STATE OF MINNESOTA

Journal of the House

NINETY-FOURTH SESSION — 2025

TWENTY-FOURTH LEGISLATIVE DAY

SAINT PAUL, MINNESOTA, THURSDAY, APRIL 24, 2025

The House of Representatives convened at 11:00 a.m. and was called to order by Lisa Demuth, Speaker of the House.

Prayer was offered by Kathryn Knake, Master Shaman, Marshfield, Wisconsin.

The members of the House gave the pledge of allegiance to the flag of the United States of America.

John deCausmeaker from the Minnesota Wild performed the National Anthem.

The roll was called and the following members were present:

Acomb	Dotseth	Heintzeman	Koznick	Novotny	Smith
Agbaje	Duran	Hemmingsen-Jaeger	Kraft	O'Driscoll	Stephenson
Allen	Elkins	Her	Kresha	Olson	Stier
Altendorf	Engen	Hicks	Lawrence	Pérez-Vega	Swedzinski
Anderson, P. E.	Falconer	Hill	Lee, F.	Perryman	Tabke
Anderson, P. H.	Feist	Hollins	Lee, K.	Pinto	Torkelson
Backer	Finke	Howard	Liebling	Pursell	Van Binsbergen
Bahner	Fischer	Hudson	Lillie	Quam	Vang
Bakeberg	Fogelman	Huot	Long	Rarick	Virnig
Baker	Franson	Hussein	Mahamoud	Rehm	Warwas
Bennett	Frazier	Igo	McDonald	Rehrauer	West
Berg	Frederick	Jacob	Mekeland	Repinski	Wiener
Bierman	Freiberg	Johnson, P.	Moller	Reyer	Witte
Bliss	Gander	Johnson, W.	Momanyi-Hiltsley	Roach	Wolgamott
Burkel	Gillman	Jones	Mueller	Robbins	Xiong
Carroll	Gomez	Jordan	Murphy	Rymer	Youakim
Cha	Gordon	Joy	Myers	Schomacker	Zeleznikar
Clardy	Gottfried	Keeler	Nadeau	Schultz	Spk. Demuth
Coulter	Greene	Klevorn	Nash	Schwartz	
Curran	Greenman	Knudsen	Nelson	Scott	
Davids	Hansen, R.	Koegel	Niska	Sencer-Mura	
Davis	Hanson, J.	Kotyza-Witthuhn	Noor	Sexton	
Dippel	Harder	Kozlowski	Norris	Skraba	

A quorum was present.

Hortman was excused until 4:05 p.m.

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Pursuant to Rule 10.05, relating to Remote House Operations, the Speaker permitted the following member to vote via remote means: Swedzinski.

Pursuant to Rule 10.05, relating to Remote House Operations, the Speaker permitted the following member to vote via remote means between the hours of 11:00 a.m. and 4:15 p.m.: Hanson, J.

The Chief Clerk proceeded to read the Journal of the preceding day. There being no objection, further reading of the Journal was dispensed with and the Journal was approved as corrected by the Chief Clerk.

REPORTS OF CHIEF CLERK

S. F. No. 2847 and H. F. No. 2543, which had been referred to the Chief Clerk for comparison, were examined and found to be not identical.

Reyer moved that S. F. No. 2847 be substituted for H. F. No. 2543 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES AND DIVISIONS

Rarick and Wolgamott from the Committee on Higher Education Finance and Policy to which was referred:

H. F. No. 2312, A bill for an act relating to higher education; making policy and technical changes to certain higher education provisions including sexual misconduct grievance procedures, student aid, and institutional grants; requiring reports; amending Minnesota Statutes 2024, sections 135A.15, subdivision 2a; 135A.1582; 136A.246, subdivisions 1a, 3; 136A.87; 136A.901, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 136A; repealing Minnesota Statutes 2024, sections 5.41, subdivision 2; 136A.057; 136A.1251, subdivision 5; 136A.1788, subdivision 5; 136A.1791, subdivision 9; 136A.246, subdivision 9; 136A.861, subdivision 7; 136A.901, subdivision 2; 136A.91, subdivision 3; Minnesota Rules, part 4850.0014, subparts 1, 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1 APPROPRIATIONS

Section 1. APPROPRIATIONS.

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2026" and "2027" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2026, or June 30, 2027, respectively. "The first year" is fiscal year 2026. "The second year" is fiscal year 2027. "The biennium" is fiscal years 2026 and 2027.

APPROPRIATIONS
Available for the Year
Ending June 30
2026 2027

Sec. 2. MINNESOTA OFFICE OF HIGHER EDUCATION

with other information about financial aid for which the students may be eligible. This appropriation includes funding to administer the American Indian scholarship program.

Subdivision 1. Total Appropriation	\$312,749,000	<u>\$312,968,000</u>
The amounts that may be spent for each purpose are specified in the following subdivisions.		
Subd. 2. State Grants	241,790,000	241,790,000
(a) If the appropriation in this subdivision for either year is insufficient, the appropriation for the other year is available for it.		
(b) For purposes of Minnesota Statutes, section 136A.121, subdivision 6, a tuition and fee maximum is established for four-year programs that is the lesser of: (1) the average tuition and fees charged by the institution; or (2) an amount equal to the highest tuition and fees charged at a public university in the 2024-2025 academic year plus one percent for fiscal year 2026, plus an additional one percent for fiscal year 2027.		
(c) The base for this appropriation is \$242,707,000 in fiscal year 2028 and thereafter.		
Subd. 3. Child Care Grants	6,694,000	6,694,000
Subd. 4. State Work-Study	11,752,000	11,752,000
Subd. 5. Interstate Tuition Reciprocity	8,500,000	8,500,000
If the appropriation in this subdivision for either year is insufficient, the appropriation for the other year is available to meet reciprocity contract obligations.		
Subd. 6. Safety Officer's Survivors	100,000	100,000
This appropriation is to provide educational benefits under Minnesota Statutes, section 299A.45, to eligible dependent children and to the spouses of public safety officers killed in the line of duty.		
If the appropriation in this subdivision for either year is insufficient, the appropriation for the other year is available for it.		
Subd. 7. Indian Scholarships	3,500,000	3,500,000
The commissioner must contract with or employ at least one person with demonstrated competence in American Indian culture and residing in or near the city of Bemidji to assist students with the scholarships under Minnesota Statutes, section 136A.126, and		

Subd. 8. Tribal College Supplemental Assistance Grants	3,650,000	3,650,000
For Tribal college assistance grants under Minnesota Statutes, section 136A.1796.		
Each eligible Tribal college may receive a minimum grant in an amount no less than \$1,000,000 and no more than \$1,050,000, subject to available appropriations.		
The commissioner may use no more than three percent of this appropriation to administer the program grants.		
Subd. 9. Intervention for College Attendance Program Grants	1,142,000	<u>1,142,000</u>
For the intervention for college attendance program under Minnesota Statutes, section 136A.861.		
The commissioner may use no more than three percent of this appropriation to administer the intervention for college attendance program grants.		
Subd. 10. Information for Students and Parents	122,000	122,000
Subd. 11. Get Ready!	150,000	150,000
Subd. 12. Minnesota Education Equity Partnership	45,000	45,000
Subd. 13. Midwest Higher Education Compact	115,000	115,000
Subd. 14. United Family Medicine Residency Program	<u>501,000</u>	<u>501,000</u>
For a grant to United Family Medicine residency program. This appropriation shall be used to support up to 21 resident physicians each year in family practice at United Family Medicine residency programs and shall prepare doctors to practice family care medicine in underserved rural and urban areas of the state. It is intended that this program will improve health care in underserved communities, provide affordable access to appropriate medical care, and manage the treatment of patients in a cost-effective manner.		
Subd. 15. MnLINK Gateway and Minitex	6,655,000	<u>6,708,000</u>
Subd. 16. Statewide Longitudinal Education Data System	<u>2,550,000</u>	2,550,000
Subd. 17. Hennepin Healthcare	645,000	645,000

For transfer to Hennepin Healthcare for graduate family medical education programs at Hennepin Healthcare.

Subd. 18. Campus Sexual Assault Reporting	<u>25,000</u>	<u>25,000</u>
For the sexual assault reporting required under Minnesota Statutes, section 135A.15.		
Subd. 19. Campus Sexual Violence Prevention and Response Coordinator	150,000	<u>150,000</u>
For the Office of Higher Education to staff a campus sexual violence prevention and response coordinator to serve as a statewide resource providing professional development and guidance on best practices for postsecondary institutions. \$50,000 each year is for administrative funding to conduct trainings and provide materials to postsecondary institutions.		
Subd. 20. Grants to Student Teachers in Shortage Areas	500,000	500,000
For grants to student teachers in shortage areas under Minnesota Statutes, section 136A.1275.		
The commissioner may use no more than three percent of the appropriation for administration of the program.		
Subd. 21. Grants to Underrepresented Student Teachers	<u>1,125,000</u>	1,125,000
For grants to underrepresented student teachers under Minnesota Statutes, section 136A.1274.		
The commissioner may use no more than three percent of the appropriation for administration of the program.		
Subd. 22. Grants for Students with Intellectual and Developmental Disabilities	200,000	200,000
For grants for students with intellectual and developmental disabilities under Minnesota Statutes, section 136A.1215.		
Subd. 23. Loan Repayment Assistance Program	<u>55,000</u>	<u>55,000</u>
For a grant to the Loan Repayment Assistance Program of Minnesota to provide education debt relief to attorneys with full-time employment providing legal advice or representation to low-income clients or support services for this work.		
Subd. 24. Hunger-Free Campus Grants	1,000,000	1,000,000
For the Hunger-Free Campus program under Minnesota Statutes, section 135A.137.		
Subd. 25. Fostering Independence Higher Education Grants	4,416,000	4,416,000
For grants to eligible students under Minnesota Statutes, section 136A.1241. The Office of Higher Education may use no more than three percent of the appropriation to administer grants.		

Subd. 26. Student Parent Support Initiative	1,000,000	1,000,000
For grants to support student parents under Minnesota Statutes, section 136A.1251. Of this amount, up to \$338,000 each year is for administrative and promotional costs.		
The base for this appropriation is \$0 in fiscal year 2028 and thereafter.		
Subd. 27. Director of Tribal Relations	<u>143,000</u>	<u>143,000</u>
Subd. 28. Direct Admissions Program	650,000	650,000
For the direct admissions program under Minnesota Statutes, section 136A.84.		
Subd. 29. American Indian Scholars	<u>8,500,000</u>	8,500,000
To support implementation of Minnesota Statutes, section 135A.121.		
\$4,032,000 in fiscal year 2026 and \$4,032,000 in fiscal year 2027 are for transfer to the Board of Regents of the University of Minnesota.		
\$4,468,000 in fiscal year 2026 and \$4,468,000 in fiscal year 2027 are for transfer to the Board of Trustees of the Minnesota State Colleges and Universities.		
Subd. 30. Inclusive Higher Education	250,000	<u>250,000</u>
To enter into a contract establishing the Inclusive Higher Education Technical Assistance Center under Minnesota Statutes, section 135A.161.		
Subd. 31. Addiction Medicine Graduate Medical Education Fellowship	270,000	270,000
(a) For a grant to Hennepin County Medical Center to support up to six physicians enrolled in an addiction medicine fellowship program. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.		
(b) Each year, in order to receive funds under this subdivision, Hennepin County Medical Center must certify to the commissioner the number of physicians actually enrolled in an addiction medicine fellowship for that year. The commissioner shall transfer to Hennepin County Medical Center \$90,000 for each physician enrolled in an addiction medicine fellowship subject to the total funds appropriated by this subdivision.		

(c) This appropriation shall be used to prepare fellows to practice addiction medicine in rural and underserved areas of the state, and to train fellows in: diagnostic interviewing; motivational interviewing; addiction counseling; recognition and care of common acute withdrawal syndromes and complications; pharmacotherapies of addictive disorders; epidemiology and pathophysiology of addiction; identification and treatment of addictive disorders in special populations; secondary interventions; the use of screening and diagnostic instruments; inpatient care; and working within a multidisciplinary team.

Subd. 32. Unemployment Insurance Aid

<u>158,000</u> <u>158,000</u>

For unemployment insurance aid to Tribal colleges under Minnesota Statutes, section 268.193. Of the amount appropriated, \$24,000 each year is for administration of the unemployment insurance aid.

Subd. 33. North Star Promise; Administrative Costs

202,000 202,000

For administrative and promotion expenses to implement and direct the scholarship awards under Minnesota Statutes, section 136A.1465.

Subd. 34. Agency Administration

6,194,000

6,360,000

Subd. 35. Balances Forward

A balance in the first year under this section does not cancel, but is available for the second year.

Subd. 36. Transfer Authority

The commissioner of the Office of Higher Education may transfer unencumbered balances from the appropriations in this section to the state grant appropriation, the interstate tuition reciprocity appropriation, the child care grant appropriation, the Indian scholarship appropriation, the state work-study appropriation, the get ready appropriation, the intervention for college attendance appropriation, the student-parent information appropriation, the public safety officers' survivors appropriation, and the fostering independence higher education grant program. The commissioner may transfer unencumbered balances from the Hunger-Free Campus appropriations to the emergency assistance for postsecondary students grant. To the extent there is a projected surplus in the appropriation for either the student teachers in shortage areas grant program or the underrepresented student teacher grant program, the commissioner may transfer unencumbered balances between the two programs as needed to meet demand. Transfers from the child care, state work-study, or Hunger-Free Campus appropriations may only be made to the extent there is a projected surplus in the appropriation. A transfer may be made only with prior written notice to the chairs and ranking minority members of the senate and house of representatives committees with jurisdiction over higher education finance.

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

Subdivision 1. Total Appropriation	<u>\$877,939,000</u>	<u>\$877,950,000</u>
The amounts that may be spent for each purpose are specified in the following subdivisions.		
Subd. 2. Central Office and Shared Services Unit	<u>36,401,000</u>	<u>36,401,000</u>
For the Office of the Chancellor and the Shared Services Division.		
Subd. 3. Operations and Maintenance	836,923,000	836,934,000

- (a) This appropriation includes \$37,500,000 in fiscal year 2026 and \$37,500,000 in fiscal year 2027 for student tuition relief.
- (b) \$5,700,000 in fiscal year 2026 and \$5,700,000 in fiscal year 2027 are to provide supplemental aid for operations and maintenance to the president of each two-year institution in the system with at least one campus that is not located in a metropolitan county, as defined in Minnesota Statutes, section 473.121, subdivision 4. The board shall transfer at least \$158,000 for each campus not located in a metropolitan county in each year to the president of each institution that includes such a campus.
- (c) The Board of Trustees is requested to help Minnesota close the attainment gap by funding activities which improve retention and completion for students of color.
- (d) \$4,500,000 in fiscal year 2026 and \$4,500,000 in fiscal year 2027 are for workforce development scholarships under Minnesota Statutes, section 136F.38.
- (e) \$300,000 in fiscal year 2026 and \$300,000 in fiscal year 2027 are for transfer to the Cook County Higher Education Board to provide educational programming, workforce development, and academic support services to remote regions in northeastern Minnesota. The Cook County Higher Education Board shall continue to provide information to the Board of Trustees on the number of students served, credit hours delivered, and services provided to students.

