

1.1 A bill for an act

1.2 relating to higher education; authorizing data matching; modifying institution  
1.3 eligibility; establishing award procedures; establishing scholarship priorities;  
1.4 establishing powers and duties; providing for school closures; modifying  
1.5 security requirements; regulating the use of certain revenues; providing for  
1.6 refunds; modifying licensure provisions related to certain schools; providing  
1.7 for certain bond transfers and allocations; reducing appropriation base for  
1.8 MNSCU operations and maintenance; requiring MNSCU to streamline services;  
1.9 allowing certain postretirement health insurance premium reimbursement;  
1.10 allowing reserve of grant funds; establishing pilot projects; defining terms;  
1.11 making technical corrections; requiring studies, reports, monitoring, and  
1.12 public education; governing reductions in grants; providing for credit transfer  
1.13 improvements; amending Minnesota Statutes 2008, sections 135A.15,  
1.14 subdivision 1; 135A.155; 135A.51, subdivision 2; 136A.101, subdivision  
1.15 10; 136A.126, subdivision 1, by adding a subdivision; 136A.15, subdivision  
1.16 6; 136A.16, subdivision 14; 136A.62, subdivision 3; 136A.645; 136A.646;  
1.17 136F.581, by adding a subdivision; 141.25, subdivisions 7, 13, by adding a  
1.18 subdivision; 141.251, subdivision 2; 141.28, subdivision 2; 474A.04, subdivision  
1.19 6; 474A.091, subdivision 3; Minnesota Statutes 2009 Supplement, sections  
1.20 136A.01, subdivision 2; 136A.101, subdivision 4; 136A.127, subdivisions 2, 4;  
1.21 Laws 2009, chapter 95, article 2, section 40; Laws 2010, chapter 215, article 2,  
1.22 sections 4, subdivision 3; 6; proposing coding for new law in Minnesota Statutes,  
1.23 chapter 136A.

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

1.25 Section 1. Minnesota Statutes 2008, section 135A.15, subdivision 1, is amended to  
1.26 read:

1.27 Subdivision 1. **Policy required.** The Board of Trustees of the Minnesota State  
1.28 Colleges and Universities shall, and the University of Minnesota is requested to, adopt  
1.29 a clear, understandable written policy on sexual harassment and sexual violence that  
1.30 informs victims of their rights under the crime victims bill of rights, including the right to  
1.31 assistance from the Crime Victims Reparations Board and the commissioner of public  
1.32 safety. The policy must apply to students and employees and must provide information

2.1 about their rights and duties. The policy must apply to criminal incidents occurring on  
2.2 property owned by the postsecondary system or institution in which the victim is a  
2.3 student or employee of that system or institution. It must include procedures for reporting  
2.4 incidents of sexual harassment or sexual violence and for disciplinary actions against  
2.5 violators. During student registration, each technical college, community college, or state  
2.6 university shall, and the University of Minnesota is requested to, provide each student with  
2.7 information regarding its policy. A copy of the policy also shall be posted at appropriate  
2.8 locations on campus at all times. Each private postsecondary institution that is an eligible  
2.9 institution as defined in section ~~136A.101, subdivision 4~~ 136A.155, must adopt a policy  
2.10 that meets the requirements of this section.

2.11 Sec. 2. Minnesota Statutes 2008, section 135A.155, is amended to read:

2.12 **135A.155 HAZING POLICY.**

2.13 The Board of Trustees of the Minnesota State Colleges and Universities shall, and  
2.14 the University of Minnesota is requested to, adopt a clear, understandable written policy  
2.15 on student conduct, including hazing. The policy must include procedures for reporting  
2.16 incidents of inappropriate hazing and for disciplinary actions against individual violators  
2.17 and organizations. The policy shall be made available to students by appropriate means as  
2.18 determined by each institution, which may include publication in a student handbook or  
2.19 other institutional publication, or posting by electronic display on the Internet, and shall  
2.20 be posted at appropriate locations on campus. A private postsecondary institution that  
2.21 is an eligible institution as defined in section ~~136A.101, subdivision 4~~ 136A.155, must  
2.22 adopt a policy that meets the requirements of this section.

2.23 Sec. 3. Minnesota Statutes 2008, section 135A.51, subdivision 2, is amended to read:

2.24 Subd. 2. **Senior citizen.** "Senior citizen" means a person who has reached ~~62~~ 66  
2.25 years of age before the beginning of any term, semester or quarter, in which a course of  
2.26 study is pursued, or a person receiving a railroad retirement annuity who has reached 60  
2.27 years of age before the beginning of the term.

