

CHAPTER 136A

MINNESOTA OFFICE OF HIGHER EDUCATION

136A.002	DEFINITIONS.	136A.29	POWERS; DUTIES.
136A.031	ADVISORY GROUPS.	136A.61	POLICY.
136A.08	RECIPROCAL AGREEMENTS RELATING TO NONRESIDENT TUITION WITH OTHER STATES OR PROVINCES.	136A.615	CITATION.
136A.101	DEFINITIONS.	136A.62	DEFINITIONS.
136A.121	GRANTS.	136A.63	REGISTRATION.
136A.125	CHILD CARE GRANTS.	136A.64	INFORMATION REQUIRED FOR REGISTRATION.
136A.126	INDIAN SCHOLARSHIPS.	136A.645	SCHOOL CLOSURE.
136A.127	ACHIEVE SCHOLARSHIP PROGRAM.	136A.646	ADDITIONAL SECURITY.
136A.128	TEACHER EDUCATION AND COMPENSATION HELPS; MINNESOTA EARLY CHILDHOOD TEACHER EDUCATION INCENTIVE PROGRAMS.	136A.65	APPROVAL OF DEGREES AND NAME.
136A.15	DEFINITIONS.	136A.657	EXEMPTION; RELIGIOUS SCHOOLS.
136A.16	POWERS AND DUTIES OF OFFICE.	136A.66	LIST.
136A.1702	LEGISLATIVE OVERSIGHT.	136A.67	UNAUTHORIZED REPRESENTATIONS.
136A.233	WORK-STUDY GRANTS.	136A.675	RISK ANALYSIS.
		136A.68	RECORDS.
		136A.69	FEES.
		136A.705	PENALTY.
		136A.861	INTERVENTION FOR COLLEGE ATTENDANCE PROGRAM GRANTS.

136A.002 DEFINITIONS.

Subdivision 1. **Scope.** For purposes of this chapter, the terms defined in this section have the meanings given them.

Subd. 2. **Office of Higher Education or office.** "Office of Higher Education" or "office" means the Minnesota Office of Higher Education.

History: 2007 c 144 art 2 s 14

136A.031 ADVISORY GROUPS.

[For text of subs 2 to 4, see M.S.2006]

Subd. 5. **Expiration.** Notwithstanding section 15.059, subdivision 5, the advisory groups established in this section do not expire.

History: 2007 c 144 art 2 s 15

136A.07 [Repealed, 2007 c 144 art 2 s 52]**136A.08 RECIPROCAL AGREEMENTS RELATING TO NONRESIDENT TUITION WITH OTHER STATES OR PROVINCES.**

[For text of subs 1 to 6, see M.S.2006]

Subd. 7. **Reporting.** The Minnesota Office of Higher Education must annually, before the last day in January, submit a report to the committees in the house of representatives and the senate with responsibility for higher education finance on:

(1) participation in the tuition reciprocity program by Minnesota students and students from other states attending Minnesota postsecondary institutions under a reciprocity agreement;

(2) reciprocity and resident tuition rates at each institution;

(3) interstate payments and obligations for each state participating in the tuition reciprocity program in the prior year; and

(4) summary statistics on number of graduates by institution, degree granted, and year of graduation for reciprocity students who attended Minnesota postsecondary institutions.

Subd. 8. [Repealed, 2007 c 144 art 2 s 52]

History: 2007 c 144 art 2 s 16

136A.101 DEFINITIONS.

[For text of subs 1 to 3, see M.S.2006]

Subd. 4. **Eligible institution.** “Eligible institution” means a postsecondary educational institution located in this state or in a state with which the office has entered into a higher education reciprocity agreement on state student aid programs that (1) is operated by this state or the Board of Regents of the University of Minnesota, or (2) is operated privately and, as determined by the office, meets all of the following: (i) maintains academic standards substantially equivalent to those of comparable institutions operated in this state; (ii) is licensed or registered as a postsecondary institution by the office or another state agency; and (iii) by July 1, 2011, is participating in the federal Pell Grant program under Title IV of the Higher Education Act of 1965, as amended.

[For text of subd 5, see M.S.2006]

Subd. 5a. **Assigned family responsibility.** “Assigned family responsibility” means the amount of a family’s contribution to a student’s cost of attendance, as determined by a federal need analysis. For dependent students, the assigned family responsibility is 96 percent of the parental contribution. For independent students with dependents other than a spouse, the assigned family responsibility is 86 percent of the student contribution. For independent students without dependents other than a spouse, the assigned family responsibility is 68 percent of the student contribution.

[For text of subs 7 to 10, see M.S.2006]

History: 2007 c 144 art 2 s 17,18

136A.121 GRANTS.