- (f) \$40,000 in fiscal year 2026 and \$40,000 in fiscal year 2027 are to implement the sexual assault policies required under Minnesota Statutes, section 135A.15.
- (g) \$9,500,000 in fiscal year 2026 and \$9,500,000 in fiscal year 2027 are for enterprise-wide technology, including upgrading the Integrated Statewide Record System and maintaining enterprise-wide technology services.
- (h) \$50,000 in fiscal year 2026 and \$50,000 in fiscal year 2027 are to reduce students' out-of-pocket costs by expanding free offerings in course materials and resources, including through open educational resources, open textbooks, and implementation of Z-Degrees under Minnesota Statutes, section 136F.305.
- (i) \$3,158,000 in fiscal year 2026 and \$3,158,000 in fiscal year 2027 are to expand student support services. This appropriation provides funding to campuses to address basic needs insecurity, mental health, and other high-need student support services by increasing the amount of available resources to students. In addition, this funding provides systemwide resources and coordination, including electronic connections for peer support and professional clinical support for mental health. These systemwide resources must be available online 24 hours a day, seven days a week.
- (j) \$883,000 in fiscal year 2026 and \$894,000 in fiscal year 2027 are for costs associated with the increased employer contribution rates for the higher education individual retirement account plan under Minnesota Statutes, section 354B.23, subdivision 3.
- (k) \$282,000 the first year and \$282,000 the second year are to pay the cost of supplies and equipment necessary to provide access to menstrual products under Minnesota Statutes, section 135A.1365.
- (1) \$809,000 in fiscal year 2026 and \$809,000 in fiscal year 2027 are for unemployment insurance aid under Minnesota Statutes, section 268.193, to institutions within the system.
- (m) \$2,250,000 in fiscal year 2026 and \$2,250,000 in fiscal year 2027 are for direct emergency grants to students. This appropriation must be used for emergency grants to students to meet immediate student needs that could result in a student not completing the term or the program, including but not limited to emergency housing, food, and transportation. Institutions shall minimize any negative impact on student financial aid resulting from the receipt of emergency funds.

Subd. 4. Learning Network of Minnesota

<u>4,115,000</u> <u>4,115,000</u>

Subd. 5. Juvenile Detention Alternatives Initiative

500,000 500,000

For transfer to Metropolitan State University. Of this amount: \$280,000 each year is to provide juvenile justice services and resources, including the Juvenile Detention Alternatives Initiative, to Minnesota counties and federally recognized Tribes; and \$220,000 each year is for funding to local units of government, federally recognized Tribes, and agencies to support local Juvenile Detention Alternative Initiatives, including but not limited to alternatives to detention. Any unencumbered balance remaining in the first year does not cancel and is available in the second year.

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

<u>Subdivision 1.</u> <u>Total Appropriation</u> <u>\$756,660,000</u> <u>\$741,398,000</u>

Appropriations by Fund

<u>2026</u> <u>2027</u>

 General
 754,503,000
 739,241,000

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

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

Subd. 2. Operations and Maintenance

693,056,000 677,794,000

(a) \$15,000,000 in fiscal year 2026 and \$15,000,000 in fiscal year 2027 are to: (1) increase the medical school's research capacity; (2) improve the medical school's ranking in National Institutes of Health funding; (3) ensure the medical school's national prominence by attracting and retaining world-class faculty, staff, and students; (4) invest in physician training programs in rural and underserved communities; and (5) translate the medical school's research discoveries into new treatments and cures to improve the health of Minnesotans.

(b) \$7,800,000 in fiscal year 2026 and \$7,800,000 in fiscal year 2027 are for health training restoration. This appropriation must be used to support all of the following: (1) faculty physicians who teach at eight residency program sites, including medical resident and student training programs in the Department of Family Medicine; (2) the Mobile Dental Clinic; and (3) expansion of geriatric education and family programs.

- (c) \$4,000,000 in fiscal year 2026 and \$4,000,000 in fiscal year 2027 are for the Minnesota Discovery, Research, and InnoVation Economy funding program for cancer care research.
- (d) \$500,000 in fiscal year 2026 and \$500,000 in fiscal year 2027 are for the University of Minnesota, Morris branch, to cover the costs of tuition waivers under Minnesota Statutes, section 137.16.
- (e) \$1,000,000 in fiscal year 2026 and \$1,000,000 in fiscal year 2027 are for systemwide safety and security measures on University of Minnesota campuses.
- (f) \$366,000 in fiscal year 2026 and \$366,000 in fiscal year 2027 are for unemployment insurance aid under Minnesota Statutes, section 268.193.
- (g) \$110,000 the first year and \$110,000 the second year are to pay the cost of supplies and equipment necessary to provide access to menstrual products under Minnesota Statutes, section 135A.1365.
- (h) \$1,500,000 in fiscal year 2026 and \$1,500,000 in fiscal year 2027 are for programs at the University of Minnesota Medical School Campus on the CentraCare Health System Campus in St. Cloud. This appropriation may be used for tuition support, a residency program, a rural health research program, a program to target scholarships to students from diverse backgrounds, and a scholarship program targeted at students who will practice in rural areas. This appropriation must be spent on the CentraCare Health System Campus in the greater St. Cloud area.
- (i) \$750,000 in fiscal year 2026 and \$750,000 in fiscal year 2027 are for direct emergency grants to students. This appropriation must be used for emergency grants to students to meet immediate student needs that could result in a student not completing the term or the program, including but not limited to emergency housing, food, and transportation. Institutions shall minimize any negative impact on student financial aid resulting from the receipt of emergency funds.
- (j) \$15,262,000 in fiscal year 2026 is for a collaborative partnership with the Mayo Clinic to engage in ongoing research into amyotrophic lateral sclerosis (ALS), with the goal of bettering the lives of individuals with ALS and finding a cure for the disease. This is a onetime appropriation. Notwithstanding Minnesota Statutes, section 16A.28, unencumbered balances under this paragraph do not cancel until June 30, 2029. Beginning January 15, 2026, and annually thereafter until January 15, 2030, or until the money is fully expended, whichever occurs first, the Board of Regents must submit a report to the legislature specifying how the collaborative partnership has used money under this paragraph.

Subd. 3. Primary Care Education Initiatives

2,157,000

2,157,000

This appropriation is from the health care access fund.

Subd. 4. Special Appropriations

(a) Agriculture and Extension Service

42,922,000

42,922,000

For the Agricultural Experiment Station and the Minnesota Extension Service:

- (1) the agricultural experiment stations and Minnesota Extension Service must convene agricultural advisory groups to focus research, education, and extension activities on producer needs and implement an outreach strategy that more effectively and rapidly transfers research results and best practices to producers throughout the state;
- (2) this appropriation includes funding for research and outreach on the production of renewable energy from Minnesota biomass resources, including agronomic crops, plant and animal wastes, and native plants or trees. The following areas should be prioritized and carried out in consultation with Minnesota producers, renewable energy, and bioenergy organizations:
- (i) biofuel and other energy production from perennial crops, small grains, row crops, and forestry products in conjunction with the Natural Resources Research Institute (NRRI);
- (ii) alternative bioenergy crops and cropping systems; and
- (iii) biofuel coproducts used for livestock feed;
- (3) this appropriation includes funding for the College of Food, Agricultural, and Natural Resources Sciences to establish and provide leadership for organic agronomic, horticultural, livestock, and food systems research, education, and outreach and for the purchase of state-of-the-art laboratory, planting, tilling, harvesting, and processing equipment necessary for this project;
- (4) this appropriation includes funding for research efforts that demonstrate a renewed emphasis on the needs of the state's agriculture community. The following areas should be prioritized and carried out in consultation with Minnesota farm organizations:
- (i) vegetable crop research with priority for extending the Minnesota vegetable growing season;
- (ii) fertilizer and soil fertility research and development;

- (iii) soil, groundwater, and surface water conservation practices and contaminant reduction research;
- (iv) discovering and developing plant varieties that use nutrients more efficiently;
- (v) breeding and development of turf seed and other biomass resources in all three Minnesota biomes;
- (vi) development of new disease-resistant and pest-resistant varieties of turf and agronomic crops;
- (vii) utilizing plant and livestock cells to treat and cure human diseases;
- (viii) the development of dairy coproducts;
- (ix) a rapid agricultural response fund for current or emerging animal, plant, and insect problems affecting production or food safety;
- (x) crop pest and animal disease research;
- (xi) developing animal agriculture that is capable of sustainably feeding the world;
- (xii) consumer food safety education and outreach;
- (xiii) programs to meet the research and outreach needs of organic livestock and crop farmers; and
- (xiv) alternative bioenergy crops and cropping systems; and growing, harvesting, and transporting biomass plant material; and
- (5) by February 1, 2027, the Board of Regents must submit a report to the legislative committees and divisions with jurisdiction over agriculture and higher education finance on the status and outcomes of research and initiatives funded in this paragraph.

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

\$346,000 each year is to support up to 12 resident physicians in the St. Cloud Hospital family practice residency program. The program must prepare doctors to practice primary care medicine in rural areas of the state. The legislature intends this program to improve health care in rural communities, provide affordable access to appropriate medical care, and manage the treatment of patients in a more cost-effective manner. The remainder of this appropriation is for the rural physicians associates program; the Veterinary Diagnostic Laboratory; health sciences research; dental care; the Biomedical Engineering Center; and the collaborative partnership between the University of Minnesota and Mayo Clinic for regenerative medicine, research, clinical translation, and commercialization.

(c) College of Science and Engineering

1,140,000

1,140,000

For the geological survey and the talented youth mathematics program.

(d) System Special 7,181,000 7,181,000

- (1) For general research, the Labor Education Service, Natural Resources Research Institute, Center for Urban and Regional Affairs, Bell Museum of Natural History, and the Humphrey exhibit.
- (2) \$2,000,000 in fiscal year 2026 and \$2,000,000 in fiscal year 2027 are for the Natural Resources Research Institute to invest in applied research in natural resource stewardship and economic development to attract and retain top talent; provide matching funds for federal grants; upgrade facilities, equipment, and training; and expand entrepreneurial support and outreach efforts.

Subd. 5. Academic Health Center

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

Sec. 5. TRANSFERS.

- (a) \$500,000 in fiscal year 2026 and \$500,000 in fiscal year 2027 are transferred from the general fund to the spinal cord and traumatic brain injury grant account in the special revenue fund under Minnesota Statutes, section 136A.901, subdivision 1. The commissioner may use up to three percent of the amounts transferred under this paragraph to administer the program. For fiscal years 2028 through 2031, the commissioner of management and budget must include a transfer of \$500,000 each year from the general fund to the spinal cord and traumatic brain injury grant account in the special revenue fund under Minnesota Statutes, section 136A.901, subdivision 1, when preparing each forecast from the effective date of this section through the February 2027 forecast, under Minnesota Statutes, section 16A.103.
- (b) \$3,882,000 in fiscal year 2026 and \$3,882,000 in fiscal year 2027 are transferred from the general fund to the dual training account in the special revenue fund under Minnesota Statutes, section 136A.246, subdivision 10. Of the amounts transferred under this paragraph:
- (1) \$132,000 each year is for transfer to the Department of Labor and Industry to support identification of competency standards and development of dual training programs in the transportation and child care industries as required under Minnesota Statutes, section 175.45; and
- (2) \$750,000 each year is for grants to employers in the legal cannabis industry. The commissioner may use up to six percent of the amounts transferred under this clause to administer the program. The commissioner must give priority to applications from employers who are, or who are training employees who are, eligible as social equity applicants under Minnesota Statutes, section 342.17. After June 30, 2027, any unencumbered balance from this transfer may be used for grants to any eligible employer under Minnesota Statutes, section 136A.246.

This transfer is \$3,882,000 in fiscal year 2028 and each year thereafter. For fiscal years 2028 through 2031, the commissioner of management and budget must include a transfer of \$3,882,000 each year from the general fund to the dual training account in the special revenue fund under Minnesota Statutes, section 136A.246, subdivision 10, when preparing each forecast from the effective date of this section through the February 2027 forecast, under Minnesota Statutes, section 16A.103.

- (c) \$325,000 in fiscal year 2026 and \$325,000 in fiscal year 2027 are transferred from the general fund to the large animal veterinarian loan forgiveness program account in the special revenue fund under Minnesota Statutes, section 136A.1795, subdivision 2. For fiscal years 2028 through 2031, the commissioner of management and budget must include a transfer of \$325,000 each year from the general fund to the large animal veterinarian loan forgiveness program account in the special revenue fund under Minnesota Statutes, section 136A.1795, subdivision 2, when preparing each forecast from the effective date of this section through the February 2027 forecast, under Minnesota Statutes, section 16A.103.
- (d) \$45,000 in fiscal year 2026 and \$45,000 in fiscal year 2027 are transferred from the general fund to the agricultural education loan forgiveness account in the special revenue fund under Minnesota Statutes, section 136A.1794, subdivision 2. For fiscal years 2028 through 2031, the commissioner of management and budget must include a transfer of \$45,000 each year from the general fund to the agricultural education loan forgiveness account in the special revenue fund under Minnesota Statutes, section 136A.1794, subdivision 2, when preparing each forecast from the effective date of this section through the February 2027 forecast, under Minnesota Statutes, section 16A.103.
- (e) \$750,000 in fiscal year 2026 and \$750,000 in fiscal year 2027 are transferred from the general fund to the inclusive higher education grant account in the special revenue fund under Minnesota Statutes, section 135A.162, subdivision 4. The commissioner may use up to five percent of the amounts transferred under this paragraph to administer the program. For fiscal years 2028 through 2031, the commissioner of management and budget must include a transfer of \$750,000 each year from the general fund to the inclusive higher education grant account in the special revenue fund under Minnesota Statutes, section 135A.162, subdivision 4, when preparing each forecast from the effective date of this section through the February 2027 forecast, under Minnesota Statutes, section 16A.103.
- (f) \$49,500,000 in fiscal year 2026 and \$49,500,000 in fiscal year 2027 are transferred from the general fund to the account in the special revenue fund for North Star Promise scholarships under Minnesota Statutes, section 136A.1465, subdivision 8. For fiscal years 2028 through 2031, the commissioner of management and budget must include a transfer of \$49,500,000 each year from the general fund to the account in the special revenue fund for North Star Promise scholarships under Minnesota Statutes, section 136A.1465, subdivision 8, when preparing each forecast from the effective date of this section through the February 2027 forecast, under Minnesota Statutes, section 16A.103.

Sec. 6. CANCELLATION; ALS RESEARCH.

Of the amount appropriated from the general fund to the commissioner of the Office of Higher Education pursuant to Laws 2022, chapter 42, section 2, paragraph (b), as amended by Laws 2024, chapter 124, article 1, section 1, and Laws 2024, chapter 127, article 34, section 1, \$15,262,263 is canceled.

Sec. 7. **REPEALER.**

- (a) Laws 2022, chapter 42, section 2, as amended by Laws 2024, chapter 124, article 1, section 1, and Laws 2024, chapter 127, article 34, section 1, is repealed.
- (b) Minnesota Statutes 2024, sections 136A.091; 136A.1788; 136A.1789; 136A.1791, subdivisions 1, 2, 3a, 4, 5, 6, 7, 8, 9, and 10; and 136A.91, are repealed.