2.28 Sec. 4. Minnesota Statutes 2009 Supplement, section 136A.01, subdivision 2, is  
2.29 amended to read:

2.30 Subd. 2. **Responsibilities.** (a) The Minnesota Office of Higher Education is  
2.31 responsible for:

3.1 (1) necessary state level administration of financial aid programs, including  
3.2 accounting, auditing, and disbursing state and federal financial aid funds, and reporting on  
3.3 financial aid programs to the governor and the legislature;

3.4 (2) approval, registration, licensing, and financial aid eligibility of private collegiate  
3.5 and career schools, under sections 136A.61 to 136A.71 and chapter 141;

3.6 (3) negotiating and administering reciprocity agreements;

3.7 (4) publishing and distributing financial aid information and materials, and other  
3.8 information and materials under section 136A.87, to students and parents;

3.9 (5) collecting and maintaining student enrollment and financial aid data and  
3.10 reporting data on students and postsecondary institutions to develop and implement a  
3.11 process to measure and report on the effectiveness of postsecondary institutions;

3.12 (6) administering the federal programs that affect students and institutions on a  
3.13 statewide basis; and

3.14 (7) prescribing policies, procedures, and rules under chapter 14 necessary to  
3.15 administer the programs under its supervision.

3.16 (b) The office may match individual student data from the student record enrollment  
3.17 database with individual student financial aid data collected and maintained by the office  
3.18 in order to audit or evaluate federal or state supported education programs as permitted by  
3.19 United States Code, title 20, section 1232g(b)(3), and Code of Federal Regulations, title  
3.20 34, section 99.35. The office shall not release data that personally identifies parents or  
3.21 students other than to employees and contractors of the office.

3.22 Sec. 5. Minnesota Statutes 2009 Supplement, section 136A.101, subdivision 4, is  
3.23 amended to read:

3.24 Subd. 4. **Eligible institution.** "Eligible institution" means ~~a postsecondary~~  
3.25 ~~educational institution located in this state or in a state with which the office has entered~~  
3.26 ~~into a higher education reciprocity agreement on state student aid programs that (1) is~~  
3.27 ~~operated by this state or the Board of Regents of the University of Minnesota, or (2)~~  
3.28 ~~is operated privately and, as determined by the office, meets all of the following: (i)~~  
3.29 ~~maintains academic standards substantially equivalent to those of comparable institutions~~  
3.30 ~~operated in this state; (ii) is licensed or registered as a postsecondary institution by the~~  
3.31 ~~office or another state agency; and (iii) by July 1, 2013, is participating in the federal~~  
3.32 ~~Pell Grant program under Title IV of the Higher Education Act of 1965, as amended~~ an  
3.33 institution that meets the eligibility requirements under section 136A.103.

3.34 Sec. 6. Minnesota Statutes 2008, section 136A.101, subdivision 10, is amended to read:

4.1 Subd. 10. **Satisfactory academic progress.** "Satisfactory academic progress"  
4.2 means ~~that~~ satisfactory academic progress as defined under Code of Federal Regulations,  
4.3 title 34, sections 668.16(e), 668.32(f), and 668.34.

4.4 ~~(1) by the end of a student's second academic year of attendance at an institution, the~~  
4.5 ~~student has at least a cumulative grade point average of C or its equivalent, or academic~~  
4.6 ~~standing consistent with the institution's graduation requirements; and~~

4.7 ~~(2) by the end of the first term of the third and fourth academic year of attendance,~~  
4.8 ~~the student has a cumulative grade point average of at least a C or its equivalent.~~

4.9 Sec. 7. **[136A.103] INSTITUTION ELIGIBILITY REQUIREMENTS.**

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

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

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

4.16 (b) A private institution must:

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

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

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

4.22 (ii) if an institution was participating in state student aid programs as of June 30,  
4.23 2010, and the institution did not participate in the federal Pell Grant program by June 30,  
4.24 2010, the institution must require every student who enrolls to sign a disclosure form,  
4.25 provided by the office, stating that the institution is not participating in the federal Pell  
4.26 Grant program.

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

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

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

5.3 Sec. 8. Minnesota Statutes 2008, section 136A.126, subdivision 1, is amended to read:

5.4 Subdivision 1. **Student eligibility.** The director of the Office of Higher Education  
5.5 shall establish procedures for the distribution of scholarships to a Minnesota resident  
5.6 student as defined under section 136A.101, subdivision 8, who:

5.7 (1) is of one-fourth or more Indian ancestry;

5.8 (2) has applied for other existing state and federal scholarship and grant programs;

5.9 (3) is meeting satisfactory academic progress as defined under section 136A.101,  
5.10 subdivision 10;

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

5.13 (5) if enrolled in an undergraduate program, is eligible or would be eligible to  
5.14 receive a federal Pell Grant or a state grant based on the federal needs analysis and is  
5.15 enrolled for nine semester credits per term or more, or the equivalent;

5.16 ~~(4)~~ (6) if enrolled in a graduate program, demonstrates a remaining financial need in  
5.17 the award amount calculation and is enrolled, per term, on a half-time basis or more as  
5.18 defined by the postsecondary institution; and

5.19 ~~(5)~~ (7) in the opinion of the director of the Office of Higher Education, based upon  
5.20 postsecondary institution recommendations, has the capabilities to benefit from further  
5.21 education.

5.22 Sec. 9. Minnesota Statutes 2008, section 136A.126, is amended by adding a  
5.23 subdivision to read:

5.24 Subd. 5. **Awarding procedure.** (a) Awards must be made on a first-come,  
5.25 first-served basis in the order complete applications are received. If there are multiple  
5.26 applications with identical completion dates, those applications are further sorted by  
5.27 application receipt date.

