

1.1 moves to amend H.F. No. 1222 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 **"ARTICLE 1**

1.4 **HIGHER EDUCATION APPROPRIATIONS**

1.5 Section 1. **HIGHER EDUCATION APPROPRIATIONS.**

1.6 The sums shown in the columns marked "Appropriations" are appropriated to the agencies
1.7 and for the purposes specified in this article. The appropriations are from the general fund,
1.8 or another named fund, and are available for the fiscal years indicated for each purpose.

1.9 The figures "2018" and "2019" used in this article mean that the appropriations listed under
1.10 them are available for the fiscal year ending June 30, 2018, or June 30, 2019, respectively.

1.11 "The first year" is fiscal year 2018. "The second year" is fiscal year 2019. "The biennium"
1.12 is fiscal years 2018 and 2019.

1.13		<u>APPROPRIATIONS</u>	
1.14		<u>Available for the Year</u>	
1.15		<u>Ending June 30</u>	
1.16		<u>2018</u>	<u>2019</u>

1.17 **Sec. 2. MINNESOTA OFFICE OF HIGHER**
1.18 **EDUCATION**

1.19	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>252,725,000</u>	<u>\$</u>	<u>248,535,000</u>
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1.20 The amounts that may be spent for each
1.21 purpose are specified in the following
1.22 subdivisions.

1.23	<u>Subd. 2. State Grants</u>	<u>193,281,000</u>	<u>193,281,000</u>
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2.1 If the appropriation in this subdivision for
 2.2 either year is insufficient, the appropriation
 2.3 for the other year is available for it.

2.4 **Subd. 3. Child Care Grants** 6,708,000 6,709,000

2.5 **Subd. 4. State Work-Study** 14,502,000 14,502,000

2.6 **Subd. 5. Interstate Tuition Reciprocity** 11,018,000 11,018,000

2.7 If the appropriation in this subdivision for
 2.8 either year is insufficient, the appropriation
 2.9 for the other year is available to meet
 2.10 reciprocity contract obligations.

2.11 **Subd. 6. Safety Officer's Survivors** 100,000 100,000

2.12 (a) This appropriation is to provide educational
 2.13 benefits under Minnesota Statutes, section
 2.14 299A.45, to eligible dependent children and
 2.15 to the spouses of public safety officers killed
 2.16 in the line of duty.

2.17 (b) If the appropriation in this subdivision for
 2.18 either year is insufficient, the appropriation
 2.19 for the other year is available for it.

2.20 **Subd. 7. Indian Scholarships** 3,500,000 3,500,000

2.21 The commissioner must contract with or
 2.22 employ at least one person with demonstrated
 2.23 competence in American Indian culture and
 2.24 residing in or near the city of Bemidji to assist
 2.25 students with the scholarships under
 2.26 Minnesota Statutes, section 136A.126, and
 2.27 with other information about financial aid for
 2.28 which the students may be eligible. Bemidji
 2.29 State University must provide office space at
 2.30 no cost to the Minnesota Office of Higher
 2.31 Education for purposes of administering the
 2.32 American Indian scholarship program under
 2.33 Minnesota Statutes, section 136A.126. This

3.1	<u>appropriation includes funding to administer</u>		
3.2	<u>the American Indian scholarship program.</u>		
3.3	<u>Subd. 8. Tribal College Grants</u>	<u>150,000</u>	<u>150,000</u>
3.4	<u>For tribal college assistance grants under</u>		
3.5	<u>Minnesota Statutes, section 136A.1796.</u>		
3.6	<u>Subd. 9. Intervention for College Attendance</u>		
3.7	<u>Program Grants</u>	<u>671,000</u>	<u>671,000</u>
3.8	<u>(a) For the intervention for college attendance</u>		
3.9	<u>program under Minnesota Statutes, section</u>		
3.10	<u>136A.861.</u>		
3.11	<u>(b) This appropriation includes funding to</u>		
3.12	<u>administer the intervention for college</u>		
3.13	<u>attendance program grants.</u>		
3.14	<u>Subd. 10. Student-Parent Information</u>	<u>122,000</u>	<u>122,000</u>
3.15	<u>Subd. 11. Get Ready!</u>	<u>180,000</u>	<u>180,000</u>
3.16	<u>Subd. 12. Minnesota Education Equity</u>		
3.17	<u>Partnership</u>	<u>45,000</u>	<u>45,000</u>
3.18	<u>Subd. 13. Midwest Higher Education Compact</u>	<u>115,000</u>	<u>115,000</u>
3.19	<u>Subd. 14. United Family Medicine Residency</u>		
3.20	<u>Program</u>	<u>501,000</u>	<u>501,000</u>
3.21	<u>For a grant to United Family Medicine</u>		
3.22	<u>residency program. This appropriation shall</u>		
3.23	<u>be used to support up to 21 resident physicians</u>		
3.24	<u>each year in family practice at United Family</u>		
3.25	<u>Medicine residency programs and shall</u>		
3.26	<u>prepare doctors to practice family care</u>		
3.27	<u>medicine in underserved rural and urban areas</u>		
3.28	<u>of the state. It is intended that this program</u>		
3.29	<u>will improve health care in underserved</u>		
3.30	<u>communities, provide affordable access to</u>		
3.31	<u>appropriate medical care, and manage the</u>		
3.32	<u>treatment of patients in a cost-effective</u>		
3.33	<u>manner.</u>		
3.34	<u>Subd. 15. MnLINK Gateway and Minitex</u>	<u>5,905,000</u>	<u>5,905,000</u>

4.1	<u>Subd. 16. Statewide Longitudinal Education</u>		
4.2	<u>Data System</u>	<u>882,000</u>	<u>882,000</u>
4.3	<u>Subd. 17. Hennepin County Medical Center</u>	<u>645,000</u>	<u>645,000</u>
4.4	<u>For transfer to Hennepin County Medical</u>		
4.5	<u>Center for graduate family medical education</u>		
4.6	<u>programs at Hennepin County Medical Center.</u>		
4.7	<u>Subd. 18. MNSCU Two-Year Public College</u>		
4.8	<u>Program</u>	<u>3,481,000</u>	<u>0</u>
4.9	<u>For the MNSCU two-year public college</u>		
4.10	<u>program under Laws 2015, chapter 69, article</u>		
4.11	<u>3, section 20.</u>		
4.12	<u>Subd. 19. College Possible</u>	<u>250,000</u>	<u>250,000</u>
4.13	<u>(a) This appropriation is for immediate transfer</u>		
4.14	<u>to College Possible to support programs of</u>		
4.15	<u>college admission and college graduation for</u>		
4.16	<u>low-income students through an intensive</u>		
4.17	<u>curriculum of coaching and support at both</u>		
4.18	<u>the high school and postsecondary level.</u>		
4.19	<u>(b) This appropriation must, to the extent</u>		
4.20	<u>possible, be proportionately allocated between</u>		
4.21	<u>students from greater Minnesota and students</u>		
4.22	<u>in the seven-county metropolitan area.</u>		
4.23	<u>(c) This appropriation must be used by College</u>		
4.24	<u>Possible only for programs supporting students</u>		
4.25	<u>who are residents of Minnesota and attending</u>		
4.26	<u>colleges or universities within Minnesota.</u>		
4.27	<u>(d) By February 1 of each year, College</u>		
4.28	<u>Possible must report to the chairs and ranking</u>		
4.29	<u>minority members of the legislative</u>		
4.30	<u>committees and divisions with jurisdiction</u>		
4.31	<u>over higher education and E-12 education on</u>		
4.32	<u>activities funded by this appropriation. The</u>		
4.33	<u>report must include, but is not limited to,</u>		
4.34	<u>information about the expansion of College</u>		

5.1 Possible in Minnesota, the number of College
 5.2 Possible coaches hired, the expansion within
 5.3 existing partner high schools, the expansion
 5.4 of high school partnerships, the number of
 5.5 high school and college students served, the
 5.6 total hours of community service by high
 5.7 school and college students, and a list of
 5.8 communities and organizations benefiting
 5.9 from student service hours.

5.10 **Subd. 20. Addiction Medicine Graduate**
 5.11 **Fellowship Program**

210,000

0

5.12 For the addiction medicine graduate fellowship
 5.13 program under Laws 2016, chapter 189, article
 5.14 1, section 2, subdivision 4.

5.15 **Subd. 21. Large Animal Veterinarian Loan**
 5.16 **Forgiveness Program**

250,000

0

5.17 For the large animal veterinarian loan
 5.18 forgiveness program under Minnesota Statutes,
 5.19 section 136A.1795. This is a onetime
 5.20 appropriation and is available until June 30,
 5.21 2024.

5.22 **Subd. 22. Spinal Cord Injury and Traumatic**
 5.23 **Brain Injury Research Grant Program**

2,000,000

2,000,000

5.24 (a) For spinal cord injury and traumatic brain
 5.25 injury research grants authorized under
 5.26 Minnesota Statutes, section 136A.901.

5.27 (b) The commissioner may use no more than
 5.28 three percent of this appropriation to
 5.29 administer the grant program under this
 5.30 subdivision.

5.31 **Subd. 23. Summer Academic Enrichment**
 5.32 **Program**

200,000

200,000

5.33 (a) For summer academic enrichment grants
 5.34 under Minnesota Statutes, section 136A.091.

6.1 (b) The commissioner may use no more than
 6.2 three percent of this appropriation to
 6.3 administer the grant program under this
 6.4 subdivision.

6.5 **Subd. 24. Dual Training Competency Grants;**
 6.6 **Office of Higher Education** 2,000,000 2,000,000

6.7 (a) For training grants under Minnesota
 6.8 Statutes, section 136A.246.

6.9 (b) The commissioner may use no more than
 6.10 three percent of this appropriation to
 6.11 administer the grant program under this
 6.12 subdivision.

6.13 **Subd. 25. Dual Training Competency Grants;**
 6.14 **Department of Labor and Industry** 200,000 200,000

6.15 For transfer to the commissioner of labor and
 6.16 industry for identification of competency
 6.17 standards for dual training under Minnesota
 6.18 Statutes, section 175.45.

6.19 **Subd. 26. Concurrent Enrollment Courses** 340,000 340,000

6.20 (a) \$225,000 in fiscal year 2018 and \$225,000
 6.21 in fiscal year 2019 are for grants to develop
 6.22 new concurrent enrollment courses under
 6.23 Minnesota Statutes, section 124D.09,
 6.24 subdivision 10, that satisfy the elective
 6.25 standard for career and technical education.
 6.26 Any balance in the first year does not cancel
 6.27 but is available in the second year.

6.28 (b) \$115,000 in fiscal year 2018 and \$115,000
 6.29 in fiscal year 2019 are for grants to
 6.30 postsecondary institutions currently
 6.31 sponsoring a concurrent enrollment course to
 6.32 expand existing programs. The commissioner
 6.33 shall determine the application process and
 6.34 the grant amounts. The commissioner must
 6.35 give preference to expanding programs that

7.1 are at capacity. Any balance in the first year
 7.2 does not cancel but is available in the second
 7.3 year.