[For text of subs 2 to 7, see M.S.2006]

Subd. 7a. **Surplus appropriation.** If the amount appropriated is determined by the office to be more than sufficient to fund projected grant demand in the second year of the biennium, the office may increase the living and miscellaneous expense allowance in the second year of the biennium by up to an amount that retains sufficient appropriations to fund the projected grant demand. The adjustment may be made one or more times. In making the determination that there are more than sufficient funds, the office shall balance the need for sufficient resources to meet the projected demand for grants with the goal of fully allocating the appropriation for state grants. An increase in the living and miscellaneous expense allowance under this subdivision does not carry forward into a subsequent biennium. This subdivision expires June 30, 2009.

[For text of subs 9 to 18, see M.S.2006]

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

History: 2007 c 144 art 2 s 19,20

136A.125 CHILD CARE GRANTS.

[For text of subd 1, see M.S.2006]

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

- (1) is a resident of the state of Minnesota;
- (2) has a child 12 years of age or younger, or 14 years of age or younger who is disabled as defined in section 125A.02, and who is receiving or will receive care on a regular basis from a licensed or legal, nonlicensed caregiver;
- (3) is income eligible as determined by the office's policies and rules, but is not a recipient of assistance from the Minnesota family investment program;
- (4) has not earned a baccalaureate degree and has been enrolled full time less than eight semesters or the equivalent;
- (5) is pursuing a nonsectarian program or course of study that applies to an undergraduate degree, diploma, or certificate;
- (6) is enrolled at least half time in an eligible institution; and
- (7) is in good academic standing and making satisfactory academic progress.

(b) A student who withdraws from enrollment for active military service is entitled to an additional semester or the equivalent of grant eligibility and will be considered to be in continuing enrollment status upon return.

[For text of subd 3, see M.S.2006]

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

- (1) the income of the applicant and the applicant's spouse;
- (2) the number in the applicant's family, as defined by the office; and
- (3) the number of eligible children in the applicant's family.

The maximum award to the applicant shall be \$2,600 for each eligible child per academic year, except that the campus financial aid officer may apply to the office for approval to increase grants by up to ten percent to compensate for higher market charges for infant care in a community. The office shall develop policies to determine community market costs and review institutional requests for compensatory grant increases to ensure need and equal treatment. The office shall prepare a chart to show the amount of a grant that will be awarded per child based on the factors in this subdivision. The chart shall include a range of income and family size.

[For text of subs 4a to 9, see M.S.2006]

History: 2007 c 144 art 2 s 21,22

136A.126 INDIAN SCHOLARSHIPS.

The director of the Office of Higher Education shall establish procedures for the distribution of scholarships to any Minnesota resident student who is of one-fourth or more Indian ancestry, who has applied for other existing state and federal scholarship and grant programs, and who, in the opinion of the director of the Office of Higher Education, based upon postsecondary institution recommendations, has the capabilities to benefit from further education. Scholarships must be for accredited degree programs in accredited Minnesota colleges or universities or for courses in accredited Minnesota business, technical, or vocational schools. Scholarships may also be given to students attending Minnesota colleges that are in candidacy status for obtaining full accreditation, and are eligible for and receiving federal financial aid programs. Students are also eligible for scholarships when enrolled as students in Minnesota higher education institutions that have joint programs with other accredited higher education institutions. Scholarships shall be used to defray the total cost of education including tuition, incidental fees, books, supplies, transportation, other related school costs and the cost of board and room and shall be paid directly to the college or school concerned where the student receives federal financial aid. The total cost of education includes

all tuition and fees for each student enrolling in a public institution and the portion of tuition and fees for each student enrolling in a private institution that does not exceed the tuition and fees at a comparable public institution. Each student shall be awarded a scholarship based on a federal standardized need analysis. Applicants are encouraged to apply for all other sources of financial aid.

When an Indian student satisfactorily completes the work required by a certain college or school in a school year the student is eligible for additional scholarships, if additional training is necessary to reach the student's educational and vocational objective. Scholarships may not be given to any Indian student for more than five years of study at the undergraduate level and five years at the graduate level. Students may acquire only one degree per level and one terminal degree.

History: *Ex1959 c 71 art 5 s 36; 1971 c 176 s 1; 1977 c 384 s 1; 1983 c 258 s 28; 1Sp1985 c 11 s 12; 1988 c 629 s 28; 1988 c 718 art 3 s 3; 1993 c 224 art 9 s 32; art 13 s 40; 1993 c 374 s 23; 1997 c 192 s 20; 1998 c 397 art 2 s 107,164; 1998 c 398 art 5 s 55; 2000 c 489 art 3 s 4; 1Sp2001 c 6 art 2 s 49; 1Sp2005 c 5 art 2 s 70; 2007 c 146 art 2 s 28, 47*

136A.127 ACHIEVE SCHOLARSHIP PROGRAM.