5.28 (b) Awards are made to eligible students until the appropriation is expended.

5.29 (c) Applicants not receiving a grant and for whom the office has received a  
5.30 completed application are placed on a waiting list in order of application completion date.

5.31 Sec. 10. Minnesota Statutes 2009 Supplement, section 136A.127, subdivision 2,  
5.32 is amended to read:

6.1 Subd. 2. **Definition; qualifying program.** For the purposes of this section, a  
6.2 "qualifying program" means a rigorous secondary school program of study ~~defined~~  
6.3 for Minnesota high school graduates recognized by the Department of Education under  
6.4 ~~agreement with the~~ Secretary of Education for the purposes of determining eligibility  
6.5 for the federal Academic Competitiveness Grant Program under Title IV of the Higher  
6.6 Education Act of 1965, as amended on August 14, 2008. If a qualifying program includes  
6.7 a foreign language requirement, the foreign language requirement is waived for a student  
6.8 whose first language is not English and who attains English language proficiency.

6.9 Sec. 11. Minnesota Statutes 2009 Supplement, section 136A.127, subdivision 4,  
6.10 is amended to read:

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

6.13 (1) submit a Free Application for Federal Student Aid (FAFSA);

6.14 (2) complete a qualifying program in a high school or in a home-school setting  
6.15 under section 120A.22, graduate from a Minnesota high school, and graduate with an  
6.16 unweighted grade point average of 2.5 or higher;

6.17 (3) qualify for a federal Pell Grant or state grant under section 136A.121;

6.18 (4) be a United States citizen or eligible noncitizen, as defined in section 484 of the  
6.19 Higher Education Act, United States Code, title 20, sections 1091 et seq., as amended,  
6.20 and Code of Federal Regulations, title 34, section 668.33;

6.21 (5) meet satisfactory academic progress as defined under section 136A.101,  
6.22 subdivision 10;

6.23 (6) be a Minnesota resident, as defined in section 136A.101, subdivision 8; and

6.24 ~~(6)~~ (7) enroll full-time in a degree, diploma, or certificate program during the  
6.25 academic year immediately following high school graduation at an eligible institution as  
6.26 defined under section 136A.101, subdivision 4.

6.27 Sec. 12. Minnesota Statutes 2008, section 136A.15, subdivision 6, is amended to read:

6.28 Subd. 6. **Eligible institution.** "Eligible institution" means ~~a postsecondary~~  
6.29 ~~educational institution that (1) is operated or regulated by this state or the Board of Regents~~  
6.30 ~~of the University of Minnesota; (2) is operated publicly or privately in another state, is~~  
6.31 ~~approved by the United States Secretary of Education, and, as determined by the office,~~  
6.32 ~~maintains academic standards substantially equal to those of comparable institutions~~  
6.33 ~~operated in this state; (3) is licensed or registered as a postsecondary institution by the~~  
6.34 ~~office or another state agency; and (4) by July 1, 2011, is participating in the federal Pell~~

7.1 ~~Grant program under Title IV of the Higher Education Act of 1965, as amended. It also~~  
7.2 ~~includes any institution chartered in a province~~ an institution that meets the eligibility  
7.3 requirements under section 136A.155.

7.4 Sec. 13. **[136A.155] ADDITIONAL INSTITUTION ELIGIBILITY**  
7.5 **REQUIREMENTS.**

7.6 A postsecondary institution is an eligible institution for purposes of sections  
7.7 136A.15 to 136A.1702, if the institution:

7.8 (1) meets the eligibility requirements under section 136A.103; or

7.9 (2) is operated publicly or privately in another state, is approved by the United States  
7.10 Secretary of Education, and, as determined by the office, maintains academic standards  
7.11 substantially equal to those of comparable institutions operated in this state.

7.12 Sec. 14. Minnesota Statutes 2008, section 136A.16, subdivision 14, is amended to read:

7.13 Subd. 14. **Notes.** The office may sell at public or private sale, at the price or prices  
7.14 determined by the office, any note or other instrument or obligation evidencing or securing  
7.15 a loan made by the office or its predecessor, including the Minnesota Higher Education  
7.16 Coordinating Board and the Minnesota Higher Education Services Office.

7.17 Sec. 15. Minnesota Statutes 2008, section 136A.62, subdivision 3, is amended to read:

7.18 Subd. 3. **School.** "School" means:

7.19 (1) any partnership, company, firm, society, trust, association, corporation, or any  
7.20 combination thereof, which (i) is, owns, or operates a private, nonprofit postsecondary  
7.21 education institution; (ii) is, owns, or operates a private, for-profit postsecondary education  
7.22 institution; or (iii) provides a postsecondary instructional program or course leading to a  
7.23 degree whether or not for profit;

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

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

8.1 Sec. 16. Minnesota Statutes 2008, section 136A.645, is amended to read:

8.2 **136A.645 SCHOOL CLOSURE.**

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

8.6 (1) the planned date for termination of postsecondary education operations;

8.7 (2) the planned date for the transfer of the student records;

8.8 (3) confirmation of the name and address of the organization to receive and hold  
8.9 the student records; and

8.10 (4) the official at the organization receiving the student records who is designated to  
8.11 provide official copies of records or transcripts upon request.

