A bill for an act relating to higher education; amending certain institutional approval provisions; establishing and increasing fees; amending Minnesota Statutes 2018, sections 136A.103; 136A.65, subdivisions 4, 7, 8; 136A.653, subdivision 1; 136A.657, subdivisions 1, 2; 136A.658; 136A.675; 136A.69, subdivisions 1, 4, by adding a subdivision; 136A.824, subdivision 4, by adding a subdivision; 136A.829, subdivision 1; 136A.833, subdivision 1; 136A.834, subdivision 2; Minnesota Statutes 2019 Supplement, sections 136A.64, subdivision 1; 136A.646; proposing coding for new law in Minnesota Statutes, chapter 136A.

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

Section 1. Minnesota Statutes 2018, section 136A.103, is amended to read:

136A.103 INSTITUTION ELIGIBILITY REQUIREMENTS.

(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:

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

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

(b) A private institution must:

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

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

(3) meet the additional security requirement under section 136A.646; and
(4)(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

(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.

(c) An institution that offers only graduate-level degrees or graduate-level nondegree programs is an eligible institution if the institution is licensed or registered as a postsecondary institution by the office.

(d) An eligible institution under paragraph (b), clause (4), item (ii), that changes ownership as defined in section 136A.63, subdivision 2, must participate in the federal Pell Grant program within four calendar years of the first ownership change to continue eligibility. The office may terminate an institution's eligibility to participate in state student aid programs under this paragraph if the institution fails to make substantive progress toward participation in the federal Pell Grant program within the required four years.

(e) An institution that loses its eligibility for the federal Pell Grant program is not an eligible institution and the office may terminate an institution's eligibility to participate in state student aid programs effective the date of the loss of eligibility for the federal Pell Grant program.

(f) An institution must maintain adequate administrative and financial standards and compliance with all state statutes, rules, and administrative policies related to state financial aid programs. The office may terminate a postsecondary institution's eligibility to participate in state student aid programs if the institution meets any of the following criteria:

(1) it violates a provision of Minnesota Statutes, Minnesota Rules, or administrative policies governing student aid programs and fails to correct the violation and reimburse the office for audit findings within the time frame specified in the audit report or other notice furnished by the office;

(2) it has a consistent pattern of noncompliance with Minnesota Statutes, Minnesota Rules, or administrative policies governing student aid programs as documented by the office or lacks administrative capability to successfully administer student financial aid programs on campus based on factors, including but not limited to:

(i) adequacy of financial aid staffing levels, experience, training, and turnover of key financial aid staff;
(ii) adequate checks and balances in its system of internal controls;

(iii) maintenance of records required for programs; or

(iv) the ability to participate in the electronic processes used for program administration;

(3) it refuses to allow inspection of or provide information relating to financial aid records after written request by the office;

(4) it has been administratively or judicially determined to have committed fraud or any other material violation of law involving federal, state, or local government funds;

(5) it falsifies information or engages in misleading or deceptive practices involving the administration of student financial aid programs;

(6) it no longer meets institutional eligibility criteria in this section or additional criteria for state grant participation in Minnesota Rules, part 4830.0300; or

(7) it is terminated from participating in federal financial aid programs by the United States Department of Education, if the termination was based on a violation of laws, regulations, or participation agreements governing federal financial aid programs.

Sec. 2. [136A.1041] TERMINATION PROCEDURE.

The office shall provide written notice of its intent to terminate an institution's eligibility to participate in student financial aid programs if the institution meets any of the criteria for termination in section 136A.103. The office shall send the institution written notification of the termination, which is effective 90 days after the date of the written notification. The 90-day notice under this provision does not apply to termination under section 136A.103, paragraph (e). The office shall also provide an institution an opportunity for a hearing under chapter 14.

Sec. 3. [136A.1042] REQUEST FOR HEARING.