(c) Minnesota Statutes 2024, section 136A.1251, subdivisions 1, 2, 3, and 4, are repealed.

EFFECTIVE DATE. Paragraphs (a) and (b) are effective July 1, 2025. Money for programs under Minnesota Statutes 2024, sections 136A.1789 and 136A.1791, may remain in their respective special revenue fund accounts to facilitate a close out of the programs. Paragraph (c) is effective July 1, 2027.

ARTICLE 2 HIGHER EDUCATION PROVISIONS

Section 1. Minnesota Statutes 2024, section 135A.052, subdivision 1, is amended to read:

- Subdivision 1. **Statement of missions.** (a) The legislature recognizes each type of public postsecondary institution to have a distinctive mission within the overall provision of public higher education in the state and a responsibility to cooperate with each other. These missions are as follows:
- (1) the technical colleges shall offer vocational training and education to prepare students for skilled occupations that do not require a baccalaureate degree;
- (2) the community colleges shall offer lower division instruction in academic programs, occupational programs in which all credits earned will be accepted for transfer to a baccalaureate degree in the same field of study, and remedial studies, for students transferring to baccalaureate institutions and for those seeking associate degrees;
- (3) consolidated community technical colleges shall offer the same types of instruction, programs, certificates, diplomas, and degrees as the technical colleges and community colleges offer;
- (4) the state universities shall offer undergraduate and graduate instruction through the master's degree, including specialist certificates, in the liberal arts and sciences and professional education, and may offer applied doctoral degrees in education, business, psychology, physical therapy, audiology, cybersecurity, and nursing; and
- (5) the University of Minnesota shall offer undergraduate, graduate, and professional instruction through the doctoral degree, and shall be the primary state supported academic agency for research and extension services.
- (b) It is part of the mission of each system that within the system's resources the system's governing board and chancellor or president shall endeavor to:
 - (1) prevent the waste or unnecessary spending of public money;
- (2) use innovative fiscal and human resource practices to manage the state's resources and operate the system as efficiently as possible;
- (3) coordinate the system's activities wherever appropriate with the activities of the other system and governmental agencies;
- (4) use technology where appropriate to increase system productivity, improve customer service, increase public access to information about the system, and increase public participation in the business of the system;
- (5) utilize constructive and cooperative labor-management practices to the extent otherwise required by chapters 43A and 179A; and
 - (6) recommend to the legislature appropriate changes in law necessary to carry out the mission of the system.

Sec. 2. Minnesota Statutes 2024, section 135A.137, is amended to read:

135A.137 HUNGER-FREE CAMPUS DESIGNATION.

- Subdivision 1. **Establishment.** (a) A Hunger-Free Campus designation is established for public postsecondary institutions and for, nonprofit degree-granting institutions physically located in Minnesota and registered with the Office of Higher Education under section 136A.63, and Tribal colleges. In order to be awarded the designation, an institution must meet the following minimum criteria:
- (1) have an established on-campus food pantry or partnership with a local food bank to provide regular, on-campus food distributions;
- (2) provide information to students on SNAP, MFIP, and other programs that reduce food insecurity. The institution shall notify students in work-study employment of their potential eligibility for SNAP benefits and provide information to those students that includes eligibility criteria and how to apply for benefits;
 - (3) hold or participate in one hunger awareness event per academic year;
 - (4) have an established emergency assistance grant that is available to students; and
- (5) establish a hunger task force that meets a minimum of three times per academic year. The task force must include at least two students currently enrolled at the institution.
 - (b) Each institution must reapply at least every four years to maintain the designation.
- Subd. 2. **Designation approval.** The <u>commissioner</u>, in <u>collaboration with the</u> student advisory council under section 136A.031, shall create an application process for institutions applying for <u>grant funds</u> the <u>designation</u>. The <u>commissioner</u>, in <u>collaboration with the</u> student advisory council, shall review applications and make recommendations to the commissioner. The <u>student advisory council may provide recommendations to the commissioner</u>, but the commissioner shall have final approval for the designation and the award amount.
- Subd. 3. Competitive grant. (a) Institutions eligible for a grant under this subdivision include public postsecondary institutions, nonprofit private postsecondary institutions, and Tribal colleges.
- (b) (a) The commissioner shall establish a competitive grant program to distribute grants to eligible institutions public postsecondary institutions, nonprofit postsecondary institutions, and Tribal colleges to meet and maintain the requirements for the Hunger-Free Campus designation under subdivision 1, paragraph (a) this section. Initial grants shall be made to institutions that have not earned the designation and demonstrate a need for funding to meet the Hunger-Free Campus designation requirements. Sustaining grants shall be made to institutions that have earned the designation and demonstrate both a partnership with a local food bank or organization that provides regular, on-campus food distributions and a need for funds to maintain the requirements under subdivision 1, paragraph (a).
- (e) (b) In awarding competitive grants, the commissioner shall give preference to applications for initial grants and to applications from institutions with the highest number of federal Pell Grant eligible students enrolled. The commissioner shall consider the head count at the institution when awarding grants. The maximum grant award for an initial institution designation is \$25,000. The maximum grant award for sustaining an institution designation is \$15,000. must consider, among other factors:
 - (1) the number of federal Pell Grant eligible students enrolled in the last academic year at the institution; and
 - (2) the total number of students enrolled at the institution.

- (d) (c) The commissioner, in collaboration with student associations representing eligible institutions the Student Advisory Council under section 136A.031, shall create an application process and establish selection criteria for awarding the grants.
- (e) No more than 20 percent of the total grant awards each fiscal year shall be for grants to nonprofit private postsecondary institutions.
 - Subd. 3a. Grant amounts. (a) The maximum grant amount for an initial grant is \$25,000 per fiscal year.
 - (b) The maximum grant amount for a sustaining grant is \$15,000 per fiscal year.
 - (c) Eligible institutions may only receive one initial grant.
- (d) If grant requests exceed the amount of available money, no more than 20 percent of the total grant awards shall be for grants to nonprofit private postsecondary institutions.
- Subd. 4. Grant requirements Match required. (a) An eligible institution that receives a grant under subdivision 3 must: match at least 50 percent of the grant amount awarded with money or in-kind resources.
- (1) use the grant funds to meet or maintain the minimum criteria of a hunger free campus designation under subdivision 1: and
 - (2) match at least 50 percent of the grant amount awarded with funds or in kind resources.
- (b) In addition to the requirements of paragraph (a), in order to receive a sustaining grant, an institution must demonstrate a partnership with a local food bank or organization or other source of funding that ensures regular, on campus distributions.
 - Sec. 3. Minnesota Statutes 2024, section 135A.15, subdivision 2a, is amended to read:
- Subd. 2a. Campus investigation and disciplinary hearing procedures sexual misconduct grievance procedures. (a) A postsecondary institution must provide a reporting party an opportunity for an impartial, timely, and thorough investigation of a report of sexual misconduct against a student. If an investigation reveals that sexual misconduct has occurred, the institution must take prompt and effective steps reasonably calculated to end the sexual misconduct, prevent its recurrence, and, as appropriate, remedy its effects.
- (b) An institution must offer and coordinate academic and residential supportive measures as needed and equitably to both the reporting and responding parties participating in a campus sexual misconduct grievance process, including but not limited to exam or assignment extensions, permitted class absence, a change in on-campus residence, and schedule changes.
- (c) An institution must allow the reporting and responding parties to present and review relevant evidence. Testimony by the parties and witnesses must be compiled in an investigative report.
- (d) Throughout any investigation or disciplinary proceeding, a postsecondary an institution must treat the reporting parties, responding parties, witnesses, and other participants in the proceeding with dignity and respect.
- (e) (e) If a postsecondary an institution conducts a hearing, an advisor the reporting and responding parties may provide opening and closing remarks, or a party's advisor may provide opening or closing remarks on behalf of a the party or assist with formulating questions to the other party or witnesses about related relevant evidence or credibility.

- (f) An institution must allow equal opportunity during the hearing for the reporting and responding parties to consult an additional support person other than the party's advisor, such as an advocate, if requested and deemed appropriate by the Title IX coordinator or designee.
- (g) The reporting and responding parties must be given equal opportunity to question the credibility of the other party and witnesses through a live hearing or questioning by a decision-maker, pursuant to paragraph (i).
- (h) If an institution allows for cross-examination of witnesses and parties, the reporting party and the responding party are not permitted to personally cross-examine each other or any witnesses. Any cross-examination must be performed by the party's advisor or an adjudicator of the campus disciplinary proceeding.
- (i) An institution must appoint a decision-maker or panel of decision-makers who are not the investigator to assess the credibility of the reporting party, the responding party, and any other witnesses through a live hearing or direct questioning.
- (j) If the facts and circumstances rise to a policy violation, an institution must proceed with the campus sexual misconduct grievance process concurrently with a criminal investigation if requested by the reporting party.
- (k) Personal information of the reporting party such as character witness or sexual behavior of the reporting party is allowable if the information is deemed relevant by the decision-maker and if the information substantiates that the misconduct may have occurred. Mental health and medical information of the reporting party may be considered if: (1) a release is signed by the reporting party; and (2) nonrelevant information is redacted. If a responding party is found responsible, medical and mental health information of the reporting party may be considered to determine sanctions.
- (1) Questions and evidence about the reporting party's sexual predisposition or prior sexual behavior are not considered relevant unless such questions and evidence: (1) are offered to prove that someone other than the responding party committed the alleged conduct; or (2) concern specific incidents of the reporting party's prior sexual behavior with respect to the responding party and are offered to prove consent.
- (m) The responding and reporting parties may discuss the investigation and disciplinary proceedings with an advisor of choice, the party's parents, or an authorized legal guardian.
- (n) An institution must deliver the outcome of the grievance process simultaneously to the reporting and responding parties.
- (o) An institution must inform the reporting and responding parties no later than 24 hours before a decision is rendered regarding the timeline of the outcome's release. Alongside the notice of the outcome, an institution must offer community mental health and, if applicable, on-campus resources equitably to a reporting and responding party. The outcome must not be delivered to a reporting or responding party at the end of the day or on a weekend or holiday to ensure that the reporting and responding parties may access supportive services.
- (p) Institutions must have a policy prohibiting retaliation that specifies what constitutes retaliation and possible actions for students and employees if retaliation occurs. Retaliation against the reporting party, responding party, or witnesses resulting from a person's participation in a campus sexual misconduct investigation is prohibited.

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 4. Minnesota Statutes 2024, section 135A.1582, is amended to read:

135A.1582 PROTECTIONS FOR PREGNANT AND PARENTING STUDENTS.

Subdivision 1. **Definition Definitions.** (a) For the purpose purposes of this section, the following term has terms have the meaning meanings given.

- (b) "Parenting student" means a student enrolled at a public college or university who is the parent or legal guardian of or can claim as a dependent a child under the age of 18.
- (c) "Pregnancy or related conditions" has the meaning given in Code of Federal Regulations, title 34, section 106.2.
- (d) "Postsecondary institution" means an institution governed by the Board of Trustees of the Minnesota State Colleges and Universities or a private postsecondary institution that offers in-person courses on a campus located in Minnesota and is an eligible institution as defined in section 136A.103. Institutions governed by the Board of Regents of the University of Minnesota are requested to comply with this section.
- Subd. 2. **Rights and protections.** (a) A <u>Minnesota state college or university postsecondary institution</u> may not require and the University of Minnesota is requested not to require a pregnant or parenting student, solely because of the student's status as a pregnant or parenting student or due to issues related to the student's pregnancy or parenting, to:
 - (1) take a leave of absence or withdraw from the student's degree or certificate program;
 - (2) limit the student's studies;
 - (3) participate in an alternative program;
 - (4) change the student's major, degree, or certificate program; or
 - (5) refrain from joining or cease participating in any course, activity, or program at the college or university.
- (b) A Minnesota state college or university postsecondary institution shall provide and the University of Minnesota is requested to provide reasonable modifications to a pregnant student, including modifications that:
 - (1) would be provided to a student with a temporary medical condition; or
- (2) are related to the health and safety of the student and the student's unborn child, such as allowing the student to maintain a safe distance from substances, areas, and activities known to be hazardous to pregnant women or unborn children.
- (c) A Minnesota state college or university postsecondary institution must and the University of Minnesota is requested to, for reasons related to a student's pregnancy, childbirth, or any resulting medical status or condition:
 - (1) excuse the student's absence;
 - (2) allow the student to make up missed assignments or assessments;
- (3) allow the student additional time to complete assignments in the same manner as the institution allows for a student with a temporary medical condition; and
- (4) provide the student with access to instructional materials and video recordings of lectures for classes for which the student has an excused absence under this section to the same extent that instructional materials and video recordings of lectures are made available to any other student with an excused absence.

- (d) A Minnesota state college or university postsecondary institution must and the University of Minnesota is requested to allow a pregnant or parenting student to:
 - (1) take a leave of absence; and
- (2) if in good academic standing at the time the student takes a leave of absence, return to the student's degree or certificate program in good academic standing without being required to reapply for admission.
- (e) If a public college or university postsecondary institution provides early registration for courses or programs at the institution for any group of students, the Minnesota state college or university institution must provide and the University of Minnesota is requested to provide early registration for those courses or programs for pregnant or parenting students in the same manner.
- Subd. 3. **Policy on discrimination.** Each Minnesota state college or university postsecondary institution must adopt and the University of Minnesota is requested to adopt a policy for students on pregnancy and parenting discrimination. The policy must:
- (1) include the contact information of the Title IX coordinator who is the designated point of contact for a student requesting each protection or modification under this section. Contact information must include the Title IX coordinator's name, phone number, email, and office;
 - (2) be posted in an easily accessible, straightforward format on the college or university's website; and
 - (3) be made available annually to faculty, staff, and employees of the college or university.
- Subd. 4. **Administration.** The commissioner of the Office of Higher Education must, in consultation with the Board of Trustees of the Minnesota State Colleges and Universities and the Board of Regents of the University of Minnesota, and other relevant stakeholders, establish guidelines, as necessary, to administer this section. The guidelines must establish minimum periods for which a pregnant or parenting student must be given a leave of absence under subdivision 2, paragraph (d). In establishing the minimum periods, the Office of Higher Education shall consider the maximum amount of time a student may be absent without significantly interfering with the student's ability to complete the student's degree or certificate program.
 - Sec. 5. Minnesota Statutes 2024, section 136A.01, is amended by adding a subdivision to read:
- Subd. 4. Treatment of appropriations. (a) The office may retain up to ten percent of competitively awarded grants if another amount is not already designated as administrative funding in the appropriation.
- (b) Notwithstanding section 16A.28, beginning in fiscal year 2025, the office may carry forward unexpended and unencumbered nongrant operating appropriations from the second year of a biennium into the next biennium.

Sec. 6. [136A.054] CONSOLIDATED COMPETITIVE GRANT AND STUDENT LOAN REPAYMENT PROGRAM REPORTING.