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

8.15 Without limitation as to other circumstance, a school shall be deemed to have ceased  
8.16 operations when the school:

8.17 (1) has an unscheduled nonemergency closure or cancellation of classes for more  
8.18 than 24 hours without prior notice to the office;

8.19 (2) announces it is closed or closing; or

8.20 (3) files for bankruptcy.

8.21 Sec. 17. Minnesota Statutes 2008, section 136A.646, is amended to read:

8.22 **136A.646 ADDITIONAL SECURITY.**

8.23 (a) In the event any registered institution is notified by the United States Department  
8.24 of Education that it has fallen below minimum financial standards and that its continued  
8.25 participation in Title IV will be conditioned upon its satisfying either the Zone Alternative,  
8.26 Code of Federal Regulations, title 34, section 668.175, paragraph (f), or a Letter of Credit  
8.27 Alternative, Code of Federal Regulations, title 34, section 668.175, paragraph (c), the  
8.28 institution shall provide a surety bond conditioned upon the faithful performance of all  
8.29 contracts and agreements with students in a sum equal to the "letter of credit" required by  
8.30 the United States Department of Education in the Letter of Credit Alternative, but in no  
8.31 event shall such bond be less than \$10,000 nor more than \$250,000.

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

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



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

9.3           Sec. 18. Minnesota Statutes 2008, section 136F.581, is amended by adding a  
9.4 subdivision to read:

9.5           Subd. 5. **Food products grown in state.** Colleges and universities must make a  
9.6 reasonable attempt to identify and purchase food products that are grown within the state.

9.7           Sec. 19. Minnesota Statutes 2008, section 141.25, is amended by adding a subdivision  
9.8 to read:

9.9           Subd. 2a. **Refunds.** If a contract is deemed unenforceable under subdivision 2, a  
9.10 school must refund tuition, fees, and other charges received from a student or on behalf  
9.11 of a student within 30 days of receiving written notification and demand for refund from  
9.12 the Minnesota Office of Higher Education.

9.13           Sec. 20. Minnesota Statutes 2008, section 141.25, subdivision 7, is amended to read:

9.14           Subd. 7. **Minimum standards.** A license shall be issued if the office first  
9.15 determines:

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

9.18           (i) meet the school's financial obligations;

9.19           (ii) refund all tuition and other charges, within a reasonable period of time, in the  
9.20 event of dissolution of the school or in the event of any justifiable claims for refund against  
9.21 the school by the student body;

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

9.23           (iv) maintain and support the school;

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

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

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

9.31           (5) that the premises and conditions under which the students work and study are  
9.32 sanitary, healthful, and safe, ~~according to modern standards;~~

10.1 (6) that the quality and content of each occupational course or program of study  
10.2 provides education and adequate preparation to enrolled students for entry level positions  
10.3 in the occupation for which prepared;

10.4 (7) that the living quarters which are owned, maintained, recommended, or approved  
10.5 by the applicant for students are sanitary and safe;

10.6 (8) that the contract or enrollment agreement used by the school complies with  
10.7 the provisions in section 141.265;

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

10.10 (10) that there has been no adjudication of fraud or misrepresentation in any  
10.11 criminal, civil, or administrative proceeding in any jurisdiction against the school or its  
10.12 owner, officers, agents, or sponsoring organization.

10.13 Sec. 21. Minnesota Statutes 2008, section 141.25, subdivision 13, is amended to read:

10.14 Subd. 13. **Schools licensed by another state agency or board.** A school required  
10.15 to obtain a private career school license due to the use of "academy," "institute," "college,"  
10.16 or "university" in its name or licensed for the purpose of participating in state financial aid  
10.17 under chapter 136A, and which is also licensed by another state agency or board shall be  
10.18 required to satisfy only the requirements of subdivisions 3, clauses (1), (2), (3), (5), (7),  
10.19 and (10); 4; 5, paragraph (b), clause (2); 7, clauses (1) and (10); 8; 9, clause (13); and 12.

10.20 Sec. 22. Minnesota Statutes 2008, section 141.251, subdivision 2, is amended to read:

10.21 Subd. 2. **Conditions.** The office shall adopt rules establishing the conditions for  
10.22 renewal of a license. The conditions shall permit two levels of renewal based on the record  
10.23 of the school. A school that has demonstrated the quality of its program and operation  
10.24 through longevity and performance in the state may renew its license based on a relaxed  
10.25 standard of scrutiny. A school that has been in operation in Minnesota for a limited period  
10.26 of time or that has not performed adequately on performance indicators shall renew its  
10.27 license based on a strict standard of scrutiny. The office shall specify minimum longevity  
10.28 standards and performance indicators that must be met before a school may be permitted  
10.29 to operate under the relaxed standard of scrutiny. The performance indicators used in this  
10.30 determination shall include, but not be limited to: ~~degree granting status~~, regional or  
10.31 national accreditation, loan default rates, placement rate of graduates, student withdrawal  
10.32 rates, audit results, student complaints, and school status with the United States  
10.33 Department of Education. Schools that meet the requirements established in rule shall be  
10.34 required to submit a full relicensure report once every four years, and in the interim years

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11.1 will be exempt from the requirements of section 141.25, subdivision 3, clauses (4), (5),  
11.2 and (8), and Minnesota Rules, parts 4880.1700, subpart 6; and 4880.2100, subpart 4.

