant varieties of turf and agronomic  
20.13 crops;
- 20.14 (vii) utilizing plant and livestock cells to treat  
20.15 and cure human diseases;
- 20.16 (viii) the development of dairy coproducts;
- 20.17 (ix) a rapid agricultural response fund for  
20.18 current or emerging animal, plant, and insect  
20.19 problems affecting production or food safety;
- 20.20 (x) crop pest and animal disease research;
- 20.21 (xi) developing animal agriculture that is  
20.22 capable of sustainably feeding the world;
- 20.23 (xii) consumer food safety education and  
20.24 outreach;
- 20.25 (xiii) programs to meet the research and  
20.26 outreach needs of organic livestock and crop  
20.27 farmers; and
- 20.28 (xiv) alternative bioenergy crops and cropping  
20.29 systems; and growing, harvesting, and  
20.30 transporting biomass plant material; and
- 20.31 (5) by February 1, 2019, the Board of Regents  
20.32 must submit a report to the legislative

21.1	<u>committees and divisions with jurisdiction</u>		
21.2	<u>over agriculture and higher education finance</u>		
21.3	<u>on the status and outcomes of research and</u>		
21.4	<u>initiatives funded in this paragraph.</u>		
21.5	<b><u>(b) Health Sciences</u></b>	<u>9,204,000</u>	<u>9,204,000</u>
21.6	<u>\$346,000 each year is to support up to 12</u>		
21.7	<u>resident physicians in the St. Cloud Hospital</u>		
21.8	<u>family practice residency program. The</u>		
21.9	<u>program must prepare doctors to practice</u>		
21.10	<u>primary care medicine in rural areas of the</u>		
21.11	<u>state. The legislature intends this program to</u>		
21.12	<u>improve health care in rural communities,</u>		
21.13	<u>provide affordable access to appropriate</u>		
21.14	<u>medical care, and manage the treatment of</u>		
21.15	<u>patients in a more cost-effective manner. The</u>		
21.16	<u>remainder of this appropriation is for the rural</u>		
21.17	<u>physicians associates program; the Veterinary</u>		
21.18	<u>Diagnostic Laboratory; health sciences</u>		
21.19	<u>research; dental care; the Biomedical</u>		
21.20	<u>Engineering Center; and the collaborative</u>		
21.21	<u>partnership between the University of</u>		
21.22	<u>Minnesota and Mayo Clinic for regenerative</u>		
21.23	<u>medicine, research, clinical translation, and</u>		
21.24	<u>commercialization.</u>		
21.25	<b><u>(c) Institute of Technology</u></b>	<u>1,140,000</u>	<u>1,140,000</u>
21.26	<u>For the geological survey and the talented</u>		
21.27	<u>youth mathematics program.</u>		
21.28	<b><u>(d) System Special</u></b>	<u>7,181,000</u>	<u>7,181,000</u>
21.29	<u>For general research, the Labor Education</u>		
21.30	<u>Service, Natural Resources Research Institute,</u>		
21.31	<u>Center for Urban and Regional Affairs, Bell</u>		
21.32	<u>Museum of Natural History, and the</u>		
21.33	<u>Humphrey exhibit.</u>		

22.1 Of this amount, \$2,000,000 in fiscal year 2018  
 22.2 and \$2,000,000 in fiscal year 2019 are for the  
 22.3 Natural Resources Research Institute to invest  
 22.4 in applied research for economic development.

22.5 **(e) University of Minnesota and Mayo**  
 22.6 **Foundation Partnership**

7,991,000

7,991,000

22.7 This appropriation is for the following  
 22.8 activities:

22.9 (1) \$7,491,000 in fiscal year 2018 and  
 22.10 \$7,491,000 in fiscal year 2019 are for the  
 22.11 direct and indirect expenses of the  
 22.12 collaborative research partnership between the  
 22.13 University of Minnesota and the Mayo  
 22.14 Foundation for research in biotechnology and  
 22.15 medical genomics. An annual report on the  
 22.16 expenditure of these funds must be submitted  
 22.17 to the governor and the chairs of the legislative  
 22.18 committee responsible for higher education  
 22.19 finance by June 30 of each fiscal year.

22.20 (2) \$500,000 in fiscal year 2018 and \$500,000  
 22.21 in fiscal year 2019 are to award competitive  
 22.22 grants to conduct research into the prevention,  
 22.23 treatment, causes, and cures of Alzheimer's  
 22.24 disease and other dementias.

22.25 **Subd. 5. Academic Health Center**

22.26 The appropriation for Academic Health Center  
 22.27 funding under Minnesota Statutes, section  
 22.28 297F.10, is estimated to be \$22,250,000 each  
 22.29 year.

22.30 **Sec. 5. MAYO CLINIC**

22.31 **Subdivision 1. Total Appropriation**

**\$**

**1,351,000**

**\$**

**1,351,000**

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

23.1	<b><u>Subd. 2. Medical School</u></b>	<u>665,000</u>	<u>665,000</u>
23.2	<u>The state must pay a capitation each year for</u>		
23.3	<u>each student who is a resident of Minnesota.</u>		
23.4	<u>The appropriation may be transferred between</u>		
23.5	<u>each year of the biennium to accommodate</u>		
23.6	<u>enrollment fluctuations. It is intended that</u>		
23.7	<u>during the biennium the Mayo Clinic use the</u>		
23.8	<u>capitation money to increase the number of</u>		
23.9	<u>doctors practicing in rural areas in need of</u>		
23.10	<u>doctors.</u>		
23.11	<b><u>Subd. 3. Family Practice and Graduate</u></b>		
23.12	<b><u>Residency Program</u></b>	<u>686,000</u>	<u>686,000</u>
23.13	<u>The state must pay stipend support for up to</u>		
23.14	<u>27 residents each year.</u>		

## ARTICLE 2

### PUBLIC POSTSECONDARY EDUCATION

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

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

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

23.23 (c) The Board of Trustees of the Minnesota State Colleges and Universities may exercise  
23.24 the powers under this section for employees included in the units provided in clauses (9),  
23.25 (10), and (11) of section 179A.10, subdivision 2, except with respect to sections 43A.22 to  
23.26 43A.31, which shall continue to be the responsibility of the commissioner. The commissioner  
23.27 shall have the right to review and comment to the Minnesota State Colleges and Universities  
23.28 on the board's final proposals prior to exchange of final positions with the designated  
23.29 bargaining units as well as any requests for interest arbitration. The legislature encourages  
23.30 the Board of Trustees, in coordination with the commissioner of management and budget  
23.31 and the Board of Regents of the University of Minnesota, to endeavor in collective bargaining  
23.32 negotiations to seek fiscal balance recognizing the ability of the employer to fund the  
23.33 agreements or awards. When submitting a proposed collective bargaining agreement to the

24.1 Legislative Coordinating Commission and the legislature under section 3.855, subdivision  
24.2 2, the Board of Trustees must use procedures and assumptions consistent with those used  
24.3 by the commissioner in calculating the costs of the proposed contract. The Legislative  
24.4 Coordinating Commission must, when considering a collective bargaining agreement or  
24.5 arbitration award submitted by the Board of Trustees, evaluate market conditions affecting  
24.6 the employees in the bargaining unit, equity with other bargaining units in the executive  
24.7 branch, and the ability of the trustees and the state to fund the agreement or award.

