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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 3672

02/21/2022

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The bill was read for the first time and referred to the Committee on Higher Education Finance and Policy

1.1 A bill for an act  
1.2 relating to higher education; providing for certain policy changes to student  
1.3 financial aid, institutional licensure provisions, and institutional grant programs;  
1.4 amending Minnesota Statutes 2020, sections 136A.121, subdivision 18; 136A.1701,  
1.5 subdivision 11; 136A.833; Minnesota Statutes 2021 Supplement, section 136A.91,  
1.6 subdivisions 1, 2; repealing Minnesota Rules, part 4880.2500.

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

1.8 Section 1. Minnesota Statutes 2020, section 136A.121, subdivision 18, is amended to  
1.9 read:

1.10 Subd. 18. **Data.** (a) An eligible institution whose students are eligible to receive funding  
1.11 under sections 136A.095 to 136A.246 must provide to the office data on student enrollment  
1.12 and federal and state financial aid.

1.13 (b) An institution or its agent must provide to the office aggregate and distributional  
1.14 financial or other data as determined by the commissioner that is directly related to the  
1.15 responsibilities of the office under this chapter. The commissioner may only request aggregate  
1.16 and distributional data after establishing and consulting with a data advisory task force to  
1.17 determine the need, content, and detail of the information. Data provided by nonpublic  
1.18 institutions under this paragraph is considered nonpublic data under chapter 13.

1.19 Sec. 2. Minnesota Statutes 2020, section 136A.1701, subdivision 11, is amended to read:

1.20 Subd. 11. **Data.** (a) An eligible institution whose students are eligible to receive funding  
1.21 under sections 136A.15 to 136A.1795 and licensed or registered under sections 136A.61  
1.22 to 136A.834 must provide to the office data on student enrollment and federal and state  
1.23 financial aid.

2.1 (b) An institution or its agent must provide to the office aggregate and distributional  
 2.2 financial or other data as determined by the commissioner that is directly related to the  
 2.3 responsibilities of the office under this chapter. The commissioner may only request aggregate  
 2.4 and distributional data after establishing and consulting with a data advisory task force to  
 2.5 determine the need, content, and detail of the information. Data provided by nonpublic  
 2.6 institutions under this paragraph is considered nonpublic data under chapter 13.

2.7 Sec. 3. Minnesota Statutes 2020, section 136A.833, is amended to read:

2.8 **136A.833 EXEMPTIONS.**

2.9 Subdivision 1. **Application for exemptions.** A school that seeks an exemption from the  
 2.10 provisions of sections 136A.822 to 136A.834 for the school and all of its programs or some  
 2.11 of its programs must apply to the office to establish that the school or program meets the  
 2.12 requirements of an exemption. An exemption for the school or program expires two years  
 2.13 from the date of approval or when a school adds a new program or makes a modification  
 2.14 equal to or greater than 25 percent to an existing educational program. If a school is  
 2.15 reapplying for an exemption, the application must be submitted to the office 90 days before  
 2.16 the current exemption expires. This exemption shall not extend to any school that uses any  
 2.17 publication or advertisement that is not truthful and gives any false, fraudulent, deceptive,  
 2.18 inaccurate, or misleading impressions about the school or its personnel, programs, services,  
 2.19 or occupational opportunities for its graduates for promotion and student recruitment.  
 2.20 Exemptions denied under this section are subject to appeal under section ~~136A.65,~~  
 2.21 ~~subdivision 8, paragraph (e)~~ 136A.829. If an appeal is initiated, the denial of the exemption  
 2.22 is not effective until the final determination of the appeal, unless immediate effect is ordered  
 2.23 by the court.

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

2.26 (1) public postsecondary institutions;

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

2.28 (3) postsecondary institutions exempt from registration under sections 136A.653,  
 2.29 subdivisions 2, 3, and 3a; 136A.657; and 136A.658;

2.30 ~~(3)~~ (4) private career schools of nursing accredited by the state Board of Nursing or an  
 2.31 equivalent public board of another state or foreign country;

2.32 ~~(4)~~ (5) private schools complying with the requirements of section 120A.22, subdivision  
 2.33 4;

3.1 ~~(5)~~ (6) courses taught to students in a ~~valid~~ an apprenticeship program registered by the  
3.2 United States Department of Labor or Minnesota Department of Labor and taught by or  
3.3 required by a trade union;

3.4 ~~(6)~~ (7) private career schools exclusively engaged in training physically or mentally  
3.5 disabled persons for the state of Minnesota;

