

**SENATE  
STATE OF MINNESOTA  
NINETIETH SESSION**

**S.F. No. 943**

(SENATE AUTHORS: FISCHBACH and Clausen)

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

1.1 A bill for an act

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1.18 **ARTICLE 1**

1.19 **HIGHER EDUCATION APPROPRIATIONS**

1.20 Section 1. **APPROPRIATIONS.**

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

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

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

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

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

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

1.27 is fiscal years 2018 and 2019.

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

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

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

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

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

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

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

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

3,000,000

3,000,000

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

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

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

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

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

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

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

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

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

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

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

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

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

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

405,000

405,000

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

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

175,000

175,000

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

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

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

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



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

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

11.1 or state work-study appropriations may only  
 11.2 be made to the extent there is a projected  
 11.3 surplus in the appropriation. A transfer may  
 11.4 be made only with prior written notice to the  
 11.5 chairs and ranking minority members of the  
 11.6 senate and house of representatives  
 11.7 committees with jurisdiction over higher  
 11.8 education finance.

11.9 **Sec. 3. BOARD OF TRUSTEES OF THE**  
 11.10 **MINNESOTA STATE COLLEGES AND**  
 11.11 **UNIVERSITIES**

11.12 **Subdivision 1. Total Appropriation**                    \$    **731,019,000**    \$    **721,919,000**

11.13 The amounts that may be spent for each  
 11.14 purpose are specified in the following  
 11.15 subdivisions.

11.16 **Subd. 2. Central Office and Shared Services Unit**                    33,074,000                    33,074,000

11.17 For the Office of the Chancellor and the  
 11.18 Shared Services Division.

11.19 **Subd. 3. Operations and Maintenance**                    693,830,000                    684,730,000

11.20 (a) The Board of Trustees must establish  
 11.21 tuition rates as follows:

11.22 (1) for the 2017-2018 academic year, the  
 11.23 tuition rate at colleges must not exceed the  
 11.24 2016-2017 academic year rate by more than  
 11.25 one percent; and

11.26 (2) for the 2018-2019 academic year, the  
 11.27 tuition rates for undergraduates at colleges and  
 11.28 universities must not exceed the 2017-2018  
 11.29 academic year rates.

11.30 The student tuition relief may not be offset by  
 11.31 increases in mandatory fees, charges, or other  
 11.32 assessments to the student. Colleges and  
 11.33 universities are permitted to increase  
 11.34 differential tuition charges in fiscal years 2018

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

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

14.1 and rural communities. Materials must be  
 14.2 developed in collaboration with employers  
 14.3 and trade organizations representing  
 14.4 employers in the field of senior care.

14.5 Winona State University shall submit a report  
 14.6 by February 1, 2019, to the chairs and ranking  
 14.7 minority members of the legislative  
 14.8 committees with jurisdiction over higher  
 14.9 education finance and policy. The report must  
 14.10 include information about the materials  
 14.11 developed, to whom materials were  
 14.12 distributed, and identify any collaborations  
 14.13 with employers and trade organizations.

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

14.15 Sec. 4. **BOARD OF REGENTS OF THE**  
 14.16 **UNIVERSITY OF MINNESOTA**

14.17 Subdivision 1. **Total Appropriation** \$ 660,843,000 \$ 650,793,000

14.18 Appropriations by Fund

	<u>2018</u>	<u>2019</u>
14.19		
14.20 <u>General</u>	<u>658,686,000</u>	<u>648,636,000</u>
14.21 <u>Health Care Access</u>	<u>2,157,000</u>	<u>2,157,000</u>

14.22 The amounts that may be spent for each  
 14.23 purpose are specified in the following  
 14.24 subdivisions.

14.25 Subd. 2. **Operations and Maintenance** 590,248,000 580,198,000

14.26 (a) The Board of Regents is requested to set  
 14.27 resident tuition rates for academic year  
 14.28 2018-2019 at levels not to exceed the rates for  
 14.29 academic year 2017-2018.

14.30 (b) \$15,000,000 in fiscal year 2018 and  
 14.31 \$15,000,000 in fiscal year 2019 are to: (1)  
 14.32 increase the medical school's research  
 14.33 capacity; (2) improve the medical school's  
 14.34 ranking in National Institutes of Health

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

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

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

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

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

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

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

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

16.13 **Subd. 4. Special Appropriations**

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

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

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

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

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



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

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

9,204,0009,204,000

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

20.1 (1) \$7,491,000 in fiscal year 2018 and  
 20.2 \$7,491,000 in fiscal year 2019 are for the  
 20.3 direct and indirect expenses of the  
 20.4 collaborative research partnership between the  
 20.5 University of Minnesota and the Mayo  
 20.6 Foundation for research in biotechnology and  
 20.7 medical genomics. An annual report on the  
 20.8 expenditure of these funds must be submitted  
 20.9 to the governor and the chairs of the legislative  
 20.10 committees responsible for higher education  
 20.11 finance by June 30 of each fiscal year.