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

7.9 (1) the courses developed by grant recipients
 7.10 and the number of students who enrolled in
 7.11 the courses under paragraph (a); and

7.12 (2) the programs expanded and the number of
 7.13 students who enrolled in programs under
 7.14 paragraph (b).

7.15 **Subd. 27. Student Loan Debt Counseling** 200,000 200,000

7.16 For student loan debt counseling under
 7.17 Minnesota Statutes, section 136A.1705.

7.18 **Subd. 28. 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. 29. Teacher Shortage Loan Forgiveness** 200,000 200,000

7.22 (a) For the loan forgiveness program under
 7.23 Minnesota Statutes, section 136A.1791.

7.24 (b) The commissioner may use no more than
 7.25 three percent of this appropriation to
 7.26 administer the program under this subdivision.

7.27 **Subd. 30. Grants for Students with Intellectual**
 7.28 **and Developmental Disabilities** 375,000 375,000

7.29 For grants for students with intellectual and
 7.30 developmental disabilities under Minnesota
 7.31 Statutes, section 136A.1215.

7.32 **Subd. 31. Agricultural Educators Loan**
 7.33 **Forgiveness** 250,000 0

8.1	<u>For deposit in the agricultural education loan</u>		
8.2	<u>forgiveness account.</u>		
8.3	<u>Subd. 32. Loan Repayment Assistance Program</u>	<u>50,000</u>	<u>50,000</u>
8.4	<u>For a grant to the Loan Repayment Assistance</u>		
8.5	<u>Program of Minnesota to provide education</u>		
8.6	<u>debt relief to attorneys with full-time</u>		
8.7	<u>employment providing legal advice or</u>		
8.8	<u>representation to low-income clients or support</u>		
8.9	<u>services for this work.</u>		
8.10	<u>Subd. 33. Minnesota Life College</u>	<u>1,000,000</u>	<u>1,000,000</u>
8.11	<u>For a grant to Minnesota Life College for</u>		
8.12	<u>need-based scholarships and tuition reduction.</u>		
8.13	<u>Subd. 34. Aviation Degree Loan Forgiveness</u>		
8.14	<u>Program</u>	<u>50,000</u>	<u>50,000</u>
8.15	<u>For the aviation degree loan forgiveness</u>		
8.16	<u>program under Minnesota Statutes, section</u>		
8.17	<u>136A.1789.</u>		
8.18	<u>Subd. 35. Greater Minnesota Loan Forgiveness</u>		
8.19	<u>Program</u>	<u>150,000</u>	<u>150,000</u>
8.20	<u>For the greater Minnesota loan forgiveness</u>		
8.21	<u>program under Minnesota Statutes, section</u>		
8.22	<u>136A.1788.</u>		
8.23	<u>Subd. 36. Teacher Candidates of Color</u>		
8.24	<u>Scholarship Program</u>	<u>200,000</u>	<u>200,000</u>
8.25	<u>For the teacher candidates of color scholarship</u>		
8.26	<u>program under Minnesota Statutes, section</u>		
8.27	<u>136A.1265.</u>		
8.28	<u>Subd. 37. Agency Administration</u>	<u>2,527,000</u>	<u>2,564,000</u>
8.29	<u>Subd. 38. Balances Forward</u>		
8.30	<u>A balance in the first year under this section</u>		
8.31	<u>does not cancel, but is available for the second</u>		
8.32	<u>year.</u>		
8.33	<u>Subd. 39. Transfers</u>		

- 10.1 (1) for the 2017-2018 academic year, the
10.2 tuition rate at colleges must not exceed the
10.3 2016-2017 academic year rate; and
- 10.4 (2) for the 2018-2019 academic year, the
10.5 tuition rate at colleges must be reduced by at
10.6 least one percent compared to the 2017-2018
10.7 academic year rate.
- 10.8 The student tuition relief may not be offset by
10.9 increases in mandatory fees, charges, or other
10.10 assessments to the student.
- 10.11 This appropriation includes \$500,000 in fiscal
10.12 year 2018 and \$500,000 in fiscal year 2019
10.13 for a program for students with intellectual
10.14 and developmental disabilities under
10.15 Minnesota Statutes, section 136F.38.
- 10.16 Of this amount, \$150,000 in each year is
10.17 designated for the existing programs for
10.18 students with intellectual and developmental
10.19 disabilities at Ridgewater College and Central
10.20 Lakes College.
- 10.21 This appropriation includes \$5,000,000 in
10.22 fiscal year 2018 and \$5,000,000 in fiscal year
10.23 2019 for upgrading the Integrated Statewide
10.24 Record System.
- 10.25 This appropriation includes \$1,250,000 in
10.26 fiscal year 2018 and \$1,250,000 in fiscal year
10.27 2019 for workforce development scholarships
10.28 under Minnesota Statutes, section 136F.38.
- 10.29 \$140,000 each year is for transfer to the Cook
10.30 County Higher Education Board to provide
10.31 educational programming and academic
10.32 support services to remote regions in
10.33 northeastern Minnesota. The Cook County
10.34 Higher Education Board shall continue to

11.1 provide information to the Board of Trustees
11.2 on the number of students served, credit hours
11.3 delivered, and services provided to students.

11.4 \$175,000 in fiscal year 2018 and \$175,000 in
11.5 fiscal year 2019 are for the
11.6 veterans-to-agriculture pilot program
11.7 established by Laws 2015, chapter 69, article
11.8 1, section 4, subdivision 3. The program shall
11.9 continue to conform to the requirements of
11.10 that subdivision. The appropriation shall be
11.11 used to support, in equal amounts, up to six
11.12 program sites statewide. No more than two
11.13 percent of the total appropriation provided by
11.14 this section may be used for administrative
11.15 purposes at the system level.

11.16 No later than December 15, 2018, the program
11.17 shall report to the committees of the house of
11.18 representatives and the senate with jurisdiction
11.19 over issues related to agriculture, veterans
11.20 affairs, and higher education on program
11.21 operations, including information on
11.22 participation rates, new job placements, and
11.23 any unmet needs.

11.24 \$100,000 in fiscal year 2018 is for use by
11.25 Winona State University for HealthForce
11.26 Minnesota to develop educational materials
11.27 that increase awareness of career opportunities
11.28 available in the field of senior care. The
11.29 educational materials developed under this
11.30 provision must be appropriate for students in
11.31 K-12 education settings, dislocated workers,
11.32 and rural communities. Materials must be
11.33 developed in collaboration with employers
11.34 and trade organizations representing
11.35 employers in the field of senior care.

12.1 Winona State University shall submit a report
12.2 by February 1, 2019, to the chairs and ranking
12.3 minority members of the legislative
12.4 committees with jurisdiction over higher
12.5 education finance and policy. The report must
12.6 include information about the materials
12.7 developed, to whom materials were
12.8 distributed, and identify any collaborations
12.9 with employers and trade organizations.

12.10 Five percent of the fiscal year 2019
12.11 appropriation specified in this subdivision is
12.12 available according to the schedule in clauses
12.13 (1) to (5) in fiscal year 2019 when the Board
12.14 of Trustees of the Minnesota State Colleges
12.15 and Universities demonstrates to the
12.16 commissioner of management and budget that
12.17 the board has met the following specified
12.18 number of performance goals:

12.19 (1) 100 percent if the board meets three, four,
12.20 or five goals;

12.21 (2) 67 percent if two of the goals are met;

12.22 (3) 33 percent if one of the goals are met; and

12.23 (4) zero percent if none of the goals are met.

12.24 The performance goals are:

12.25 (1) increase by at least four percent in fiscal
12.26 year 2017, compared to fiscal year 2010,
12.27 degrees, diplomas, and certificates conferred
12.28 and provide a report to the chairs and ranking
12.29 minority members of the legislative
12.30 committees with jurisdiction over higher
12.31 education on the separate changes in the
12.32 number of degrees, diplomas, and certificates
12.33 conferred;

- 13.1 (2) increase by at least five percent the fiscal
13.2 year 2017-related employment rate for 2016
13.3 graduates, compared to the 2013 rate for 2012
13.4 graduates;
- 13.5 (3) for fiscal year 2018, reallocate \$22,000,000
13.6 of costs. The Board of Trustees is requested
13.7 to redirect those funds to invest in direct
13.8 mission activities, stem growth in tuition and
13.9 student fees, and to programs that benefit
13.10 students;
- 13.11 (4) decrease by at least ten percent the fiscal
13.12 year 2017 headcount of students enrolled in
13.13 developmental courses compared to fiscal year
13.14 2015 headcount of students enrolled in
13.15 developmental courses; and
- 13.16 (5) increase by at least five percent the fiscal
13.17 year 2017 degrees awarded to students who
13.18 took no more than 128 credits for a
13.19 baccalaureate degree and 68 credits for
13.20 associate in arts, associate of science, or
13.21 associate in fine arts degrees, as compared to
13.22 the rate for 2013 graduates.
- 13.23 By August 1, 2017, the Board of Trustees and
13.24 the Minnesota Office of Higher Education
13.25 must agree on specific numerical indicators
13.26 and definitions for each of the five goals that
13.27 will be used to demonstrate the Minnesota
13.28 State Colleges and Universities' attainment of
13.29 each goal. On or before April 1, 2018, the
13.30 Board of Trustees must report to the legislative
13.31 committees with primary jurisdiction over
13.32 higher education finance and policy the
13.33 progress of the Minnesota State Colleges and
13.34 Universities toward attaining the goals. The
13.35 appropriation base for the next biennium shall

14.1 include appropriations not made available
 14.2 under this subdivision for failure to meet
 14.3 performance goals. All of the appropriation
 14.4 that is not available due to failure to meet
 14.5 performance goals is appropriated to the
 14.6 commissioner of the Office of Higher
 14.7 Education for fiscal year 2019 for the purpose
 14.8 of the state grant program under Minnesota
 14.9 Statutes, section 136A.121.

14.10 Performance metrics are intended to facilitate
 14.11 progress toward the attainment goal under
 14.12 Minnesota Statutes, section 135A.012.

14.13 **Subd. 4. Transfers**

14.14 The Board of Trustees must transfer any
 14.15 unspent balances from the appropriations in
 14.16 this section to the general fund of the state
 14.17 treasury. A transfer may be made only with
 14.18 prior written notice to the chairs and ranking
 14.19 minority members of the senate and house of
 14.20 representatives committees and divisions with
 14.21 jurisdiction over higher education finance.