- (a) The commissioner of the Office of Higher Education must report annually by February 15, to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education, on the details of programs administered under sections 135A.137, 136A.1251, 136A.1794, 136A.1795, 136A.246, 136A.861, and 136A.901, including the following, where applicable:
 - (1) organizations receiving grant awards;

- (2) grant award amounts and utilization rates;
- (3) grant program activities, goals, and outcomes;
- (4) grant matching sources and funding levels;
- (5) number and amount of loan repayment awards disbursed; and
- (6) demographic data of loan repayment program participants.
- (b) The commissioner must report any additional data and outcomes relevant to the evaluation of programs administered under sections 135A.137, 136A.1251, 136A.1794, 136A.1795, 136A.246, 136A.861, and 136A.901, and as evidenced by activities funded under each program.
 - Sec. 7. Minnesota Statutes 2024, section 136A.101, subdivision 5a, is amended to read:
- Subd. 5a. **Assigned family responsibility.** (a) "Assigned family responsibility" means the amount of a family's contribution to a student's cost of attendance, as determined by a federal need analysis. For dependent students, the assigned family responsibility is 79 percent of the parental contribution. If the parental contribution is less than \$0, the assigned family responsibility is 100 percent of the parental contribution. For independent students with dependents other than a spouse, the assigned family responsibility is 71 percent of the student contribution. For independent students without dependents other than a spouse, the assigned family responsibility is 35 percent of the student contribution.
- (b) Notwithstanding paragraph (a), if the parental contribution for dependent students or the student contribution for independent students is less than \$0, the assigned family responsibility is 100 percent of the student contribution \$0.
- (c) For a student registering for less than full time, the office shall prorate the assigned family responsibility using the ratio of the number of credits the student is enrolled in to the number of credits for full-time enrollment.
 - Sec. 8. Minnesota Statutes 2024, section 136A.103, is amended to read:

136A.103 INSTITUTION ELIGIBILITY REQUIREMENTS.

- <u>Subdivision 1.</u> <u>Eligibility.</u> (a) A postsecondary institution is eligible for state student aid <u>and to receive state</u> <u>student aid on behalf of students</u> under <u>this</u> chapter <u>136A</u> and sections 197.791 and 299A.45, if the institution is located in this state and:
 - (1) is operated by this state or the Board of Regents of the University of Minnesota; or
 - (2) is operated privately and, as determined by the office, meets the requirements of paragraph (b).
 - (b) A private institution must:
- (1) maintain academic standards substantially equivalent to those of comparable institutions operated in this state:
 - (2) (1) be licensed or registered as a postsecondary institution by the office; and
- (3)(i) by July 1, 2010, participate in the federal Pell Grant program under Title IV of the Higher Education Act of 1965, Public Law 89 329, as amended; or

- (2) meet one of the following criteria:
- (i) the institution participates in the federal Pell Grant program under Title IV of the Higher Education Act of 1965, Public Law 89-329, as amended;
 - (ii) if an the institution:
- (A) was participating in state student aid programs as of June 30, 2010, and the institution did <u>but does</u> not participate in the federal Pell Grant program by June 30, 2010, the institution must require every student who enrolls to sign a disclosure form, provided by the office, stating that the institution is not participating in the federal Pell Grant program. under Title IV of the Higher Education Act of 1965, Public Law 89-329, as amended;
- (B) requires every student who enrolls to sign a disclosure form, provided by the office, stating that the institution is not participating in the federal Pell Grant program; and
 - (C) has not had a change in ownership as defined in section 136A.63, subdivision 2; or
- (e) An (iii) the institution that offers only graduate-level degrees or graduate-level nondegree programs is an eligible institution if the institution is licensed or registered as a postsecondary institution by the office and participates in federal financial aid under Title IV of the Higher Education Act of 1965, Public Law 89-329, as amended.
- (d) (c) An eligible institution under paragraph (b), clause (3), item (ii) (2), that changes ownership as defined in section 136A.63, subdivision 2, must participate in the federal Pell Grant program within four calendar years of the first ownership change to continue eligibility remains eligible for state student aid for six months following the change in ownership.
- (e) An institution that loses its eligibility for the federal Pell Grant program is not an eligible institution. The office may terminate an institution's eligibility to participate in state student aid programs effective the date of the loss of eligibility for the federal Pell Grant program.
- (f) An institution must maintain adequate administrative and financial standards and compliance with all state statutes, rules, and administrative policies related to state financial aid programs.
- (g) The office may terminate a postsecondary institution's eligibility to participate in state student aid programs if the institution is
- <u>Subd. 2.</u> <u>Ineligibility.</u> A postsecondary institution otherwise eligible for state student aid under this chapter and sections 197.791 and 299A.45 becomes ineligible if the institution:
- (1) fails to maintain adequate compliance with administrative and financial standards and compliance with all state statutes, rules, and administrative policies related to state financial aid programs; or
- (2) has been terminated from participating in federal financial aid programs by the United States Department of Education for a violation of laws, regulations, or participation agreements governing federal financial aid programs.
 - Sec. 9. Minnesota Statutes 2024, section 136A.121, subdivision 9, is amended to read:
- Subd. 9. **Awards.** An undergraduate student who meets the office's requirements is eligible to apply for and receive a grant in any year of undergraduate study unless the student has obtained a baccalaureate degree or previously has received a state grant award for 180 120 credits or the equivalent, excluding (1) courses taken from a

Minnesota school or postsecondary institution which is not participating in the state grant program and from which a student transferred no credit, and (2) courses taken that qualify as developmental education or below college-level. A student enrolled in a two-year program at a four-year institution is only eligible for the tuition and fee maximums established by law for two-year institutions.

Sec. 10. Minnesota Statutes 2024, section 136A.1465, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** The following terms have the meanings given:

- (1) "eligible student" means a resident student under section 136A.101, subdivision 8, who is enrolled in any public postsecondary educational institution or Tribal college and who meets the eligibility requirements in subdivision 2;
 - (2) "gift aid" includes:
 - (i) all federal financial aid that is not a loan or pursuant to a work-study program;
- (ii) state financial aid, unless designated for other expenses, that is not a loan or pursuant to a work-study program;
- (iii) institutional financial aid, including a grant, scholarship, tuition waiver, fellowship stipend, or other payment, unless designated for other expenses, that is not a loan or pursuant to a work-study program; and
 - (iv) all private financial aid that is not a loan or pursuant to a work-study program.

Financial aid from the state, public postsecondary educational institutions, and Tribal colleges that is specifically designated for other expenses is not gift aid for purposes of the North Star Promise scholarship.

- (3) "other expenses" includes books, required supplies, child care, emergency assistance, food, and housing;
- (4) "public postsecondary educational institution" means an institution operated by this state, or the Board of Regents of the University of Minnesota;
- (5) "recognized cost of attendance" has the meaning given in United States Code, title 20, chapter 28, subchapter IV, part F, section 1087ll;
 - (6) "Tribal college" means a college defined in section 136A.1796, subdivision 1, paragraph (e) (d); and
 - (7) "tuition and fees" means the actual eligible resident tuition and mandatory fees charged by an institution.
 - Sec. 11. Minnesota Statutes 2024, section 136A.1465, is amended by adding a subdivision to read:
- Subd. 1a. Resident tuition. (a) The Board of Regents of the University of Minnesota is requested to adopt a policy to charge resident tuition rates for all students eligible for North Star Promise.
- (b) The Board of Trustees of Minnesota State Colleges and Universities must adopt a policy to charge resident tuition rates for all students eligible for North Star Promise.

- Sec. 12. Minnesota Statutes 2024, section 136A.1465, subdivision 2, is amended to read:
- Subd. 2. Conditions for eligibility. A scholarship may be awarded to an eligible student who:
- (1) has completed the Free Application for Federal Student Aid (FAFSA) or the state aid application;
- (2) has a family adjusted gross income below \$80,000;
- (3) is a graduate of a secondary school or its equivalent, or is 17 years of age or over and has met all requirements for admission as a student to an eligible college or university;
- (4) has not earned a completed the degree requirements for the first baccalaureate degree at the time the scholarship is awarded;
 - (5) is enrolled in at least one credit per fall, spring, or summer semester;
 - (6) is enrolled in a program or course of study that applies to a degree, diploma, or certificate;
 - (7) is not in default, as defined by the office, of any federal or state student educational loan;
- (8) is not more than 30 days in arrears in court-ordered child support that is collected or enforced by the public authority responsible for child support enforcement or, if the applicant is more than 30 days in arrears in court-ordered child support that is collected or enforced by the public authority responsible for child support enforcement, but is complying with a written payment agreement under section 518A.69 or order for arrearages;
- (9) has not been convicted of or pled nolo contendere or guilty to a crime involving fraud in obtaining federal Title IV funds within the meaning of Code of Federal Regulations, subtitle B, chapter VI, part 668, subpart C; and
 - (10) is meeting satisfactory academic progress as defined in section 136A.101, subdivision 10.
 - Sec. 13. Minnesota Statutes 2024, section 136A.155, is amended to read:

136A.155 ADDITIONAL INSTITUTION ELIGIBILITY REQUIREMENTS.

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

- (1) meets the eligibility requirements under section 136A.103; or
- (2) is operated publicly or privately in another state, <u>and</u> is approved by the United States Secretary of Education, and, as determined by the office, maintains academic standards substantially equal to those of comparable institutions operated in this state.
 - Sec. 14. Minnesota Statutes 2024, section 136A.162, is amended to read:

136A.162 CLASSIFICATION OF DATA.

(a) Except as provided in paragraphs (b) and (c), data on applicants for financial assistance collected and used by the office for student financial aid programs administered by that office are private data on individuals as defined in section 13.02, subdivision 12.

- (b) Data on applicants may be disclosed to the commissioner of children, youth, and families to the extent necessary to determine eligibility under section 136A.121, subdivision 2, clause (5).
- (c) The following data collected in the Minnesota supplemental loan program under sections 136A.1701 and 136A.1704 may be disclosed to a consumer credit reporting agency only if the borrower and the cosigner give informed consent, according to section 13.05, subdivision 4, at the time of application for a loan:
 - (1) the lender-assigned borrower identification number;
 - (2) the name and address of borrower;
 - (3) the name and address of cosigner;
 - (4) the date the account is opened;
 - (5) the outstanding account balance;
 - (6) the dollar amount past due;
 - (7) the number of payments past due;
 - (8) the number of late payments in previous 12 months;
 - (9) (8) the type of account;
 - (10) (9) the responsibility for the account; and
 - (11) (10) the status or remarks code.
 - Sec. 15. Minnesota Statutes 2024, section 136A.1701, subdivision 4, is amended to read:
- Subd. 4. **Terms and conditions of loans.** (a) The office may loan money upon such terms and conditions as the office may prescribe. Annually, the office must determine the minimum loan amount, the maximum loan amount based on program type, the maximum cumulative amount for each program type, and the maximum lifetime limit for an individual. The annual amount of the loan must not exceed the cost of attendance as determined by the eligible institution less all other financial aid.
- (b) The minimum loan amount and a maximum loan amount to students must be determined annually by the office. Loan limits are defined based on the type of program enrollment, such as a certificate, an associate's degree, a bachelor's degree, or a graduate program. The aggregate principal amount of all loans made subject to this paragraph to a student as an undergraduate and graduate student must not exceed \$140,000. The amount of the loan must not exceed the cost of attendance as determined by the eligible institution less all other financial aid, including PLUS loans or other similar parent loans borrowed on the student's behalf. A student may borrow up to the maximum amount twice in the same grade level.
- (c) The cumulative borrowing maximums must be determined annually by the office and are defined based on program enrollment. In determining the cumulative borrowing maximums, the office shall, among other considerations, take into consideration the maximum SELF loan amount, student financing needs, funding capacity for the SELF program, delinquency and default loss management, and current financial market conditions.

Sec. 16. Minnesota Statutes 2024, section 136A.1796, is amended to read:

136A.1796 TRIBAL COLLEGE SUPPLEMENTAL GRANT ASSISTANCE.

- Subdivision 1. **Definitions.** (a) As used in this section, the following terms have the meanings given them.
- (b) "Beneficiary student" means a resident of Minnesota who is enrolled in a certificate, diploma, or degree program in a Tribally controlled college and is an enrolled member of a federally recognized Indian Tribe.
- (b) (c) "Nonbeneficiary student" means a resident of Minnesota who is enrolled in a certificate, diploma, or degree program in a Tribally controlled college but is not an enrolled member of a federally recognized Indian Tribe.
- (e) (d) "Tribally controlled college" means an accredited institution of higher education located in this state that is formally controlled by or has been formally sanctioned or chartered by the governing body of a federally recognized Indian Tribe, or a combination of federally recognized Indian Tribes. Tribally controlled college does not include any institution or campus subject to the jurisdiction of the Board of Trustees of the Minnesota State Colleges and Universities or the Board of Regents of the University of Minnesota.
- Subd. 2. **Eligibility; grant assistance.** (a) A Tribally controlled college is eligible to receive supplemental grant assistance from the office, as provided in this section, for <u>beneficiary and</u> nonbeneficiary student enrollment if the college is not otherwise eligible to receive federal grant funding for those students under United States Code, title 25, section 1808.
- (b) The office shall make grants to Tribally controlled colleges to defray the costs of education associated with the enrollment of <u>beneficiary and</u> nonbeneficiary students. Grants made pursuant to this section must be provided directly to the recipient college.
- Subd. 3. **Grant application.** To receive a grant under this section, a Tribally controlled college must submit an application in the manner required by the office. Upon submission of a completed application indicating that the Tribally controlled college is eligible, the office shall distribute to the college, during each year of the biennium, a grant of \$5,300 for each <u>beneficiary and</u> nonbeneficiary student on a full-time equivalent basis. If the amount appropriated for grants under this section is insufficient to cover the total amount of grant eligibility, the office shall distribute a prorated amount per beneficiary and nonbeneficiary student on a full-time equivalent basis.
- Subd. 4. **Reporting by recipient institutions.** Each Tribally controlled college receiving a grant under this section shall provide to the office, on an annual basis, an accurate and detailed account of the expenditures of the grant funds received by the college, and a copy of the college's most recent audit report and documentation of the enrollment status and ethnic status of each <u>beneficiary and</u> nonbeneficiary student for which grant assistance is sought under this section.
 - Sec. 17. Minnesota Statutes 2024, section 136A.246, subdivision 1a, is amended to read:
 - Subd. 1a. **Definitions.** (a) The terms defined in this subdivision apply to this section.
 - (b) "Competency standard" has the meaning given in section 175.45, subdivision 2.
 - (c) "Eligible training" means training provided by an eligible training provider that:
 - (1) includes training to meet one or more identified competency standards;

- (2) is instructor-led for a majority of the training; and
- (3) results in the employee receiving an industry-recognized accredited degree, certificate, or credential.
- (d) "Eligible training provider" means an institution:
- (1) operated by the Board of Trustees of the Minnesota State Colleges and Universities or the Board of Regents of the University of Minnesota;
 - (2) licensed or registered as a postsecondary institution by the office; or
- (3) exempt from the provisions of section 136A.822 to 136A.834 or 136A.61 to 136A.71 as approved by the office.
 - (e) "Industry-recognized <u>accredited</u> degrees, certificates, or credentials" means:
 - (1) certificates, diplomas, or degrees issued by a <u>an accredited</u> postsecondary institution;
 - (2) registered apprenticeship certifications or certificates;
 - (3) occupational licenses or registrations;
 - (4) certifications issued by, or recognized by, industry or professional associations; and
 - (5) other certifications as approved by the commissioner.
 - Sec. 18. Minnesota Statutes 2024, section 136A.246, subdivision 3, is amended to read:
- Subd. 3. **Eligible training provider.** The Office of Higher Education and the Department of Labor and Industry must cooperate in maintaining an inventory of <u>accredited</u> degree, certificate, and credential programs that provide training to meet competency standards. The inventory must be posted on each agency's website with contact information for each program. The postings must be updated periodically.
 - Sec. 19. Minnesota Statutes 2024, section 136A.246, subdivision 6, is amended to read:
- Subd. 6. **Employer match.** A large employer must pay for at least 25 50 percent of the cost of training. For the purpose of this subdivision, a "large employer" means a business with more than \$25,000,000 in annual gross revenue in the previous calendar year.
 - Sec. 20. Minnesota Statutes 2024, section 136A.246, subdivision 8, is amended to read:
- Subd. 8. **Grant amounts.** (a) The maximum grant for an application for the cost of training is \$150,000 \$300,000. The maximum grant for an application for trainee support is ten percent of the grant amount for the cost of training. The maximum total grant per application is \$165,000 \$330,000. A grant may not exceed \$6,000 \$12,000 per year for a maximum of \$24,000 \$48,000 per employee.
- (b) An employee who is attending an eligible training provider that is an institution under section 136A.103 must apply for Pell and state grants as a condition of payment for training that employee under this section.