11.3 Sec. 23. Minnesota Statutes 2008, section 141.28, subdivision 2, is amended to read:

11.4 Subd. 2. **Unlawful designation.** No school organized after November 15, 1969,  
11.5 shall apply to itself either as a part of its name or in any other manner the designation of  
11.6 "college" or "university" ~~unless such school applies for and receives certification from the~~  
11.7 ~~office that it meets appropriate standards and is entitled to such designation.~~ Operating  
11.8 schools now using such designation may continue use thereof.

11.9 Sec. 24. Minnesota Statutes 2008, section 474A.04, subdivision 6, is amended to read:

11.10 Subd. 6. **Entitlement transfers.** An entitlement issuer may enter into an agreement  
11.11 with another entitlement issuer whereby the recipient entitlement issuer issues obligations  
11.12 pursuant to bonding authority allocated to the original entitlement issuer under this  
11.13 section. An entitlement issuer may enter into an agreement with an issuer which is not  
11.14 an entitlement issuer whereby the recipient issuer issues qualified mortgage bonds, up to  
11.15 \$100,000 of which are issued pursuant to bonding authority allocated to the original  
11.16 entitlement issuer under this section. The agreement may be approved and executed by the  
11.17 mayor of the entitlement issuer with or without approval or review by the city council.  
11.18 Notwithstanding section 474A.091, subdivision 4, prior to December 1, the Minnesota  
11.19 Housing Finance Agency, Minnesota Office of Higher Education, and Minnesota Rural  
11.20 Finance Authority may transfer allocated bonding authority made available under this  
11.21 chapter to one another under an agreement by each agency and the commissioner.

11.22 Sec. 25. Minnesota Statutes 2008, section 474A.091, subdivision 3, is amended to read:

11.23 Subd. 3. **Allocation procedure.** (a) The commissioner shall allocate available  
11.24 bonding authority under this section on the Monday of every other week beginning with  
11.25 the first Monday in August through and on the last Monday in November. Applications  
11.26 for allocations must be received by the department by 4:30 p.m. on the Monday preceding  
11.27 the Monday on which allocations are to be made. If a Monday falls on a holiday, the  
11.28 allocation will be made or the applications must be received by the next business day  
11.29 after the holiday.

11.30 (b) Prior to October 1, only the following applications shall be awarded allocations  
11.31 from the unified pool. Allocations shall be awarded in the following order of priority:

- 11.32 (1) applications for residential rental project bonds;  
11.33 (2) applications for small issue bonds for manufacturing projects; and

12.1 (3) applications for small issue bonds for agricultural development bond loan  
12.2 projects.

12.3 (c) On the first Monday in October through the last Monday in November,  
12.4 allocations shall be awarded from the unified pool in the following order of priority:

12.5 (1) applications for student loan bonds issued by or on behalf of the Minnesota  
12.6 Office of Higher Education;

12.7 (2) applications for mortgage bonds;

12.8 (3) applications for public facility projects funded by public facility bonds;

12.9 (4) applications for small issue bonds for manufacturing projects;

12.10 (5) applications for small issue bonds for agricultural development bond loan  
12.11 projects;

12.12 (6) applications for residential rental project bonds;

12.13 (7) applications for enterprise zone facility bonds;

12.14 (8) applications for governmental bonds; and

12.15 (9) applications for redevelopment bonds.

12.16 (d) If there are two or more applications for manufacturing projects from the  
12.17 unified pool and there is insufficient bonding authority to provide allocations for all  
12.18 manufacturing projects in any one allocation period, the available bonding authority shall  
12.19 be awarded based on the number of points awarded a project under section 474A.045  
12.20 with those projects receiving the greatest number of points receiving allocation first. If  
12.21 two or more applications for manufacturing projects receive an equal amount of points,  
12.22 available bonding authority shall be awarded by lot unless otherwise agreed to by the  
12.23 respective issuers.

12.24 (e) If there are two or more applications for enterprise zone facility projects from  
12.25 the unified pool and there is insufficient bonding authority to provide allocations for  
12.26 all enterprise zone facility projects in any one allocation period, the available bonding  
12.27 authority shall be awarded based on the number of points awarded a project under section  
12.28 474A.045 with those projects receiving the greatest number of points receiving allocation  
12.29 first. If two or more applications for enterprise zone facility projects receive an equal  
12.30 amount of points, available bonding authority shall be awarded by lot unless otherwise  
12.31 agreed to by the respective issuers.