3.6 ~~(7)~~ (8) private career schools licensed by boards authorized under Minnesota law to  
3.7 issue licenses for training programs except private career schools required to obtain a private  
3.8 career school license due to the use of "academy," "institute," "college," or "university" in  
3.9 their names;

3.10 ~~(8)~~ (9) private career schools and educational programs, or training programs, contracted  
3.11 for by persons, firms, corporations, government agencies, or associations, for the training  
3.12 of their own employees, for which no fee is charged the employee;

3.13 ~~(9)~~ (10) private career schools engaged exclusively in the teaching of purely avocational,  
3.14 recreational, or remedial subjects, including adult basic education, as determined by the  
3.15 office except private career schools required to obtain a private career school license due  
3.16 to the use of "academy," "institute," "college," or "university" in their names unless the  
3.17 private career school used "academy" or "institute" in its name prior to August 1, 2008;

3.18 ~~(10)~~ (11) classes, courses, or programs conducted by a bona fide trade, professional, or  
3.19 fraternal organization, solely for that organization's membership;

3.20 ~~(11)~~ (12) programs in the fine arts provided by organizations exempt from taxation under  
3.21 section 290.05 and registered with the attorney general under chapter 309. For the purposes  
3.22 of this clause, "fine arts" means activities resulting in artistic creation or artistic performance  
3.23 of works of the imagination which are engaged in for the primary purpose of creative  
3.24 expression rather than commercial sale or employment. In making this determination the  
3.25 office may seek the advice and recommendation of the Minnesota Board of the Arts;

3.26 ~~(12)~~ (13) classes, courses, or programs intended to fulfill the continuing education  
3.27 requirements for licensure or certification in a profession, that have been approved by a  
3.28 legislatively or judicially established board or agency responsible for regulating the practice  
3.29 of the profession or by an industry-specific certification entity, and that are offered  
3.30 exclusively to ~~an individual practicing the profession~~ individuals with the professional  
3.31 licensure or certification;

4.1 ~~(13)~~ (14) classes, courses, or programs intended to prepare students to sit for  
 4.2 undergraduate, graduate, postgraduate, or occupational licensing ~~and occupational,~~  
 4.3 certification, or entrance examinations;

4.4 ~~(14)~~ (15) classes, courses, or programs providing 16 or fewer clock hours of instruction  
 4.5 ~~that are not part of the curriculum for an occupation or entry level employment except~~  
 4.6 ~~private career schools required to obtain a private career school license due to the use of~~  
 4.7 ~~"academy," "institute," "college," or "university" in their names;~~

4.8 ~~(15)~~ (16) classes, courses, or programs providing instruction in personal development,  
 4.9 modeling, or acting;

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

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

4.18 (18) private career schools providing exclusively training, instructional programs, or  
 4.19 courses where tuition, fees, and any other charges for a student to participate do not exceed  
 4.20 \$100.

4.21 Sec. 4. Minnesota Statutes 2021 Supplement, section 136A.91, subdivision 1, is amended  
 4.22 to read:

4.23 Subdivision 1. **Grants.** (a) The Office of Higher Education must establish a competitive  
 4.24 grant program for postsecondary institutions to expand concurrent enrollment opportunities.  
 4.25 To the extent that there are qualified applicants, the commissioner of the Office of Higher  
 4.26 Education shall distribute grant funds to ensure:

4.27 (1) eligible students throughout the state have access to concurrent enrollment programs;  
 4.28 and

4.29 (2) preference for grants that expand programs is given to programs already at capacity.

4.30 (b) The commissioner may award grants under this section to postsecondary institutions  
 4.31 for any of the following purposes:

5.1 (1) to develop new concurrent enrollment courses under section 124D.09, subdivision  
5.2 10, that satisfy the elective standard for career and technical education; or

5.3 (2) to expand the existing concurrent enrollment programs already offered by the  
5.4 postsecondary institution by:

5.5 (i) creating new sections within the same high school;

5.6 (ii) offering the existing course in new high schools; ~~or~~ and

5.7 (iii) supporting the preparation, recruitment, and success of students who are  
5.8 underrepresented in concurrent enrollment classrooms.

5.9 Sec. 5. Minnesota Statutes 2021 Supplement, section 136A.91, subdivision 2, is amended  
5.10 to read:

5.11 Subd. 2. **Application.** ~~(a)~~ The commissioner shall develop a grant application process.

5.12 A grant applicant must:

5.13 (1) specify the purpose under subdivision 1, paragraph (b), for which the institution is  
5.14 applying;

5.15 (2) specify both program and student outcome goals;

5.16 (3) include student feedback in the development of new programs or the expansion of  
5.17 existing programs; and

5.18 (4) demonstrate a commitment to equitable access to concurrent enrollment coursework  
5.19 for all eligible high school students.