Subdivision 1. Establishment. The Achieve Scholarship Program is established.

Subd. 2. Definition; qualifying program. For the purposes of this section, a "qualifying program" means a rigorous secondary school program of study defined by the Department of Education under agreement with the Secretary of Education for the purposes of determining eligibility for the federal Academic Competitiveness Grant Program under Title IV of the Higher Education Act of 1965, as amended.

Subd. 3. Documentation of qualifying programs. The student shall request a transcript from the high school. The high school shall provide a transcript to the Office of Higher Education or to the eligible institution in which the student is enrolling, documenting the qualifying program.

Subd. 4. Student eligibility. To be eligible to receive a scholarship under this section, in addition to the requirements listed under section 136A.121, a student must:

- (1) submit a Free Application for Federal Student Aid (FAFSA);
- (2) take and receive at least a grade of C for courses that comprise a rigorous secondary school program of study in a high school or in a home-school setting under section 120A.22, and graduate from high school;
- (3) have a family adjusted gross income in the last complete calendar year prior to the academic year of postsecondary attendance of less than \$75,000;
- (4) be a United States citizen or eligible noncitizen, as defined in section 484 of the Higher Education Act, United States Code, title 20, sections 1091 et seq., as amended, and Code of Federal Regulations, title 34, section 668.33; and
- (5) be a Minnesota resident, as defined in section 136A.101, subdivision 8.

Subd. 5. Administration. The Achieve Scholarship Program shall be administered by the Minnesota Office of Higher Education. The director shall develop forms and procedures necessary to administer the program.

Subd. 6. Application. A student must complete and submit an application for the Achieve scholarship.

Subd. 7. Deadline. The deadline for the office to accept applications for Achieve scholarships is 30 days after the beginning of the academic term for which the application is submitted.

Subd. 8. Documentation of qualifying household income. Achieve Scholarship Program applicants must certify on the application that they meet the income eligibility requirement in subdivision 5, clause (2). The Office of Higher Education or the postsecondary institution may request documentation needed to confirm income eligibility.

Subd. 9. **Scholarship awards.** Minnesota Achieve scholarships shall consist of \$1,200 for a student who takes and receives at least a grade of C for courses required under a qualifying program. The scholarships may be used to pay for qualifying expenses at eligible institutions.

Subd. 10. **Qualifying expenses.** Qualifying expenses are components included under the cost of attendance used for federal student financial aid programs, as defined in section 472 of the Higher Education Act, United States Code, title 20, sections 1091 et seq., as amended.

Subd. 11. **Eligible institutions.** The Achieve scholarship may only be used to pay qualifying expenses at an eligible institution as defined under section 136A.101, subdivision 4.

Subd. 12. **Availability of scholarship funds.** A scholarship earned by a student is available for four years immediately following high school graduation. The office must certify to the commissioner of finance by October 1 of each year the amounts to be canceled from scholarship eligibility that have expired.

Subd. 13. **Disbursement of scholarships.** The office shall make two equal payments to a postsecondary institution on behalf of the student. The second payment must be made after the student successfully completes the first term of enrollment.

Subd. 14. **Evaluation report.** By January 15 of each odd-numbered year, the Office of Higher Education shall submit a report, to the committees of the legislature with jurisdiction over higher education finance and policy, regarding the success of the program in increasing the enrollment of students in rigorous high school courses, including, at a minimum, the following information:

- (1) the demographics of individuals participating in the program;
- (2) the grades scholarship recipients received for courses in the qualifying program under subdivision 2;
- (3) the number of scholarship recipients who persisted at a postsecondary institution for a second year;
- (4) the high schools attended by the program participants;
- (5) the postsecondary institutions attended by the program participants;
- (6) the academic performance of the students after enrolling in a postsecondary institution; and
- (7) other information as identified by the director.

History: 2007 c 144 art 2 s 24

136A.128 TEACHER EDUCATION AND COMPENSATION HELPS; MINNESOTA EARLY CHILDHOOD TEACHER EDUCATION INCENTIVE PROGRAMS.

Subdivision 1. **TEACH.** The teacher education and compensation helps program (TEACH) is established to provide tuition scholarships and education incentives to early care and education providers. The director shall make a grant with appropriations for this purpose to a nonprofit organization licensed to administer the TEACH early childhood program.

Subd. 2. **Program components.** (a) The nonprofit organization must use the grant for:

- (1) tuition scholarships up to \$5,000 per year for courses leading to the nationally recognized child development associate credential or college-level courses leading to an associate's or bachelor's degree in early childhood development and school-age care; and
- (2) education incentives of a minimum of \$100 to participants in the tuition scholarship program if they complete a year of working in the early care and education field.