12.32 (f) If there are two or more applications for residential rental projects from the  
12.33 unified pool and there is insufficient bonding authority to provide allocations for all  
12.34 residential rental projects in any one allocation period, the available bonding authority  
12.35 shall be awarded in the following order of priority: (1) projects that preserve existing

13.1 federally subsidized housing; (2) projects that are not restricted to persons who are 55  
13.2 years of age or older; and (3) other residential rental projects.

13.3 (g) From the first Monday in August through the last Monday in November,  
13.4 \$20,000,000 of bonding authority or an amount equal to the total annual amount of  
13.5 bonding authority allocated to the small issue pool under section 474A.03, subdivision 1,  
13.6 less the amount allocated to issuers from the small issue pool for that year, whichever is  
13.7 less, is reserved within the unified pool for small issue bonds to the extent such amounts  
13.8 are available within the unified pool.

13.9 (h) The total amount of allocations for mortgage bonds from the housing pool and  
13.10 the unified pool may not exceed:

13.11 (1) \$10,000,000 for any one city; or

13.12 (2) \$20,000,000 for any number of cities in any one county.

13.13 (i) The total amount of allocations for student loan bonds from the unified pool may  
13.14 not exceed ~~\$10,000,000~~ \$25,000,000 per year.

13.15 (j) If there is insufficient bonding authority to fund all projects within any qualified  
13.16 bond category other than enterprise zone facility projects, manufacturing projects, and  
13.17 residential rental projects, allocations shall be awarded by lot unless otherwise agreed to  
13.18 by the respective issuers.

13.19 (k) If an application is rejected, the commissioner must notify the applicant and  
13.20 return the application deposit to the applicant within 30 days unless the applicant requests  
13.21 in writing that the application be resubmitted.

13.22 (l) The granting of an allocation of bonding authority under this section must be  
13.23 evidenced by issuance of a certificate of allocation.

13.24 Sec. 26. Laws 2009, chapter 95, article 2, section 40, is amended to read:

13.25 Sec. 40. **TEACHER EDUCATION REPORT.**

13.26 The Minnesota Office of Higher Education and Minnesota Department of Education  
13.27 must report to the committees of the legislature with jurisdiction over teacher education on  
13.28 best practices in innovative teacher education programs and teacher education research.

13.29 The report must include, at a minimum, information on:

13.30 (1) teacher education preparation program curricula that will prepare prospective  
13.31 teachers to teach an increasingly diverse student population;

13.32 (2) opportunities for mid-career professionals employed in professions in which  
13.33 there is a shortage of teachers to pursue a teaching career; and

13.34 (3) enhancing the ability of teachers to use technology in the classroom.

13.35 The report must be submitted by ~~June~~ August 15, 2010.

14.1 Sec. 27. Laws 2010, chapter 215, article 2, section 4, subdivision 3, is amended to read:

14.2 Subd. 3. **Operations and Maintenance** -0- (9,967,000)

14.3 For fiscal years 2012 and 2013, the base for

14.4 operations and maintenance is ~~\$592,792,000~~

14.5 \$580,802,000 each year.

14.6 Sec. 28. Laws 2010, chapter 215, article 2, section 6, the effective date, is amended to  
14.7 read:

14.8 **EFFECTIVE DATE.** This section is effective ~~the day following final enactment~~  
14.9 for grants made on and after July 1, 2010.

14.10 Sec. 29. **STUDY OF CERTIFICATES AND DIPLOMAS; EDUCATIONAL**  
14.11 **CAREER PATH.**

14.12 The Board of Trustees of Minnesota State Colleges and Universities, in conjunction  
14.13 with the Minnesota Chamber of Commerce, representatives of industry groups, and labor  
14.14 unions, shall study the program requirements for certificates and diplomas awarded by  
14.15 the Minnesota State Colleges and Universities to determine the feasibility of designing  
14.16 technical education programs to allow students to have more opportunities to earn  
14.17 credentials with lower credit requirements that could be combined into higher level  
14.18 certificates or diplomas. The study must consult with business and industry representatives  
14.19 as well as labor unions and faculty on the types of credentials that would be recognized for  
14.20 employment purposes. In addition, the study must address the feasibility of increasing  
14.21 the capacity to accumulate credentials in related programs into an educational career path  
14.22 leading to a diploma or degree. The study must also address the need for workers in  
14.23 other fields and take into account other job training programs provided by labor unions  
14.24 and business.

14.25 The board must report the study findings to the committees of the legislature with  
14.26 responsibility for postsecondary education finance by February 15, 2011.

14.27 Sec. 30. **STREAMLINED MINNESOTA STATE COLLEGES AND**  
14.28 **UNIVERSITIES SYSTEM OFFICE.**

14.29 Notwithstanding any law or policy to the contrary, the Board of Trustees of  
14.30 Minnesota State Colleges and Universities shall streamline services provided through  
14.31 the system's central service office to reduce expenditures, better target the use of state  
14.32 resources, and provide services at the most appropriate and efficient level so as not

15.1 to duplicate any services provided at the institutional level. These actions must be  
15.2 implemented so as to achieve budgetary savings and efficiencies in delivery of services  
15.3 and the accomplishment of the academic mission. The board must revise any board  
15.4 policies in a way that is consistent with the requirements of this section.

