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State of Minnesota
HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 5299

04/04/2024 Authored by Pelowski
The bill was read for the first time and referred to the Committee on Higher Education Finance and Policy
04/24/2024 Adoption of Report: Amended and re-referred to the Committee on Ways and Means

1.1 A bill for an act
1.2 relating to higher education; providing for funding and related policy changes to
1.3 certain bonding, licensure, and grant provisions; establishing fees; appropriating
1.4 money; amending Minnesota Statutes 2022, sections 136A.29, subdivision 9;
1.5 136A.69, subdivision 1; 136A.824, subdivisions 1, 2; Laws 2022, chapter 42,
1.6 section 2; Laws 2023, chapter 41, article 1, section 2, subdivisions 36, 49, as
1.7 amended.

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

1.9 Section 1. Minnesota Statutes 2022, section 136A.29, subdivision 9, is amended to read:

1.10 Subd. 9. **Revenue bonds; limit.** The authority is authorized and empowered to issue
1.11 revenue bonds whose aggregate principal amount at any time shall not exceed ~~\$1,300,000,000~~
1.12 \$2,000,000,000 and to issue notes, bond anticipation notes, and revenue refunding bonds
1.13 of the authority under the provisions of sections 136A.25 to 136A.42, to provide funds for
1.14 acquiring, constructing, reconstructing, enlarging, remodeling, renovating, improving,
1.15 furnishing, or equipping one or more projects or parts thereof.

1.16 Sec. 2. Minnesota Statutes 2022, section 136A.69, subdivision 1, is amended to read:

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

1.21 (b) A new school offering no more than one degree at each level during its first year
1.22 must pay registration fees for each applicable level in the following amounts:

2.1	associate degree	\$2,000
2.2	baccalaureate degree	\$2,500
2.3	master's degree	\$3,000
2.4	doctorate degree	\$3,500

2.5 (c) A new school that will offer more than one degree per level during its first year must
 2.6 pay registration fees in an amount equal to the fee for the first degree at each degree level
 2.7 under paragraph (b), plus fees for each additional nondegree program or degree as follows:

2.8	nondegree program	\$250
2.9	additional associate degree	\$250
2.10	additional baccalaureate degree	\$500
2.11	additional master's degree	\$750
2.12	additional doctorate degree	\$1,000

2.13 (d) In addition to the fees under paragraphs (b) and (c), a fee of \$600 must be paid for
 2.14 an initial application that: (1) has had four revisions, corrections, amendment requests, or
 2.15 application reminders for the same application or registration requirement; or (2) cumulatively
 2.16 has had six revisions, corrections, amendment requests, or application reminders for the
 2.17 same license application and the school seeks to continue with the application process with
 2.18 additional application submissions. If this fee is paid, the school may submit two final
 2.19 application submissions for review prior to application denial under section 136A.65,
 2.20 subdivision 8. This provision excludes from its scope any initial process or interpretation
 2.21 questions or inquiries, initiated by the school, that do not necessitate substantial staff effort
 2.22 to review amendments or corrections, or when the office requests initial verification or
 2.23 validation of a completed application.

2.24 ~~(d)~~ (e) The annual renewal registration fee is \$1,500.

2.25 (f) In addition to the fee under paragraph (e), a fee of \$600 must be paid for a renewal
 2.26 application that: (1) has had four revisions, corrections, amendment requests, or application
 2.27 reminders for the same application or registration requirement; or (2) cumulatively has had
 2.28 six revisions, corrections, amendment requests, or application reminders for the same license
 2.29 application and the school seeks to continue with the application process with additional
 2.30 application submissions. If this fee is paid, the school may submit two final application
 2.31 submissions for review prior to application denial under section 136A.65, subdivision 8.
 2.32 This provision excludes from its scope any initial process or interpretation questions or
 2.33 inquiries, initiated by the school, that do not necessitate substantial staff effort to review
 2.34 amendments or corrections, or when the office requests initial verification or validation of
 2.35 a completed application.

3.1 Sec. 3. Minnesota Statutes 2022, section 136A.824, subdivision 1, is amended to read:

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

3.4 (1) \$2,500 for a private career school that will offer no more than one program during
3.5 its first year of operation;

3.6 (2) \$750 for a private career school licensed exclusively due to the use of the term
3.7 "college," "university," "academy," or "institute" in its name, or licensed exclusively in
3.8 order to participate in state grant or SELF loan financial aid programs; and

3.9 (3) \$2,500, plus \$500 for each additional program offered by the private career school,
3.10 for a private career school during its first year of operation.