14.22 **Subd. 5. Learning Network of Minnesota** 4,115,000 4,115,000

14.23 **Sec. 4. BOARD OF REGENTS OF THE**
 14.24 **UNIVERSITY OF MINNESOTA**

14.25 **Subdivision 1. Total Appropriation** **\$ 638,556,000** **\$ 640,556,000**

14.26 Appropriations by Fund

14.27 General 636,399,000 638,399,000

14.28 Health Care Access 2,157,000 2,157,000

14.29 The amounts that may be spent for each
 14.30 purpose are specified in the following
 14.31 subdivisions.

14.32 **Subd. 2. Operations and Maintenance** 567,961,000 569,961,000

15.1 This appropriation includes funding for
15.2 operation and maintenance of the system. Of
15.3 the amount appropriated in this subdivision:
15.4 \$6,800,000 in fiscal year 2018 and \$8,800,000
15.5 in fiscal year 2019 are for health training
15.6 restoration. This appropriation must be used
15.7 to support all of the following:
15.8 (1) faculty physicians who teach at eight
15.9 residency program sites, including medical
15.10 resident and student training programs in the
15.11 Department of Family Medicine;
15.12 (2) the Mobile Dental Clinic; and
15.13 (3) expansion of geriatric education and family
15.14 programs.
15.15 \$1,000,000 in fiscal year 2018 and \$1,000,000
15.16 in fiscal year 2019 are for the Minnesota
15.17 Discovery, Research, and Innovation Economy
15.18 program. This appropriation is to advance
15.19 research strengths to fight cancer, strengthen
15.20 communities, improve water quality, and
15.21 advance data.
15.22 \$300,000 in fiscal year 2018 and \$300,000 in
15.23 fiscal year 2019 are for a program for students
15.24 with intellectual and developmental disabilities
15.25 under Minnesota Statutes, section 137.45.
15.26 \$750,000 in fiscal year 2018 and \$750,000 in
15.27 fiscal year 2019 are for the University of
15.28 Minnesota, Morris branch, to cover the costs
15.29 of tuition waivers under Minnesota Statutes,
15.30 section 137.16.
15.31 Five percent of the fiscal year 2019
15.32 appropriation specified in this subdivision is
15.33 available according to the schedule in clauses

- 16.1 (1) to (5) in fiscal year 2019 when the Board
16.2 of Regents of the University of Minnesota
16.3 demonstrates to the commissioner of
16.4 management and budget that the board has
16.5 met the following specified number of
16.6 performance goals:
- 16.7 (1) 100 percent if the board meets three, four,
16.8 or five goals;
- 16.9 (2) 67 percent if two of the goals are met;
- 16.10 (3) 33 percent if one of the goals are met; and
- 16.11 (4) zero percent if none of the goals are met.
- 16.12 The performance goals are:
- 16.13 (1) increase by at least one percent the
16.14 four-year, five-year, or six-year undergraduate
16.15 graduation rates, averaged over three years,
16.16 for students of color systemwide at the
16.17 University of Minnesota reported in fall 2018
16.18 over fall 2016. The average rate for fall 2016
16.19 is calculated with the graduation rates reported
16.20 in fall 2014, 2015, and 2016;
- 16.21 (2) increase by at least two percent the total
16.22 number of undergraduate STEM degrees,
16.23 averaged over three years, conferred
16.24 systemwide by the University of Minnesota
16.25 reported in fiscal year 2018 over fiscal year
16.26 2016. The averaged number for fiscal year
16.27 2016 is calculated with the fiscal year 2014,
16.28 2015, and 2016 numbers;
- 16.29 (3) increase by at least one percent the
16.30 four-year undergraduate graduation rate at the
16.31 University of Minnesota reported in fall 2018
16.32 over fall 2016. The average rate for fall 2016
16.33 is calculated with the graduation rates reported

17.1 in fall 2014, 2015, and 2016. The averaged
17.2 number for fiscal year 2016 is calculated with
17.3 the fiscal year 2014, 2015, and 2016 numbers;
17.4 (4) for fiscal year 2018, reallocate \$15,000,000
17.5 of administrative costs. The Board of Regents
17.6 is requested to redirect those funds to invest
17.7 in direct mission activities, stem growth in
17.8 cost of attendance, and to programs that
17.9 benefit students; and
17.10 (5) increase licensing disclosures by three
17.11 percent for fiscal year 2018 over fiscal year
17.12 2017.

17.13 By August 1, 2017, the Board of Regents and
17.14 the Office of Higher Education must agree on
17.15 specific numerical indicators and definitions
17.16 for each of the five goals that will be used to
17.17 demonstrate the University of Minnesota's
17.18 attainment of each goal. On or before April 1,
17.19 2018, the Board of Regents must report to the
17.20 legislative committees with primary
17.21 jurisdiction over higher education finance and
17.22 policy the progress of the University of
17.23 Minnesota toward attaining the goals. The
17.24 appropriation base for the next biennium shall
17.25 include appropriations not made available
17.26 under this subdivision for failure to meet
17.27 performance goals. All of the appropriation
17.28 that is not available due to failure to meet
17.29 performance goals is appropriated to the
17.30 commissioner of the Office of Higher
17.31 Education for fiscal year 2019 for the purpose
17.32 of the state grant program under Minnesota
17.33 Statutes, section 136A.121.

- 18.1 Performance metrics are intended to facilitate
 18.2 progress toward the attainment goal under
 18.3 Minnesota Statutes, section 135A.012.
- 18.4 **Subd. 3. Primary Care Education Initiatives** 2,157,000 2,157,000
- 18.5 This appropriation is from the health care
 18.6 access fund.
- 18.7 **Subd. 4. Special Appropriations**
- 18.8 **(a) Agriculture and Extension Service** 42,922,000 42,922,000
- 18.9 For the Agricultural Experiment Station and
 18.10 the Minnesota Extension Service:
- 18.11 (1) the agricultural experiment stations and
 18.12 Minnesota Extension Service must convene
 18.13 agricultural advisory groups to focus research,
 18.14 education, and extension activities on producer
 18.15 needs and implement an outreach strategy that
 18.16 more effectively and rapidly transfers research
 18.17 results and best practices to producers
 18.18 throughout the state;
- 18.19 (2) this appropriation includes funding for
 18.20 research and outreach on the production of
 18.21 renewable energy from Minnesota biomass
 18.22 resources, including agronomic crops, plant
 18.23 and animal wastes, and native plants or trees.
- 18.24 The following areas should be prioritized and
 18.25 carried out in consultation with Minnesota
 18.26 producers, renewable energy, and bioenergy
 18.27 organizations:
- 18.28 (i) biofuel and other energy production from
 18.29 perennial crops, small grains, row crops, and
 18.30 forestry products in conjunction with the
 18.31 Natural Resources Research Institute (NRRI);
- 18.32 (ii) alternative bioenergy crops and cropping
 18.33 systems; and

- 19.1 (iii) biofuel coproducts used for livestock feed;
- 19.2 (3) this appropriation includes funding for the
- 19.3 College of Food, Agricultural, and Natural
- 19.4 Resources Sciences to establish and provide
- 19.5 leadership for organic agronomic,
- 19.6 horticultural, livestock, and food systems
- 19.7 research, education, and outreach and for the
- 19.8 purchase of state-of-the-art laboratory,
- 19.9 planting, tilling, harvesting, and processing
- 19.10 equipment necessary for this project;
- 19.11 (4) this appropriation includes funding for
- 19.12 research efforts that demonstrate a renewed
- 19.13 emphasis on the needs of the state's agriculture
- 19.14 community. The following areas should be
- 19.15 prioritized and carried out in consultation with
- 19.16 Minnesota farm organizations:
- 19.17 (i) vegetable crop research with priority for
- 19.18 extending the Minnesota vegetable growing
- 19.19 season;
- 19.20 (ii) fertilizer and soil fertility research and
- 19.21 development;
- 19.22 (iii) soil, groundwater, and surface water
- 19.23 conservation practices and contaminant
- 19.24 reduction research;
- 19.25 (iv) discovering and developing plant varieties
- 19.26 that use nutrients more efficiently;
- 19.27 (v) breeding and development of turf seed and
- 19.28 other biomass resources in all three Minnesota
- 19.29 biomes;
- 19.30 (vi) development of new disease-resistant and
- 19.31 pest-resistant varieties of turf and agronomic
- 19.32 crops;

20.1 (vii) utilizing plant and livestock cells to treat
 20.2 and cure human diseases;

20.3 (viii) the development of dairy coproducts;

20.4 (ix) a rapid agricultural response fund for
 20.5 current or emerging animal, plant, and insect
 20.6 problems affecting production or food safety;

20.7 (x) crop pest and animal disease research;

20.8 (xi) developing animal agriculture that is
 20.9 capable of sustainably feeding the world;

20.10 (xii) consumer food safety education and
 20.11 outreach;

20.12 (xiii) programs to meet the research and
 20.13 outreach needs of organic livestock and crop
 20.14 farmers; and

20.15 (xiv) alternative bioenergy crops and cropping
 20.16 systems; and growing, harvesting, and
 20.17 transporting biomass plant material; and

20.18 (5) by February 1, 2019, the Board of Regents
 20.19 must submit a report to the legislative
 20.20 committees and divisions with jurisdiction
 20.21 over agriculture and higher education finance
 20.22 on the status and outcomes of research and
 20.23 initiatives funded in this paragraph.

20.24 **(b) Health Sciences** 9,204,000 9,204,000

20.25 \$346,000 each year is to support up to 12
 20.26 resident physicians in the St. Cloud Hospital
 20.27 family practice residency program. The
 20.28 program must prepare doctors to practice
 20.29 primary care medicine in rural areas of the
 20.30 state. The legislature intends this program to
 20.31 improve health care in rural communities,
 20.32 provide affordable access to appropriate
 20.33 medical care, and manage the treatment of

21.1	<u>patients in a more cost-effective manner. The</u>		
21.2	<u>remainder of this appropriation is for the rural</u>		
21.3	<u>physicians associates program; the Veterinary</u>		
21.4	<u>Diagnostic Laboratory; health sciences</u>		
21.5	<u>research; dental care; the Biomedical</u>		
21.6	<u>Engineering Center; and the collaborative</u>		
21.7	<u>partnership between the University of</u>		
21.8	<u>Minnesota and Mayo Clinic for regenerative</u>		
21.9	<u>medicine, research, clinical translation, and</u>		
21.10	<u>commercialization.</u>		
21.11	<u>(c) Institute of Technology</u>	<u>1,140,000</u>	<u>1,140,000</u>
21.12	<u>For the geological survey and the talented</u>		
21.13	<u>youth mathematics program.</u>		
21.14	<u>(d) System Special</u>	<u>7,181,000</u>	<u>7,181,000</u>
21.15	<u>For general research, the Labor Education</u>		
21.16	<u>Service, Natural Resources Research Institute,</u>		
21.17	<u>Center for Urban and Regional Affairs, Bell</u>		
21.18	<u>Museum of Natural History, and the</u>		
21.19	<u>Humphrey exhibit.</u>		
21.20	<u>Of this amount, \$2,000,000 in fiscal year 2018</u>		
21.21	<u>and \$2,000,000 in fiscal year 2019 are for the</u>		
21.22	<u>Natural Resources Research Institute to invest</u>		
21.23	<u>in applied research for economic development.</u>		
21.24	<u>(e) University of Minnesota and Mayo</u>		
21.25	<u>Foundation Partnership</u>	<u>7,991,000</u>	<u>7,991,000</u>
21.26	<u>This appropriation is for the following</u>		
21.27	<u>activities:</u>		
21.28	<u>(1) \$7,491,000 in fiscal year 2018 and</u>		
21.29	<u>\$7,491,000 in fiscal year 2019 are for the</u>		
21.30	<u>direct and indirect expenses of the</u>		
21.31	<u>collaborative research partnership between the</u>		
21.32	<u>University of Minnesota and the Mayo</u>		
21.33	<u>Foundation for research in biotechnology and</u>		
21.34	<u>medical genomics. An annual report on the</u>		

23.1 during the biennium the Mayo Clinic use the
 23.2 capitation money to increase the number of
 23.3 doctors practicing in rural areas in need of
 23.4 doctors.