- Sec. 21. Minnesota Statutes 2024, section 136A.65, subdivision 4, is amended to read:
- Subd. 4. **Criteria for approval.** (a) A school applying to be registered and to have its degree or degrees and name approved must substantially meet the following criteria:
- (1) the school has an organizational framework with administrative and teaching personnel to provide the educational programs offered;
- (2) the school has financial resources sufficient to meet the school's financial obligations, including refunding tuition and other charges consistent with its stated policy if the institution is dissolved, or if claims for refunds are made, to provide service to the students as promised, and to provide educational programs leading to degrees as offered:
- (3) the school operates in conformity with generally accepted accounting principles according to the type of school;
 - (4) the school provides an educational program leading to the degree it offers;
- (5) the school provides appropriate and accessible library, laboratory, and other physical facilities to support the educational program offered;
- (6) the school has a policy on freedom or limitation of expression and inquiry for faculty and students which is published or available on request;
- (7) the school uses only publications and advertisements which are truthful and do not give any false, fraudulent, deceptive, inaccurate, or misleading impressions about the school, its personnel, programs, services, or occupational opportunities for its graduates for promotion and student recruitment;
- (8) the school's compensated recruiting agents who are operating in Minnesota identify themselves as agents of the school when talking to or corresponding with students and prospective students;
 - (9) the school provides information to students and prospective students concerning:
 - (i) comprehensive and accurate policies relating to student admission, evaluation, suspension, and dismissal;
- (ii) clear and accurate policies relating to granting credit for prior education, training, and experience and for courses offered by the school;
- (iii) current schedules of fees, charges for tuition, required supplies, student activities, housing, and all other standard charges;
 - (iv) policies regarding refunds and adjustments for withdrawal or modification of enrollment status; and
- (v) procedures and standards used for selection of recipients and the terms of payment and repayment for any financial aid program;
- (10) the school must not withhold a student's official transcript because the student is in arrears or in default on any loan issued by the school to the student if the loan qualifies as an institutional loan under United States Code, title 11, section 523(a)(8)(b);
 - (11) the school has a process to receive and act on student complaints;

- (12) if the school is unaccredited, the school includes a joint and several liability provision for torts and compliance with the requirements of sections 136A.61 to 136A.71 in any contract effective after July 1, 2026, with any individual, entity, or postsecondary school located in another state for the purpose of providing educational or training programs or awarding postsecondary credits or continuing education credits to Minnesota residents that may be applied to a degree program; and
- (13) the school must not use nondisclosure agreements or other contracts restricting a student's ability to disclose information in connection with school actions or conduct that would be covered under section 136A.672.
 - (b) An application for degree approval must also include:
 - (i) title of degree and formal recognition awarded;
 - (ii) location where such degree will be offered;
 - (iii) proposed implementation date of the degree;
 - (iv) admissions requirements for the degree;
 - (v) length of the degree;
 - (vi) projected enrollment for a period of five years;
 - (vii) the curriculum required for the degree, including course syllabi or outlines;
- (viii) statement of academic and administrative mechanisms planned for monitoring the quality of the proposed degree;
 - (ix) statement of satisfaction of professional licensure criteria, if applicable;
 - (x) documentation of the availability of clinical, internship, externship, or practicum sites, if applicable; and
- (xi) statement of how the degree fulfills the institution's mission and goals, complements existing degrees, and contributes to the school's viability.
 - Sec. 22. Minnesota Statutes 2024, section 136A.653, subdivision 5, is amended to read:
- Subd. 5. **Higher Learning Commission accredited institutions in Minnesota.** (a) A postsecondary institution accredited by the Higher Learning Commission or its successor with its primary physical location in Minnesota is exempt from the provisions of sections 136A.61 to 136A.71, including related fees, when it creates new or modifies existing:
- (1) <u>program degree levels, program degree types,</u> majors, minors, concentrations, specializations, and areas of emphasis within approved degrees;
 - (2) nondegree programs within approved degrees;
 - (3) underlying curriculum or courses;
 - (4) modes of delivery; and
 - (5) locations; and

- (6) course or term changes that do not impact the number of instructional hours.
- (b) The institution must annually notify the commissioner of the exempt actions listed in paragraph (a) and, upon the commissioner's request, must provide additional information about the action.
 - (c) The institution must notify the commissioner within 60 days of a program closing.
- (d) Nothing in this subdivision exempts an institution from the annual registration and degree approval requirements of sections 136A.61 to 136A.71.
- (e) An institution exempt under this subdivision may advertise, recruit, and enroll students while the program is evaluated for an exemption. In the event the program is determined not to be exempt, the institution must submit the full review application to the office within 60 days of notification or cease advertisement, recruitment, and enrollment of students and may be subject to the provisions of sections 136A.65, subdivision 8, 136A.705, and 136A.71.
 - Sec. 23. Minnesota Statutes 2024, section 136A.658, is amended to read:

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

- (a) The office may participate in an interstate reciprocity agreement regarding postsecondary distance education if it determines that participation is in the best interest of Minnesota postsecondary students.
- (b) If the office decides to participate in an interstate reciprocity agreement, an institution that meets the following requirements is exempt from the provisions of sections 136A.61 to 136A.71:
 - (1) the institution is situated in a state which is also participating in the interstate reciprocity agreement;
- (2) the institution has been approved to participate in the interstate reciprocity agreement by the institution's home state and other entities with oversight of the interstate reciprocity agreement; and
- (3) the institution has elected to participate in and operate in compliance with the terms of the interstate reciprocity agreement.
- (c) If the office participates in an interstate reciprocity agreement and the office is responsible for the administration of that interstate reciprocity agreement, which may include the approval of applications for membership of in-state institutions to participate in the interstate reciprocity agreement, the office shall collect reasonable fees sufficient to recover, but not exceed, its costs to administer the interstate reciprocity agreement. The office processing fees for approving an in-state institution application shall be as follows:
 - (1) \$750 \$1,500 for institutions with fewer than 2,500 or fewer full-time equivalent enrollment;
 - (2) \$3,000 \$5,000 for institutions with 2,501 to 20,000 12,500 full-time equivalent enrollment; and
 - (3) \$7,500 for institutions with greater than 20,001 12,500 full-time equivalent enrollment.

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

Sec. 24. Minnesota Statutes 2024, section 136A.69, subdivision 1, is amended to read:

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

(b) A new school offering no more than one degree at each level during its first year must pay registration fees for each applicable level based on the institution's total full-time equivalent enrollment in the following amounts:

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

- (1) \$5,000 for institutions with 2,500 or fewer full-time equivalent enrollment;
- (2) \$7,500 for institutions with 2,501 to 5,000 full-time equivalent enrollment;
- (3) \$10,000 for institutions with 5,001 to 7,500 full-time equivalent enrollment;
- (4) \$15,000 for institutions with 7,501 to 10,000 full-time equivalent enrollment; and
- (5) \$20,000 for institutions with 10,001 or greater full-time equivalent enrollment, and for institutions with no data on the previous year's full-time equivalent enrollment.

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

(c) A new school that will offer more than one degree per level during its first year must pay registration fees in an amount equal to the fee for the first degree at each degree level under paragraph (b), plus fees for each additional nondegree program or degree as follows:

nondegree program	\$250
additional associate degree	\$ 250
additional baccalaureate degree	\$ 500
additional master's degree-program	\$750
additional doctorate degree	\$ 1,000

(d) In addition to the fees under paragraphs (b) and (c), a fee of \$600 must be paid for an initial application that: (1) has had four revisions, corrections, amendment requests, or application reminders for the same application or registration requirement; or (2) cumulatively has had six revisions, corrections, amendment requests, or application reminders for the same license application and the school seeks to continue with the application process with additional application submissions. If this fee is paid, the school may submit two final application submissions for review prior to application denial under section 136A.65, subdivision 8. This provision excludes from its scope nonrepetitive questions or clarifications initiated by the school before the submission of the application, initial interpretation questions or inquiries from the office regarding a completed application, and initial requests from the office for verification or validation of a completed application.

- (e) The annual renewal registration fee is \$1,500. based on an institution's total full-time equivalent enrollment in the following amounts:
 - (1) \$1,500 for institutions with 2,500 or fewer full-time equivalent enrollment;
 - (2) \$3,000 for institutions with 2,501 to 5,000 full-time equivalent enrollment;
 - (3) \$5,000 for institutions with 5,001 to 10,000 full-time equivalent enrollment; and
- (4) \$7,500 for institutions with 10,001 or greater full-time equivalent enrollment, and for institutions with no data on the previous year's full-time equivalent enrollment.

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

- (f) In addition to the fee under paragraph (e), a fee of \$600 must be paid for a renewal application that: (1) has had four revisions, corrections, amendment requests, or application reminders for the same application or registration requirement; or (2) cumulatively has had six revisions, corrections, amendment requests, or application reminders for the same license application and the school seeks to continue with the application process with additional application submissions. If this fee is paid, the school may submit two final application submissions for review prior to application denial under section 136A.65, subdivision 8. This provision excludes from its scope nonrepetitive questions or clarifications initiated by the school before the submission of the application, initial interpretation questions or inquiries from the office regarding a completed application, and initial requests from the office for verification or validation of a completed application.
 - Sec. 25. Minnesota Statutes 2024, section 136A.82, is amended to read:

136A.82 POLICY; CITATION.

Subdivision 1. **Policy.** The legislature has found and hereby declares that the availability of legitimate vocational programs offered by responsible nonprofit and for-profit private career schools are in the best interests of the people of this state. The legislature has found and declares that the state can provide assistance and protection for persons choosing vocational programs by establishing policies and procedures to ensure the authenticity and legitimacy of vocational programs offered by nonprofit and for-profit private career schools. The legislature has found and declares that this same policy applies to any nonprofit and for-profit private career schools located in another state or country that offers or makes available to a Minnesota resident any vocational program which does not require leaving the state for its completion.

- Subd. 2. Citation. Sections 136A.82 to 136A.834 may be cited as the "Private Career School Act."
- Sec. 26. Minnesota Statutes 2024, section 136A.821, subdivision 4, is amended to read:
- Subd. 4. **Person.** "Person" means any individual, partnership, company, firm, society, trust, association, or corporation or any combination thereof. <u>Person does not extend to:</u>
 - (1) a government body;
 - (2) a public school as defined in section 120A.05, subdivisions 9, 11, 13, and 17; or
 - (3) a nonpublic school, religious organization, or home school as defined in section 120A.22, subdivision 4.

- Sec. 27. Minnesota Statutes 2024, section 136A.821, subdivision 5, is amended to read:
- Subd. 5. **Private career school.** "Private career school" means a person who maintains a physical presence for any program at less than an associate degree level; is not registered as a private institution under sections 136A.61 to 136A.71; and is not specifically exempted by section 136A.833. Private career school does not extend to:
 - (1) public postsecondary institutions with a physical presence in Minnesota;
 - (2) postsecondary institutions registered under sections 136A.61 to 136A.71;
- (3) postsecondary institutions exempt from registration under section 136A.653, subdivisions 1b, 2, 3, and 3a; 136A.657; or 136A.658 due to the nature of the institution's programs;
 - (4) schools exclusively engaged in training physically or mentally disabled persons;
- (5) courses taught to students in an apprenticeship program registered by the United States Department of Labor or Minnesota Department of Labor and taught by or required by a trade union in which students are not responsible for tuition, fees, or any other charges, regardless of payment or reimbursement method;
- (6) programs contracted by persons or government agencies for the training of their own employees for which no fee is charged to the employee, regardless of whether that fee is reimbursed by the employer or a third party after the employee successfully completes the training, except for institutions or programs required to obtain a limited license exclusively to receive the dual training grant;
- (7) schools with no physical presence in Minnesota engaged exclusively in offering distance programs that are located in and approved by other states or jurisdictions if the distance education program does not include internships, externships, field placements, or clinical placements for residents of Minnesota;
- (8) schools licensed or approved by other state boards or agencies authorized under Minnesota law to issue licenses for institutions or programs, except for institutions or programs required to be licensed exclusively to participate in state financial aid or be listed on the eligible training provider list, access WIOA funding, or receive the dual training grant;
- (9) review classes, courses, or programs intended to prepare students to sit for undergraduate, graduate, postgraduate, or occupational licensing, certification, or entrance examinations;
- (10) classes, courses, or programs conducted by a bona fide trade, professional, or fraternal organization, solely for that organization's membership and not available to the public. In making the determination that the organization is bona fide, the office may request the school provide three certified letters from persons that qualify as evaluators under section 136A.828, subdivision 3, paragraph (1), that the organization is recognized in Minnesota;
- (11) programs in the fine arts provided by organizations exempt from taxation under section 290.05 and registered with the attorney general under chapter 309. For purposes of this clause, "fine arts" means activities resulting in artistic creation or artistic performance of works of the imagination which are engaged in for the primary purpose of creative expression rather than commercial sale, vocational or career advancement, or employment; or
- (12) classes, courses, or programs intended to fulfill the continuing education requirements for a bona fide licensure or certification in a profession that have been approved by a legislatively or judicially established board or agency responsible for regulating the practice of the profession or by an industry-specific certification entity and that are offered exclusively to individuals with the professional licensure or certification.