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

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

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

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

24.16 (ii) objects of expenditure, such as salaries, benefits, supplies, and equipment;

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

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

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

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

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

25.3 (7) data on the number and proportion of students graduating within four, five, and six  
25.4 years from universities and within three years from colleges as reported in the integrated  
25.5 postsecondary education data system. These data must be provided for each institution by  
25.6 race, ethnicity, and gender. Data and information must be submitted that describe the system's  
25.7 plan and progress toward attaining the goals set forth in the plan to increase the number and  
25.8 proportion of students that graduate within four, five, or six years from a university or within  
25.9 three years from a college;

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

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

25.22 (10) data on work completed by any consultant who is not an employee of the system  
25.23 for which the system paid in excess of \$500,000 in the most recent biennium. Data must  
25.24 include the name of the consultant, the total cost incurred, a description of the work  
25.25 completed, and a description of the reasons for using an outside consultant and not internal  
25.26 staff.

25.27 (b) Data required by this subdivision shall be submitted by the public postsecondary  
25.28 systems to the Minnesota Office of Higher Education and the Department of Management  
25.29 and Budget and included in the biennial budget document. Representatives from each system,  
25.30 in consultation with the commissioner of management and budget and the commissioner  
25.31 of the Office of Higher Education, shall develop consistent reporting practices for this  
25.32 purpose.

25.33 (c) To the extent practicable, each system shall develop the ability to respond to legislative  
25.34 requests for financial analyses that are more detailed than those required by this subdivision,

26.1 including but not limited to analyses that show expenditures or revenues by institution or  
26.2 program, or in multiple categories of expenditures or revenues, and analyses that show  
26.3 revenue sources for particular types of expenditures.

26.4 Sec. 3. [135A.0432] AUTOMATIC ADMISSION.

26.5 Subdivision 1. Automatic admission. Each Minnesota public postsecondary institution  
26.6 must admit an applicant to the institution as an undergraduate student in a baccalaureate  
26.7 program if:

26.8 (1) the applicant graduated with a grade point average in the top ten percent of the  
26.9 applicant's high school graduating class;

26.10 (2) the applicant graduated from high school in one of the two years preceding the  
26.11 academic year for which the applicant is applying for admission;

26.12 (3) the applicant graduated from a public or private Minnesota high school; and

26.13 (4) the applicant was a resident of Minnesota for at least the past two years of the  
26.14 applicant's period of attendance at the Minnesota high school.

26.15 Subd. 2. Applicant qualification. (a) To qualify for admission under subdivision 1 of  
26.16 this section, the applicant must:

26.17 (1) submit an application before the expiration of the application filing deadline  
26.18 established by the institution; and

26.19 (2) provide a high school transcript or diploma that satisfies the requirements of  
26.20 subdivision 1.

26.21 (b) Admission under this section is not required if the applicant has been convicted of  
26.22 a gross misdemeanor or felony.

26.23 Subd. 3. Other admissions. A graduating student who does not qualify for automatic  
26.24 admission under subdivision 1 of this section may apply to any Minnesota public  
26.25 postsecondary institution. The institution, after admitting students under subdivision 1, may  
26.26 admit other applications for admission pursuant to the institution's standard admission  
26.27 policies.

26.28 Subd. 4. Scholarship dollars. In a given year, the average amount of scholarship dollars  
26.29 awarded by an institution to students admitted under this section must exceed the average  
26.30 amount of scholarship dollars received by nonresident students in the previous year.

27.1 Subd. 5. **University of Minnesota.** The Board of Regents of the University of Minnesota  
27.2 is requested to adopt a policy implementing this section.

27.3 Subd. 6. **Reporting requirement.** By January 15 of each year, both the Board of Trustees  
27.4 of the Minnesota State College and Universities and the Board of Regents of the University  
27.5 of Minnesota must submit a report on automatic admissions to the chairs and ranking  
27.6 minority members of the committees in the house of representatives and the senate with  
27.7 jurisdiction over higher education finance and policy. The report must describe, in summary  
27.8 form, the students admitted under subdivision 1 of this section including, but not limited  
27.9 to, information regarding:

27.10 (1) admission and matriculation;

27.11 (2) retention;

27.12 (3) academic performance;

27.13 (4) program outcomes; and

27.14 (5) demographic information including race, ethnicity, economic status, and geographic  
27.15 distribution.

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

27.18 Sec. 4. **[135A.0434] MANDATORY STUDENT ACTIVITY FEES PROHIBITED.**

27.19 Subdivision 1. **Mandatory fee prohibition.** (a) The governing board of a public  
27.20 postsecondary institution must not impose on students any mandatory fee funding  
27.21 noninstructional student programs, activities, groups, or services.

27.22 (b) This section does not prohibit mandatory fees paid by students that are directly related  
27.23 to academic, administrative, or health services.

27.24 (c) The Board of Regents of the University of Minnesota is requested to adopt a policy  
27.25 implementing this section.

27.26 Subd. 2. **Penalty.** If the Board of Regents of the University of Minnesota imposes a  
27.27 mandatory fee in violation of this section, the commissioner of management and budget  
27.28 must deduct an amount equal to the net revenue generated by that fee from the university's  
27.29 appropriation base in the first year of the next biennium.

28.1       Sec. 5. **[135A.158] INFORMATION PROVIDED TO STUDENT PARENTS AND**  
28.2 **PREGNANT STUDENTS.**

28.3       A public or regionally accredited private postsecondary educational institution must  
28.4 provide information according to this section to students who are parents of one or more  
28.5 children age 12 or younger, and to students who notify the institution that they are pregnant.  
28.6 The information must include a fact sheet on the legal rights of student parents and pregnant  
28.7 students and a list of resources to support student parents and pregnant students. The list of  
28.8 resources may include resources for prenatal care, child care, transportation, and housing.  
28.9 This information must be available in languages that reflect the primary languages of the  
28.10 institution's student body.

28.11       Sec. 6. **[136F.38] PROGRAM FOR STUDENTS WITH INTELLECTUAL AND**  
28.12 **DEVELOPMENTAL DISABILITIES.**

28.13       Subdivision 1. **Program required.** The Board of Trustees of the Minnesota State Colleges  
28.14 and Universities must offer an academic program for students with intellectual and  
28.15 developmental disabilities, consistent with subdivisions 2 to 4.

28.16       Subd. 2. **Program locations.** The program must be offered at no fewer than two college  
28.17 or university campuses. The board must choose the campuses based on:

28.18       (1) the ability to offer a robust program using existing facilities and resources; and

28.19       (2) a goal to provide the program in diverse geographic regions of the state.

28.20       Subd. 3. **Enrollment and admission.** A campus offering a program must establish an  
28.21 enrollment goal of at least 15 incoming students per academic year. The board must establish  
28.22 an application process for the program. A student who successfully completes the program  
28.23 must be awarded a certificate, diploma, or other appropriate academic credential.

28.24       Subd. 4. **Curriculum and activities.** (a) The program must provide an inclusive,  
28.25 full-time, two-year residential college experience for students with intellectual and  
28.26 developmental disabilities. The curriculum must include:

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

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

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

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

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

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

29.7 (c) A participating campus may tailor its program curriculum and activities to highlight  
29.8 academic programs, student and community life experiences, and employment opportunities  
29.9 unique to that campus or the region of the state where the campus is located.

29.10 Subd. 5. **Reporting.** By January 15 of each year, the board must submit a report on the  
29.11 program to the chairs and ranking minority members of the committees in the house of  
29.12 representatives and the senate with jurisdiction over higher education finance and policy.  
29.13 The report must include, but need not be limited to, information regarding:

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

29.15 (2) program goals and outcomes; and

29.16 (3) the success rate of participants.