23.5 **Subd. 3. Family Practice and Graduate**
 23.6 **Residency Program** 686,000 686,000

23.7 The state must pay stipend support for up to
 23.8 27 residents each year.

23.9 **ARTICLE 2**

23.10 **PUBLIC POSTSECONDARY EDUCATION**

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

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

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

23.17 (c) The Board of Trustees of the Minnesota State Colleges and Universities may exercise
 23.18 the powers under this section for employees included in the units provided in clauses (9),
 23.19 (10), and (11) of section 179A.10, subdivision 2, except with respect to sections 43A.22 to
 23.20 43A.31, which shall continue to be the responsibility of the commissioner. The commissioner
 23.21 shall have the right to review and comment to the Minnesota State Colleges and Universities
 23.22 on the board's final proposals prior to exchange of final positions with the designated
 23.23 bargaining units as well as any requests for interest arbitration. The legislature encourages
 23.24 the Board of Trustees, in coordination with the commissioner of management and budget
 23.25 and the Board of Regents of the University of Minnesota, to endeavor in collective bargaining
 23.26 negotiations to seek fiscal balance recognizing the ability of the employer to fund the
 23.27 agreements or awards. When submitting a proposed collective bargaining agreement to the
 23.28 Legislative Coordinating Commission and the legislature under section 3.855, subdivision
 23.29 2, the Board of Trustees must use procedures and assumptions consistent with those used
 23.30 by the commissioner in calculating the costs of the proposed contract. The Legislative
 23.31 Coordinating Commission must, when considering a collective bargaining agreement or
 23.32 arbitration award submitted by the Board of Trustees, evaluate market conditions affecting
 23.33 the employees in the bargaining unit, equity with other bargaining units in the executive
 23.34 branch, and the ability of the trustees and the state to fund the agreement or award.

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

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

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

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

24.9 (ii) objects of expenditure, such as salaries, benefits, supplies, and equipment;

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

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

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

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

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

24.27 (7) data on the number and proportion of students graduating within four, five, and six
24.28 years from universities and within three years from colleges as reported in the integrated
24.29 postsecondary education data system. These data must be provided for each institution by
24.30 race, ethnicity, and gender. Data and information must be submitted that describe the system's
24.31 plan and progress toward attaining the goals set forth in the plan to increase the number and
24.32 proportion of students that graduate within four, five, or six years from a university or within
24.33 three years from a college;

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

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

25.13 (10) data on work completed by any consultant who is not an employee of the system
 25.14 for which the system paid in excess of \$500,000. Data must include the name of the
 25.15 consultant, the total cost incurred, a description of the work completed, and a description
 25.16 of the reasons for using an outside consultant and not internal staff.

25.17 (b) Data required by this subdivision shall be submitted by the public postsecondary
 25.18 systems to the Minnesota Office of Higher Education and the Department of Management
 25.19 and Budget and included in the biennial budget document. Representatives from each system,
 25.20 in consultation with the commissioner of management and budget and the commissioner
 25.21 of the Office of Higher Education, shall develop consistent reporting practices for this
 25.22 purpose.

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

25.28 **Sec. 3. [135A.0432] AUTOMATIC ADMISSION.**

25.29 Subdivision 1. Automatic admission. Each Minnesota public postsecondary institution
 25.30 must admit an applicant to the institution as an undergraduate student in a baccalaureate
 25.31 program if:

25.32 (1) the applicant graduated with a grade point average in the top ten percent of the
 25.33 applicant's high school graduating class;

26.1 (2) the applicant graduated from high school in one of the two years preceding the
26.2 academic year for which the applicant is applying for admission;

26.3 (3) the applicant graduated from a public or private Minnesota high school; and

26.4 (4) the applicant was a resident of Minnesota for at least the past two years of the
26.5 applicant's period of attendance at the Minnesota high school.

26.6 Subd. 2. **Applicant qualification.** To qualify for admission under subdivision 1 of this
26.7 section, the applicant must:

26.8 (1) submit an application before the expiration of the application filing deadline
26.9 established by the institution; and

26.10 (2) provide a high school transcript or diploma that satisfies the requirements of
26.11 subdivision 1 of this section.

26.12 Subd. 3. **Other admissions.** A graduating student who does not qualify for automatic
26.13 admission under subdivision 1 of this section may apply to any Minnesota public
26.14 postsecondary institution. The institution, after admitting students under subdivision 1, may
26.15 admit other applications for admission pursuant to the institution's standard admission
26.16 policies.

26.17 Subd. 4. **Scholarship dollars.** The average amount of scholarship dollars per student
26.18 received by out-of-state students may not exceed the average amount of scholarship dollars
26.19 per student received by students admitted under this section.

26.20 Subd. 5. **University of Minnesota.** The Board of Regents of the University of Minnesota
26.21 is requested to adopt a policy implementing this section.

26.22 Subd. 6. **Reporting requirement.** By January 15 of each year, both the Board of Trustees
26.23 of the Minnesota State College and Universities and the Board of Regents of the University
26.24 of Minnesota must submit a report on automatic admissions to the chairs and ranking
26.25 minority members of the committees in the house of representatives and the senate with
26.26 jurisdiction over higher education finance and policy. The report must describe, in summary
26.27 form, the students admitted under subdivision 1 of this section including, but not limited
26.28 to, information regarding:

26.29 (1) admission and matriculation;

26.30 (2) retention;

26.31 (3) academic performance;

26.32 (4) program outcomes; and

27.1 (5) demographic information including race, ethnicity, economic status, and geographic
27.2 distribution.

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

27.5 Sec. 4. **[135A.0434] MANDATORY STUDENT ACTIVITY FEES PROHIBITED.**

27.6 Subdivision 1. **Mandatory fee prohibition.** (a) The governing board of a public
27.7 postsecondary institution must not impose on students any mandatory fee funding
27.8 noninstructional student programs, activities, groups, or services.

27.9 (b) This section does not prohibit mandatory fees paid by students that are directly related
27.10 to academic, administrative, or health services.

27.11 (c) The Board of Regents of the University of Minnesota is requested to adopt a policy
27.12 implementing this section.

27.13 Subd. 2. **Penalty.** If the Board of Regents of the University of Minnesota imposes a
27.14 mandatory fee in violation of this section, the commissioner of management and budget
27.15 must deduct an amount equal to the net revenue generated by that fee from the university's
27.16 base appropriation in the first year of the next biennium.

27.17 Sec. 5. **[136F.38] PROGRAM FOR STUDENTS WITH INTELLECTUAL AND**
27.18 **DEVELOPMENTAL DISABILITIES.**

27.19 Subdivision 1. **Program required.** The Board of Trustees of the Minnesota State Colleges
27.20 and Universities must offer an academic program for students with intellectual and
27.21 developmental disabilities, consistent with subdivisions 2 to 4.

27.22 Subd. 2. **Program locations.** The program must be offered at no fewer than two college
27.23 or university campuses. The board must choose the campuses based on:

27.24 (1) the ability to offer a robust program using existing facilities and resources; and

27.25 (2) a goal to provide the program in diverse geographic regions of the state.

27.26 Subd. 3. **Enrollment and admission.** A campus offering a program must establish an
27.27 enrollment goal of at least 15 incoming students per academic year. The board must establish
27.28 an application process for the program. A student who successfully completes the program
27.29 must be awarded a certificate, diploma, or other appropriate academic credential.

28.1 Subd. 4. **Curriculum and activities.** (a) The program must provide an inclusive,
28.2 full-time, two-year residential college experience for students with intellectual and
28.3 developmental disabilities. The curriculum must include:

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

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

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

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

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

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

28.15 (c) A participating campus may tailor its program curriculum and activities to highlight
28.16 academic programs, student and community life experiences, and employment opportunities
28.17 unique to that campus or the region of the state where the campus is located.

28.18 Subd. 5. **Reporting.** By January 15 of each year, the board must submit a report on the
28.19 program to the chairs and ranking minority members of the committees in the house of
28.20 representatives and the senate with jurisdiction over higher education finance and policy.
28.21 The report must include, but need not be limited to, information regarding:

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

28.23 (2) program goals and outcomes; and

28.24 (3) the success rate of participants.

28.25 **EFFECTIVE DATE.** This section is effective for the 2018-2019 academic year and
28.26 later.

28.27 Sec. 6. **[136F.38] WORKFORCE DEVELOPMENT SCHOLARSHIPS.**

28.28 Subdivision 1. **Program established.** The board shall develop a scholarship program
28.29 to incentivize new students to enter high-demand occupations upon graduation.

28.30 Subd. 2. **Scholarship awards.** The program shall award scholarships at the beginning
28.31 of an academic term, in the amount of \$2,500, to be distributed evenly between two terms.

29.1 Subd. 3. **Program eligibility.** (a) Scholarships shall be awarded only to a student eligible
29.2 for resident tuition, as defined in section 135A.043, who is enrolled in any of the following
29.3 programs of study or certification: (1) advanced manufacturing; (2) agriculture; (3) health
29.4 care services; or (4) information technology.

29.5 (b) The student must be enrolled for at least nine credits at a two-year college in the
29.6 Minnesota State Colleges and Universities system.

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

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

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

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

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

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

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

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

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

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

30.1 Sec. 7. **[137.45] PROGRAM FOR STUDENTS WITH INTELLECTUAL AND**
 30.2 **DEVELOPMENTAL DISABILITIES.**

30.3 The Board of Regents of the University of Minnesota is requested to offer an academic
 30.4 program for students with intellectual and developmental disabilities, consistent with the
 30.5 requirements of section 136F.38, subdivisions 2 to 5.

30.6 **EFFECTIVE DATE.** This section is effective for the 2018-2019 academic year and
 30.7 later.

30.8 **ARTICLE 3**

30.9 **OFFICE OF HIGHER EDUCATION**

30.10 Section 1. **[136A.055] DEVELOPMENTAL EDUCATION REPORTING.**

30.11 (a) The commissioner must report on the department's Web site the following summary
 30.12 data on students who graduated from a Minnesota high school and are attending a public
 30.13 postsecondary institution in Minnesota:

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

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

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

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

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

30.22 (c) The commissioner must post the initial data on the department's Web site on or before
 30.23 October 1, 2017, and must update the data at least annually thereafter.

30.24 Sec. 2. Minnesota Statutes 2016, section 136A.101, subdivision 5a, is amended to read:

30.25 Subd. 5a. **Assigned family responsibility.** "Assigned family responsibility" means the
 30.26 amount of a family's contribution to a student's cost of attendance, as determined by a federal
 30.27 need analysis. For dependent students, the assigned family responsibility is ~~94~~ 85 percent
 30.28 of the parental contribution. For independent students with dependents other than a spouse,
 30.29 the assigned family responsibility is ~~86~~ 77 percent of the student contribution. For
 30.30 independent students without dependents other than a spouse, the assigned family
 30.31 responsibility is ~~50~~ 41 percent of the student contribution.