3.11 (b) In addition to the fee under paragraph (a), a fee of \$600 must be paid for an initial
3.12 application that: (1) has had four revisions, corrections, amendment requests, or application
3.13 reminders for the same application or licensure requirement; or (2) cumulatively has had
3.14 six revisions, corrections, amendment requests, or application reminders for the same license
3.15 application and the private career school seeks to continue with the application process with
3.16 additional application submissions. If this fee is paid, the private career school may submit
3.17 two final application submissions for review prior to application denial under section
3.18 136A.829, subdivision 1, clause (2). This provision excludes from its scope any initial
3.19 process or interpretation questions or inquiries, initiated by the school, that do not necessitate
3.20 substantial staff effort to review amendments or corrections, or when the office requests
3.21 initial verification or validation of a completed application.

3.22 Sec. 4. Minnesota Statutes 2022, section 136A.824, subdivision 2, is amended to read:

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

3.25 (1) for a private career school that offers one program, the license renewal fee is \$1,150;

3.26 (2) for a private career school that offers more than one program, the license renewal
3.27 fee is \$1,150, plus \$200 for each additional program with a maximum renewal licensing
3.28 fee of \$2,000;

3.29 (3) for a private career school licensed exclusively due to the use of the term "college,"
3.30 "university," "academy," or "institute" in its name, the license renewal fee is \$750; and

4.1 (4) for a private career school licensed by another state agency and also licensed with
4.2 the office exclusively in order to participate in state student aid programs, the license renewal
4.3 fee is \$750.

4.4 (b) If a license renewal application is not received by the office by the close of business
4.5 at least 60 days before the expiration of the current license, a late fee of \$100 per business
4.6 day, not to exceed \$3,000, shall be assessed.

4.7 (c) In addition to the fee under paragraph (a), a fee of \$600 must be paid for a renewal
4.8 application that: (1) has had four revisions, corrections, amendment requests, or application
4.9 reminders for the same application or licensure requirement; or (2) cumulatively has had
4.10 six revisions, corrections, amendment requests, or application reminders for the same license
4.11 application and the private career school seeks to continue with the application process with
4.12 additional application submissions. If this fee is paid, the private career school may submit
4.13 two final application submissions for review prior to application denial under section
4.14 136A.829, subdivision 1, clause (2). This provision excludes from its scope any initial
4.15 process or interpretation questions or inquiries, initiated by the school, that do not necessitate
4.16 substantial staff effort to review amendments or corrections, or when the office requests
4.17 initial verification or validation of a completed application.

4.18 Sec. 5. Laws 2022, chapter 42, section 2, is amended to read:

4.19 Sec. 2. **APPROPRIATION; ALS RESEARCH.**

4.20 (a) ~~\$20,000,000~~ \$396,000 in fiscal year 2023 is appropriated from the general fund to
4.21 the commissioner of the Office of Higher Education to award competitive grants to applicants
4.22 for research into amyotrophic lateral sclerosis (ALS). The commissioner may work with
4.23 the Minnesota Department of Health to administer the grant program, including identifying
4.24 clinical and translational research and innovations, developing outcomes and objectives
4.25 with the goal of bettering the lives of individuals with ALS and finding a cure for the disease,
4.26 and application review and grant recipient selection. Not more than \$400,000 may be used
4.27 by the commissioner to administer the grant program. This is a onetime appropriation.
4.28 Notwithstanding Minnesota Statutes, section 16A.28, unencumbered balances under this
4.29 section do not cancel until June 30, 2026.

4.30 (b) \$19,604,000 in fiscal year 2024 is appropriated from the general fund to the
4.31 commissioner of the Office of Higher Education to award competitive grants to applicants
4.32 for research into amyotrophic lateral sclerosis (ALS). The commissioner may work with
4.33 the Minnesota Department of Health to administer the grant program, including identifying

5.1 clinical and translational research and innovations, developing outcomes and objectives
 5.2 with the goal of bettering the lives of individuals with ALS and finding a cure for the disease,
 5.3 and application review and grant recipient selection. Up to \$15,000,000 may be used by the
 5.4 commissioner for grants to the Amyotrophic Lateral Sclerosis Association, Never Surrender,
 5.5 or other similar organizations to award and administer a competitive grant to applicants for
 5.6 research into ALS under this section. This is a onetime appropriation. Notwithstanding
 5.7 Minnesota Statutes, section 16A.28, unencumbered balances under this section do not cancel
 5.8 until June 30, 2029.