An institution may request a hearing under chapter 14 regarding its termination of eligibility to participate in a student aid program. The request must be in writing and must be received by the commissioner within 30 days after the date on the written notification of termination sent by the office.
Sec. 4. Minnesota Statutes 2019 Supplement, section 136A.64, subdivision 1, is amended to read:

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

1. articles of incorporation, constitution, bylaws, or other operating documents;
2. a duly adopted statement of the school's mission and goals;
3. evidence of current school or program licenses granted by departments or agencies of any state;
4. a fiscal balance sheet on an accrual basis, or a certified audit of the immediate past fiscal year including any management letters provided by the independent auditor or, if the school is a public institution outside Minnesota, an income statement for the immediate past fiscal year compliance audits and audited financial statements that meet the requirements of Code of Federal Regulations, title 34, section 668.23; United States Code, title 20, chapter 28, section 1094; Code of Federal Regulations, title 2, subpart A, part 200, subpart F, under 200.501 and 200.503; and United States Code, title 31, chapter 75;
5. all current promotional and recruitment materials and advertisements; and
6. the current school catalog and, if not contained in the catalog:
   i. the members of the board of trustees or directors, if any;
   ii. the current institutional officers;
   iii. current full-time and part-time faculty with degrees held or applicable experience;
   iv. a description of all school facilities;
   v. a description of all current course offerings;
   vi. all requirements for satisfactory completion of courses, programs, and degrees;
   vii. the school's policy about freedom or limitation of expression and inquiry;
   viii. a current schedule of fees, charges for tuition, required supplies, student activities, housing, and all other standard charges;
   ix. the school's policy about refunds and adjustments;
   x. the school's policy about granting credit for prior education, training, and experience;
(xi) the school's policies about student admission, evaluation, suspension, and dismissal; and

(xii) the school's disclosure to students on the student complaint process under section 136A.672; and

(7) requested information to calculate the financial and nonfinancial metrics under section 136A.675.

Sec. 5. Minnesota Statutes 2019 Supplement, section 136A.646, is amended to read:

136A.646 ADDITIONAL SECURITY.

(a) New schools institutions that have been granted conditional approval for degrees or names to allow them the opportunity to apply for and receive accreditation under section 136A.65, subdivision 7, shall provide a surety bond in a sum equal to ten percent of the net revenue from tuition and fees in the registered institution's prior fiscal year, but in no case shall the bond be less than $10,000.

(b) Any registered institution that is notified by the United States Department of Education that it has fallen below minimum financial standards and that its continued participation in Title IV will be conditioned upon its satisfying either the Zone Alternative, Code of Federal Regulations, title 34, section 668.175, paragraph (f), or a Letter of Credit Alternative, Code of Federal Regulations, title 34, section 668.175, paragraph (c), shall provide an annual surety bond in a sum equal to the "letter of credit" required by the United States Department of Education in the Letter of Credit Alternative, but in no event shall such bond be less than $10,000 nor more than $250,000. If the letter of credit required by the United States Department of Education is higher than ten percent of the Title IV, Higher Education Act program funds received by the institution during its most recently completed fiscal year, the office shall reduce the office's surety requirement to represent ten percent of the Title IV, Higher Education Act program funds received by the institution during its most recently completed fiscal year, subject to the minimum and maximum in this paragraph ten percent of the net tuition revenue from tuition and fees received from students in Minnesota enrolled in the school's previous fiscal year.

(c) If the office determines that any registered institution does not meet the financial resource criteria under section 136A.65, subdivision 4, paragraph (a), clause (2), or determines that any registered institution is vulnerable to a precipitous closure under section 136A.675, the office may:
(1) require an increased surety bond in the amount necessary to cover the costs under paragraph (f); 

(2) prohibit a registered institution from accepting tuition and fee payments made through cash, alternative loans, or the equivalent prior to the add/drop period of the current period of instruction; or 

(3) prohibit a registered institution from enrolling new students.

(c) (d) In lieu of a bond, the applicant may deposit with the commissioner of management and budget:

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

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

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

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

(e) (f) In the event of a school closure, the additional security must first be used funds must be given priority in the following order:

(1) to destroy any private educational data under section 13.32 left at a physical campus in Minnesota after all other governmental agencies have recovered or retrieved records under their record retention policies. Any remaining funds must then be used;

(2) to reimburse state student aid under this chapter and sections 197.791 and 299A.45;

(3) to reimburse cash payments made by or on behalf of a student for tuition and fee costs to students that were enrolled at the time of the closure or had withdrawn in the previous 120-180 calendar days but did not graduate. Priority for refunds will be given to students in the following order:

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

(2) (4) to reimburse private student loans; and used by or on behalf of a student for tuition and fee costs to students who were enrolled at the time of the closure or had withdrawn in the previous 180 calendar days but did not graduate;
(3) to reimburse Veteran Administration education benefits that are not restored by
the Veteran Administration. If there are additional security funds remaining, the additional
security funds may be used to cover and that were used by or on behalf of a student for
tuition and fee costs to students that were enrolled at the time of the closure or had withdrawn
in the previous 180 calendar days but did not graduate;
(6) to reimburse tuition and fee costs for coursework that did not transfer to a new
institute unless the costs were paid for with Title IV, Higher Education Act program funds
that are dischargeable through cancellation or discharge; and
(7) to reimburse any administrative costs incurred by the office related to the closure of
the school.