29.17 **EFFECTIVE DATE.** This section is effective for the 2018-2019 academic year and  
29.18 later.

29.19 **Sec. 7. [136F.38] WORKFORCE DEVELOPMENT SCHOLARSHIPS.**

29.20 Subdivision 1. **Program established.** The board shall develop a scholarship program  
29.21 to incentivize new students to enter high-demand occupations upon graduation.

29.22 Subd. 2. **Scholarship awards.** The program shall award scholarships at the beginning  
29.23 of an academic term, in the amount of \$2,500, to be distributed evenly between two terms.

29.24 Subd. 3. **Program eligibility.** (a) Scholarships shall be awarded only to a student eligible  
29.25 for resident tuition, as defined in section 135A.043, who is enrolled in any of the following  
29.26 programs of study or certification: (1) advanced manufacturing; (2) agriculture; (3) health  
29.27 care services; or (4) information technology.

29.28 (b) The student must be enrolled for at least nine credits at a two-year college in the  
29.29 Minnesota State Colleges and Universities system.

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

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

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

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

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

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

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

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

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

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

30.22 Sec. 8. **[137.45] PROGRAM FOR STUDENTS WITH INTELLECTUAL AND**  
30.23 **DEVELOPMENTAL DISABILITIES.**

30.24 The Board of Regents of the University of Minnesota is requested to offer an academic  
30.25 program for students with intellectual and developmental disabilities, consistent with the  
30.26 requirements of section 136F.38, subdivisions 2 to 5.

30.27 **EFFECTIVE DATE.** This section is effective for the 2018-2019 academic year and  
30.28 later.

31.1 Sec. 9. **[137.47] FETAL TISSUE RESEARCH PRACTICES.**

31.2 **Subdivision 1. Institutional review board; approval of research.** An individual  
31.3 conducting research at the University of Minnesota must obtain approval from the university's  
31.4 institutional review board or stem cell oversight committee before conducting research  
31.5 using fetal tissue. The institutional review board or oversight committee must, in its approval  
31.6 process, consider whether nonhuman tissue would be sufficient for the study.

31.7 **Subd. 2. Identification of fetal tissue available due to natural death.** The dean of the  
31.8 university's medical school shall attempt to identify sources for procurement of fetal tissues  
31.9 that are available due to the natural death of the fetus and are suitable for use in academic  
31.10 research. The dean shall consider engaging an outside consultant to attempt to identify such  
31.11 sources. When appropriate sources are identified, the dean must make recommendations to  
31.12 the Board of Regents for updates to university policies and procedures to encourage use of  
31.13 these sources in all university research activities where fetal tissue is requested to be used.  
31.14 Sources that are identified shall be submitted to the Association of American Medical  
31.15 Colleges.

31.16 **Subd. 3. Legislative report.** (a) No later than January 15, 2018, the Board of Regents  
31.17 must submit a report to the legislature. The report must be submitted to the chairs and  
31.18 ranking minority members of the committees of the legislature with jurisdiction over higher  
31.19 education policy and finance and health and human services policy and finance and must  
31.20 describe:

31.21 (1) all suitable sources for procurement of fetal tissue that are identified under subdivision  
31.22 2;

31.23 (2) any recommended updates to university policies and procedures after identification  
31.24 of suitable sources under subdivision 2, and if so, whether those recommended updates  
31.25 were adopted by the Board of Regents; and

31.26 (3) a list of:

31.27 (i) all approvals made in the previous year by an institutional review board or stem cell  
31.28 oversight committee for the use of fetal tissue; and

31.29 (ii) all research continuing on fetal tissue from research that began in a previous year.

31.30 (b) The list provided under paragraph (a), clause (3), must identify, for each research  
31.31 activity, the source of funding for the research; the goal or purpose of the research; the  
31.32 source of the fetal tissue used in the research; references to any publicly available information

32.1 about the research, including but not limited to grant award information from the National  
32.2 Institutes of Health; and references to any publications resulting from the research.

32.3 Subd. 4. **Definition.** As used in this section and section 137.48, "fetal tissue" means any  
32.4 part of an unborn child or fetus, including a body part, cell, tissue, or organ.

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

32.6 Sec. 10. **[137.48] INSTITUTIONAL REVIEW BOARD OVERSIGHT ACTIVITIES.**

32.7 The Board of Regents shall:

32.8 (1) further develop and clarify existing university policies and procedures related to the  
32.9 lawful and ethical treatment of human subjects and fetal tissue in research activities, including  
32.10 enhancement of applicable penalties for violation of these policies and procedures;

32.11 (2) institute a system of frequent, random, unannounced inspections and audits of research  
32.12 activities involving fetal tissue to verify compliance with applicable federal and state laws,  
32.13 university policies and procedures, and other professional standards related to purchasing,  
32.14 handling, and disposing of fetal tissue;

32.15 (3) conduct education and outreach programs, including instituting a required  
32.16 comprehensive training program, on applicable federal and state laws, university policies  
32.17 and procedures, and other professional standards related to the respectful, humane, and  
32.18 ethical treatment of human subjects and fetal tissue in research, for all students and employees  
32.19 engaged in these activities; and

32.20 (4) establish an anonymous reporting system to receive complaints of activities that may  
32.21 violate applicable federal and state laws, university policies and procedures, and other  
32.22 professional standards in research involving human subjects and fetal tissue by the university,  
32.23 university students or employees, or any other person engaged in research activities in  
32.24 university facilities.

32.25 Sec. 11. Minnesota Statutes 2016, section 148.89, subdivision 5, is amended to read:

32.26 Subd. 5. **Practice of psychology.** "Practice of psychology" means the observation,  
32.27 description, evaluation, interpretation, or modification of human behavior by the application  
32.28 of psychological principles, methods, or procedures for any reason, including to prevent,  
32.29 eliminate, or manage symptomatic, maladaptive, or undesired behavior and to enhance  
32.30 interpersonal relationships, work, life and developmental adjustment, personal and  
32.31 organizational effectiveness, behavioral health, and mental health. The practice of psychology

33.1 includes, but is not limited to, the following services, regardless of whether the provider  
33.2 receives payment for the services:

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

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

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

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

33.13 (i) mental and emotional disorder or disability;

33.14 (ii) alcohol and substance dependence or abuse;

33.15 (iii) disorders of habit or conduct;

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

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

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

33.20 (5) psychoeducational services and treatment; and

33.21 (6) consultation and supervision.

33.22 **Sec. 12. [148.9075] LICENSURE EXEMPTIONS.**

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

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

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

34.3 Subd. 2. **Students.** Nothing in sections 148.88 to 148.98 shall prohibit the practice of  
34.4 psychology under qualified supervision by practicum psychology students, predoctoral  
34.5 psychology interns, or an individual who has earned a doctoral degree in psychology and  
34.6 is in the process of completing their postdoctoral supervised psychological employment.

34.7 **Sec. 13. UNIVERSITY OF MINNESOTA TUITION.**

34.8 (a) For the 2018-2019 and 2019-2020 academic years, the Board of Regents of the  
34.9 University of Minnesota is encouraged to continue to adopt tuition schedules for the  
34.10 University of Minnesota Twin Cities campus that:

34.11 (1) move the nonresident undergraduate tuition rate for a full-time student toward the  
34.12 median nonresident undergraduate tuition rate for public Big Ten universities;

34.13 (2) move the resident undergraduate tuition rate for a full-time student toward the median  
34.14 of resident undergraduate tuition rates for public Big Ten universities;

34.15 (3) move the nonresident graduate tuition rate in each graduate program for a full-time  
34.16 student toward the median of nonresident graduate tuition rates for public Big Ten universities  
34.17 with a similar program; and

34.18 (4) move the resident graduate tuition rate in each graduate program for a full-time  
34.19 student toward the median of resident graduate tuition rates for public Big Ten universities  
34.20 with a similar program.