5.9 ~~(b)~~ (c) Grants shall be awarded to support clinical and translational research related to
 5.10 ALS. Research topics may include but are not limited to environmental factors, disease
 5.11 mechanisms, disease models, biomarkers, drug development, clinical studies, precision
 5.12 medicine, medical devices, assistive technology, and cognitive studies.

5.13 ~~(e)~~ (d) Eligible applicants for the grants are research facilities, universities, and health
 5.14 systems located in Minnesota. Applicants must submit proposals to the commissioner in
 5.15 the time, form, and manner established by the commissioner. Applicants may coordinate
 5.16 research endeavors and submit a joint application. When reviewing the proposals, the
 5.17 commissioner shall make an effort to avoid approving a grant for an applicant whose research
 5.18 is duplicative of an existing grantee's research.

5.19 ~~(d)~~ (e) Beginning January 15, 2023, and annually thereafter until January 15, ~~2027~~ 2030,
 5.20 the commissioner shall submit a report to the legislature specifying the applicants receiving
 5.21 grants under this section, the amount of each grant, the purposes for which the grant funds
 5.22 were used, and the amount of the appropriation that is unexpended. The report must also
 5.23 include relevant findings, results, and outcomes of the grant program, and any other
 5.24 information which the commissioner deems significant or useful.

5.25 ~~(e) This is a onetime appropriation. Notwithstanding Minnesota Statutes, section 16A.28,~~
 5.26 ~~unencumbered balances under this section do not cancel until June 30, 2026.~~

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

5.28 Sec. 6. Laws 2023, chapter 41, article 1, section 2, subdivision 36, is amended to read:

5.29	Subd. 36. Fostering Independence Higher		4,416,000
5.30	Education Grants	4,247,000	<u>9,456,000</u>

5.31 \$4,247,000 the first year and ~~\$4,416,000~~
 5.32 \$9,456,000 the second year are for grants to
 5.33 eligible students under Minnesota Statutes,

6.1 section 136A.1241. The Office of Higher
 6.2 Education may use no more than three percent
 6.3 of the appropriation to administer grants. The
 6.4 base for this appropriation is \$4,416,000 for
 6.5 fiscal year 2026 and thereafter.

6.6 Sec. 7. Laws 2023, chapter 41, article 1, section 2, subdivision 49, as amended by Laws
 6.7 2024, chapter 85, section 111, is amended to read:

6.8			117,226,000
6.9	Subd. 49. North Star Promise	-0-	<u>112,186,000</u>

6.10 ~~\$117,226,000~~ \$112,186,000 the second year
 6.11 is transferred from the general fund to the
 6.12 account in the special revenue fund under
 6.13 Minnesota Statutes, section 136A.1465,
 6.14 subdivision 8. The base for the transfer is
 6.15 \$49,500,000 in fiscal year 2026 and thereafter.

6.16 Sec. 8. **APPROPRIATION; KIDS ON CAMPUS INITIATIVE.**

6.17 \$500,000 in fiscal year 2025 is appropriated from the general fund to the Board of
 6.18 Trustees of the Minnesota State Colleges and Universities to participate in the Kids on
 6.19 Campus initiative with the National Head Start Association and the Association of
 6.20 Community College Trustees. This appropriation may be used for a temporary statewide
 6.21 project coordinator, stipends to campuses and Head Start centers where letters of intent to
 6.22 officially form a partnership have been signed, engaging with local Head Start programs,
 6.23 and other costs associated with creating campus Head Start partnerships. Stipends shall be
 6.24 used to support the formation of parenting student advisory panels to gather perspective
 6.25 and feedback on proposed partnerships. The duties of the temporary statewide project
 6.26 coordinator include assessing the feasibility of partnerships between Minnesota State Colleges
 6.27 and Universities campuses and Head Start programs across the state, consulting with the
 6.28 Minnesota Head Start Association and existing Head Start partnership programs to develop
 6.29 best practices, working with campus-based navigators for parenting students to provide
 6.30 resources for financial aid and basic needs support to Head Start programs, and developing
 6.31 strategies to grow the early childhood care and education workforce through partnerships
 6.32 between Head Start programs and early childhood degree and certificate programs. This is
 6.33 a onetime appropriation and is available until June 30, 2026. By June 30, 2026, the temporary
 6.34 statewide project coordinator must report to the chairs and ranking minority members of

- 7.1 the legislative committees with primary jurisdiction over higher education policy and finance
- 7.2 on the outcomes of the Kids on Campus initiative in Minnesota, including an account of
- 7.3 how the appropriated funds were spent and the status of prospective on-campus Head Start
- 7.4 partnerships or programs.