(b) Applicants for the scholarship must be employed by a licensed early childhood or child care program and working directly with children, a licensed family child care provider, or an employee in a school-age program exempt from licensing under section 245A.03, subdivision 2, clause (12). Lower wage earners must be given priority in awarding the tuition scholarships. Scholarship recipients must contribute ten percent of the total scholarship and

must be sponsored by their employers, who must also contribute ten percent of the total scholarship. Scholarship recipients who are self-employed must contribute 20 percent of the total scholarship.

Subd. 3. **Advisory committee.** The TEACH early childhood and Minnesota early childhood teacher education incentive programs may have an advisory board as prescribed by the national TEACH organization.

History: 2007 c 144 art 2 s 23

136A.15 DEFINITIONS.

Subdivision 1. **Scope.** For purposes of sections 136A.15 to 136A.1702, the terms defined in this section have the meanings given them.

[For text of subs 2 to 5, see M.S.2006]

Subd. 6. **Eligible institution.** "Eligible institution" means a postsecondary educational institution that (1) is operated or regulated by this state or the Board of Regents of the University of Minnesota; (2) is operated publicly or privately in another state, is approved by the United States Secretary of Education, and, as determined by the office, maintains academic standards substantially equal to those of comparable institutions operated in this state; (3) is licensed or registered as a postsecondary institution by the office or another state agency; and (4) by July 1, 2011, is participating in the federal Pell Grant program under Title IV of the Higher Education Act of 1965, as amended. It also includes any institution chartered in a province.

[For text of subs 7 to 9, see M.S.2006]

History: 2007 c 144 art 2 s 25,26

136A.16 POWERS AND DUTIES OF OFFICE.

[For text of subs 1 to 7, see M.S.2006]

Subd. 8. **Investment.** Money made available to the office that is not immediately needed for the purposes of sections 136A.15 to 136A.1702 may be invested by the office. The money must be invested in bonds, certificates of indebtedness, and other fixed income securities, except preferred stocks, which are legal investments for the permanent school fund. The money may also be invested in prime quality commercial paper that is eligible for investment in the state employees retirement fund. All interest and profits from such investments inure to the benefit of the office or may be pledged for security of bonds issued by the office or its predecessors.

[For text of subs 9 to 15, see M.S.2006]

Subd. 16. **Interest rate swaps and other agreements.** (a) The office may enter into interest rate exchange or swap agreements, hedges, forward purchase or sale agreements, or other comparable interest rate protection agreements with a third party in connection with the issuance or proposed issuance of bonds, outstanding bonds or notes, or existing comparable interest rate protection agreements.

(b) The agreements authorized by this subdivision include without limitation master agreements, options, or contracts to enter into those agreements in the future and related agreements, including, without limitation, agreements to provide credit enhancement, liquidity, or remarketing.

(c) The agreements authorized by this subdivision may be entered into on the basis of negotiation with a qualified third party or through a competitive proposal process on terms and conditions as and with covenants and provisions approved by the office and may include, without limitation:

- (1) provisions establishing reserves;

(2) pledging assets or revenues of the office for current or other payments or termination payments;

(3) contracting with the other parties to the agreements to provide for the custody, collection, securement, investment, and payment of money of the office or money held in trust; or

(4) requiring the issuance of bonds or other agreements authorized by this section in the future.

(d) With respect to bonds or notes outstanding or proposed to be issued bearing interest at a variable rate, the office may agree to pay sums equal to interest at a fixed rate or at a different variable rate determined in accordance with a formula set out in the agreement on an amount not exceeding the outstanding principal amount of the bonds or notes at the time of payment in exchange for an agreement by the third party to pay sums equal to interest on a like amount at a variable rate determined according to a formula set out in the agreement.

(e) With respect to bonds or notes outstanding or proposed to be issued bearing interest at a fixed rate or rates, the office may agree to pay sums equal to interest at a variable rate determined in accordance with a formula set out in the agreement on an amount not exceeding the outstanding principal amount of the bonds or notes at the time of payment in exchange for an agreement by the third party to pay sums equal to interest on a like amount at a fixed rate or rates determined according to a formula set in the agreement.

(f) Subject to any applicable covenants of the office, payments required to be made by the office under the agreement, including termination payments, may be made from amounts pledged or available to pay debt service on the bonds or notes with respect to which the agreement was made or from assets of the loan capital fund of the office. The office may issue bonds or notes to provide for any payments, including, without limitation, a termination payment due or to become due under an agreement authorized under this section.

(g) The authority of the office to enter into interest rate protection agreements under this section is limited to agreements related to bonds and notes with an aggregate value of no more than \$20,000,000.