31.1 Sec. 3. [136A.1215] GRANTS FOR STUDENTS WITH INTELLECTUAL AND
31.2 DEVELOPMENTAL DISABILITIES.

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

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

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

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

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

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

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

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

31.18 (2) any institutional aid the student receives.

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

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

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

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

31.28 (3) summary demographic data on award recipients.

32.1 Sec. 4. Minnesota Statutes 2016, section 136A.125, subdivision 2, is amended to read:

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

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

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

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

32.11 (4) either has not earned a baccalaureate degree and has been enrolled full time less than
32.12 ~~eight~~ ten semesters or the equivalent, or has earned a baccalaureate degree and has been
32.13 enrolled full time less than ~~eight~~ ten semesters or the equivalent in a graduate or professional
32.14 degree program;

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

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

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

32.20 (b) A student who withdraws from enrollment for active military service after December
32.21 31, 2002, because the student was ordered to active military service as defined in section
32.22 190.05, subdivision 5b or 5c, or for a major illness, while under the care of a medical
32.23 professional, that substantially limits the student's ability to complete the term is entitled to
32.24 an additional semester or the equivalent of grant eligibility and will be considered to be in
32.25 continuing enrollment status upon return.

32.26 Sec. 5. Minnesota Statutes 2016, section 136A.125, subdivision 4, is amended to read:

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

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

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

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

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

33.9 (c) Applicants with family incomes at or below a percentage of the federal poverty level,
 33.10 as determined by the commissioner, will qualify for the maximum award. The commissioner
 33.11 shall attempt to set the percentage at a level estimated to fully expend the available
 33.12 appropriation for child care grants. Applicants with family incomes exceeding that threshold
 33.13 will receive the maximum award minus ten percent of their income exceeding that threshold.
 33.14 If the result is less than zero, the grant is zero.

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

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

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

33.19 (3) divided by 15 for undergraduate students and six for graduate and professional
 33.20 students; and

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

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

33.27 **Sec. 6. [136A.1265] TEACHER CANDIDATES OF COLOR SCHOLARSHIPS.**

33.28 **Subdivision 1. Definitions.** (a) For the purposes of this section, the following terms have
 33.29 the meanings given.

33.30 (b) "Full-time study" means:

33.31 (1) for an undergraduate student, enrollment in at least 15 credits or the equivalent; and

34.1 (2) for a graduate student, enrollment in a number of credits that the student's institution
34.2 deems to be full time.

34.3 (c) "Part-time study" means enrollment in fewer credits than are required to qualify as
34.4 full time under paragraph (b).

34.5 (d) "Underrepresented racial or ethnic group" means a racial or ethnic group for which
34.6 the commissioner of education has determined that the percentage of Minnesota teachers
34.7 of the group, as measured under section 127A.05, subdivision 6, is lower than the percentage
34.8 of Minnesota students of the group as measured under section 120B.35, subdivision 3.

34.9 Subd. 2. **Establishment.** A scholarship program for teacher candidates of color is
34.10 established to provide scholarships to qualified candidates with financial needs.

34.11 Subd. 3. **Eligibility.** A person may apply for a scholarship if the person:

34.12 (1) has been admitted to a teacher preparation program approved by the Board of Teaching
34.13 at an eligible institution located in Minnesota;

34.14 (2) self-identifies to the teacher preparation program as a member of an underrepresented
34.15 racial or ethnic group;

34.16 (3) is making satisfactory academic progress;

34.17 (4) is a resident student; and

34.18 (5) has a family adjusted gross income of \$125,000 or less.

34.19 Subd. 4. **Amount.** (a) The commissioner must establish scholarship amounts based upon
34.20 the financial need of eligible students. The commissioner must set scholarship amounts at
34.21 a level estimated to fully expend appropriations available for the program. Established
34.22 amounts are not rulemaking for purposes of chapter 14 or section 14.386.

34.23 (b) A scholarship under this section must not exceed:

34.24 (1) \$10,000 per year; or

34.25 (2) a student's cost of attendance minus the student's expected family contribution, as
34.26 determined by the federal need analysis.

34.27 (c) The minimum scholarship under this section is \$1,000 per year.

34.28 (d) The amounts determined under paragraphs (a), (b), and (c) are for full-time study.
34.29 The amounts must be reduced and prorated per credit for part-time study.

34.30 (e) The maximum total amount of scholarships from this scholarship per candidate is
34.31 \$25,000.

35.1 Subd. 5. **Application.** To apply for a scholarship, an eligible institution must submit an
35.2 application to the commissioner on behalf of an eligible student. The application must be
35.3 made in a form and manner specified by the commissioner, and must include a candidate's
35.4 name, self-identified racial and ethnic identity, gender, licensure area sought, and full-time
35.5 or part-time status.

35.6 Subd. 6. **Distribution.** The commissioner must distribute scholarship funds to eligible
35.7 institutions on behalf of scholarship recipients. Institutions must distribute funds directly
35.8 to students.

35.9 Sec. 7. **[136A.1705] STUDENT LOAN DEBT COUNSELING.**

35.10 Subdivision 1. **Grant.** A program is established under the Office of Higher Education
35.11 to provide a grant to a Minnesota-based nonprofit qualified debt counseling organization
35.12 to provide individual student loan debt repayment counseling to borrowers who are Minnesota
35.13 residents concerning loans obtained to attend a postsecondary institution. The number of
35.14 individuals receiving counseling may be limited to those capable of being served with
35.15 available appropriations for that purpose. A goal of the counseling program is to provide
35.16 two counseling sessions to at least 75 percent of borrowers receiving counseling.

35.17 The purpose of the counseling is to assist borrowers to:

35.18 (1) understand their loan and repayment options;

35.19 (2) manage loan repayment; and

35.20 (3) develop a workable budget based on the borrower's full financial situation regarding
35.21 income, expenses, and other debt.

35.22 Subd. 2. **Qualified debt counseling organization.** A qualified debt counseling
35.23 organization is an organization that:

35.24 (1) has experience in providing individualized student loan counseling;

35.25 (2) employs certified financial loan counselors; and

35.26 (3) is based in Minnesota and has offices at multiple rural and metropolitan area locations
35.27 in the state to provide in-person counseling.

35.28 Subd. 3. **Grant application and award.** (a) Applications for a grant shall be on a form
35.29 created by the commissioner and on a schedule set by the commissioner. Among other
35.30 provisions, the application must include a description of:

35.31 (1) the characteristics of borrowers to be served;

36.1 (2) the services to be provided and a timeline for implementation of the services;
36.2 (3) how the services provided will help borrowers manage loan repayment;
36.3 (4) specific program outcome goals and performance measures for each goal; and
36.4 (5) how the services will be evaluated to determine whether the program goals were
36.5 met.

36.6 (b) The commissioner shall select one grant recipient for a two-year award every two
36.7 years. A grant may be renewed biennially.

36.8 Subd. 4. **Program evaluation.** (a) The grant recipient must submit a report to the
36.9 commissioner by January 15 of the second year of the grant award. The report must evaluate
36.10 and measure the extent to which program outcome goals have been met.

36.11 (b) The grant recipient must collect, analyze, and report on participation and outcome
36.12 data that enable the office to verify the outcomes.

36.13 (c) The evaluation must include information on the number of borrowers served with
36.14 on-time student loan payments, the numbers who brought their loans into good standing,
36.15 the number of student loan defaults, the number who developed a monthly budget plan, and
36.16 other information required by the commissioner. Recipients of the counseling must be
36.17 surveyed on their opinions about the usefulness of the counseling and the survey results
36.18 must be included in the report.

36.19 Subd. 5. **Report to legislature.** By February 1 of the second year of each grant award,
36.20 the commissioner must submit a report to the committees in the legislature with jurisdiction
36.21 over higher education finance regarding grant program outcomes.

36.22 Sec. 8. **[136A.1788] GREATER MINNESOTA LOAN FORGIVENESS PROGRAM.**

36.23 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have
36.24 the meanings given.

36.25 (b) "Greater Minnesota" means the geographic areas in Minnesota located outside of
36.26 the metropolitan area as defined in section 473.121, subdivision 2.

36.27 (c) "Debt-to-income ratio" means an applicant's monthly student loan payment obligation
36.28 under a ten-year standard repayment plan, divided by the applicant's monthly gross income.

36.29 (d) "Qualifying educational institution" means an institution of higher education that
36.30 had in effect at the time of an applicant's attendance a program participation agreement
36.31 under United States Code, title 20, chapter 28, subchapter IV, part F, section 1094.

37.1 (e) "Qualifying position" means a position as an employee, as defined in section 181.723,
37.2 subdivision 3, for which the primary work site is located in greater Minnesota.

37.3 (f) "Qualifying student loan" means a government, commercial, or foundation loan for
37.4 actual costs paid for tuition and reasonable educational and living expenses related to
37.5 attending a qualifying educational institution.

37.6 (g) "Working full time" means working an average of at least 30 hours per week.

37.7 Subd. 2. **Program established.** (a) The commissioner must establish a greater Minnesota
37.8 loan forgiveness program for individuals who work in a qualifying position.

37.9 (b) Appropriations to the program do not cancel and are available until expended.

37.10 Subd. 3. **Eligibility.** (a) To be eligible to receive loan forgiveness under this section, an
37.11 applicant must:

37.12 (1) be a Minnesota resident;

37.13 (2) have a qualifying student loan balance;

37.14 (3) have earned a degree, diploma, or certificate from a qualifying educational institution;

37.15 (4) have worked full time for a 12-month period in one or more qualifying positions;

37.16 and

37.17 (5) have a debt-to-income ratio of at least 0.10.

37.18 (b) An eligible applicant may receive one loan forgiveness award of the amount specified
37.19 in this section for each 12-month period that the applicant works for a qualifying employer.

37.20 An individual may receive a loan forgiveness award under this section no more than five
37.21 times.

37.22 Subd. 4. **Application.** (a) To be considered for a loan forgiveness award, an applicant
37.23 must apply in a form and manner specified by the commissioner.

37.24 (b) An applicant must reapply to the commissioner each year that the applicant wishes
37.25 to receive an award. The application must include proof that the participant has worked full
37.26 time for a 12-month period for one or more qualifying employers.

37.27 Subd. 5. **Prioritization of applicants.** If appropriations for the program under this
37.28 section are insufficient to provide a loan forgiveness award to each eligible applicant, the
37.29 commissioner must preferentially award loan forgiveness to applicants:

37.30 (1) with a qualifying student loan balance of at least \$5,000; and

38.1 (2) working in occupations that do not qualify for other state or federal loan forgiveness
38.2 programs that are limited to particular occupations.

38.3 Subd. 6. **Amount of forgiveness.** (a) The commissioner must provide a loan forgiveness
38.4 award to an eligible applicant on a funds available basis, as provided in this section.

38.5 (b) For each year of qualifying full-time work a participant completes, the participant
38.6 is eligible for a loan forgiveness award equal to the lesser of:

38.7 (1) \$3,000;

38.8 (2) ten percent of the remaining balance of a participant's qualifying student loans the
38.9 first year a participant received an award under this section; or

38.10 (3) the remaining balance of a participant's qualifying student loans.

38.11 Subd. 7. **Disbursement.** The commissioner must disburse an award under this section
38.12 directly to the participant's student loan servicer or servicers.