34.21 (b) For purposes of this section, "public Big Ten university" means the flagship campus  
34.22 for public universities that are members of the Big Ten Conference.

34.23 **Sec. 14. UNIVERSITY OF MINNESOTA FETAL TISSUE RESEARCH;**  
34.24 **LEGISLATIVE AUDITOR REVIEW.**

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

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

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

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

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

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

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

35.15 **EFFECTIVE DATE.** This section is effective the day following final enactment. The  
 35.16 legislative auditor is requested to complete the review no later than 60 days following final  
 35.17 enactment.

### ARTICLE 3

#### OFFICE OF HIGHER EDUCATION

35.18  
 35.19  
 35.20 Section 1. **[136A.055] DEVELOPMENTAL EDUCATION REPORTING.**

35.21 (a) The commissioner must report on the department's Web site the following summary  
 35.22 data on students who graduated from a Minnesota high school and are attending a public  
 35.23 postsecondary institution in Minnesota:

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

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

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

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

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

36.1 (c) The commissioner must post the initial data on the department's Web site on or before  
36.2 October 1, 2017, and must update the data at least annually thereafter.

36.3 Sec. 2. Minnesota Statutes 2016, section 136A.101, subdivision 5a, is amended to read:

36.4 Subd. 5a. **Assigned family responsibility.** "Assigned family responsibility" means the  
36.5 amount of a family's contribution to a student's cost of attendance, as determined by a federal  
36.6 need analysis. For dependent students, the assigned family responsibility is ~~94~~ 85 percent  
36.7 of the parental contribution. For independent students with dependents other than a spouse,  
36.8 the assigned family responsibility is ~~86~~ 77 percent of the student contribution. For  
36.9 independent students without dependents other than a spouse, the assigned family  
36.10 responsibility is ~~50~~ 41 percent of the student contribution.

36.11 Sec. 3. **[136A.1215] GRANTS FOR STUDENTS WITH INTELLECTUAL AND**  
36.12 **DEVELOPMENTAL DISABILITIES.**

36.13 Subdivision 1. **Establishment.** A program is established to provide financial assistance  
36.14 to students with intellectual and developmental disabilities that attend a Minnesota  
36.15 postsecondary institution.

36.16 Subd. 2. **Eligible students.** A postsecondary student is eligible for a grant under this  
36.17 section if the student:

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

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

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

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

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

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

36.28 (2) any institutional aid the student receives.

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

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

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

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

37.7 (3) summary demographic data on award recipients.

37.8 Sec. 4. Minnesota Statutes 2016, section 136A.125, subdivision 2, is amended to read:

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

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

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

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

37.18 (4) either has not earned a baccalaureate degree and has been enrolled full time less than  
37.19 ~~eight~~ ten semesters or the equivalent, or has earned a baccalaureate degree and has been  
37.20 enrolled full time less than ~~eight~~ ten semesters or the equivalent in a graduate or professional  
37.21 degree program;

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

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

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

37.27 (b) A student who withdraws from enrollment for active military service after December  
37.28 31, 2002, because the student was ordered to active military service as defined in section  
37.29 190.05, subdivision 5b or 5c, or for a major illness, while under the care of a medical  
37.30 professional, that substantially limits the student's ability to complete the term is entitled to

38.1 an additional semester or the equivalent of grant eligibility and will be considered to be in  
38.2 continuing enrollment status upon return.

38.3 Sec. 5. Minnesota Statutes 2016, section 136A.125, subdivision 4, is amended to read:

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

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

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

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

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

38.17 (c) Applicants with family incomes at or below a percentage of the federal poverty level,  
38.18 as determined by the commissioner, will qualify for the maximum award. The commissioner  
38.19 shall attempt to set the percentage at a level estimated to fully expend the available  
38.20 appropriation for child care grants. Applicants with family incomes exceeding that threshold  
38.21 will receive the maximum award minus ten percent of their income exceeding that threshold.  
38.22 If the result is less than zero, the grant is zero.

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

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

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

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

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

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

39.4 **Sec. 6. [136A.1265] TEACHER CANDIDATES OF COLOR SCHOLARSHIPS.**

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

39.7 (b) "Full-time study" means:

39.8 (1) for an undergraduate student, enrollment in at least 15 credits or the equivalent; and

39.9 (2) for a graduate student, enrollment in a number of credits that the student's institution  
39.10 deems to be full time.

39.11 (c) "Part-time study" means enrollment in fewer credits than are required to qualify as  
39.12 full time under paragraph (b).

39.13 (d) "Underrepresented racial or ethnic group" means a racial or ethnic group for which  
39.14 the commissioner of education has determined that the percentage of Minnesota teachers  
39.15 of the group, as measured under section 127A.05, subdivision 6, is lower than the percentage  
39.16 of Minnesota students of the group as measured under section 120B.35, subdivision 3.

39.17 **Subd. 2. Establishment.** A scholarship program for teacher candidates of color is  
39.18 established to provide scholarships to qualified candidates with financial needs.

39.19 **Subd. 3. Eligibility.** A person may apply for a scholarship if the person:

39.20 (1) has been admitted to a teacher preparation program approved by the Board of Teaching  
39.21 at an eligible institution located in Minnesota;

39.22 (2) self-identifies to the teacher preparation program as a member of an underrepresented  
39.23 racial or ethnic group;

39.24 (3) is making satisfactory academic progress;

39.25 (4) is a resident student; and

39.26 (5) has a family adjusted gross income of \$125,000 or less.

39.27 **Subd. 4. Amount.** (a) The commissioner must establish scholarship amounts based upon  
39.28 the financial need of eligible students. The commissioner must set scholarship amounts at  
39.29 a level estimated to fully expend appropriations available for the program. Established  
39.30 amounts are not rulemaking for purposes of chapter 14 or section 14.386.

40.1 (b) A scholarship under this section must not exceed:

40.2 (1) \$10,000 per year; or

40.3 (2) a student's cost of attendance minus the student's expected family contribution, as  
40.4 determined by the federal need analysis.

40.5 (c) The minimum scholarship under this section is \$1,000 per year.

40.6 (d) The amounts determined under paragraphs (a), (b), and (c) are for full-time study.  
40.7 The amounts must be reduced and prorated per credit for part-time study.

40.8 (e) The maximum total amount of scholarships from this scholarship per candidate is  
40.9 \$25,000.

40.10 Subd. 5. **Application.** To apply for a scholarship, an eligible institution must submit an  
40.11 application to the commissioner on behalf of an eligible student. The application must be  
40.12 made in a form and manner specified by the commissioner, and must include a candidate's  
40.13 name, self-identified racial and ethnic identity, gender, licensure area sought, and full-time  
40.14 or part-time status.

40.15 Subd. 6. **Distribution.** The commissioner must distribute scholarship funds to eligible  
40.16 institutions on behalf of scholarship recipients. Institutions must distribute funds directly  
40.17 to students.