20.12 (2) \$500,000 in fiscal year 2018 and \$500,000  
 20.13 in fiscal year 2019 are to award competitive  
 20.14 grants to conduct research into the prevention,  
 20.15 treatment, causes, and cures of Alzheimer's  
 20.16 disease and other dementias.

20.17 **Subd. 5. Academic Health Center**

20.18 The appropriation for Academic Health Center  
 20.19 funding under Minnesota Statutes, section  
 20.20 297F.10, is estimated to be \$22,250,000 each  
 20.21 year.

20.22 **Sec. 5. MAYO CLINIC**

20.23 **Subdivision 1. Total Appropriation**          \$          **1,351,000**          \$          **1,351,000**

20.24 The amounts that may be spent are specified  
 20.25 in the following subdivisions.

20.26 **Subd. 2. Medical School**    665,000    665,000

20.27 The state must pay a capitation each year for  
 20.28 each student who is a resident of Minnesota.  
 20.29 The appropriation may be transferred between  
 20.30 each year of the biennium to accommodate  
 20.31 enrollment fluctuations. It is intended that  
 20.32 during the biennium the Mayo Clinic use the  
 20.33 capitation money to increase the number of

21.1 doctors practicing in rural areas in need of

21.2 doctors.

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

21.4 **Residency Program**

686,000

686,000

21.5 The state must pay stipend support for up to

21.6 27 residents each year.

21.7 **ARTICLE 2**

21.8 **HIGHER EDUCATION POLICY**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

23.22 (11) aggregate data on the following:

23.23 (i) student demographics;

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

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

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

23.28 (v) employee head count and employee demographics;

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

27.10 (2) any institutional aid the student receives.

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

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

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

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

27.20 (3) summary demographic data on award recipients.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

31.19 (2) have qualified education loans;

31.20 (3) reside in Minnesota; and

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

33.14 (d) "School" means the following:

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

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

33.17 (3) a charter school; or

33.18 (4) a private school.

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

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

33.25 (1) be a qualified teacher;

33.26 (2) have qualified education loans; and

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

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

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

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

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

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

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

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

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

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

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

34.33 (2) nondegree programs within approved degrees;

35.1 (3) underlying curriculum or courses;

35.2 (4) modes of delivery; and

35.3 (5) locations.

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

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

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

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

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

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

35.19 (1) degree approval for the program only;

35.20 (2) registration for the school; or

35.21 (3) name approval for the school.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

36.25 care services; or (4) information technology.

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

36.27 Minnesota State Colleges and Universities system.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

38.25 (2) program goals and outcomes; and

38.26 (3) the success rate of participants.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

41.9 (i) mental and emotional disorder or disability;

41.10 (ii) alcohol and substance dependence or abuse;

41.11 (iii) disorders of habit or conduct;

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

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

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

41.16 (5) psychoeducational services and treatment; and

41.17 (6) consultation and supervision.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

45.1

**ARTICLE 3**

45.2

**OFFICE OF HIGHER EDUCATION AGENCY POLICY**

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

45.4

45.5

45.6

45.7

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

45.8

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

45.9

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

45.10

45.11

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

45.12

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

45.13

45.14

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

45.15

(b) A private institution must:

45.16

45.17

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

45.18

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

45.19

45.20

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

45.21

45.22

45.23

45.24

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

45.25

45.26

45.27

45.28

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

47.32 (2) private student loans; and

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

51.7 **136A.653 EXEMPTIONS.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

53.33 **136A.68 RECORDS.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

56.6 (i) annual gross revenues from all sources;

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

62.22 **136A.83 INSPECTION.**

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

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

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

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

63.4 **136A.833 EXEMPTIONS.**

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

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

63.14 (1) public postsecondary institutions;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

APPENDIX  
Article locations in S0943-3

ARTICLE 1	HIGHER EDUCATION APPROPRIATIONS .....	Page.Ln 1.18
ARTICLE 2	HIGHER EDUCATION POLICY .....	Page.Ln 21.7
ARTICLE 3	OFFICE OF HIGHER EDUCATION AGENCY POLICY .....	Page.Ln 45.1