(g) In the event any registered institution is unable to meet the additional surety
requirement, the office may grant the registered institution conditional approval under
section 136A.65, subdivision 7, subject to the state financial aid program restrictions under
section 136A.65, subdivision 8, paragraph (d), and a restriction that prohibits the enrollment
of new or prospective students.

Sec. 6. Minnesota Statutes 2018, section 136A.65, subdivision 4, is amended to read:

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

1. the school has an organizational framework with administrative and teaching personnel
to provide the educational programs offered;
2. the school has financial resources sufficient to meet the school's financial obligations,
including refunding tuition and other charges consistent with its stated policy if the institution
is dissolved, or if claims for refunds are made, to provide service to the students as promised,
and to provide educational programs leading to degrees as offered;
3. the school operates in conformity with generally accepted accounting principles
according to the type of school;
4. the school provides an educational program leading to the degree it offers;
5. the school provides appropriate and accessible library, laboratory, and other physical
facilities to support the educational program offered;
6. the school has a policy on freedom or limitation of expression and inquiry for faculty
and students which is published or available on request;

Sec. 6.
(7) the school uses only publications and advertisements which are truthful and do not
give any false, fraudulent, deceptive, inaccurate, or misleading impressions about the school,
its personnel, programs, services, or occupational opportunities for its graduates for promotion
and student recruitment;

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

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

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

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

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

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

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

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

(11) the school may not require mandatory predispute arbitration clauses with students;

(12) the school has a process to receive and act on student complaints; and

(13) the school has cooperated with the office in the screening, inquiry, monitoring, and
contingency planning and notification process under section 136A.675.

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

(i) title of degree and formal recognition awarded;

(ii) location where such degree will be offered;

(iii) proposed implementation date of the degree;

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

Sec. 7. Minnesota Statutes 2018, section 136A.65, subdivision 7, is amended to read:

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

(b) The office may grant new schools with their physical location in Minnesota and programs a one-year conditional approval for degrees or use of a term in its name to allow the school the opportunity to apply for and receive accreditation as required in subdivision 1a. Conditional approval of a school or program under this paragraph must not exceed a period of five years. A new school or program granted conditional approval may be allowed to continue in order to complete an accreditation process upon terms and conditions the office determines.

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

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

Sec. 8. Minnesota Statutes 2018, section 136A.65, subdivision 8, is amended to read:

Subd. 8. Disapproval of registration appeal. (a) By giving written notice and reasons to the school, the office may refuse:

(1) to renew, revoke, or suspend registration;

(2) approval of a school's degree, or

(3) use of a regulated term in its name by giving written notice and reasons to the school.

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

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

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

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

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

(5) failing to have enrollment within the last two years at the school;

(6) failing to have any enrollment within two years of a program's approval;

(7) failing to provide the additional surety required under section 136A.646; or

(8) the office has determined the school is vulnerable to closure under section 136A.657.

(c) Any order refusing, revoking, or suspending a school's registration, approval of a school's degree, or use of a regulated term in the school's name is appealable in accordance with chapter 14. The request must be in writing and made to the office within 30 days of the date the school is notified of the action of the office. If a school has been operating and its registration has been revoked, suspended, or refused by the office, the order is not effective until the final determination of the appeal, unless immediate effect is ordered by the court.

(d) If the office issues an order refusing, revoking, or suspending a school's registration, approval of a school's degree, or use of a regulated term in the school's name or issues an order granting conditional approval due to a school's failure to meet the risk analysis
requirements under section 136A.75, the office may take the following actions for the administration of state student aid under this chapter and sections 197.791 and 299A.45:

(1) withhold payment of state student aid;

(2) oversee the transfer of state student aid to the school to ensure payment of state student aid in excess of tuition and fees to students;

(3) require the return of any advance state student aid payments made to the school;

(4) require documentation of the proper use of state student aid payments, including proof of payment of state student aid in excess of tuition and fees; and

(5) issue payments of state financial aid directly to a student.