40.18 Sec. 7. **[136A.1705] STUDENT LOAN DEBT COUNSELING.**

40.19 Subdivision 1. **Grant.** A program is established under the Office of Higher Education  
40.20 to provide a grant to a Minnesota-based nonprofit qualified debt counseling organization  
40.21 to provide individual student loan debt repayment counseling to borrowers who are Minnesota  
40.22 residents concerning loans obtained to attend a postsecondary institution. The number of  
40.23 individuals receiving counseling may be limited to those capable of being served with  
40.24 available appropriations for that purpose. A goal of the counseling program is to provide  
40.25 two counseling sessions to at least 75 percent of borrowers receiving counseling.

40.26 The purpose of the counseling is to assist borrowers to:

40.27 (1) understand their loan and repayment options;

40.28 (2) manage loan repayment; and

40.29 (3) develop a workable budget based on the borrower's full financial situation regarding  
40.30 income, expenses, and other debt.

41.1 Subd. 2. **Qualified debt counseling organization.** A qualified debt counseling  
41.2 organization is an organization that:

41.3 (1) has experience in providing individualized student loan counseling;

41.4 (2) employs certified financial loan counselors; and

41.5 (3) is based in Minnesota and has offices at multiple rural and metropolitan area locations  
41.6 in the state to provide in-person counseling.

41.7 Subd. 3. **Grant application and award.** (a) Applications for a grant shall be on a form  
41.8 created by the commissioner and on a schedule set by the commissioner. Among other  
41.9 provisions, the application must include a description of:

41.10 (1) the characteristics of borrowers to be served;

41.11 (2) the services to be provided and a timeline for implementation of the services;

41.12 (3) how the services provided will help borrowers manage loan repayment;

41.13 (4) specific program outcome goals and performance measures for each goal; and

41.14 (5) how the services will be evaluated to determine whether the program goals were  
41.15 met.

41.16 (b) The commissioner shall select one grant recipient for a two-year award every two  
41.17 years. A grant may be renewed biennially.

41.18 Subd. 4. **Program evaluation.** (a) The grant recipient must submit a report to the  
41.19 commissioner by January 15 of the second year of the grant award. The report must evaluate  
41.20 and measure the extent to which program outcome goals have been met.

41.21 (b) The grant recipient must collect, analyze, and report on participation and outcome  
41.22 data that enable the office to verify the outcomes.

41.23 (c) The evaluation must include information on the number of borrowers served with  
41.24 on-time student loan payments, the numbers who brought their loans into good standing,  
41.25 the number of student loan defaults, the number who developed a monthly budget plan, and  
41.26 other information required by the commissioner. Recipients of the counseling must be  
41.27 surveyed on their opinions about the usefulness of the counseling and the survey results  
41.28 must be included in the report.

41.29 Subd. 5. **Report to legislature.** By February 1 of the second year of each grant award,  
41.30 the commissioner must submit a report to the committees in the legislature with jurisdiction  
41.31 over higher education finance regarding grant program outcomes.

42.1 Sec. 8. **[136A.1788] GREATER MINNESOTA LOAN FORGIVENESS PROGRAM.**

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

42.4 (b) "Greater Minnesota" means the geographic areas in Minnesota located outside of  
42.5 the metropolitan area as defined in section 473.121, subdivision 2.

42.6 (c) "Debt-to-income ratio" means an applicant's monthly student loan payment obligation  
42.7 under a ten-year standard repayment plan, divided by the applicant's monthly gross income.

42.8 (d) "Qualifying educational institution" means an institution of higher education that  
42.9 had in effect at the time of an applicant's attendance a program participation agreement  
42.10 under United States Code, title 20, chapter 28, subchapter IV, part F, section 1094.

42.11 (e) "Qualifying position" means a position as an employee, as defined in section 181.723,  
42.12 subdivision 3, for which the primary work site is located in greater Minnesota.

42.13 (f) "Qualifying student loan" means a government, commercial, or foundation loan for  
42.14 actual costs paid for tuition and reasonable educational and living expenses related to  
42.15 attending a qualifying educational institution.

42.16 (g) "Working full time" means working an average of at least 30 hours per week.

42.17 Subd. 2. Program established. (a) The commissioner must establish a greater Minnesota  
42.18 loan forgiveness program for individuals who work in a qualifying position.

42.19 (b) Appropriations to the program do not cancel and are available until expended.

42.20 Subd. 3. Eligibility. (a) To be eligible to receive loan forgiveness under this section, an  
42.21 applicant must:

42.22 (1) be a Minnesota resident;

42.23 (2) have a qualifying student loan balance;

42.24 (3) have earned a degree, diploma, or certificate from a qualifying educational institution;

42.25 (4) have worked full time for a 12-month period in one or more qualifying positions;

42.26 and

42.27 (5) have a debt-to-income ratio of at least 0.10.

42.28 (b) An eligible applicant may receive one loan forgiveness award of the amount specified  
42.29 in this section for each 12-month period that the applicant works for a qualifying employer.  
42.30 An individual may receive a loan forgiveness award under this section no more than five  
42.31 times.

43.1 Subd. 4. **Application.** (a) To be considered for a loan forgiveness award, an applicant  
43.2 must apply in a form and manner specified by the commissioner.

43.3 (b) An applicant must reapply to the commissioner each year that the applicant wishes  
43.4 to receive an award. The application must include proof that the participant has worked full  
43.5 time for a 12-month period for one or more qualifying employers.

43.6 Subd. 5. **Prioritization of applicants.** If appropriations for the program under this  
43.7 section are insufficient to provide a loan forgiveness award to each eligible applicant, the  
43.8 commissioner must preferentially award loan forgiveness to applicants:

43.9 (1) with a qualifying student loan balance of at least \$5,000; and

43.10 (2) working in occupations that do not qualify for other state or federal loan forgiveness  
43.11 programs that are limited to particular occupations.

43.12 Subd. 6. **Amount of forgiveness.** (a) The commissioner must provide a loan forgiveness  
43.13 award to an eligible applicant on a funds available basis, as provided in this section.

43.14 (b) For each year of qualifying full-time work a participant completes, the participant  
43.15 is eligible for a loan forgiveness award equal to the lesser of:

43.16 (1) \$3,000;

43.17 (2) ten percent of the remaining balance of a participant's qualifying student loans the  
43.18 first year a participant received an award under this section; or

43.19 (3) the remaining balance of a participant's qualifying student loans.

43.20 Subd. 7. **Disbursement.** The commissioner must disburse an award under this section  
43.21 directly to the participant's student loan servicer or servicers.

43.22 Subd. 8. **Fund established.** A greater Minnesota loan forgiveness fund is created for  
43.23 depositing money appropriated to or received by the commissioner for the program. Money  
43.24 deposited in the fund shall not revert to any state fund at the end of any fiscal year but  
43.25 remains in the fund and is continuously available for loan forgiveness under this section.

43.26 Subd. 9. **Reporting.** By February 1 of each year, the commissioner must annually report  
43.27 to the legislative committees with jurisdiction over higher education and economic  
43.28 development on the results of the program in the previous year. At a minimum, the report  
43.29 must include data on:

43.30 (1) the number of applicants;

43.31 (2) the highest degree obtained by applicants;

- 44.1 (3) the industries in which applicants worked;
- 44.2 (4) the counties in which applicants worked and resided;
- 44.3 (5) the average student loan balance of applicants;
- 44.4 (6) the mean and median loan forgiveness award;
- 44.5 (7) the total amount of debt forgiven under the program;
- 44.6 (8) the mean and median income of applicants;
- 44.7 (9) the mean debt-to-income ratio of applicants; and
- 44.8 (10) the number of greater Minnesota loan forgiveness awards that award recipients
- 44.9 received previously.