38.13 Subd. 8. **Fund established.** A greater Minnesota loan forgiveness fund is created for
38.14 depositing money appropriated to or received by the commissioner for the program. Money
38.15 deposited in the fund shall not revert to any state fund at the end of any fiscal year but
38.16 remains in the fund and is continuously available for loan forgiveness under this section.

38.17 Subd. 9. **Reporting.** By February 1 of each year, the commissioner must annually report
38.18 to the legislative committees with jurisdiction over higher education and economic
38.19 development on the results of the program in the previous year. At a minimum, the report
38.20 must include data on:

38.21 (1) the number of applicants;

38.22 (2) the highest degree obtained by applicants;

38.23 (3) the industries in which applicants worked;

38.24 (4) the counties in which applicants worked and resided;

38.25 (5) the average student loan balance of applicants;

38.26 (6) the mean and median loan forgiveness award;

38.27 (7) the total amount of debt forgiven under the program;

38.28 (8) the mean and median income of applicants;

38.29 (9) the mean debt-to-income ratio of applicants; and

39.1 (10) the number of greater Minnesota loan forgiveness awards that award recipients
39.2 received previously.

39.3 **Sec. 9. [136A.1789] AVIATION DEGREE LOAN FORGIVENESS PROGRAM.**

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

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

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

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

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

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

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

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

39.24 (2) have qualified education loans;

39.25 (3) reside in Minnesota; and

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

39.28 (b) An applicant selected to participate must sign a contract to agree to serve a minimum
39.29 one-year full-time service obligation according to subdivision 4. To complete the service
39.30 obligation, the applicant must work full time in Minnesota as a qualified pilot or qualified

40.1 aircraft technician. A participant must complete one year of service under this paragraph
40.2 for each year the participant receives an award under this section.

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

40.6 (b) If a participant does not fulfill the required service obligation, the commissioner
40.7 must collect from the participant the total amount paid to the participant under the loan
40.8 forgiveness program plus interest at a rate established according to section 270C.40. The
40.9 commissioner must deposit the money collected in the aviation degree loan forgiveness
40.10 account. The commissioner must allow waivers of all or part of the money owed the
40.11 commissioner as a result of a nonfulfillment penalty if emergency circumstances prevented
40.12 fulfillment of the minimum service commitment.

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

40.17 (b) For each year that the participant meets the eligibility requirements under subdivision
40.18 3, the commissioner must make annual disbursements directly to:

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

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

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

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

40.29 (e) If the participant receives a disbursement in the participant's fifth year of eligibility,
40.30 the participant must provide the commissioner with verification that the full amount of the
40.31 participant's final loan repayment disbursement was applied toward the designated qualified
40.32 education loan. If a participant does not provide the verification as required under this
40.33 paragraph within six months of receipt of the final disbursement, the commissioner must

41.1 collect from the participant the amount of the final disbursement. The commissioner must
41.2 deposit the money collected in the aviation degree loan forgiveness program account.

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

41.4 Sec. 10. **[136A.1794] AGRICULTURAL EDUCATION LOAN FORGIVENESS**
41.5 **PROGRAM.**

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

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

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

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

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

41.17 (d) "School" means the following:

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

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

41.20 (3) a charter school; or

41.21 (4) a private school.

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

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

41.28 (1) be a qualified teacher;

41.29 (2) have qualified education loans; and

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

42.3 (b) An applicant selected to participate must sign a contract to agree to serve a minimum
42.4 one-year full-time service obligation according to subdivision 4. To complete the service
42.5 obligation, the applicant must work full time in Minnesota as a qualified teacher. A participant
42.6 must complete one year of service under this paragraph for each year the participant receives
42.7 an award under this section.

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

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

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

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

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

42.30 Sec. 11. Minnesota Statutes 2016, section 136A.653, is amended by adding a subdivision
42.31 to read:

42.32 Subd. 5. **Regionally accredited nonprofit institutions in Minnesota.** (a) A regionally
42.33 accredited nonprofit postsecondary institution with its primary physical location in Minnesota

43.1 is exempt from the provisions of sections 136A.61 to 136A.71 when it creates new or
 43.2 modifies existing:

43.3 (1) degree programs within approved degrees;

43.4 (2) nondegree programs within approved degrees;

43.5 (3) underlying curriculum or courses;

43.6 (4) locations; and

43.7 (5) fees related to clauses (1) to (4).

43.8 (b) The institution must notify the commissioner when it performs any of the exempt
 43.9 actions listed in paragraph (a) and, upon the commissioner's request, must provide additional
 43.10 information about the action.

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

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

43.14 Sec. 12. Minnesota Statutes 2016, section 136A.685, is amended to read:

43.15 **136A.685 PRIVATE INSTITUTIONS; ADJUDICATION OF FRAUD OR**
 43.16 **MISREPRESENTATION.**

43.17 The office ~~shall not provide~~ may revoke, or deny an application for, registration or degree
 43.18 or name approval to a school if there has been a criminal, civil, or administrative adjudication
 43.19 of fraud or misrepresentation in Minnesota or in another state or jurisdiction against the
 43.20 school or its owner, officers, agents, or sponsoring organization. If the adjudication was
 43.21 related to a particular academic program, the office may revoke degree approval, or deny
 43.22 an application for degree approval, for that program only.

43.23 The adjudication of fraud or misrepresentation is sufficient cause for the office to
 43.24 determine that a school:

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

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

43.28 Sec. 13. Minnesota Statutes 2016, section 136A.902, subdivision 1, is amended to read:

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

- 44.1 (1) one member representing the University of Minnesota Medical School;
- 44.2 (2) one member representing the Mayo Medical School;
- 44.3 (3) one member representing the Courage Kenny Rehabilitation Center;
- 44.4 (4) one member representing Hennepin County Medical Center;
- 44.5 (5) one member who is a neurosurgeon;
- 44.6 (6) one member who has a spinal cord injury;
- 44.7 (7) one member who is a family member of a person with a spinal cord injury;
- 44.8 (8) one member who has a traumatic brain injury;
- 44.9 (9) one member who is a veteran who has a spinal cord injury ~~or a traumatic brain injury~~;
- 44.10 (10) one member who is a veteran who has a traumatic brain injury;
- 44.11 (11) one member who is a family member of a person with a traumatic brain injury;
- 44.12 ~~(11)~~ (12) one member who is a physician specializing in the treatment of spinal cord
- 44.13 injury ~~representing Gillette Children's Specialty Healthcare~~; and
- 44.14 ~~(12)~~ (13) one member who is a physician specializing in the treatment of traumatic brain
- 44.15 injury; and
- 44.16 (14) one member representing Gillette Children's Specialty Healthcare.

44.17 Sec. 14. **STATE GRANT REPORT.**

44.18 (a) The commissioner of higher education must report to the legislature the estimated

44.19 amount of funding necessary for the state grant program to fully meet the financial aid needs

44.20 of lower- and middle-income Minnesota college students based on the program's shared

44.21 responsibility design. The report must include an estimate of:

44.22 (1) the amount a student should be expected to contribute toward the cost of education

44.23 through borrowing and employment;

44.24 (2) the amount a student's family should be expected to contribute toward the cost of

44.25 education, based on the family's financial circumstances;

44.26 (3) the actual living and miscellaneous expenses of a student, including room, board,

44.27 transportation, and the cost of textbooks; and

45.1 (4) equitable tuition maximums for public and nonprofit institutions that reflect both
 45.2 tuition charged and the subsidy provided to all students at public institutions received through
 45.3 direct appropriations.

45.4 (b) The commissioner must submit the report to the higher education committees of the
 45.5 legislature by October 15, 2017.

45.6 ARTICLE 4

45.7 OFFICE OF HIGHER EDUCATION AGENCY POLICY

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

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

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

45.14 **136A.103 INSTITUTION ELIGIBILITY REQUIREMENTS.**

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

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

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

45.20 (b) A private institution must:

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

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

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

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

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

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

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

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

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

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

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

46.21 (c) The commissioner must make annual disbursements directly to the participant of
46.22 \$15,000 or the balance of the participant's qualifying educational loans, whichever is less,
46.23 for each year that a participant meets the service obligation required under subdivision 3,
46.24 paragraph (b), up to a maximum of five years.

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

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

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

47.3 Subd. 7. **Compliance audit.** "Compliance audit" means an audit of a school's compliance
47.4 with federal requirements related to its participation in federal Title IV student aid programs
47.5 or other federal grant programs performed under either Uniform Grant Guidance, including
47.6 predecessor Federal Circular A-133, or the United States Department of Education's audit
47.7 guide, Audits of Federal Student Financial Assistance Programs at Participating Institutions
47.8 and Institution Servicers.

47.9 Sec. 5. Minnesota Statutes 2016, section 136A.62, is amended by adding a subdivision to
47.10 read:

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

47.12 Sec. 6. Minnesota Statutes 2016, section 136A.62, is amended by adding a subdivision to
47.13 read:

47.14 Subd. 9. **Higher-level entity.** "Higher-level entity" means a corporate parent or ultimate
47.15 parent company or, in the case of a public school, the larger public system of which an
47.16 entity is a part.

47.17 Sec. 7. Minnesota Statutes 2016, section 136A.62, is amended by adding a subdivision to
47.18 read:

47.19 Subd. 10. **Audited financial statements.** "Audited financial statements" means the
47.20 financial statements of an entity or higher-level entity that have been examined by a certified
47.21 public accountant or an equivalent government agency for public entities that include (1)
47.22 an auditor's report, a statement of financial position, an income statement, a statement of
47.23 cash flows, and notes to the financial statements or (2) the required equivalents for public
47.24 entities as determined by the Financial Accounting Standards Board, the Governmental
47.25 Accounting Standards Board, or the Securities and Exchange Commission.

47.26 Sec. 8. Minnesota Statutes 2016, section 136A.64, subdivision 1, is amended to read:

47.27 Subdivision 1. **Schools to provide information.** As a basis for registration, schools
47.28 shall provide the office with such information as the office needs to determine the nature
47.29 and activities of the school, including but not limited to the following₂, which shall be
47.30 accompanied by an affidavit attesting to its accuracy and truthfulness:

47.31 (1) articles of incorporation, constitution, bylaws, or other operating documents;

- 48.1 (2) a duly adopted statement of the school's mission and goals;
- 48.2 (3) evidence of current school or program licenses granted by departments or agencies
48.3 of any state;
- 48.4 ~~(4) a fiscal balance sheet on an accrual basis, or a certified audit of the immediate past~~
48.5 ~~fiscal year including any management letters provided by the independent auditor or, if the~~
48.6 ~~school is a public institution outside Minnesota, an income statement for the immediate past~~
48.7 ~~fiscal year;~~ financial documents related to the entity's most recently completed fiscal year,
48.8 including audited financial statements and a school's most recently completed compliance
48.9 audit;
- 48.10 (5) if the entity's most recent financial responsibility composite score under Code of
48.11 Federal Regulations, title 34, section 668.172, incorporates the higher-level entity, financial
48.12 documents related to the higher-level entity's most recently completed fiscal year, including:
- 48.13 (i) audited financial statements; and
- 48.14 (ii) a school's most recent compliance audit;
- 48.15 ~~(5)~~ (6) all current promotional and recruitment materials and advertisements; and
- 48.16 ~~(6)~~ (7) the current school catalog and, if not contained in the catalog:
- 48.17 (i) the members of the board of trustees or directors, if any;
- 48.18 (ii) the current institutional officers;
- 48.19 (iii) current full-time and part-time faculty with degrees held or applicable experience;
- 48.20 (iv) a description of all school facilities;
- 48.21 (v) a description of all current course offerings;
- 48.22 (vi) all requirements for satisfactory completion of courses, programs, and degrees;
- 48.23 (vii) the school's policy about freedom or limitation of expression and inquiry;
- 48.24 (viii) a current schedule of fees, charges for tuition, required supplies, student activities,
48.25 housing, and all other standard charges;
- 48.26 (ix) the school's policy about refunds and adjustments;
- 48.27 (x) the school's policy about granting credit for prior education, training, and experience;
- 48.28 ~~and~~
- 48.29 (xi) the school's policies about student admission, evaluation, suspension, and dismissal;
48.30 and

49.1 (xii) the school's and the related higher-level entity's enrollment history for the current
49.2 and the immediately preceding five fiscal years. Enrollment history must be reported
49.3 according to the most recent specifications or reporting student data for the office's student
49.4 enrollment record database.