5.20 ~~(b) A postsecondary institution applying for a grant under subdivision 1, paragraph (b),~~  
5.21 ~~clause (3), must provide a 50 percent match for the grant funds.~~

5.22 Sec. 6. **REPEALER.**

5.23 Minnesota Rules, part 4880.2500, is repealed.

**4880.2500 CATEGORIES OF CHAPTER 141 SCHOOLS.**

Subpart 1. **Definitions.** For purposes of this part, the following terms have the meanings given.

A. "Examination" means an examination administered by a national or state testing body, the state of Minnesota, or the federal government for licensure or other certification in a profession or occupation.

B. "Graduate" means an individual who has received a degree, diploma, or certificate for completion of a program during the most recent 12-month period that ended June 30 for which data are available.

C. "Passing rate" means the number of the school's graduates who passed the examination, as reported by the testing agency, as a percent of the number of the school's graduates who took the examination during the most recent 12-month period ending June 30 for which data are available.

D. "Placement" means a graduate who, within 12 months after graduation, has obtained a paid position of employment and the position is in an occupation related to the educational program, as reported by the graduate, the graduate's parent or guardian, spouse or domestic partner, adult sibling, employer, or instructional staff at the school.

E. "Placement rate" means the number of graduates in a cohort who obtained employment related to their education program as a percent of the total number of graduates in the cohort. For purposes of this item, a "cohort" is a class or group of students of the school that graduate in the same year.

F. "Program" means a vocational or professional program preparing students for an occupation which requires licensure or other certification by examination for entry into the occupation in Minnesota and completion of the program is required for admission to the examination. This definition applies only to a category C school under subpart 2, item C, subitem (3).

Subp. 2. **Categories of schools.** Schools licensed under Minnesota Statutes, chapter 141, must qualify under one of the two following categories of schools:

A. A category A school must, for reporting purposes, satisfy all of the licensure requirements under parts 4880.1500 to 4880.2800 and Minnesota Statutes, chapter 141.

B. A category B school must, for reporting purposes, satisfy all of the licensure requirements under parts 4880.1500 to 4880.2800, Minnesota Statutes, chapter 141, and meet all of the following applicable performance indicators:

(1) the school must verify that it has achieved full institutional reaccreditation with an accreditation agency recognized by the United States Department of Education;

(2) the school must have a cohort default rate equal to or less than an average of 15 percent for the previous three consecutive years, as calculated by the United States Department of Education;

(3) the passing rate of the school's graduates on licensure or other certification examinations must be equal to or greater than 85 percent of the national or state passing rate, based on a minimum of ten graduates sitting for the examination in any one year;

(4) the school must have a placement rate equal to or greater than 70 percent, based on a minimum of ten graduates from the school in any one year;

(5) the school's withdrawal rate for the three most recent consecutive years, as established by the Code of Federal Regulations, title 34, section 668.16, paragraph (1), must not exceed 33 percent;

(6) the school must receive a satisfactory audit by the office for the three most recent consecutive years. The school must provide evidence that it has adhered to:

APPENDIX  
Repealed Minnesota Rules: 22-04782

(a) the refund policy as specified in Minnesota Statutes, section 136A.827, or that any discrepancies noted by each audit report have been corrected within 90 days of issuance of the report to the school; and

(b) the requirement for student records pursuant to Minnesota Statutes, chapter 141, including acceptable academic transcripts and student financial account records, or that any discrepancies noted in an audit report have been corrected within 90 days of issuance of the report to the school;

(7) the school must provide evidence that there has been no determination of limitation, suspension, or termination by the United States Department of Education during the past five years; and

(8) the school must verify annually there have been no unresolved student complaints related to Minnesota Statutes, chapter 141, or its attendant rules during the preceding 12 months immediately prior to the relicensure notification from the office. The office will notify a school in writing when the office has determined that a student complaint has been resolved.

Subp. 3. **Relicensure report.** Schools that meet the requirements of subpart 2, item A, are required to submit a full licensure report every year. Schools that meet the requirements of subpart 2, items B and C, are required to submit a full relicensure report once every four years and in the interim years will be exempt from the requirements of parts 4880.1700, subpart 6, and 4880.2100, subpart 4; and Minnesota Statutes, section 136A.822, subdivision 4, clauses (4), (5), and (8).