15.5 Sec. 31. **POSTRETIREMENT HEALTH INSURANCE PREMIUM**  
15.6 **REIMBURSEMENT.**

15.7 The Minnesota State Colleges and Universities system shall waive premium  
15.8 reimbursement payments including any late payment charges, fees, penalties, or interest  
15.9 payments imposed on overdue health insurance premium reimbursements owed by a  
15.10 college retiree to the college under a contractual or collective bargaining agreement  
15.11 providing for postretirement health insurance benefits arising from employment under  
15.12 a contract or collective bargaining agreement with a school district or technical college  
15.13 prior to July 1, 1995, and who became an employee of Minnesota State Colleges and  
15.14 Universities on July 1, 1995. This section applies only if the college has failed to bill  
15.15 the retiree for the premium reimbursement payments as required under the applicable  
15.16 collective bargaining or contractual agreement, or if not otherwise established, within 90  
15.17 days following the date on which the premium was due.

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

15.19 Sec. 32. **SURGICAL TECHNOLOGISTS PILOT PROJECT.**

15.20 **Subdivision 1. Surgical technologists; training and employment pilot project.**  
15.21 The Board of Trustees of Minnesota State Colleges and Universities shall establish a pilot  
15.22 project to develop partnerships and training and employment opportunities for surgical  
15.23 technologists. The pilot project must develop partnerships between a health care facility  
15.24 located within 25 miles of an accredited surgical technologist program offered by a  
15.25 Minnesota State Colleges and Universities institution and the institution. The partnerships  
15.26 must promote the employment and retention of surgical technologists, working in  
15.27 accordance with law, regulations, including Code of Federal Regulations, title 42,  
15.28 section 482.51, and contract provisions, who have successfully completed an accredited  
15.29 educational program and who hold and maintain a certified surgical technology credential  
15.30 from a nationally recognized and accredited surgical technologist certifying body.

15.31 This subdivision expires June 30, 2014.

15.32 **Subd. 2. Report.** The board of trustees shall report on the pilot project under this  
15.33 section to the appropriate legislative chairs by January 1, 2013, with recommendations

16.1 to enhance surgical technologist training and to ensure an adequate supply of surgical  
16.2 technologist graduates to meet the needs of facilities.

16.3 Sec. 33. **PILOT PROJECT; LOCAL DEPOSIT OF RESERVES OF**  
16.4 **MINNESOTA STATE COLLEGES AND UNIVERSITIES.**

16.5 Subdivision 1. **Establishment.** To increase the distribution of potential economic  
16.6 benefit of deposits of reserve funds of the institutions of Minnesota State Colleges and  
16.7 Universities, a pilot project is established to transfer certain reserve deposits of selected  
16.8 institutions from the state treasury to a community financial institution. Notwithstanding  
16.9 Minnesota Statutes, section 16A.27, by January 2, 2011, the commissioner of management  
16.10 and budget shall transfer the specified amount of board-required reserve funds of colleges  
16.11 and universities selected by the board of trustees under subdivision 2, to a community  
16.12 financial institution designated for each of the participating colleges and universities.

16.13 Subd. 2. **Participating colleges and universities.** By August 15, 2010, colleges  
16.14 and universities may apply to the Board of Trustees of Minnesota State Colleges and  
16.15 Universities for participation in the pilot project. Each applicant must designate one  
16.16 or more community financial institutions for the deposit of a specified amount of  
16.17 board-required reserves, with the terms of the deposit for each designated community  
16.18 financial institution. The designated community financial institution must be located in the  
16.19 geographic area of a participating campus. From the applicants, the board shall select up to  
16.20 eight postsecondary institutions to participate in the local deposit pilot project. In making  
16.21 its selection, the board must consider the size of the institution's reserves and the terms  
16.22 offered by the designated community financial institutions. Unless there are not sufficient  
16.23 applicants, two-year and four-year institutions must be selected to participate in the pilot  
16.24 project and the majority of the selected institutions must be located in greater Minnesota.

16.25 By December 1, 2010, the board must notify the commissioner of management and  
16.26 budget of the participating colleges and universities, the deposit amount for each institution  
16.27 and the associated community financial institutions. The pilot project shall provide for the  
16.28 transfer of deposits for no more than the period January 2, 2011, to December 31, 2012.

16.29 Subd. 3. **Community financial institution.** As used in this section, "community  
16.30 financial institution" means a federally insured bank or credit union, chartered as a bank  
16.31 or credit union by the state of Minnesota or the United States, that is headquartered in  
16.32 Minnesota and that has no more than \$2,500,000,000 in assets.

16.33 Subd. 4. **Evaluation and report.** The commissioner of management and budget and  
16.34 the board of trustees shall independently evaluate the effectiveness or harm of the local  
16.35 deposit pilot project in increasing the use of community financial institutions and providing



17.1 wider distribution of the economic benefit of the deposit of postsecondary reserves. Each  
17.2 evaluation must include the participating colleges, universities, and community financial  
17.3 institutions. The commissioner of management and budget and the board shall report on  
17.4 the pilot project evaluation to the appropriate committees of the legislature by February 1,  
17.5 2013, with recommendations on the future implementation of the pilot project.