Sec. 9. Minnesota Statutes 2018, section 136A.653, subdivision 1, is amended to read:

Subdivision 1. **Application.** A school that seeks an exemption under this section from the provisions of sections 136A.61 to 136A.71 must apply to the office to establish that the school meets the requirements of an exemption. An exemption expires two years from the date of approval or when a school adds a new program or makes a modification equal to or greater than 25 percent to an existing educational program. If a school is reapplying for an exemption, the application must be submitted to the office 90 days before the current exemption expires. This exemption shall not extend to any school that uses any publication or advertisement that is not truthful and gives any false, fraudulent, deceptive, inaccurate, or misleading impressions about the school or its personnel, programs, services, or occupational opportunities for graduates for promotion and student recruitment.

Sec. 10. Minnesota Statutes 2018, section 136A.657, subdivision 1, is amended to read:

Subdivision 1. **Exemption.** Any school or any department or branch of a school:

(1) which is substantially owned, operated or supported by a bona fide church or religious organization;

(2) whose programs are primarily designed for, aimed at and attended by persons who sincerely hold or seek to learn the particular religious faith or beliefs of that church or religious organization; and

(3) whose programs are primarily intended to prepare its students to become ministers of, to enter into some other vocation closely related to, or to conduct their lives in consonance with, the particular faith of that church or religious organization,

is exempt from the provisions of sections 136A.61 to 136A.834.
Sec. 11. Minnesota Statutes 2018, section 136A.657, subdivision 2, is amended to read:

Subd. 2. Limitation. (a) This exemption shall not extend to any school or to any department or branch of a school which through advertisements or solicitations represents to any students or prospective students that the school, its aims, goals, missions or purposes or its programs are different from those described in subdivision 1.

(b) This exemption shall not extend to any school which represents to any student or prospective student that the major purpose of its programs is:

(1) to prepare the student for a vocation not closely related to that particular religious faith; or

(2) to provide the student with a general educational program recognized by other schools or the broader educational, business or social community as being substantially equivalent to the educational programs offered by schools or departments or branches of schools which are not exempt from sections 136A.61 to 136A.71, and rules adopted pursuant thereto.

(c) This exemption shall not extend to any school that uses any publication or advertisement that is not truthful and gives any false, fraudulent, deceptive, inaccurate, or misleading impressions about the school; its personnel, programs, or services; or occupational opportunities for its graduates for promotion and student recruitment.

Sec. 12. Minnesota Statutes 2018, section 136A.658, is amended to read:

136A.658 EXEMPTION; STATE AUTHORIZATION RECIPROCITY AGREEMENT SCHOOLS.

(a) The office may participate in an interstate reciprocity agreement regarding postsecondary distance education if it determines that participation is in the best interest of Minnesota postsecondary students.

(b) If the office decides to participate in an interstate reciprocity agreement, an institution that meets the following requirements is exempt from the provisions of sections 136A.61 to 136A.71:

(1) the institution is situated in a state which is also participating in the interstate reciprocity agreement;

(2) the institution has been approved to participate in the interstate reciprocity agreement by the institution's home state and other entities with oversight of the interstate reciprocity agreement; and
the institution has elected to participate in and operate in compliance with the terms of the interstate reciprocity agreement.

(c) If the office participates in an interstate reciprocity agreement and the office is responsible for the administration of that interstate reciprocity agreement, which may include the approval of applications for membership of in-state institutions to participate in the interstate reciprocity agreement, the office shall collect reasonable fees sufficient to recover, but not exceed, its costs to administer the interstate reciprocity agreement. The office processing fees for approving an in-state institution application shall be as follows:

1. $750 for institutions with fewer than 2,500 full-time enrollment;
2. $3,000 for institutions with 2,501 to 20,000 full-time enrollment; and
3. $7,500 for institutions with greater than 20,001 full-time enrollment.

Full-time enrollment is established using the previous year's full-time enrollment as established in the United States Department of Education Integrated Postsecondary Education Data System.

Sec. 13. Minnesota Statutes 2018, section 136A.675, is amended to read:

136A.675 RISK ANALYSIS.