- Sec. 28. Minnesota Statutes 2024, section 136A.821, is amended by adding a subdivision to read:
- Subd. 21. Vocational. "Vocational" means education or training for skills used in the labor market.
- Sec. 29. Minnesota Statutes 2024, section 136A.821, is amended by adding a subdivision to read:
- Subd. 22. <u>Trade union.</u> "Trade union" means an organization of workers in a skilled occupation who act together to secure all members favorable wages, hours, or other working conditions.
 - Sec. 30. Minnesota Statutes 2024, section 136A.821, is amended by adding a subdivision to read:
- Subd. 23. Eligible training provider. "Eligible training provider" has the meaning given in Code of Federal Regulations, title 20, section 680.410.
 - Sec. 31. Minnesota Statutes 2024, section 136A.821, is amended by adding a subdivision to read:
- <u>Subd. 24.</u> <u>Eligible training provider list.</u> "Eligible training provider list" means the list of eligible training providers that the state must maintain under Code of Federal Regulations, title 20, section 680.430.
 - Sec. 32. Minnesota Statutes 2024, section 136A.821, is amended by adding a subdivision to read:
- Subd. 25. State financial aid. For purposes of sections 136A.82 to 136A.834, "state financial aid" includes all financial aid that may be awarded under chapter 136A, with the exception of the dual training grant.
 - Sec. 33. Minnesota Statutes 2024, section 136A.821, is amended by adding a subdivision to read:
- Subd. 26. WIOA funding. "WIOA funding" means any funding available through the Workforce Innovation and Opportunity Act under Code of Federal Regulations, title 20, section 680.
 - Sec. 34. Minnesota Statutes 2024, section 136A.821, is amended by adding a subdivision to read:
 - Subd. 27. **Dual training grant.** "Dual training grant" means any money awarded under section 136A.246.
 - Sec. 35. Minnesota Statutes 2024, section 136A.822, subdivision 3, is amended to read:
- Subd. 3. **Refunds.** If a contract is deemed determined by the office to be unenforceable under subdivision 2, a private career school must refund tuition, fees, and other charges received from a student or on behalf of a student within 30 days of receiving written notification and demand for refund from the office.
 - Sec. 36. Minnesota Statutes 2024, section 136A.822, subdivision 6, is amended to read:
- Subd. 6. **Bond.** (a) No license shall be issued to any private career school with a physical presence within the state of Minnesota for any program, unless the applicant files with the office a continuous corporate surety bond written by a company authorized to do business in Minnesota conditioned upon the faithful performance of all contracts and agreements with students made by the applicant.
- (b) (1) The amount of the surety bond shall be ten percent of the preceding year's net revenue from student tuition, fees, and other required institutional charges collected, but in no event less than \$10,000, except that a private career school may deposit a greater amount at its own discretion. A private career school in each annual application for licensure must compute the amount of the surety bond and verify that the amount of the surety bond complies with this subdivision. A private career school that operates at two or more locations may combine net

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

- (2) A person required to obtain a private career school license due to the use of "academy," "institute," "college," or "university" in its name and which is also licensed by another state agency or board, except not including those schools licensed exclusively in order to participate in state grants or SELF loan financial aid programs, shall be required to provide a school bond of \$10,000.
- (c) The bond shall run to the state of Minnesota and to any person who may have a cause of action against the applicant arising at any time after the bond is filed and before it is canceled for breach of any contract or agreement made by the applicant with any student. The aggregate liability of the surety for all breaches of the conditions of the bond shall not exceed the principal sum deposited by the private career school under paragraph (b). The surety of any bond may cancel it upon giving 60 days' notice in writing to the office and shall be relieved of liability for any breach of condition occurring after the effective date of cancellation.
- (d) In lieu of bond, the applicant may deposit with the commissioner of management and budget a sum equal to the amount of the required surety bond in cash, an irrevocable letter of credit issued by a financial institution equal to the amount of the required surety bond, or securities as may be legally purchased by savings banks or for trust funds in an aggregate market value equal to the amount of the required surety bond.
- (e) Failure of a private career school to post and maintain the required surety bond or deposit under paragraph (d) may result in denial, suspension, or revocation of the school's license.
 - Sec. 37. Minnesota Statutes 2024, section 136A.822, subdivision 8, is amended to read:
 - Subd. 8. **Minimum standards.** A license shall be issued if the office first determines:
 - (1) that the applicant has a sound financial condition with sufficient resources available to:
 - (i) meet the private career school's financial obligations;
- (ii) refund all tuition and other charges, within a reasonable period of time 60 days, in the event of dissolution of the private career school or in the event of any justifiable claims for refund against the private career school by the student body;
 - (iii) provide adequate service to its students and prospective students; and
 - (iv) maintain and support the private career school;
- (2) that the applicant has satisfactory facilities with sufficient tools and equipment and the necessary number of work stations to prepare adequately the students currently enrolled, and those proposed to be enrolled;
- (3) that the applicant employs a sufficient number of qualified teaching personnel to provide the educational programs contemplated;
- (4) that the private career school has an organizational framework with administrative and instructional personnel to provide the programs and services it intends to offer;

- (5) that the quality and content of each occupational course or program of study provides education and adequate preparation to enrolled students for entry level positions in the occupation for which prepared;
- (6) that the premises and conditions where the students work and study and the student living quarters which are owned, maintained, recommended, or approved by the applicant are sanitary, healthful, and safe, as evidenced by certificate of occupancy issued by the municipality or county where the private career school is physically situated, a fire inspection by the local or state fire marshal, or another verification deemed acceptable by the office;
- (7) that the contract or enrollment agreement used by the private career school complies with the provisions in section 136A.826;
- (8) that contracts and agreements do not contain a wage assignment provision or a confession of judgment clause;
- (9) that there has been no adjudication of fraud or misrepresentation in any criminal, civil, or administrative proceeding in any jurisdiction against the private career school or its owner, officers, agents, or sponsoring organization;
- (10) that the private career school or its owners, officers, agents, or sponsoring organization has not had a license revoked under section 136A.829 or its equivalent in other states or has closed the institution prior to all students, enrolled at the time of the closure, completing their program within two years of the effective date of the revocation; and
- (11) that the school includes a joint and several liability provision for torts and compliance with the requirements of sections 136A.82 to 136A.834 in any contract effective after July 1, 2026, with any individual, entity, or postsecondary school located in another state for the purpose of providing educational or training programs or awarding postsecondary credits to Minnesota residents that may be applied to a program.
 - Sec. 38. Minnesota Statutes 2024, section 136A.822, subdivision 13, is amended to read:
- Subd. 13. Private career schools licensed by another state agency or board Limited license. (a) Unless otherwise exempt under sections 136A.82 to 136A.834:
- (1) a private career school <u>licensed by another state agency or board must be</u> required to obtain a <u>private career school limited</u> license due to the use of "academy," "institute," "college," or "university" in its name or licensed for the purpose of participating <u>participate</u> in state financial aid <u>under chapter 136A</u>, and <u>which is also licensed by another state agency or board</u>; and
- (2) a private career school exclusively seeking to be listed on the eligible training provider list, access WIOA funding, or receive the dual training grant shall be required to obtain a limited license.
- (b) A private career school seeking a limited license under this subdivision shall be required to satisfy only the requirements of subdivisions 4, clauses (1), (2), (3), (5), (7), (8), (9), and (10); 5; 6, paragraph (b), clause (2); 8, clauses (1), (4), (7), (8), and (9), and (10); 9; 10; 11; and 12. If a school is licensed to participate in state financial aid under this chapter, the school must follow the refund policy in section 136A.827, even if that section conflicts with the refund policy of the licensing agency or board. A distance education private career school located in another state, or a school licensed to recruit Minnesota residents for attendance at a school outside of this state, or a school licensed by another state agency as its primary licensing body, may continue to use the school's name as permitted by its home state or its primary licensing body.

- Sec. 39. Minnesota Statutes 2024, section 136A.824, subdivision 1, is amended to read:
- Subdivision 1. **Initial licensure fee.** (a) The office processing fee for an initial licensure application is:
- (1) \$2,500 \$3,730 for a private career school that will offer no more than one program during its first year of operation;
- (2) \$750 \$1,500 for a private career school licensed exclusively due to the use of the term "college," "university," "academy," or "institute" in its name, or licensed exclusively in order to participate in state grant or SELF loan financial aid programs, be listed on the eligible training provider list, access WIOA funding, or receive the dual training grant; and
- (3) \$2,500 \$3,730, plus \$500 for each additional program offered by the private career school, for a private career school during its first year of licensed operation.
- (b) In addition to the fee under paragraph (a), a fee of \$600 must be paid for an initial application that: (1) has had four revisions, corrections, amendment requests, or application reminders for the same application or licensure requirement; or (2) cumulatively has had six revisions, corrections, amendment requests, or application reminders for the same license application and the private career school seeks to continue with the application process with additional application submissions. If this fee is paid, the private career school may submit two final application submissions for review prior to application denial under section 136A.829, subdivision 1, clause (2). This provision excludes from its scope nonrepetitive questions or clarifications initiated by the school before the submission of the application, initial interpretation questions or inquiries from the office regarding a completed application, and initial requests from the office for verification or validation of a completed application.
 - Sec. 40. Minnesota Statutes 2024, section 136A.824, subdivision 2, is amended to read:
 - Subd. 2. Renewal licensure fee; late fee. (a) The office processing fee for a renewal licensure application is:
 - (1) for a private career school that offers one program, the license renewal fee is \$1,150 \(\frac{\$3,160}{}\); and
- (2) for a private career school that offers more than one program, the license renewal fee is \$1,150, plus \$200 for each additional program with a maximum renewal licensing fee of \$2,000;
- (3) for a private career school licensed exclusively due to the use of the term "college," "university," "academy," or "institute" in its name, the license renewal fee is \$750; and
- (4) (2) for a private career school licensed by another state agency and also licensed with the office exclusively in order to participate in state student financial aid programs, be listed on the eligible training provider list, access WIOA funding, or receive the dual training grant, the license renewal fee is \$750 \$1,500.
- (b) If a license renewal application is not received by the office by the close of business at least 60 days before the expiration of the current license, a late fee of \$100 per business day, not to exceed \$3,000, shall be assessed.
- (c) In addition to the fee under paragraph (a), a fee of \$600 must be paid for a renewal application that: (1) has had four revisions, corrections, amendment requests, or application reminders for the same application or licensure requirement; or (2) cumulatively has had six revisions, corrections, amendment requests, or application reminders for the same license application and the private career school seeks to continue with the application process with additional application submissions. If this fee is paid, the private career school may submit two final application submissions for review prior to application denial under section 136A.829, subdivision 1, clause (2). This provision excludes from its scope nonrepetitive questions or clarifications initiated by the school before the submission of the application, initial interpretation questions or inquiries from the office regarding a completed application, and initial requests from the office for verification or validation of a completed application.

- Sec. 41. Minnesota Statutes 2024, section 136A.824, subdivision 6, is amended to read:
- Subd. 6. Solicitor permit fee. The solicitor permit fee is \$350 \$500 and must be paid annually.
- Sec. 42. Minnesota Statutes 2024, section 136A.824, subdivision 7, is amended to read:
- Subd. 7. **Multiple location fee.** Private career schools wishing to operate at multiple locations must pay <u>the greater of</u>:
 - (1) \$250 \$500 per location, for locations two to five; and; or
- (2) an additional \$100 for each location over five. the actual cost of travel expenses, lodging, and customary meals incurred for an in-person site visit, should the office determine one is necessary.
 - Sec. 43. Minnesota Statutes 2024, section 136A.833, is amended to read:

136A.833 EXEMPTIONS.

Subdivision 1. **Application for exemptions.** (a) A school that seeks an exemption from the provisions of sections 136A.822 to 136A.834 for the school and all of its programs or some of its programs must apply to the office to establish that the school or program meets the requirements of an exemption. An exemption for the school or program expires two years from the date of approval or when a school adds a new program or makes a modification equal to or greater than 25 percent to an existing educational program. If a school is reapplying for an exemption, the application must be submitted to the office 90 days before the current exemption expires. If a school fails to apply within 90 days of expiration, the school is subject to fees and penalties under sections 136A.831 and 136A.832. This exemption shall not extend to any school that uses any publication or advertisement that is not truthful and gives any false, fraudulent, deceptive, inaccurate, or misleading impressions about the school or its personnel, programs, services, or occupational opportunities for its graduates for promotion and student recruitment. Exemptions denied under this section are subject to appeal under section 136A.829. If an appeal is initiated, the denial of the exemption is not effective until the final determination of the appeal, unless immediate effect is ordered by the court.

- (b) A school that meets any of the exemptions in this section and exclusively seeks to be listed on the eligible training provider list, access WIOA funding, or receive the dual training grant, is exempt from sections 136A.822 to 136A.834, except the school must satisfy the requirements of section 136A.822, subdivisions 4, clauses (1), (2), and (3); 8, clauses (9) and (10); 10, clause (8); and 12.
 - Subd. 2. Exemption reasons. Sections 136A.821 to 136A.832 shall not apply to the following:
 - (1) public postsecondary institutions;
 - (2) postsecondary institutions registered under sections 136A.61 to 136A.71;
- (3) postsecondary institutions exempt from registration under sections 136A.653, subdivisions 1b, 2, 3, and 3a; 136A.657; and 136A.658;
 - (4) private schools complying with the requirements of section 120A.22, subdivision 4;
- (5) courses taught to students in an apprenticeship program registered by the United States Department of Labor or Minnesota Department of Labor and taught by or required by a trade union. A trade union is an organization of workers in the same skilled occupation or related skilled occupations who act together to secure all members favorable wages, hours, and other working conditions;

- (6) private career schools exclusively engaged in training physically or mentally disabled persons;
- (7) private career schools licensed or approved by boards authorized under Minnesota law to issue licenses for training programs except private career schools required to obtain a private career school license due to the use of "academy," "institute," "college," or "university" in their names;
- (8) private career schools and educational programs, or training programs, contracted for by persons, firms, corporations, government agencies, or associations, for the training of their own employees, for which no fee is charged the employee, regardless of whether that fee is reimbursed by the employer or third party after the employee successfully completes the training;
- (9) (1) private career schools engaged exclusively in the teaching of purely avocational programs that are engaged primarily for personal development, recreational recreation, or remedial subjects that education, and are not advertised or maintained generally intended for vocational or career advancement, including adult basic education, exercise or fitness teacher programs, modeling, or acting, as determined by the office except private career schools required to obtain a private career school license due to the use of "college" or "university" in their names;
- (10) classes, courses, or programs conducted by a bona fide trade, professional, or fraternal organization, solely for that organization's membership and not available to the public. In making the determination that the organization is bona fide, the office may request the school provide three certified letters from persons that qualify as evaluators under section 136A.828, subdivision 3, paragraph (1), that the organization is recognized in Minnesota;
- (11) programs in the fine arts provided by organizations exempt from taxation under section 290.05 and registered with the attorney general under chapter 309. For the purposes of this clause, "fine arts" means activities resulting in artistic creation or artistic performance of works of the imagination which are engaged in for the primary purpose of creative expression rather than commercial sale, vocational or career advancement, or employment. In making this determination the office may seek the advice and recommendation of the Minnesota Board of the Arts;
- (12) classes, courses, or programs intended to fulfill the continuing education requirements for a bona fide licensure or certification in a profession, that have been approved by a legislatively or judicially established board or agency responsible for regulating the practice of the profession or by an industry specific certification entity, and that are offered exclusively to individuals with the professional licensure or certification. In making the determination that the licensure or certification is bona fide, the office may request the school provide three certified letters from persons that qualify as evaluators under section 136A.828, subdivision 3, paragraph (1), that the licensure and certification is recognized in Minnesota;
- (13) review classes, courses, or programs intended to prepare students to sit for undergraduate, graduate, postgraduate, or occupational licensing, certification, or entrance examinations and does not include the instruction to prepare students for that license, occupation, certification, or exam;
 - (14) (2) classes, courses, or programs providing 16 40 or fewer clock hours of instruction; and
- (15) classes, courses, or programs providing instruction in personal development that is not advertised or maintained for vocational or career advancement, modeling, or acting;
- (16) private career schools with no physical presence in Minnesota engaged exclusively in offering distance instruction that are located in and regulated by other states or jurisdictions if the distance education instruction does not include internships, externships, field placements, or clinical placements for residents of Minnesota; and
- (17) (3) private career schools providing exclusively training, instructional programs, or courses where tuition, fees, and any other charges, regardless of payment or reimbursement method, for a student to participate do not exceed \$100 \$500.