History: 2007 c 144 art 2 s 27,28

136A.1702 LEGISLATIVE OVERSIGHT.

The office shall notify the chairs of the legislative committees with primary jurisdiction over higher education finance of any proposed material change to any of its student loan programs prior to making the change.

History: 2007 c 144 art 2 s 29

136A.233 WORK-STUDY GRANTS.

[For text of subds 1 and 2, see M.S.2006]

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

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

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

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

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

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

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

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

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

[For text of subd 4, see M.S.2006]

History: 2007 c 144 art 2 s 30

136A.29 POWERS; DUTIES.

[For text of subs 1 to 8, see M.S.2006]

Subd. 9. **Revenue bonds; limit.** The authority is authorized and empowered to issue revenue bonds whose aggregate principal amount at any time shall not exceed \$950,000,000 and to issue notes, bond anticipation notes, and revenue refunding bonds of the authority under the provisions of sections 136A.25 to 136A.42, to provide funds for acquiring, constructing, reconstructing, enlarging, remodeling, renovating, improving, furnishing, or equipping one or more projects or parts thereof.

[For text of subs 10 to 23, see M.S.2006]

History: 2007 c 144 art 2 s 31

136A.61 POLICY.

The legislature has found and hereby declares that the availability of legitimate courses and programs leading to academic degrees offered by responsible private not–for–profit and for–profit institutions of postsecondary education and the existence of legitimate private colleges and universities are in the best interests of the people of this state. The legislature has found and declares that the state can provide assistance and protection for persons choosing private institutions and programs, by establishing policies and procedures to assure the authenticity and legitimacy of private postsecondary education institutions and programs. The legislature has also found and declares that this same policy applies to any private and public postsecondary educational institution located in another state or country which offers or makes available to a Minnesota resident any course, program or educational activity which does not require the leaving of the state for its completion.

History: 2007 c 144 art 3 s 1

136A.615 CITATION.

Sections 136A.61 to 136A.71 may be cited as the “Minnesota Private and Out–of–State Public Postsecondary Education Act.”

History: 2007 c 144 art 3 s 2

136A.62 DEFINITIONS.

[For text of subs 1 and 2, see M.S.2006]

Subd. 3. **School.** “School” means:

(1) any partnership, company, firm, society, trust, association, corporation, or any combination thereof, which (i) is, owns, or operates a private, nonprofit postsecondary education

institution; (ii) is, owns, or operates a private, for-profit postsecondary education institution; or (iii) provides a postsecondary instructional program or course leading to a degree whether or not for profit;

(2) any public postsecondary educational institution located in another state or country which offers or makes available to a Minnesota resident any course, program or educational activity which does not require the leaving of the state for its completion; or

(3) any individual, entity, or postsecondary institution located in another state that contracts with any school located within the state of Minnesota for the purpose of providing educational programs, training programs, or awarding postsecondary credits or continuing education credits to Minnesota residents that may be applied to a degree program.

[For text of subsds 4 and 5, see M.S.2006]

History: 2007 c 144 art 3 s 3

136A.63 REGISTRATION.

Subdivision 1. **Annual registration.** All schools located within Minnesota and all schools located outside Minnesota which offer degree programs or courses within Minnesota shall register annually with the office.

Subd. 2. **Sale of an institution.** Within 30 days of a change of its ownership a school must submit a registration renewal application, all usual and ordinary information and materials for an initial registration, and applicable registration fees for a new institution. For purposes of this subdivision, "change of ownership" means a merger or consolidation with a corporation; a sale, lease, exchange, or other disposition of all or substantially all of the assets of a school; the transfer of a controlling interest of at least 51 percent of the school's stock; or a change in the not-for-profit or for-profit status of a school.

History: 2007 c 144 art 3 s 4

136A.64 INFORMATION REQUIRED FOR REGISTRATION.

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

- (1) articles of incorporation, constitution, bylaws, or other operating documents;
- (2) a duly adopted statement of the school's mission and goals;
- (3) evidence of current school or program licenses granted by departments or agencies of any state;
- (4) a fiscal balance sheet on an accrual basis, or a certified audit of the immediate past fiscal year including any management letters provided by the independent auditor or, if the school is a public institution outside Minnesota, an income statement for the immediate past fiscal year;
- (5) all current promotional and recruitment materials and advertisements; and
- (6) the current school catalog and, if not contained in the catalog:
 - (i) the members of the board of trustees or directors, if any;
 - (ii) the current institutional officers;
 - (iii) current full-time and part-time faculty with degrees held or applicable experience;
 - (iv) a description of all school facilities;
 - (v) a description of all current course offerings;
 - (vi) all requirements for satisfactory completion of courses, programs, and degrees;
 - (vii) the school's policy about freedom or limitation of expression and inquiry;
 - (viii) a current schedule of fees, charges for tuition, required supplies, student activities, housing, and all other standard charges;

- (ix) the school's policy about refunds and adjustments;
- (x) the school's policy about granting credit for prior education, training, and experience; and
- (xi) the school's policies about student admission, evaluation, suspension, and dismissal.