44.10 **Sec. 9. [136A.1789] AVIATION DEGREE LOAN FORGIVENESS PROGRAM.**

44.11 Subdivision 1. **Definitions.** (a) For purposes of this section, the terms in this subdivision

44.12 have the meanings given them.

44.13 (b) "Qualified aircraft technician" means an individual who (1) has earned an associate's

44.14 or bachelor's degree from a postsecondary institution located in Minnesota, and (2) has

44.15 obtained an aviation mechanic's certificate from the Federal Aviation Administration.

44.16 (c) "Qualified education loan" means a government, commercial, or foundation loan

44.17 used by an individual for actual costs paid for tuition to a postsecondary institution located

44.18 in Minnesota for a professional flight training degree.

44.19 (d) "Qualified pilot" means an individual who (1) has earned an associate's or bachelor's

44.20 degree in professional flight training from a postsecondary institution located in Minnesota,

44.21 and (2) is in the process of obtaining or has obtained an airline transport pilot certificate.

44.22 Subd. 2. **Creation of account.** (a) An aviation degree loan forgiveness program account

44.23 is established to provide qualified pilots and qualified aircraft technicians with financial

44.24 assistance in repaying qualified education loans. The commissioner must use money from

44.25 the account to establish and administer the aviation degree loan forgiveness program.

44.26 (b) Appropriations made to the aviation degree loan forgiveness program account do

44.27 not cancel and are available until expended.

44.28 Subd. 3. **Eligibility.** (a) To be eligible to participate in the loan forgiveness program

44.29 under this section, an individual must:

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

45.1 (2) have qualified education loans;

45.2 (3) reside in Minnesota; and

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

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

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

45.13 (b) If a participant does not fulfill the required service obligation, the commissioner  
45.14 must collect from the participant the total amount paid to the participant under the loan  
45.15 forgiveness program plus interest at a rate established according to section 270C.40. The  
45.16 commissioner must deposit the money collected in the aviation degree loan forgiveness  
45.17 account. The commissioner must allow waivers of all or part of the money owed the  
45.18 commissioner as a result of a nonfulfillment penalty if emergency circumstances prevented  
45.19 fulfillment of the minimum service commitment.

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

45.24 (b) For each year that the participant meets the eligibility requirements under subdivision  
45.25 3, the commissioner must make annual disbursements directly to:

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

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

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

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

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

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

46.13 Sec. 10. **[136A.1794] AGRICULTURAL EDUCATION LOAN FORGIVENESS**  
46.14 **PROGRAM.**

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

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

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

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

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

46.26 (d) "School" means the following:

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

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

46.29 (3) a charter school; or

46.30 (4) a private school.

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

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

47.7 (1) be a qualified teacher;

47.8 (2) have qualified education loans; and

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

47.11 (b) An applicant selected to participate must sign a contract to agree to serve a minimum  
47.12 one-year full-time service obligation according to subdivision 4. To complete the service  
47.13 obligation, the applicant must work full time in Minnesota as a qualified teacher. A participant  
47.14 must complete one year of service under this paragraph for each year the participant receives  
47.15 an award under this section.

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

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

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

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

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

48.5 Sec. 11. Minnesota Statutes 2016, section 136A.653, is amended by adding a subdivision  
48.6 to read:

48.7 Subd. 5. **Regionally accredited nonprofit institutions in Minnesota.** (a) A regionally  
48.8 accredited nonprofit postsecondary institution with its primary physical location in Minnesota  
48.9 is exempt from the provisions of sections 136A.61 to 136A.71 when it creates new or  
48.10 modifies existing:

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

48.13 (2) nondegree programs within approved degrees;

48.14 (3) underlying curriculum or courses;

48.15 (4) modes of delivery;

48.16 (5) locations; and

48.17 (6) fees related to clauses (1) to (5).

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

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

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

48.24 Sec. 12. Minnesota Statutes 2016, section 136A.685, is amended to read:

48.25 **136A.685 PRIVATE INSTITUTIONS; ADJUDICATION OF FRAUD OR**  
48.26 **MISREPRESENTATION.**

48.27 The office ~~shall not provide~~ may revoke, or deny an application for, registration or degree  
48.28 or name approval to a school if there has been a criminal, civil, or administrative adjudication  
48.29 of fraud or misrepresentation in Minnesota or in another state or jurisdiction against the  
48.30 school or its owner, officers, agents, or sponsoring organization. If the adjudication was

49.1 related to a particular academic program, the office may revoke degree approval, or deny  
 49.2 an application for degree approval, for that program only.

49.3 The adjudication of fraud or misrepresentation is sufficient cause for the office to  
 49.4 determine that a school:

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

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

49.8 Sec. 13. Minnesota Statutes 2016, section 136A.902, subdivision 1, is amended to read:

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

49.11 (1) one member representing the University of Minnesota Medical School;

49.12 (2) one member representing the Mayo Medical School;

49.13 (3) one member representing the Courage Kenny Rehabilitation Center;

49.14 (4) one member representing Hennepin County Medical Center;

49.15 (5) one member who is a neurosurgeon;

49.16 (6) one member who has a spinal cord injury;

49.17 (7) one member who is a family member of a person with a spinal cord injury;

49.18 (8) one member who has a traumatic brain injury;

49.19 (9) one member who is a veteran who has a spinal cord injury ~~or a traumatic brain injury~~;

49.20 (10) one member who is a veteran who has a traumatic brain injury;

49.21 (11) one member who is a family member of a person with a traumatic brain injury;

49.22 ~~(11)~~ (12) one member who is a physician specializing in the treatment of spinal cord  
 49.23 injury ~~representing Gillette Children's Specialty Healthcare~~; and

49.24 ~~(12)~~ (13) one member who is a physician specializing in the treatment of traumatic brain  
 49.25 injury; and

49.26 (14) one member representing Gillette Children's Specialty Healthcare.

50.1 Sec. 14. STATE GRANT REPORT.

50.2 (a) The commissioner of higher education must report to the legislature the estimated  
 50.3 amount of funding necessary for the state grant program to fully meet the financial aid needs  
 50.4 of lower- and middle-income Minnesota college students based on the program's shared  
 50.5 responsibility design. The report must include an estimate of:

50.6 (1) the amount a student should be expected to contribute toward the cost of education  
 50.7 through borrowing and employment;

50.8 (2) the amount a student's family should be expected to contribute toward the cost of  
 50.9 education, based on the family's financial circumstances;

50.10 (3) the actual living and miscellaneous expenses of a student, including room, board,  
 50.11 transportation, and the cost of textbooks; and

50.12 (4) equitable tuition maximums for public and nonprofit institutions that reflect both  
 50.13 tuition charged and the subsidy provided to all students at public institutions received through  
 50.14 direct appropriations.

50.15 (b) The commissioner must submit the report to the higher education committees of the  
 50.16 legislature by October 15, 2017.

50.17 **ARTICLE 4**50.18 **OFFICE OF HIGHER EDUCATION AGENCY POLICY**

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

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

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

50.25 **136A.103 INSTITUTION ELIGIBILITY REQUIREMENTS.**

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

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

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

51.1 (b) A private institution must:

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

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

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

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

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

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

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

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

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

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

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

51.31 (c) The commissioner must make annual disbursements directly to the participant of  
51.32 \$15,000 or the balance of the participant's qualifying educational loans, whichever is less,

52.1 for each year that a participant meets the service obligation required under subdivision 3,  
52.2 paragraph (b), up to a maximum of five years.