- Sec. 44. Minnesota Statutes 2024, section 136A.834, subdivision 1, is amended to read:
- Subdivision 1. **Exemption.** (a) A program is exempt from the provisions of sections 136A.821 to 136A.832 if it is:
- (1) offered by a private career school or any department or branch of a private career school that is substantially owned, operated, or supported by a bona fide church or religious organization;
- (2) primarily designed for, aimed at, and attended by persons who sincerely hold or seek to learn the particular religious faith or beliefs of that church or religious organization; and
- (3) primarily intended to prepare its students to become ministers of, to enter into some other vocation closely related to, or to conduct their lives in consonance with the particular faith of that church or religious organization.
- (b) Any private career school or any department or branch of a private career school is exempt from the provisions of sections 136A.821 to 136A.832 if all of its programs are exempt under paragraph (a).
 - Sec. 45. Minnesota Statutes 2024, section 136A.834, subdivision 5, is amended to read:
- Subd. 5. **Application.** A school that seeks an exemption from the provisions of sections 136A.82 to 136A.834 must apply to the office to establish that the school meets the requirements of an exemption. An exemption expires two years from the date of approval or when a school adds a new program or makes a modification equal to or greater than 25 percent to an existing educational program. If a school is reapplying for an exemption, the application must be submitted to the office 90 days before the current exemption expires. If a school fails to apply within 90 days of expiration, the school is subject to the fees and penalties under sections 136A.831 and 136A.832.
 - Sec. 46. Minnesota Statutes 2024, section 136A.901, subdivision 1, is amended to read:
- Subdivision 1. **Grant program.** (a) The commissioner shall establish a grant program to award grants to institutions in Minnesota for research into spinal cord injuries and traumatic brain injuries. Grants shall be awarded to conduct research into new and innovative treatments and rehabilitative efforts for the functional improvement of people with spinal cord and traumatic brain injuries. Research topics may include, but are not limited to, pharmaceutical, medical device, brain stimulus, and rehabilitative approaches and techniques. The commissioner, in consultation with the advisory council established under section 136A.902, shall award 50 percent of the grant funds for research involving spinal cord injuries and 50 percent to research involving traumatic brain injuries. In addition to the amounts appropriated by law, the commissioner may accept additional funds from private and public sources. Amounts received from these sources are appropriated to the commissioner for the purposes of issuing grants under this section.
- (b) <u>Institutions that are eligible to apply for a grant under this section include postsecondary institutions, nonprofit organizations, and for-profit organizations.</u>
- (c) A spinal cord and traumatic brain injury grant account is established in the special revenue fund. Money in the account is appropriated to the commissioner to make grants and to administer the grant program under this section. Appropriations to the commissioner for the program are for transfer to the account. Appropriations from the account do not cancel and are available until expended.

Sec. 47. **REVISOR INSTRUCTIONS.**

<u>Subdivision 1.</u> <u>Student parent support.</u> <u>The revisor of statutes must renumber Minnesota Statutes, section 136A.1251, as Minnesota Statutes, section 136A.915. The revisor must also make cross-reference changes consistent with the renumbering.</u>

- Subd. 2. Inclusive higher education. The revisor of statutes must renumber Minnesota Statutes, section 135A.161, as Minnesota Statutes, section 136A.921. The revisor of statutes must renumber Minnesota Statutes, section 135A.162, as Minnesota Statutes, section 136A.922. The revisor must also make cross-reference changes consistent with the renumbering.
- <u>Subd. 3.</u> <u>Hunger-Free Campus designation.</u> <u>The revisor of statutes must renumber Minnesota Statutes, section 135A.137, as Minnesota Statutes, section 136A.912. The revisor must also make cross-reference changes consistent with the renumbering.</u>

Sec. 48. **REPEALER.**

- (a) Minnesota Statutes 2024, sections 5.41, subdivision 2; 136A.057; 136A.1251, subdivision 5; 136A.246, subdivision 9; 136A.69, subdivisions 3 and 5; 136A.824, subdivisions 3 and 5; 136A.861, subdivision 7; and 136A.901, subdivision 2, are repealed.
 - (b) Minnesota Rules, part 4850.0014, subparts 1 and 2, are repealed."

Delete the title and insert:

"A bill for an act relating to higher education; providing funding and policy-related changes for the Office of Higher Education, Minnesota State Colleges and Universities, and the University of Minnesota; modifying certain scholarship and student aid programs; modifying grant programs to higher education institutions; providing authority to the Office of Higher Education for treatment of certain appropriations; providing for certain policy changes to student financial aid, institution eligibility, institutional licensure provisions, student loan programs, and institutional grant programs; requiring reports; appropriating money; canceling an appropriation; amending Minnesota Statutes 2024, sections 135A.052, subdivision 1; 135A.137; 135A.15, subdivision 2a; 135A.1582; 136A.01, by adding a subdivision; 136A.101, subdivision 5a; 136A.103; 136A.121, subdivision 9; 136A.1465, subdivisions 1, 2, by adding a subdivision; 136A.155; 136A.162; 136A.1701, subdivision 4; 136A.1796; 136A.246, subdivisions 1a, 3, 6, 8; 136A.65, subdivision 4; 136A.653, subdivision 5; 136A.658; 136A.69, subdivision 1; 136A.82; 136A.821, subdivisions 4, 5, by adding subdivisions; 136A.822, subdivisions 3, 6, 8, 13; 136A.824, subdivisions 1, 2, 6, 7; 136A.833; 136A.834, subdivisions 1, 5; 136A.901, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 136A; repealing Minnesota Statutes 2024, sections 5.41, subdivision 2; 136A.057; 136A.091; 136A.1251, subdivisions 1, 2, 3, 4, 5; 136A.1788; 136A.1789; 136A.1791, subdivisions 1, 2, 3a, 4, 5, 6, 7, 8, 9, 10; 136A.246, subdivision 9; 136A.69, subdivisions 3, 5; 136A.824, subdivisions 3, 5; 136A.861, subdivision 7; 136A.901, subdivision 2; 136A.91; Laws 2022, chapter 42, section 2, as amended; Minnesota Rules, part 4850.0014, subparts 1, 2."

With the recommendation that when so amended the bill be re-referred to the Committee on Ways and Means.

The report was adopted.

Pursuant to Joint Rule 2.03 and in accordance with Senate Concurrent Resolution No. 4, H. F. No. 2312 was re-referred to the Committee on Rules and Legislative Administration.

Stephenson and Torkelson from the Committee on Ways and Means to which was referred:

H. F. No. 2431, A bill for an act relating to higher education; requiring a report; canceling an appropriation; appropriating money; repealing Laws 2022, chapter 42, section 2, as amended.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1 APPROPRIATIONS

Section 1. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2026" and "2027" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2026, or June 30, 2027, respectively. "The first year" is fiscal year 2026. "The second year" is fiscal year 2027. "The biennium" is fiscal years 2026 and 2027.

APPROPRIATIONS
Available for the Year
Ending June 30
2026 2027

Sec. 2. MINNESOTA OFFICE OF HIGHER EDUCATION

Subdivision 1. Total Appropriation

\$312,749,000

\$312,968,000

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

<u>Subd. 2.</u> <u>State Grants</u> <u>241,790,000</u> <u>241,790,000</u>

- (a) If the appropriation in this subdivision for either year is insufficient, the appropriation for the other year is available for it.
- (b) For purposes of Minnesota Statutes, section 136A.121, subdivision 6, a tuition and fee maximum is established for four-year programs that is the lesser of: (1) the average tuition and fees charged by the institution; or (2) an amount equal to the highest tuition and fees charged at a public university in the 2024-2025 academic year plus one percent for fiscal year 2026, plus an additional one percent for fiscal year 2027.
- (c) The base for this appropriation is \$242,707,000 in fiscal year 2028 and thereafter.

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Subd. 3. Child Care Grants	<u>6,694,000</u>	<u>6,694,000</u>
Subd. 4. State Work-Study	11,752,000	11,752,000
Subd. 5. Interstate Tuition Reciprocity	8,500,000	8,500,000
If the appropriation in this subdivision for either year is insufficient, the appropriation for the other year is available to meet reciprocity contract obligations.		
Subd. 6. Safety Officer's Survivors	100,000	100,000
This appropriation is to provide educational benefits under Minnesota Statutes, section 299A.45, to eligible dependent children and to the spouses of public safety officers killed in the line of duty.		
If the appropriation in this subdivision for either year is insufficient, the appropriation for the other year is available for it.		
Subd. 7. Indian Scholarships	3,500,000	3,500,000
The commissioner must contract with or employ at least one person with demonstrated competence in American Indian culture and residing in or near the city of Bemidji to assist students with the scholarships under Minnesota Statutes, section 136A.126, and with other information about financial aid for which the students may be eligible. This appropriation includes funding to administer the American Indian scholarship program.		
Subd. 8. Tribal College Supplemental Assistance Grants	3,650,000	3,650,000
For Tribal college assistance grants under Minnesota Statutes, section 136A.1796.		
Each eligible Tribal college may receive a minimum grant in an amount no less than \$1,000,000, subject to available appropriations.		
The commissioner may use no more than three percent of this appropriation to administer the program grants.		
Subd. 9. Intervention for College Attendance Program Grants	<u>1,142,000</u>	<u>1,142,000</u>
For the intervention for college attendance program under Minnesota Statutes, section 136A.861.		

The commissioner may use no more than three percent of this appropriation to administer the intervention for college attendance

program grants.

The commissioner may use no more than three percent of the appropriation for administration of the program.

Subd. 10. Information for Students and Parents	<u>122,000</u>	122,000
Subd. 11. Get Ready!	150,000	<u>150,000</u>
Subd. 12. Minnesota Education Equity Partnership	<u>45,000</u>	<u>45,000</u>
Subd. 13. Midwest Higher Education Compact	115,000	<u>115,000</u>
Subd. 14. United Family Medicine Residency Program	501,000	<u>501,000</u>
For a grant to United Family Medicine residency program. This appropriation shall be used to support up to 21 resident physicians each year in family practice at United Family Medicine residency programs and shall prepare doctors to practice family care medicine in underserved rural and urban areas of the state. It is intended that this program will improve health care in underserved communities, provide affordable access to appropriate medical care, and manage the treatment of patients in a cost-effective manner.		
Subd. 15. MnLINK Gateway and Minitex	6,655,000	6,708,000
Subd. 16. Statewide Longitudinal Education Data System	<u>2,550,000</u>	<u>2,550,000</u>
Subd. 17. Hennepin Healthcare	<u>645,000</u>	<u>645,000</u>
For transfer to Hennepin Healthcare for graduate family medical education programs at Hennepin Healthcare.		
Subd. 18. Campus Sexual Assault Reporting	<u>25,000</u>	<u>25,000</u>
For the sexual assault reporting required under Minnesota Statutes, section 135A.15.		
Subd. 19. Campus Sexual Violence Prevention and Response Coordinator	150,000	150,000
For the Office of Higher Education to staff a campus sexual violence prevention and response coordinator to serve as a statewide resource providing professional development and guidance on best practices for postsecondary institutions. \$50,000 each year is for administrative funding to conduct trainings and provide materials to postsecondary institutions.		
Subd. 20. Grants to Student Teachers in Shortage Areas	500,000	500,000
For grants to student teachers in shortage areas under Minnesota Statutes, section 136A.1275.		

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1,125,000

1,125,000

For grants to underrepresented student teachers under Minnesota Statutes, section 136A.1274.

Subd. 21. Grants to Underrepresented Student Teachers

The commissioner may use no more than three percent of the appropriation for administration of the program.

Subd. 22. Grants for Students with Intellectual and
Developmental Disabilities 200,000

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

Subd. 23. Loan Repayment Assistance Program 55,000 55,000

For a grant to the Loan Repayment Assistance Program of Minnesota to provide education debt relief to attorneys with full-time employment providing legal advice or representation to low-income clients or support services for this work.

<u>Subd. 24. **Hunger-Free Campus Grants**</u> 1,000,000 1,000,000

For the Hunger-Free Campus program under Minnesota Statutes, section 135A.137.

For grants to eligible students under Minnesota Statutes, section 136A.1241. The Office of Higher Education may use no more than three percent of the appropriation to administer grants.

Subd. 26. Student Parent Support Initiative 1,000,000 1,000,000

For grants to support student parents under Minnesota Statutes, section 136A.1251. Of this amount, up to \$338,000 each year is for administrative and promotional costs.

The base for this appropriation is \$0 in fiscal year 2028 and thereafter.

Subd. 27. Director of Tribal Relations 143,000 143,000

Subd. 28. Direct Admissions Program 650,000 650,000

For the direct admissions program under Minnesota Statutes, section 136A.84.

<u>Subd. 29.</u> **American Indian Scholars** <u>8,500,000</u> <u>8,500,000</u>

<u>To support implementation of Minnesota Statutes, section</u> 135A.121.

250,000

\$4,032,000 in fiscal year 2026 and \$4,032,000 in fiscal year 2027 are for transfer to the Board of Regents of the University of Minnesota.

\$4,468,000 in fiscal year 2026 and \$4,468,000 in fiscal year 2027 are for transfer to the Board of Trustees of the Minnesota State Colleges and Universities.

Subd. 30. Inclusive Higher Education

250,000

To enter into a contract establishing the Inclusive Higher Education Technical Assistance Center under Minnesota Statutes, section 135A.161.

Subd. 31. Addiction Medicine Graduate Medical Education Fellowship

270,000 270,000

- (a) For a grant to Hennepin County Medical Center to support up to six physicians enrolled in an addiction medicine fellowship program. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.
- (b) Each year, in order to receive funds under this subdivision, Hennepin County Medical Center must certify to the commissioner the number of physicians actually enrolled in an addiction medicine fellowship for that year. The commissioner shall transfer to Hennepin County Medical Center \$90,000 for each physician enrolled in an addiction medicine fellowship subject to the total funds appropriated by this subdivision.
- (c) This appropriation shall be used to prepare fellows to practice addiction medicine in rural and underserved areas of the state, and to train fellows in: diagnostic interviewing; motivational interviewing; addiction counseling; recognition and care of common acute withdrawal syndromes and complications; pharmacotherapies of addictive disorders; epidemiology and pathophysiology of addiction; identification and treatment of addictive disorders in special populations; secondary interventions; the use of screening and diagnostic instruments; inpatient care; and working within a multidisciplinary team.