Subd. 2. **Financial records.** The office shall not disclose financial records or accreditation reports provided to it by a school pursuant to this section except for the purpose of defending, at hearings pursuant to chapter 14, or other appeal proceedings, its decision to approve or not to approve the granting of degrees or the use of a name by the school. Section 15.17, subdivision 4, shall not apply to such records.

Subd. 3. **Additional information.** If the office is unable to determine the nature and activities of a school on the basis of the information in subdivision 1, the office shall notify the school of additional information needed.

Subd. 4. **Verification of information.** The office may verify the accuracy of submitted information by inspection, visitation, or any other means it considers necessary.

Subd. 5. **Public information.** All information submitted to the office is public information except financial and accreditation records and information. The office may disclose financial records or information to defend its decision to approve or disapprove granting of degrees or the use of a name or its decisions to revoke the approval at a hearing under chapter 14 or other legal proceedings.

Subd. 6. **Late registration penalty.** Applications for renewal for any registration received after the deadline date specified in the renewal materials provided by the office are subject to a late fee equal to 20 percent of the annual registration renewal fee.

Subd. 7. **Out-of-state expenses.** A school shall reimburse the office for actual costs associated with a site evaluation visit outside Minnesota if the visit is necessary under subdivision 1 or 3.

History: 2007 c 144 art 3 s 5

136A.645 SCHOOL CLOSURE.

When a school decides to cease postsecondary education operations, it must cooperate with the office in assisting students to find alternative means to complete their studies with a minimum of disruption, and inform the office of the following:

- (1) the planned date for termination of postsecondary education operations;
- (2) the planned date for the transfer of the student records;
- (3) confirmation of the name and address of the organization to receive and hold the student records; and
- (4) the official at the organization receiving the student records who is designated to provide official copies of records or transcripts upon request.

Upon notice from a school of its intention to cease operations, the office shall notify the school of the date on which it must cease the enrollment of students and all postsecondary educational operations.

History: 2007 c 144 art 3 s 6

136A.646 ADDITIONAL SECURITY.

In the event any registered institution is notified by the United States Department of Education that it has fallen below minimum financial standards and that its continued participation in Title IV will be conditioned upon its satisfying either the Zone Alternative, Code of Federal Regulations, title 34, section 668.175, paragraph (f), or a Letter of Credit Alternative, Code of Federal Regulations, title 34, section 668.175, paragraph (c), the institution shall provide a surety bond conditioned upon the faithful performance of all contracts and agreements with students in a sum equal to the "letter of credit" required by the United States

Department of Education in the Letter of Credit Alternative, but in no event shall such bond be less than \$10,000 nor more than \$250,000.

History: 2007 c 144 art 3 s 7

136A.65 APPROVAL OF DEGREES AND NAME.

Subdivision 1. **Prohibition.** No school subject to registration shall grant a degree unless such degree and its underlying curriculum are approved by the office, nor shall any school subject to registration use the name "college," "academy," "institute" or "university" in its name without approval by the office.

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

Subd. 2. **Procedures.** The office shall establish procedures for approval, including notice and an opportunity for a hearing pursuant to chapter 14 if such approval is not granted. If a hearing is requested, no disapproval shall take effect until after such hearing.

Subd. 3. **Application.** A school subject to registration shall be granted approval to use the term "college," "academy," "institute," or "university" in its name if it was organized, operating, and using such term in its name on or before August 1, 2007, and if it meets the other policies and standards for approval established by the office.

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

- (1) the school has an organizational framework with administrative and teaching personnel to provide the educational programs offered;
- (2) the school has financial resources sufficient to meet the school's financial obligations, including refunding tuition and other charges consistent with its stated policy if the institution is dissolved, or if claims for refunds are made, to provide service to the students as promised, and to provide educational programs leading to degrees as offered;
- (3) the school operates in conformity with generally accepted budgeting and accounting principles;
- (4) the school provides an educational program leading to the degree it offers;
- (5) the school provides appropriate and accessible library, laboratory, and other physical facilities to support the educational program offered;
- (6) the school has a policy on freedom or limitation of expression and inquiry for faculty and students which is published or available on request;
- (7) the school uses only publications and advertisements which are truthful and do not give any false, fraudulent, deceptive, inaccurate, or misleading impressions about the school, its personnel, programs, services, or occupational opportunities for its graduates for promotion and student recruitment;
- (8) the school's compensated recruiting agents who are operating in Minnesota identify themselves as agents of the school when talking to or corresponding with students and prospective students; and
- (9) the school provides information to students and prospective students concerning:
 - (i) comprehensive and accurate policies relating to student admission, evaluation, suspension, and dismissal;
 - (ii) clear and accurate policies relating to granting credit for prior education, training, and experience and for courses offered by the school;
 - (iii) current schedules of fees, charges for tuition, required supplies, student activities, housing, and all other standard charges;