(a) The office shall develop a set of financial and programmatic evaluation metrics, nonfinancial measures as a basis of comparison and trends to evaluate and aid in the detection of the failure or potential failure of a school that may not be financially or administratively responsible and thereby at risk of a precipitous closure. A school may be vulnerable to a precipitous closure if:

1. the school is unable to meet the standards established under sections 136A.61 to 136A.71. These metrics shall include indicators of financial stability, changes in the senior management or the financial aid and senior administrative staff of an institution, changes in enrollment, changes in program offerings, and changes in faculty staffing patterns; or
2. the office determines, through the systematic evaluation process in paragraph (d), that the failure to meet one or more of those standards represents a risk of a precipitous closure.

(b) The development of financial standards shall use industry standards as benchmarks. The development of the nonfinancial standards shall include a measure of trends and dramatic changes in trends or practice guidance to develop financial and nonfinancial indicators.
14.1 (c) A school must notify the office within five business days if any of the following occur:
14.2 (1) the school has defaulted on a debt payment and has not received a waiver of the violation;
14.3 (2) the school's owner or owners withdraw equity and the school has a federal composite score of less than 1.5 unless the withdrawal is a transfer between affiliated entities included in a common composite score;
14.4 (3) the United States Department of Education requires a 25 percent or greater Letter of Credit or Heightened Cash Monitoring 2;
14.5 (4) the school receives notification of probation, warning, show-cause, or loss of institutional accreditation;
14.6 (5) the school's institutional accreditor loses federal recognition;
14.7 (6) the school violates the United States Department of Education's 90/10 requirement;
14.8 or
14.9 (7) the school receives notification that it has violated state authorization or licensing requirements in a different state that may lead to or has led to the termination of the school's ability to continue to provide educational programs or otherwise continue to operate in that state.
14.10 (d) In the event the office receives notification under paragraph (c) or determines risk of a precipitous closure from information collected under section 136A.64, 136A.65, or 136A.672, the office shall collect sufficient data to make a determination of whether a school is vulnerable to a precipitous closure. If the office determines that a school is vulnerable to a precipitous closure:
14.11 (1) the office shall provide the determination analysis to the school and request additional context and information. The school may provide context and information to support a sound business practice and plan to confirm financial health and manageable risk. The office shall use the school's additional context and information to reevaluate whether the school is vulnerable to closure;
14.12 (2) if the school does not respond to the office's request for additional context and information in clause (1), the office may revoke, suspend, or refuse to renew registration, approval of a school's degree, or use of a regulated term in its name, require additional surety under section 136A.646, require information under section 136A.646, or initiate alternative processes and communications with students enrolled at the school; and
(3) the office may use the reevaluated determination in the office's decision to revoke, suspend, or refuse to renew registration, approval of a school's degree, or use of a regulated term in its name or initiate alternative processes and communications with students enrolled at the school.

(e) If the office determines a risk of a precipitous closure under paragraph (d), the office may require the school to:

1. conduct periodic monitoring and submit reports on the school's administrative and financial responsibility;
2. submit contingency plans such as teach-out plans or transfer pathways for students;
3. provide additional surety under section 136A.646; and
4. submit school closure information under section 136A.645.

(f) The agency office must specify the metrics and standards for each area measures used for analyzing whether a school is vulnerable to closure and annually provide a copy to each registered institution and post them on the agency website.

(g) The office shall post a list of reviewed indicators and measures on the office's website. The agency office shall use regularly reported data submitted to the federal government or other regulatory or accreditation agencies wherever possible. The agency may require more frequent data reporting by an institution to ascertain whether the standards are being met.

Sec. 14. Minnesota Statutes 2018, section 136A.69, subdivision 1, is amended to read:

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

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

- associate degree $2,000
- baccalaureate degree $2,500
- master's degree $3,000
- doctorate degree $3,500

(c) A new school that will offer more than one degree per level during its first year must pay registration fees in an amount equal to the fee for the first degree at each degree level under paragraph (b), plus fees for each additional nondegree program or degree as follows:
Sec. 15. Minnesota Statutes 2018, section 136A.69, subdivision 4, is amended to read:

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

(1) $400 for the team base fee or for a paper review conducted by a consultant if the office determines that a fact-finding visit is not required;
(2) $300 for each day or part thereof on site per team member; and
(3) the actual cost of customary meals, lodging, and related travel expenses incurred by team members.

Sec. 16. Minnesota Statutes 2018, section 136A.69, is amended by adding a subdivision to read:

Subd. 4a. Student complaint fee. The office shall be reimbursed for expenses necessary to review or investigate any student complaint under section 136A.672 for any registered institution that has more than five student complaints per annual registration period. The office shall be reimbursed for the expenses incurred related to the review or investigation of any complaint that exceeds the fifth complaint as follows:

(1) $500;
(2) $300 for each day or part thereof that requires a site visit per team member; and
(3) the actual cost of customary meals, lodging, and related travel expenses incurred by team members.