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

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

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

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

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

52.16 **136A.646 ADDITIONAL SECURITY.**

52.17 (a) ~~In the event~~ New schools that have been granted conditional approval for degrees or  
52.18 names to allow them the opportunity to apply for and receive accreditation under section  
52.19 136A.65, subdivision 7, or any registered institution that is notified by the United States  
52.20 Department of Education that it has fallen below minimum financial standards and that its  
52.21 continued participation in Title IV will be conditioned upon its satisfying either the Zone  
52.22 Alternative, Code of Federal Regulations, title 34, section 668.175, paragraph (f), or a Letter  
52.23 of Credit Alternative, Code of Federal Regulations, title 34, section 668.175, paragraph (c),  
52.24 ~~the institution shall provide a surety bond conditioned upon the faithful performance of all~~  
52.25 ~~contracts and agreements with students~~ in a sum equal to the "letter of credit" required by  
52.26 the United States Department of Education in the Letter of Credit Alternative, but in no  
52.27 event shall such bond be less than \$10,000 nor more than \$250,000.

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

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

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

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

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

53.6 (d) In the event of a school closure, the additional security must first be used to destroy  
 53.7 any private educational data under section 13.32 left at a physical campus in Minnesota  
 53.8 after all other governmental agencies have recovered or retrieved records under their record  
 53.9 retention policies. Any remaining funds must then be used to reimburse tuition and fee costs  
 53.10 to students that were enrolled at the time of the closure or had withdrawn in the previous  
 53.11 120 calendar days but did not graduate. Priority for refunds will be given to students in the  
 53.12 following order:

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

53.14 (2) private student loans; and

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

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

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

53.28 (b) A school must not be authorized to offer any degree unless the program has  
 53.29 programmatic accreditation or the school has institutional accreditation by an agency  
 53.30 recognized by the United States Department of Education for purposes of eligibility to  
 53.31 participate in Title IV federal financial aid programs. Any program offered by a registered  
 53.32 school that does not have institutional accreditation and is undergoing programmatic  
 53.33 accreditation shall inform the office of site visits by the accrediting agency and provide

54.1 office staff the opportunity to attend the visits, excluding any exit interviews. The school  
54.2 must provide the office with a copy of the final report by the accreditor upon request of the  
54.3 office.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

55.13 (iii) proposed implementation date of the degree;

55.14 (iv) admissions requirements for the degree;

55.15 (v) length of the degree;

55.16 (vi) projected enrollment for a period of five years;

55.17 (vii) the curriculum required for the degree, including course syllabi or outlines;

55.18 (viii) statement of academic and administrative mechanisms planned for monitoring the  
55.19 quality of the proposed degree;

55.20 (ix) statement of satisfaction of professional licensure criteria, if applicable;

55.21 (x) documentation of the availability of clinical, internship, externship, or practicum  
55.22 sites, if applicable; and

55.23 (xi) statement of how the degree fulfills the institution's mission and goals, complements  
55.24 existing degrees, and contributes to the school's viability.

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

55.26 Subd. 7. **Conditional approval.** (a) The office may grant a school a one-year conditional  
55.27 approval for a degree or use of a term in its name for a period of less than one year if doing  
55.28 so would be in the best interests of currently enrolled students or prospective students.

55.29 Conditional approval of a degree or use of a term under this paragraph must not exceed a  
55.30 period of three years.

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

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

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

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

56.20 **136A.653 EXEMPTIONS.**

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

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

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

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

57.11 Subd. 3a. **Tuition-free educational courses.** A school, including a school using an  
57.12 online platform service, offering training, courses, or programs is exempt from sections  
57.13 136A.61 to 136A.71, to the extent ~~it offers tuition-free courses to students in Minnesota. A~~  
57.14 ~~course will be considered tuition-free if the school charges no tuition and the required fees~~  
57.15 ~~and other required charges paid by the student for the course~~ tuition, fees, and any other  
57.16 charges for a student to participate do not exceed two percent of the most recent average  
57.17 undergraduate tuition and required fees as of January 1 of the current year charged for  
57.18 full-time students at all degree-granting institutions as published annually by the United  
57.19 States Department of Education as of January 1 of each year. To qualify for an exemption,  
57.20 a school or online platform service must prominently display a notice comparable to the  
57.21 following: "IMPORTANT: Each educational institution makes its own decision regarding  
57.22 whether to accept completed coursework for credit. Check with your university or college."

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

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

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

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

58.2 **136A.67 REGISTRATION REPRESENTATIONS.**

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

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

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

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

58.26 Subd. 3. Investigation. The office shall initiate an investigation upon receipt of a  
58.27 complaint within the authority of subdivision 2. A school involved in an investigation shall  
58.28 be informed of the alleged violations and the processes of the investigation. A school  
58.29 involved in an investigation shall respond to the alleged violations and provide requested  
58.30 documentation to the office. Upon completing an investigation, the office shall inform the  
58.31 school and the student of the investigation outcome.

58.32 Subd. 4. Penalties. If violations are found, the office may require remedial action by  
58.33 the school or assign a penalty under section 136A.705. Remedial action may include student

59.1 notification of violations, adjustments to the school's policies and procedures, and tuition  
59.2 or fee refunds to impacted students.

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

59.4 **136A.68 RECORDS.**

59.5 A registered school shall maintain a permanent record for each student for 50 years from  
59.6 the last date of the student's attendance. A registered school offering distance instruction to  
59.7 a student located in Minnesota shall maintain a permanent record for each Minnesota student  
59.8 for 50 years from the last date of the student's attendance. Records include a student's  
59.9 academic transcript, documents, and files containing student data about academic credits  
59.10 earned, courses completed, grades awarded, degrees awarded, and periods of attendance.  
59.11 To preserve permanent records, a school shall submit a plan that meets the following  
59.12 requirements:

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

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

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

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

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

59.28 Subd. 13. **Compliance audit.** "Compliance audit" means an audit of a school's compliance  
59.29 with federal requirements related to its participation in federal Title IV student aid programs  
59.30 or other federal grant programs performed under either Uniform Grant Guidance, including  
59.31 predecessor Federal Circular A-133, or the United States Department of Education's audit

60.1 guide, Audits of Federal Student Financial Assistance Programs at Participating Institutions  
60.2 and Institution Servicers.

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

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

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

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

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

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

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

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

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

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

- 61.1 (1) the title or name of the private career school, ownership and controlling officers,  
61.2 members, managing employees, and director;
- 61.3 (2) the specific programs which will be offered and the specific purposes of the  
61.4 instruction;
- 61.5 (3) the place or places where the instruction will be given;
- 61.6 (4) a listing of the equipment available for instruction in each program;
- 61.7 (5) the maximum enrollment to be accommodated with equipment available in each  
61.8 specified program;
- 61.9 (6) the qualifications of instructors and supervisors in each specified program;
- 61.10 (7) financial documents related to the entity's and higher-level entity's most recently  
61.11 completed fiscal year:
- 61.12 (i) annual gross revenues from all sources;
- 61.13 (ii) financial statements subjected to a review level engagement or, if requested by the  
61.14 office, audited financial statements;
- 61.15 (iii) a school's most recent compliance audit, if applicable; and
- 61.16 (iv) a current balance sheet, income statement, and adequate supporting documentation,  
61.17 prepared and certified by an independent public accountant or CPA;
- 61.18 (8) copies of all media advertising and promotional literature and brochures or electronic  
61.19 display currently used or reasonably expected to be used by the private career school;
- 61.20 (9) copies of all Minnesota enrollment agreement forms and contract forms and all  
61.21 enrollment agreement forms and contract forms used in Minnesota; and
- 61.22 (10) gross income earned in the preceding year from student tuition, fees, and other  
61.23 required institutional charges, ~~unless the private career school files with the office a surety~~  
61.24 ~~bond equal to at least \$250,000 as described in subdivision 6.~~