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

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

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

(i) title of degree and formal recognition awarded;

(ii) location where such degree will be offered;

(iii) proposed implementation date of the degree;

(iv) admissions requirements for the degree;

(v) length of the degree;

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

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

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

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

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

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

Subd. 5. Requirements for degree approval. For each degree a school offers to a student, where the student does not leave Minnesota for the major portion of the program or course leading to the degree, the school must have:

(1) qualified teaching personnel to provide the educational programs for each degree for which approval is sought;

(2) appropriate educational programs leading to each degree for which approval is sought;

(3) appropriate and accessible library, laboratory, and other physical facilities to support the educational program for each degree for which approval is sought; and

(4) a rationale showing that degree programs are consistent with the school's mission and goals.

Subd. 6. Name. A school may use the term "academy" or "institute" in its name without meeting any additional requirements. A school may use the term "college" in its name if it offers at least one program leading to an associate degree. A school may use the term "university" in its name if it offers at least one program leading to a master's or doctorate degree.

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

Subd. 8. Disapproval of registration appeal. (a) If a school's degree or use of a term in its name is disapproved by the office, the school may request a hearing under chapter 14. The request must be in writing and made to the office within 30 days of the date the school is notified of the disapproval.

(b) The office may refuse to renew, revoke, or suspend registration, approval of a school's degree, or use of a regulated term in its name by giving written notice and reasons to the school. The school may request a hearing under chapter 14. If a hearing is requested, no revocation or suspension shall take effect until after the hearing.

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

(1) violating the provisions of sections 136A.61 to 136A.71;

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

(3) presenting information about the school which is false, fraudulent, misleading, deceptive, or inaccurate in a material respect to students or prospective students; or

(4) refusing to allow reasonable inspection or to supply reasonable information after a written request by the office has been received.

History: 2007 c 144 art 3 s 8

136A.657 EXEMPTION; RELIGIOUS SCHOOLS.

[For text of subs 1 to 3, see M.S.2006]

Subd. 4. **Statement required; religious nature.** Any degree awarded upon completion of a religiously exempt program shall include descriptive language to make the religious nature of the award clear.

History: 2007 c 144 art 3 s 9

136A.66 LIST.

The office shall maintain a list of registered institutions authorized to grant degrees and schools authorized to use the name "college," "academy," "institute" or "university," and shall make such list available to the public.

History: 2007 c 144 art 3 s 10

136A.67 UNAUTHORIZED REPRESENTATIONS.

A school which is duly registered with the office, or any of its officials or employees, may represent in advertising and shall disclose in catalogues, applications, and enrollment materials that the school is registered with the office by prominently displaying the following statement: "(Name of school) is registered as a private institution with the Minnesota Office of Higher Education pursuant to sections 136A.61 to 136A.71. Registration is not an endorsement of the institution. Credits earned at the institution may not transfer to all other institutions."

History: 2007 c 144 art 3 s 11

136A.675 RISK ANALYSIS.

The office shall develop a set of financial and programmatic evaluation metrics to aid in the detection of the failure or potential failure of a school to meet the standards established under sections 136A.61 to 136A.71. These metrics shall include indicators of financial stability, changes in the senior management or the financial aid and senior administrative staff of an institution, changes in enrollment, changes in program offerings, and changes in faculty staffing patterns. The development of financial standards shall use industry standards as benchmarks. The development of the nonfinancial standards shall include a measure of trends and dramatic changes in trends or practice. The agency must specify the metrics and standards for each area and provide a copy to each registered institution and post them on the agency Web site. The agency shall use regularly reported data submitted to the federal government or other regulatory or accreditation agencies wherever possible. The agency may require more frequent data reporting by an institution to ascertain whether the standards are being met.

History: 2007 c 144 art 3 s 12

136A.68 RECORDS.

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

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

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

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

(4) if the school has no binding agreement approved by the office for preserving student records, a continuous surety bond must be filed with the office in an amount not to exceed \$20,000. The bond shall run to the state of Minnesota.

History: 2007 c 144 art 3 s 13

136A.69 FEES.

Subdivision 1. Registration fees. The office shall collect reasonable registration fees that are sufficient to recover, but do not exceed, its costs of administering the registration program. The office shall charge \$1,100 for initial registration fees and \$950 for annual renewal fees.