17.6 Sec. 34. **NANOTECHNOLOGY REPORT.**

17.7 By February 1, 2011, the Board of Regents of the University of Minnesota are  
17.8 requested to, and the Board of Trustees of the Minnesota State Colleges and Universities  
17.9 shall, study nanotechnology research and education and report to the committees of the  
17.10 legislature with responsibility for higher education, economic development, environment,  
17.11 and public health on the ethical issues and the principles for nanotechnology research and  
17.12 development and education they utilize in their institutions and nanotechnology initiatives.  
17.13 The report must assess ways they ensure that nanotechnology is used responsibly through  
17.14 standards and guidelines that protect public health and the environment and provide for  
17.15 occupational health and safety.

17.16 Sec. 35. **FEDERAL HEALTH CARE REFORM.**

17.17 The regents of the University of Minnesota are requested to direct the area health  
17.18 education centers to conduct public education related to the provisions of federal health  
17.19 care reform legislation, as enacted under the Patient Protection and Affordable Care Act,  
17.20 Public Law 111-148, and the Health Care and Education Reconciliation Act, Public Law  
17.21 111-152, and the potential impacts of federal health care reform to Minnesota citizens,  
17.22 employers, and health care providers.

17.23 Sec. 36. **MONITORING OF FEDERAL POSTSECONDARY TEXTBOOK**  
17.24 **DISCLOSURE LAW.**

17.25 The Office of Higher Education shall monitor the implementation of the Higher  
17.26 Education Opportunity Act, Public Law 110-315, as it relates to disclosure of textbook  
17.27 pricing and other information to students. The monitoring shall be done in a manner that  
17.28 the office determines will allow it to determine whether students are receiving information  
17.29 required or encouraged to be disclosed to students under the act. The office shall report the  
17.30 results of its monitoring along with any recommendations for legislation to the chairs and  
17.31 ranking minority members of the legislative committees with primary jurisdiction over  
17.32 higher education finance and policy by February 1, 2011.

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

18.1       Sec. 37. **REDUCTION IN GRANTS FOR INSUFFICIENT APPROPRIATIONS.**

18.2       In fiscal year 2011, the dollar amount reductions in state grants under Minnesota  
18.3 Statutes, section 136A.121, subdivision 7, may be approximately equal for the surcharge  
18.4 on family responsibility and the percentage increase on the assigned student responsibility.  
18.5 The Minnesota Office of Higher Education may reserve up to five percent of the projected  
18.6 demand for grant awards in fiscal year 2011 to manage uncertainty of demand based on  
18.7 enrollment or income changes of applicants. After reduced grant awards are made for  
18.8 fiscal year 2011, the office must distribute any remaining funds to increase the living and  
18.9 miscellaneous expenses allowance consistent with the office's distribution of surplus  
18.10 appropriations under Minnesota Statutes, section 136A.121, subdivision 7a; provided  
18.11 that if the office determines that the remaining funds are less than \$1,500,000 the office  
18.12 may, in lieu of increasing the allowance, transfer all of the remaining funds to the state  
18.13 work-study program.

18.14       Sec. 38. **CREDIT TRANSFER; MINNESOTA STATE COLLEGES AND**  
18.15 **UNIVERSITIES.**

18.16       (a) The Board of Trustees of the Minnesota State Colleges and Universities must  
18.17 develop and implement a plan to improve credit transfers within the system. At a  
18.18 minimum, the board must:

18.19       (1) enhance information on transferring and tracking credits;

18.20       (2) improve training for all staff involved with credit transfer;

18.21       (3) identify discrepancies in transferring and accepting credits by institutions within  
18.22 the system and devise methods to improve the uniform treatment of credit transfers; and

18.23       (4) require, to the extent feasible, institutional rather than student obligation to  
18.24 provide prompt required documentation for course equivalency determinations.

18.25       (b) The board may convene working groups of affected faculty, staff, students, and  
18.26 administrators representing institutions and academic and technical disciplines in the  
18.27 system to work on issues and barriers to credit transfer.

18.28       (c) The board must provide systemwide transfer information on the Internet that is  
18.29 easily accessible and maintained in a current and accurate status. Each system college  
18.30 and university shall post information necessary to determine the transferability of course  
18.31 credits on their institutional Web sites. The working groups must develop a template to be  
18.32 used by the colleges and universities to ensure consistency in the information available to  
18.33 students. The links to each institution's informational Web site shall be submitted to the  
18.34 office of the chancellor for publication on the MinnesotaTransfer.org Web site.

19.1            (d) The board shall report on February 15, 2011, and annually thereafter through  
19.2            2014, on its activities to achieve the credit transfer goals in this section and the results  
19.3            of those activities. The report shall be made to the chairs and ranking minority members  
19.4            of the legislative committees with primary jurisdiction over higher education policy and  
19.5            finance. The goals of this section should be fully achieved as soon as possible, but no later  
19.6            than the start of the 2015-2016 academic year.