49.5 Sec. 9. Minnesota Statutes 2016, section 136A.646, is amended to read:

49.6 **136A.646 ADDITIONAL SECURITY.**

49.7 (a) ~~In the event~~ New schools that have been granted conditional approval for degrees or
49.8 names to allow them the opportunity to apply for and receive accreditation under section
49.9 136A.65, subdivision 7, or any registered institution that is notified by the United States
49.10 Department of Education that it has fallen below minimum financial standards and that its
49.11 continued participation in Title IV will be conditioned upon its satisfying either the Zone
49.12 Alternative, Code of Federal Regulations, title 34, section 668.175, paragraph (f), or a Letter
49.13 of Credit Alternative, Code of Federal Regulations, title 34, section 668.175, paragraph (c),
49.14 ~~the institution~~ shall provide a surety bond ~~conditioned upon the faithful performance of all~~
49.15 ~~contracts and agreements with students~~ in a sum equal to the "letter of credit" required by
49.16 ~~the United States Department of Education in the Letter of Credit Alternative~~; ten percent
49.17 of the net tuition and fees collected in the registered school's prior fiscal year, but in no
49.18 event shall such bond be less than \$10,000 ~~nor more than \$250,000.~~

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

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

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

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

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

49.29 (d) In the event of a school closure, the additional security must first be used to destroy
49.30 any private educational data under section 13.32 left at a physical campus in Minnesota
49.31 after all other governmental agencies have recovered or retrieved records under their record
49.32 retention policies. Any remaining funds must then be used to reimburse tuition and fee costs
49.33 to students that were enrolled at the time of the closure or had withdrawn in the previous

50.1 120 calendar days but did not graduate. Priority for refunds will be given to students in the
 50.2 following order:

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

50.4 (2) personal funds;

50.5 (3) private student loans; and

50.6 (4) Veteran Administration education benefits that are not restored by the Veteran
 50.7 Administration. If there are additional security funds remaining, the additional security
 50.8 funds may be used to cover any administrative costs incurred by the office related to the
 50.9 closure of the school.

50.10 (e) An institution that is subject to an additional security requirement shall submit to the
 50.11 office data that establishes the prior year's revenue from tuition and fees.

50.12 Sec. 10. Minnesota Statutes 2016, section 136A.65, subdivision 1a, is amended to read:

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

50.21 (b) A school must not be authorized to offer any degree unless the program has
 50.22 programmatic accreditation or the school has institutional accreditation by an agency
 50.23 recognized by the United States Department of Education for purposes of eligibility to
 50.24 participate in Title IV federal financial aid programs. Any program offered by a registered
 50.25 school that does not have institutional accreditation and is undergoing program accreditation
 50.26 shall inform the office of site visits by the accrediting agency and provide office staff the
 50.27 opportunity to attend the visits, excluding any exit interviews. The school must provide the
 50.28 office with a copy of the final report by the accreditor upon receipt.

50.29 Sec. 11. Minnesota Statutes 2016, section 136A.65, subdivision 4, is amended to read:

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

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

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

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

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

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

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

51.14 (7) the school uses only publications and advertisements which are truthful and do not
51.15 give any false, fraudulent, deceptive, inaccurate, or misleading impressions about the school,
51.16 its personnel, programs, services, or occupational opportunities for its graduates for promotion
51.17 and student recruitment, consistent with subdivision 4a;

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

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

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

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

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

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

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

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

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

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

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

52.7 (iii) proposed implementation date of the degree;

52.8 (iv) admissions requirements for the degree;

52.9 (v) length of the degree;

52.10 (vi) projected enrollment for a period of five years;

52.11 (vii) the curriculum required for the degree, including course syllabi or outlines;

52.12 (viii) statement of academic and administrative mechanisms planned for monitoring the
 52.13 quality of the proposed degree;

52.14 (ix) statement of satisfaction of professional licensure criteria, if applicable;

52.15 (x) documentation of the availability of clinical, internship, externship, or practicum
 52.16 sites, if applicable; and

52.17 (xi) statement of how the degree fulfills the institution's mission and goals, complements
 52.18 existing degrees, and contributes to the school's viability.

52.19 Sec. 12. Minnesota Statutes 2016, section 136A.65, is amended by adding a subdivision
 52.20 to read:

52.21 Subd. 4a. **Advertising requirements.** (a) Other than opinion-based statements or puffery,
 52.22 a school shall only make claims that are evidence-based, can be validated, and are based
 52.23 on current conditions and not on conditions that are no longer relevant.

52.24 (b) A school shall not guarantee or imply the guarantee of employment.

52.25 (c) A school shall not guarantee or advertise any certain wage or imply earnings greater
 52.26 than the prevailing wage for entry-level wages in the field of study for the geographic area
 52.27 unless validated through a school's survey of graduates.

52.28 (d) If placement statistics are used in advertising or other promotional materials, the
 52.29 school must be able to substantiate the statistics with school records. These records must

53.1 be made available to the office upon request. A school is prohibited from reporting the
53.2 following in placement statistics:

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

53.4 (2) a graduate if the graduate held a position before enrolling in the program unless
53.5 graduating enabled the graduate to maintain the position or the graduate received a promotion
53.6 or raise upon graduating;

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

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

53.9 (e) A school shall not use endorsements, commendations, or recommendations by students
53.10 in favor of a school except with the consent of the student and without any offer of financial
53.11 or other material compensation. Endorsements may be used only when they portray current
53.12 conditions.

53.13 (f) A school may advertise that the school or its programs have been accredited by an
53.14 accrediting agency recognized by the United States Department of Education or the Council
53.15 for Higher Education Accreditation, but shall not advertise any other accreditation unless
53.16 approved by the office. The office may approve an institution's advertising of accreditation
53.17 that is not recognized by the United States Department of Education or the Council for
53.18 Higher Education if the accreditation is industry specific. Clear distinction must be made
53.19 when the school is in candidacy or application status versus full accreditation. With
53.20 preapproval, the office may authorize a school to advertise an accreditor that is not recognized
53.21 by the United States Department of Education or the Council for Higher Education
53.22 Accreditation.

53.23 (g) A school may advertise that financial aid may be available, including a listing of the
53.24 financial aid programs in which the school participates, but federal and state financial aid
53.25 shall not be used as a primary incentive in advertisement, promotion, or recruitment.

53.26 (h) A school may advertise placement assistance or career assistance, if offered, but
53.27 shall not use the words "wanted," "help wanted," or "trainee," either in the headline or the
53.28 body of the advertisement.

53.29 (i) A school may not advertise under "help wanted," "employment," or similar
53.30 classification.

53.31 (j) A school shall not falsely claim that it is conducting a talent hunt, contest, or similar
53.32 test.

54.1 (k) The commissioner, at any time, may require the school to publish a retraction of any
 54.2 false, misleading, or deceptive claim. The retraction must be published in the same manner
 54.3 as the original claim to the extent reasonable.

54.4 Sec. 13. Minnesota Statutes 2016, section 136A.65, subdivision 7, is amended to read:

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

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

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

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

54.28 Sec. 14. Minnesota Statutes 2016, section 136A.653, is amended to read:

54.29 **136A.653 EXEMPTIONS.**

54.30 Subdivision 1. **Application.** A school that seeks an exemption from the provisions of
 54.31 sections 136A.61 to 136A.71 must apply to the office to establish that the school meets the
 54.32 requirements of an exemption. An exemption expires two years from the date of approval

55.1 or until a school adds a new program or makes a modification equal to or greater than 25
55.2 percent to an existing educational program. If a school is reapplying for an exemption, the
55.3 application must be submitted to the office 90 days before the current exemption expires.

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

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

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

55.19 **Subd. 3a. Tuition-free educational courses.** A school, including a school using an
55.20 online platform service, offering training, courses, or programs is exempt from sections
55.21 136A.61 to 136A.71, to the extent ~~it offers tuition-free courses to students in Minnesota. A~~
55.22 ~~course will be considered tuition-free if the school charges no tuition and the required fees~~
55.23 ~~and other required charges paid by the student for the course~~ tuition, fees, and any other
55.24 charges for a student to participate do not exceed two percent of the most recent average
55.25 undergraduate tuition and required fees as of January 1 of the current year charged for
55.26 full-time students at all degree-granting institutions as published annually by the United
55.27 States Department of Education as of January 1 of each year. To qualify for an exemption,
55.28 a school or online platform service must prominently display a notice comparable to the
55.29 following: "IMPORTANT: Each educational institution makes its own decision regarding
55.30 whether to accept completed coursework for credit. Check with your university or college."

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

56.1 Sec. 15. Minnesota Statutes 2016, section 136A.657, is amended by adding a subdivision
56.2 to read:

56.3 Subd. 5. **Application.** A school that seeks an exemption from the provisions of sections
56.4 136A.61 to 136A.71 must apply to the office to establish that the school meets the
56.5 requirements of an exemption. An exemption expires two years from the date of approval
56.6 or when a school adds a new program or makes a modification equal to or greater than 25
56.7 percent to an existing educational program. If a school is reapplying for an exemption, the
56.8 application must be submitted to the office 90 days before the current exemption expires.

56.9 Sec. 16. Minnesota Statutes 2016, section 136A.67, is amended to read:

56.10 **136A.67 REGISTRATION REPRESENTATIONS.**

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

56.21 Sec. 17. **[136A.672] STUDENT COMPLAINTS.**

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

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

57.1 Subd. 3. Investigation. The office shall initiate an investigation upon receipt of a
57.2 complaint within the authority of subdivision 2. A school involved in an investigation shall
57.3 be informed of the alleged violations and the processes of the investigation. A school
57.4 involved in an investigation shall respond to the alleged violations and provide requested
57.5 documentation to the office. Upon completing an investigation, the office shall inform the
57.6 school and the student of the investigation outcome.