Subd. 2. Degree level addition fee. The office processing fee for adding a degree level to an existing program is \$2,000 per program.

Subd. 3. Program addition fee. The office processing fee for adding a program that represents a significant departure in the objectives, content, or method of delivery of programs that are currently offered by the school is \$500 per program.

Subd. 4. Visit or consulting fee. If the office determines that a fact-finding visit or outside consultant is necessary to review or evaluate any new or revised program, the office shall be reimbursed for the expenses incurred related to the review as follows:

(1) \$300 for the team base fee or for a paper review conducted by a consultant if the office determines that a fact-finding visit is not required;

(2) \$300 for each day or part thereof on site per team member; and

(3) the actual cost of customary meals, lodging, and related travel expenses incurred by team members.

Subd. 5. Modification fee. The fee for modification of any existing program is \$100 and is due if there is:

(1) an increase or decrease of 25 percent or more from the original date of program approval, in clock hours, credit hours, or calendar length of an existing program;

(2) a change in academic measurement from clock hours to credit hours or vice versa; or

(3) an addition or alteration of courses that represent a 25 percent change or more in the objectives, content, or methods of delivery.

History: 2007 c 144 art 3 s 14

136A.705 PENALTY.

The director may assess fines for violations of a provision of sections 136A.61 to 136A.71. Each day's failure to comply with a provision of sections 136A.61 to 136A.71 shall be a separate violation and fines shall not exceed \$500 per day per violation. Amounts received under this section must be deposited in the special revenue fund and are appropriated to the Office of Higher Education for the purposes in sections 136A.61 to 136A.71.

History: 2007 c 144 art 3 s 15

136A.861 INTERVENTION FOR COLLEGE ATTENDANCE PROGRAM GRANTS.

Subdivision 1. Grants. The director of the Minnesota Office of Higher Education shall award grants to foster postsecondary attendance and retention by providing outreach ser-

vices to historically underserved students in grades six through 12 and historically underrepresented college students. Grants must be awarded to programs that provide precollege services, including, but not limited to:

- (1) academic counseling;
- (2) mentoring;
- (3) fostering and improving parental involvement in planning for and facilitating a college education;
- (4) services for students with English as a second language;
- (5) academic enrichment activities;
- (6) tutoring;
- (7) career awareness and exploration;
- (8) orientation to college life;
- (9) assistance with high school course selection and information about college admission requirements; and
- (10) financial aid counseling.

Grants shall be awarded to postsecondary institutions, professional organizations, community-based organizations, or others deemed appropriate by the director.

Grants shall be awarded for one year and may be renewed for a second year with documentation to the Minnesota Office of Higher Education of successful program outcomes.

Subd. 2. Eligible students. Eligible students include students in grades six through 12 who meet one or more of the following criteria:

- (1) are counted under section 1124(c) of the Elementary and Secondary Education Act of 1965 (Title I);
- (2) are eligible for free or reduced-price lunch under the National School Lunch Act;
- (3) receive assistance under the Temporary Assistance for Needy Families Law (Title I of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996); or
- (4) are a member of a group traditionally underrepresented in higher education.

Eligible undergraduate students include those who met the student eligibility criteria as 6th through 12th graders.

Subd. 3. Application process. The director of the Minnesota Office of Higher Education shall develop a grant application process. The director shall attempt to support projects in a manner that ensures that eligible students throughout the state have access to program services.

The grant application must include, at a minimum, the following information:

- (1) a description of the characteristics of the students to be served reflective of the need for services listed in subdivision 1;
- (2) a description of the services to be provided and a timeline for implementation of the activities;
- (3) a description of how the services provided will foster postsecondary attendance and support postsecondary retention;
- (4) a description of how the services will be evaluated to determine whether the program goals were met; and
- (5) other information as identified by the director.

Grant recipients must specify both program and student outcome goals, and performance measures for each goal.

[For text of subds 4 and 5, see M.S.2006]

Subd. 6. Program evaluation. Each grant recipient must annually submit a report to the Minnesota Office of Higher Education delineating its program and student outcome goals, and activities implemented to achieve the stated outcomes. The goals must be clearly

stated and measurable. Grant recipients are required to collect, analyze, and report on participation and outcome data that enable the office to verify that the program goals were met. The office shall maintain:

(1) information about successful precollege program and undergraduate student retention program activities for dissemination to individuals throughout the state interested in adopting or replicating successful program practices; and

(2) data on the success of the funded projects in increasing the high school graduation, college participation, and college graduation rates of students served by the grant recipients. The office may convene meetings of the grant recipients, as needed, to discuss issues pertaining to the implementation of precollege services and undergraduate retention programs.

[For text of subd 7, see M.S.2006]

History: 2007 c 144 art 2 s 32–35