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

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

62.1 (b)(1) The amount of the surety bond shall be ten percent of the preceding year's ~~gross~~  
62.2 net income from student tuition, fees, and other required institutional charges collected, but  
62.3 in no event less than \$10,000 ~~nor greater than \$250,000~~, except that a private career school  
62.4 may deposit a greater amount at its own discretion. A private career school in each annual  
62.5 application for licensure must compute the amount of the surety bond and verify that the  
62.6 amount of the surety bond complies with this subdivision, ~~unless the private career school~~  
62.7 ~~maintains a surety bond equal to at least \$250,000~~. A private career school that operates at  
62.8 two or more locations may combine ~~gross~~ net income from student tuition, fees, and other  
62.9 required institutional charges collected for all locations for the purpose of determining the  
62.10 annual surety bond requirement. The ~~gross~~ net tuition and fees used to determine the amount  
62.11 of the surety bond required for a private career school having a license for the sole purpose  
62.12 of recruiting students in Minnesota shall be only that paid to the private career school by  
62.13 the students recruited from Minnesota.

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

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

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

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

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

63.2 Subd. 12. **Permanent records.** A private career school licensed under sections 136A.82  
63.3 to 136A.834 and located in Minnesota shall maintain a permanent record for each student  
63.4 for 50 years from the last date of the student's attendance. A private career school licensed  
63.5 under this chapter and offering distance instruction to a student located in Minnesota shall  
63.6 maintain a permanent record for each Minnesota student for 50 years from the last date of  
63.7 the student's attendance. Records include school transcripts, documents, and files containing  
63.8 student data about academic credits earned, courses completed, grades awarded, degrees  
63.9 awarded, and periods of attendance. To preserve permanent records, a private career school  
63.10 shall submit a plan that meets the following requirements:

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

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

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

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

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

63.23 Subd. 13. **Private career schools licensed by another state agency or board.** A private  
63.24 career school required to obtain a private career school license due to the use of "academy,"  
63.25 "institute," "college," or "university" in its name or licensed for the purpose of participating  
63.26 in state financial aid under chapter 136A, and which is also licensed by another state agency  
63.27 or board shall be required to satisfy only the requirements of subdivisions 4, clauses (1),  
63.28 (2), (3), (5), (7), (8), and (10); 5; 6, paragraph (b), clause (2); 8, clauses (1), (4), (7), (8),  
63.29 and (9); 9; 10, ~~clause (13)~~; and 12. If a school is licensed to participate in state financial aid  
63.30 under this chapter, the school must follow the refund policy in section 136A.827, even if  
63.31 that section conflicts with the refund policy of the licensing agency or board. A distance  
63.32 education private career school located in another state, or a school licensed to recruit  
63.33 Minnesota residents for attendance at a school outside of this state, or a school licensed by

64.1 another state agency as its primary licensing body, may continue to use the school's name  
64.2 as permitted by its home state or its primary licensing body.

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

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

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

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

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

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

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

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

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

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

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

64.27 (b) When a student has been accepted by the private career school and has entered into  
64.28 a contractual agreement with the private career school and gives ~~written~~ notice of cancellation  
64.29 following the fifth business day after the date of execution of contract, but before the start  
64.30 of the program in the case of resident private career schools, or before the first lesson has  
64.31 been serviced by the private career school in the case of distance education private career

65.1 schools, all tuition, fees and other charges, except 15 percent of the total cost of the program  
65.2 but not to exceed \$50, shall be refunded to the student.

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

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

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

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

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

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

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

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

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

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

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

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

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

66.6 (f) A school shall not use endorsements, commendations, or recommendations by a  
66.7 student in favor of a school except with the consent of the student and without any offer of  
66.8 financial or other material compensation. Endorsements may be used only when they portray  
66.9 current conditions.

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

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

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

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

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

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

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

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

67.5 Subd. 2. Complaint. A complaint must be in writing, be signed by a student, and state  
67.6 how the school's policies and procedures or sections 136A.822 to 136A.834 were violated.  
67.7 Student complaints shall be limited to complaints that occurred within six years from the  
67.8 date the concern should have been discovered with reasonable effort and after the student  
67.9 has utilized the school's internal complaint process. Students do not have to utilize a school's  
67.10 internal complaint process before the office has authority when the student is alleging fraud  
67.11 or misrepresentation. The office shall not investigate grade disputes, student conduct  
67.12 proceedings, disability accommodation requests, and discrimination claims, including Title  
67.13 IX complaints.

67.14 Subd. 3. Investigation. The office shall initiate an investigation upon receipt of a  
67.15 complaint within the authority of subdivision 2. A school involved in an investigation shall  
67.16 be informed of the alleged violations and the processes of the investigation. A school  
67.17 involved in an investigation shall respond to the alleged violations and provide requested  
67.18 documentation to the office. Upon completion of an investigation, the office shall inform  
67.19 the school and the student of the investigation outcome.

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

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

67.25 **136A.83 INSPECTION.**

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

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

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

68.7 **136A.833 EXEMPTIONS.**

68.8 Subdivision 1. Application for exemptions. A school that seeks an exemption from the  
68.9 provisions of sections 136A.822 to 136A.834 must apply to the office to establish that the  
68.10 school meets the requirements of an exemption. An exemption expires two years from the  
68.11 date of approval or when a school adds a new program or makes a modification equal to or  
68.12 greater than 25 percent to an existing educational program. If a school is reapplying for an  
68.13 exemption, the application must be submitted to the office 90 days before the current  
68.14 exemption expires.

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

68.17 (1) public postsecondary institutions;

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

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

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

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

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

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

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

69.1 (9) private career schools engaged exclusively in the teaching of purely avocational,  
69.2 recreational, or remedial subjects as determined by the office except private career schools  
69.3 required to obtain a private career school license due to the use of "academy," "institute,"  
69.4 "college," or "university" in their names unless the private career school used "academy"  
69.5 or "institute" in its name prior to August 1, 2008;

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

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

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

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

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

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

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

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

70.1 (18) private career schools providing exclusively training, instructional programs, or  
70.2 courses where tuition, fees, and any other charges for a student to participate do not exceed  
70.3 \$100.

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

70.6 Subd. 5. **Application.** A school that seeks an exemption from the provisions of sections  
70.7 136A.82 to 136A.834 must apply to the office to establish that the school meets the  
70.8 requirements of an exemption. An exemption expires two years from the date of approval  
70.9 or when a school adds a new program or makes a modification equal to or greater than 25  
70.10 percent to an existing educational program. If a school is reapplying for an exemption, the  
70.11 application must be submitted to the office 90 days before the current exemption expires.

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

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

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

APPENDIX  
Article locations in UES2214-2

ARTICLE 1	HIGHER EDUCATION APPROPRIATIONS .....	Page.Ln 1.17
ARTICLE 2	PUBLIC POSTSECONDARY EDUCATION .....	Page.Ln 23.15
ARTICLE 3	OFFICE OF HIGHER EDUCATION .....	Page.Ln 35.18
ARTICLE 4	OFFICE OF HIGHER EDUCATION AGENCY POLICY .....	Page.Ln 50.17