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

57.11 Sec. 18. Minnesota Statutes 2016, section 136A.68, is amended to read:

57.12 **136A.68 RECORDS.**

57.13 A registered school shall maintain a permanent record for each student for 50 years from
57.14 the last date of the student's attendance. A registered school offering distance instruction to
57.15 a student located in Minnesota shall maintain a permanent record for each Minnesota student
57.16 for 50 years from the last date of the student's attendance. Records include a student's
57.17 academic transcript, documents, and files containing student data about academic credits
57.18 earned, courses completed, grades awarded, degrees awarded, and periods of attendance.
57.19 To preserve permanent records, a school shall submit a plan that meets the following
57.20 requirements:

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

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

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

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

58.1 Sec. 19. Minnesota Statutes 2016, section 136A.821, is amended by adding a subdivision
58.2 to read:

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

58.9 Sec. 20. Minnesota Statutes 2016, section 136A.821, is amended by adding a subdivision
58.10 to read:

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

58.12 Sec. 21. Minnesota Statutes 2016, section 136A.821, is amended by adding a subdivision
58.13 to read:

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

58.17 Sec. 22. Minnesota Statutes 2016, section 136A.821, is amended by adding a subdivision
58.18 to read:

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

58.26 Sec. 23. Minnesota Statutes 2016, section 136A.821, is amended by adding a subdivision
58.27 to read:

58.28 Subd. 17. **Review-level engagement.** "Review-level engagement" means a service
58.29 performed by a certified public accountant that provides limited assurance that there are no
58.30 material modifications that need to be made to an entity's financial statements in order for

59.1 them to conform to generally accepted accounting principles. Review-level engagement
59.2 provides fewer assurances than those reported under audited financial statements.

59.3 Sec. 24. Minnesota Statutes 2016, section 136A.822, subdivision 4, is amended to read:

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

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

59.8 (2) the specific programs which will be offered and the specific purposes of the
59.9 instruction;

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

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

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

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

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

59.17 (i) annual gross revenues from all sources;

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

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

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

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

59.25 (9) copies of all Minnesota enrollment agreement forms and contract forms and all
59.26 enrollment agreement forms and contract forms used in Minnesota; and

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

60.1 Sec. 25. Minnesota Statutes 2016, section 136A.822, subdivision 6, is amended to read:

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

60.7 (b)(1) The amount of the surety bond shall be ten percent of the preceding year's ~~gross~~
60.8 net income from student tuition, fees, and other required institutional charges collected, but
60.9 in no event less than \$10,000 ~~nor greater than \$250,000~~, except that a private career school
60.10 may deposit a greater amount at its own discretion. A private career school in each annual
60.11 application for licensure must compute the amount of the surety bond and verify that the
60.12 amount of the surety bond complies with this subdivision, ~~unless the private career school~~
60.13 ~~maintains a surety bond equal to at least \$250,000~~. A private career school that operates at
60.14 two or more locations may combine ~~gross~~ net income from student tuition, fees, and other
60.15 required institutional charges collected for all locations for the purpose of determining the
60.16 annual surety bond requirement. The ~~gross~~ net tuition and fees used to determine the amount
60.17 of the surety bond required for a private career school having a license for the sole purpose
60.18 of recruiting students in Minnesota shall be only that paid to the private career school by
60.19 the students recruited from Minnesota.

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

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

60.33 (d) In lieu of bond, the applicant may deposit with the commissioner of management
60.34 and budget a sum equal to the amount of the required surety bond in cash, an irrevocable

61.1 letter of credit issued by a financial institution equal to the amount of the required surety
61.2 bond, or securities as may be legally purchased by savings banks or for trust funds in an
61.3 aggregate market value equal to the amount of the required surety bond.

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

61.7 Sec. 26. Minnesota Statutes 2016, section 136A.822, subdivision 12, is amended to read:

61.8 Subd. 12. **Permanent records.** A private career school licensed under sections 136A.82
61.9 to 136A.834 and located in Minnesota shall maintain a permanent record for each student
61.10 for 50 years from the last date of the student's attendance. A private career school licensed
61.11 under this chapter and offering distance instruction to a student located in Minnesota shall
61.12 maintain a permanent record for each Minnesota student for 50 years from the last date of
61.13 the student's attendance. Records include school transcripts, documents, and files containing
61.14 student data about academic credits earned, courses completed, grades awarded, degrees
61.15 awarded, and periods of attendance. To preserve permanent records, a private career school
61.16 shall submit a plan that meets the following requirements:

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

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

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

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

61.28 Sec. 27. Minnesota Statutes 2016, section 136A.822, subdivision 13, is amended to read:

61.29 Subd. 13. **Private career schools licensed by another state agency or board.** A private
61.30 career school required to obtain a private career school license due to the use of "academy,"
61.31 "institute," "college," or "university" in its name or licensed for the purpose of participating
61.32 in state financial aid under chapter 136A, and which is also licensed by another state agency

62.1 or board shall be required to satisfy only the requirements of subdivisions 4, clauses (1),
 62.2 (2), (3), (5), (7), (8), and (10); 5; 6, paragraph (b), clause (2); 8, clauses (1), (4), (7), (8),
 62.3 and (9); 9; 10, ~~clause (13)~~; and 12. If a school is licensed to participate in state financial aid
 62.4 under this chapter, the school must follow the refund policy in section 136A.827, even if
 62.5 that section conflicts with the refund policy of the licensing agency or board. A distance
 62.6 education private career school located in another state, or a school licensed to recruit
 62.7 Minnesota residents for attendance at a school outside of this state, or a school licensed by
 62.8 another state agency as its primary licensing body, may continue to use the school's name
 62.9 as permitted by its home state or its primary licensing body.

62.10 Sec. 28. Minnesota Statutes 2016, section 136A.826, subdivision 2, is amended to read:

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

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

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

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

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

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

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

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

62.28 Sec. 29. Minnesota Statutes 2016, section 136A.827, subdivision 2, is amended to read:

62.29 Subd. 2. **Private career schools using written contracts.** (a) Notwithstanding anything
 62.30 to the contrary, a private career school that uses a written contract or enrollment agreement
 62.31 shall refund all tuition, fees and other charges paid by a student, if the student gives ~~written~~

63.1 notice of cancellation within five business days after the day on which the contract was
63.2 executed regardless of whether the program has started.

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

63.10 Sec. 30. Minnesota Statutes 2016, section 136A.827, subdivision 3, is amended to read:

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

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

63.22 Sec. 31. Minnesota Statutes 2016, section 136A.828, subdivision 3, is amended to read:

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

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

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

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

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

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

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

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

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

64.14 (f) A school shall not use endorsements, commendations, or recommendations by a
64.15 student in favor of a school except with the consent of the student and without any offer of
64.16 financial or other material compensation. Endorsements may be used only when they portray
64.17 current conditions.

64.18 (g) A school may advertise that the school or its programs have been accredited by an
64.19 accrediting agency recognized by the United States Department of Education or the Council
64.20 for Higher Education Accreditation, but shall not advertise any other accreditation unless
64.21 approved by the office. The office may approve an institution's advertising of accreditation
64.22 that is not recognized by the United States Department of Education or the Council for
64.23 Higher Education if that accreditation is industry specific. Clear distinction must be made
64.24 when the school is in candidacy or application status versus full accreditation. The office
64.25 may provide preauthorization to advertise an accreditor that is not recognized by the United
64.26 States Department of Education or the Council for Higher Education Accreditation.

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

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

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

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

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

65.8 **Sec. 32. [136A.8295] STUDENT COMPLAINTS.**

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

65.12 Subd. 2. **Complaint.** A complaint must be in writing, be signed by a student, and state
 65.13 how the school's policies and procedures or sections 136A.822 to 136A.834 were violated.
 65.14 Student complaints shall be limited to complaints that occurred within six years from the
 65.15 date the concern should have been discovered with reasonable effort and after the student
 65.16 has utilized the school's internal complaint process. Students do not have to utilize a school's
 65.17 internal complaint process before the office has authority when the student is alleging fraud
 65.18 or misrepresentation. The office shall not investigate grade disputes, student conduct
 65.19 proceedings, disability accommodation requests, and discrimination claims, including Title
 65.20 IX complaints.

65.21 Subd. 3. **Investigation.** The office shall initiate an investigation upon receipt of a
 65.22 complaint within the authority of subdivision 2. A school involved in an investigation shall
 65.23 be informed of the alleged violations and the processes of the investigation. A school
 65.24 involved in an investigation shall respond to the alleged violations and provide requested
 65.25 documentation to the office. Upon completion of an investigation, the office shall inform
 65.26 the school and the student of the investigation outcome.

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

65.31 **Sec. 33. Minnesota Statutes 2016, section 136A.83, is amended to read:**

65.32 **136A.83 INSPECTION.**

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

66.8 (b) Data obtained from an inspection of the financial records of a private career school
66.9 or submitted to the office as part of a license application or renewal are nonpublic data as
66.10 defined in section 13.02, subdivision 9. Data obtained from inspections may be disclosed
66.11 to other members of the office, to law enforcement officials, or in connection with a legal
66.12 or administrative proceeding commenced to enforce a requirement of law.

66.13 Sec. 34. Minnesota Statutes 2016, section 136A.833, is amended to read:

66.14 **136A.833 EXEMPTIONS.**

66.15 Subdivision 1. Application for exemptions. A school that seeks an exemption from the
66.16 provisions of sections 136A.822 to 136A.834 must apply to the office to establish that the
66.17 school meets the requirements of an exemption. An exemption expires two years from the
66.18 date of approval or when a school adds a new program or makes a modification equal to or
66.19 greater than 25 percent to an existing educational program. If a school is reapplying for an
66.20 exemption, the application must be submitted to the office 90 days before the current
66.21 exemption expires.

66.22 Subd. 2. Exemption reasons. Sections 136A.821 to 136A.832 shall not apply to the
66.23 following:

66.24 (1) public postsecondary institutions;

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

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

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

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

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

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

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

67.7 (9) private career schools engaged exclusively in the teaching of purely avocational,
67.8 recreational, or remedial subjects as determined by the office except private career schools
67.9 required to obtain a private career school license due to the use of "academy," "institute,"
67.10 "college," or "university" in their names unless the private career school used "academy"
67.11 or "institute" in its name prior to August 1, 2008;

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

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

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

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

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

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

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

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

68.9 (18) private career schools providing exclusively training, instructional programs, or
68.10 courses where tuition, fees, and any other charges for a student to participate do not exceed
68.11 \$100.

68.12 Sec. 35. Minnesota Statutes 2016, section 136A.834, is amended by adding a subdivision
68.13 to read:

68.14 Subd. 5. **Application.** A school that seeks an exemption from the provisions of sections
68.15 136A.82 to 136A.834 must apply to the office to establish that the school meets the
68.16 requirements of an exemption. An exemption expires two years from the date of approval
68.17 or when a school adds a new program or makes a modification equal to or greater than 25
68.18 percent to an existing educational program. If a school is reapplying for an exemption, the
68.19 application must be submitted to the office 90 days before the current exemption expires.

68.20 Sec. 36. Laws 2015, chapter 69, article 3, section 20, subdivision 10, is amended to read:

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

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

68.29 Amend the title accordingly