Sec. 17. Minnesota Statutes 2018, section 136A.824, subdivision 4, is amended to read:

Subd. 4. Visit or consulting fee. If the office determines that a fact-finding visit or outside consultant is necessary to review, investigate, or evaluate any new or revised program

(d) The annual renewal registration fee is $1,200 $2,000.
or the private career school for statutory compliance, the office shall be reimbursed for the
expenses incurred related to the review as follows:

(1) $400 for the team base fee or for a paper review conducted by a consultant if the
office determines that a fact-finding visit is not required;
(2) $300 for each day or part thereof on site per team member; and
(3) the actual cost of customary meals, lodging, and related travel expenses incurred by
team members.

Sec. 18. Minnesota Statutes 2018, section 136A.824, is amended by adding a subdivision
to read:

Subd. 10. Student complaint fee. The office shall be reimbursed for expenses necessary
to review or investigate any student complaint under section 136A.8295 for any licensed
private career school that has more than five student complaints per annual licensure period.
The office shall be reimbursed for the expenses incurred related to the review or investigation
of any complaint that exceeds the fifth complaint as follows:

(1) $500;
(2) $300 for each day or part thereof that requires a site visit per team member; and
(3) the actual cost of customary meals, lodging, and related travel expenses incurred by
team members.

Sec. 19. Minnesota Statutes 2018, section 136A.829, subdivision 1, is amended to read:

Subdivision 1. Grounds. The office may, after notice and upon providing an opportunity
for a hearing, under chapter 14 if requested by the parties adversely affected, refuse to issue,
refuse to renew, revoke, or suspend a license or solicitor's permit for any of the following
grounds:

(1) violation of any provisions of sections 136A.821 to 136A.833 or any rule adopted
by the office;
(2) furnishing to the office false, misleading, or incomplete information;
(3) presenting to prospective students information relating to the private career school
that is false, fraudulent, deceptive, substantially inaccurate, or misleading;
(4) refusal to allow reasonable inspection or supply reasonable information after written
request by the office;
(5) the existence of any circumstance that would be grounds for the refusal of an initial or renewal license under section 136A.822; and

(6) using fraudulent, coercive, or dishonest practices, or demonstrating gross mismanagement, whether in the course of business in this state or elsewhere.

Sec. 20. Minnesota Statutes 2018, section 136A.833, subdivision 1, is amended to read:

Subdivision 1. Application for exemptions. A school that seeks an exemption from the provisions of sections 136A.822 to 136A.834 for the school and all of its programs or some of its programs must apply to the office to establish that the school meets the requirements of an exemption. An exemption expires two years from the date of approval or when a school adds a new program or makes a modification equal to or greater than 25 percent to an existing educational program. If a school is reapplying for an exemption, the application must be submitted to the office 90 days before the current exemption expires. This exemption shall not extend to any school that uses any publication or advertisement that is not truthful and gives any false, fraudulent, deceptive, inaccurate, or misleading impressions about the school or its personnel, programs, services, or occupational opportunities for its graduates for promotion and student recruitment.

Sec. 21. Minnesota Statutes 2018, section 136A.834, subdivision 2, is amended to read:

Subd. 2. Limitations. (a) An exemption shall not extend to any private career school, department or branch of a private career school, or program of a private career school which through advertisements or solicitations represents to any students or prospective students that the school, its aims, goals, missions, purposes, or programs are different from those described in subdivision 1.

(b) An exemption shall not extend to any private career school which or program that represents to any student or prospective student that the major purpose of its programs is to:

(1) prepare the student for a vocation not closely related to that particular religious faith; or

(2) provide the student with a general educational program recognized by other private career schools or the broader educational, business, or social community as being substantially equivalent to the educational programs offered by private career schools or departments or branches of private career schools which are not religious in nature and are

Sec. 21.
not exempt from sections 136A.82 to 136A.834 and from rules adopted under sections
136A.82 to 136A.834.

(c) This exemption shall not extend to any school that uses any publication or
advertisement that is not truthful and gives any false, fraudulent, deceptive, inaccurate, or
misleading impressions about the school or its personnel, programs, services, or occupational
opportunities for graduates for promotion and student recruitment.