Subd. 32. Unemployment Insurance Aid

158,000

158,000

For unemployment insurance aid to Tribal colleges under Minnesota Statutes, section 268.193. Of the amount appropriated, \$24,000 each year is for administration of the unemployment insurance aid.

Subd. 33. North Star Promise; Administrative Costs

202,000

202,000

For administrative and promotion expenses to implement and direct the scholarship awards under Minnesota Statutes, section 136A.1465.

Subd. 34. Agency Administration

6,194,000

6,360,000

Subd. 35. Balances Forward

A balance in the first year under this section does not cancel, but is available for the second year.

Subd. 36. **Transfer Authority**

The commissioner of the Office of Higher Education may transfer unencumbered balances from the appropriations in this section to the state grant appropriation, the interstate tuition reciprocity appropriation, the child care grant appropriation, the Indian scholarship appropriation, the state work-study appropriation, the get ready appropriation, the intervention for college attendance appropriation, the student-parent information appropriation, the public safety officers' survivors appropriation, and the fostering independence higher education grant program. The commissioner may transfer unencumbered balances from the Hunger-Free Campus appropriations to the emergency assistance for postsecondary students grant. To the extent there is a projected surplus in the appropriation for either the student teachers in shortage areas grant program or the underrepresented student teacher grant program, the commissioner may transfer unencumbered balances between the two programs as needed to meet demand. Transfers from the child care, state work-study, or Hunger-Free Campus appropriations may only be made to the extent there is a projected surplus in the appropriation. A transfer may be made only with prior written notice to the chairs and ranking minority members of the senate and house of representatives committees with jurisdiction over higher education finance.

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

Subdivision 1. Total Appropriation	<u>\$877,939,000</u>	<u>\$877,950,000</u>

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

Subd. 2. Central Office and Shared Services Unit

36,401,000

36,401,000

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

Subd. 3. Operations and Maintenance

- 836,923,000 836,934,000
- (a) This appropriation includes \$37,500,000 in fiscal year 2026 and \$37,500,000 in fiscal year 2027 for student tuition relief.
- (b) \$5,700,000 in fiscal year 2026 and \$5,700,000 in fiscal year 2027 are to provide supplemental aid for operations and maintenance to the president of each two-year institution in the system with at least one campus that is not located in a metropolitan county, as defined in Minnesota Statutes, section 473.121, subdivision 4. The board shall transfer at least \$158,000 for each campus not located in a metropolitan county in each year to the president of each institution that includes such a campus.
- (c) The Board of Trustees is requested to help Minnesota close the attainment gap by funding activities which improve retention and completion for students of color.
- (d) \$4,500,000 in fiscal year 2026 and \$4,500,000 in fiscal year 2027 are for workforce development scholarships under Minnesota Statutes, section 136F.38.
- (e) \$300,000 in fiscal year 2026 and \$300,000 in fiscal year 2027 are for transfer to the Cook County Higher Education Board to provide educational programming, workforce development, and academic support services to remote regions in northeastern Minnesota. The Cook County Higher Education Board shall continue to provide information to the Board of Trustees on the number of students served, credit hours delivered, and services provided to students.
- (f) \$40,000 in fiscal year 2026 and \$40,000 in fiscal year 2027 are to implement the sexual assault policies required under Minnesota Statutes, section 135A.15.
- (g) \$9,500,000 in fiscal year 2026 and \$9,500,000 in fiscal year 2027 are for enterprise-wide technology, including upgrading the Integrated Statewide Record System and maintaining enterprise-wide technology services.
- (h) \$50,000 in fiscal year 2026 and \$50,000 in fiscal year 2027 are to reduce students' out-of-pocket costs by expanding free offerings in course materials and resources, including through open educational resources, open textbooks, and implementation of Z-Degrees under Minnesota Statutes, section 136F.305.
- (i) \$3,158,000 in fiscal year 2026 and \$3,158,000 in fiscal year 2027 are to expand student support services. This appropriation provides funding to campuses to address basic needs insecurity, mental health, and other high-need student support services by increasing the amount of available resources to students. In

addition, this funding provides systemwide resources and coordination, including electronic connections for peer support and professional clinical support for mental health. These systemwide resources must be available online 24 hours a day, seven days a week.

- (j) \$883,000 in fiscal year 2026 and \$894,000 in fiscal year 2027 are for costs associated with the increased employer contribution rates for the higher education individual retirement account plan under Minnesota Statutes, section 354B.23, subdivision 3.
- (k) \$282,000 the first year and \$282,000 the second year are to pay the cost of supplies and equipment necessary to provide access to menstrual products under Minnesota Statutes, section 135A.1365.
- (1) \$809,000 in fiscal year 2026 and \$809,000 in fiscal year 2027 are for unemployment insurance aid under Minnesota Statutes, section 268.193, to institutions within the system.
- (m) \$2,250,000 in fiscal year 2026 and \$2,250,000 in fiscal year 2027 are for direct emergency grants to students. This appropriation must be used for emergency grants to students to meet immediate student needs that could result in a student not completing the term or the program, including but not limited to emergency housing, food, and transportation. Institutions shall minimize any negative impact on student financial aid resulting from the receipt of emergency funds.

Subd. 4. Learning Network of Minnesota

<u>4,115,000</u> <u>4,115,000</u>

Subd. 5. Juvenile Detention Alternatives Initiative

500,000 500,000

For transfer to Metropolitan State University. Of this amount: \$280,000 each year is to provide juvenile justice services and resources, including the Juvenile Detention Alternatives Initiative, to Minnesota counties and federally recognized Tribes; and \$220,000 each year is for funding to local units of government, federally recognized Tribes, and agencies to support local Juvenile Detention Alternative Initiatives, including but not limited to alternatives to detention. Any unencumbered balance remaining in the first year does not cancel and is available in the second year.

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

Subdivision 1. Total Appropriation

\$756,660,000 \$741,398,000

Appropriations by Fund

2026 2027

<u>General</u> 754,503,000 739,241,000 Health Care Access 2,157,000 2,157,000

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

Subd. 2. Operations and Maintenance

- 693,056,000 677,794,000
- (a) \$15,000,000 in fiscal year 2026 and \$15,000,000 in fiscal year 2027 are to: (1) increase the medical school's research capacity; (2) improve the medical school's ranking in National Institutes of Health funding; (3) ensure the medical school's national prominence by attracting and retaining world-class faculty, staff, and students; (4) invest in physician training programs in rural and underserved communities; and (5) translate the medical school's research discoveries into new treatments and cures to improve the health of Minnesotans.
- (b) \$7,800,000 in fiscal year 2026 and \$7,800,000 in fiscal year 2027 are for health training restoration. This appropriation must be used to support all of the following: (1) faculty physicians who teach at eight residency program sites, including medical resident and student training programs in the Department of Family Medicine; (2) the Mobile Dental Clinic; and (3) expansion of geriatric education and family programs.
- (c) \$4,000,000 in fiscal year 2026 and \$4,000,000 in fiscal year 2027 are for the Minnesota Discovery, Research, and InnoVation Economy funding program for cancer care research.
- (d) \$500,000 in fiscal year 2026 and \$500,000 in fiscal year 2027 are for the University of Minnesota, Morris branch, to cover the costs of tuition waivers under Minnesota Statutes, section 137.16.
- (e) \$1,000,000 in fiscal year 2026 and \$1,000,000 in fiscal year 2027 are for systemwide safety and security measures on University of Minnesota campuses.
- (f) \$366,000 in fiscal year 2026 and \$366,000 in fiscal year 2027 are for unemployment insurance aid under Minnesota Statutes, section 268.193.
- (g) \$110,000 the first year and \$110,000 the second year are to pay the cost of supplies and equipment necessary to provide access to menstrual products under Minnesota Statutes, section 135A.1365.
- (h) \$1,500,000 in fiscal year 2026 and \$1,500,000 in fiscal year 2027 are for a partnership between the University of Minnesota Medical School and CentraCare to establish and operate new residency programs and maintain existing residency programs based in CentraCare hospitals and clinics in the cities of St. Cloud and Willmar. Eligible uses of this appropriation include but are not limited to program administration, curriculum development, resident recruitment, training, and resident stipends.

(i) \$750,000 in fiscal year 2026 and \$750,000 in fiscal year 2027 are for direct emergency grants to students. This appropriation must be used for emergency grants to students to meet immediate student needs that could result in a student not completing the term or the program, including but not limited to emergency housing, food, and transportation. Institutions shall minimize any negative impact on student financial aid resulting from the receipt of emergency funds.

(j) \$15,262,000 in fiscal year 2026 is for a collaborative partnership with the Mayo Clinic to engage in ongoing research into amyotrophic lateral sclerosis (ALS), with the goal of bettering the lives of individuals with ALS and finding a cure for the disease. This is a onetime appropriation. Notwithstanding Minnesota Statutes, section 16A.28, unencumbered balances under this paragraph do not cancel until June 30, 2029. Beginning January 15, 2026, and annually thereafter until January 15, 2030, or until the money is fully expended, whichever occurs first, the Board of Regents must submit a report to the legislature specifying how the collaborative partnership has used money under this paragraph.

Subd. 3. Primary Care Education Initiatives

2.157.000 2.157.000

This appropriation is from the health care access fund.

Subd. 4. Special Appropriations

(a) Agriculture and Extension Service

<u>42,922,000</u> <u>42,922,000</u>

For the Agricultural Experiment Station and the Minnesota Extension Service:

- (1) the agricultural experiment stations and Minnesota Extension Service must convene agricultural advisory groups to focus research, education, and extension activities on producer needs and implement an outreach strategy that more effectively and rapidly transfers research results and best practices to producers throughout the state;
- (2) this appropriation includes funding for research and outreach on the production of renewable energy from Minnesota biomass resources, including agronomic crops, plant and animal wastes, and native plants or trees. The following areas should be prioritized and carried out in consultation with Minnesota producers, renewable energy, and bioenergy organizations:
- (i) biofuel and other energy production from perennial crops, small grains, row crops, and forestry products in conjunction with the Natural Resources Research Institute (NRRI);

- (ii) alternative bioenergy crops and cropping systems; and
- (iii) biofuel coproducts used for livestock feed;
- (3) this appropriation includes funding for the College of Food, Agricultural, and Natural Resources Sciences to establish and provide leadership for organic agronomic, horticultural, livestock, and food systems research, education, and outreach and for the purchase of state-of-the-art laboratory, planting, tilling, harvesting, and processing equipment necessary for this project;
- (4) this appropriation includes funding for research efforts that demonstrate a renewed emphasis on the needs of the state's agriculture community. The following areas should be prioritized and carried out in consultation with Minnesota farm organizations:
- (i) vegetable crop research with priority for extending the Minnesota vegetable growing season;
- (ii) fertilizer and soil fertility research and development;
- (iii) soil, groundwater, and surface water conservation practices and contaminant reduction research;
- (iv) discovering and developing plant varieties that use nutrients more efficiently;
- (v) breeding and development of turf seed and other biomass resources in all three Minnesota biomes;
- (vi) development of new disease-resistant and pest-resistant varieties of turf and agronomic crops;
- (vii) utilizing plant and livestock cells to treat and cure human diseases;
- (viii) the development of dairy coproducts;
- (ix) a rapid agricultural response fund for current or emerging animal, plant, and insect problems affecting production or food safety:
- (x) crop pest and animal disease research;
- (xi) developing animal agriculture that is capable of sustainably feeding the world;
- (xii) consumer food safety education and outreach;
- (xiii) programs to meet the research and outreach needs of organic livestock and crop farmers; and
- (xiv) alternative bioenergy crops and cropping systems; and growing, harvesting, and transporting biomass plant material; and

(5) by February 1, 2027, the Board of Regents must submit a report to the legislative committees and divisions with jurisdiction over agriculture and higher education finance on the status and outcomes of research and initiatives funded in this paragraph.

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

\$346,000 each year is to support up to 12 resident physicians in the St. Cloud Hospital family practice residency program. The program must prepare doctors to practice primary care medicine in rural areas of the state. The legislature intends this program to improve health care in rural communities, provide affordable access to appropriate medical care, and manage the treatment of patients in a more cost-effective manner. The remainder of this appropriation is for the rural physicians associates program; the Veterinary Diagnostic Laboratory; health sciences research; dental care; the Biomedical Engineering Center; and the collaborative partnership between the University of Minnesota and Mayo Clinic for regenerative medicine, research, clinical translation, and commercialization.

(c) College of Science and Engineering

1,140,000

For the geological survey and the talented youth mathematics program.

(d) System Special

7,181,000

1,140,000

7,181,000

- (1) For general research, the Labor Education Service, Natural Resources Research Institute, Center for Urban and Regional Affairs, Bell Museum of Natural History, and the Humphrey exhibit.
- (2) \$2,000,000 in fiscal year 2026 and \$2,000,000 in fiscal year 2027 are for the Natural Resources Research Institute to invest in applied research in natural resource stewardship and economic development to attract and retain top talent; provide matching funds for federal grants; upgrade facilities, equipment, and training; and expand entrepreneurial support and outreach efforts.

Subd. 5. Academic Health Center

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

Subd. 6. Agriculture Sector; Extreme Weather

1,000,000

1,000,000

For a program in the University of Minnesota Extension Service that enhances the capacity of the state's agriculture sector, land and resource managers, and communities to plan for and adapt to

- weather extremes, including but not limited to droughts and floods. The base for this appropriation in fiscal year 2028 and later is \$1,000,000. The appropriation under this section must be used to support existing extension service staff members and to hire additional staff members for a program with broad geographic reach throughout the state. The program must:
- (1) identify, develop, implement, and evaluate educational programs that increase the capacity of Minnesota's agriculture sector, land and resource managers, and communities to be prepared for and adapt to projected physical changes in temperature, precipitation, and other weather parameters that affect crops, land, horticulture, pests, and wildlife in ways that present challenges to the state's agriculture sector and the communities that depend on the agriculture sector; and
- (2) communicate and interpret the latest research on critical weather trends and the scientific basis for critical weather trends to further prepare extension service staff throughout the state to educate and provide technical assistance to the agriculture sector, land and resource managers, and community members at the local level regarding technical information on water resource management, agriculture and forestry, engineering and infrastructure design, and emergency management that is necessary to develop strategies to mitigate the effects of extreme weather change.

Sec. 5. TRANSFERS.

- (a) \$500,000 in fiscal year 2026 and \$500,000 in fiscal year 2027 are transferred from the general fund to the spinal cord and traumatic brain injury grant account in the special revenue fund under Minnesota Statutes, section 136A.901, subdivision 1. The commissioner may use up to three percent of the amounts transferred under this paragraph to administer the program. For fiscal years 2028 through 2031, the commissioner of management and budget must include a transfer of \$500,000 each year from the general fund to the spinal cord and traumatic brain injury grant account in the special revenue fund under Minnesota Statutes, section 136A.901, subdivision 1, when preparing each forecast from the effective date of this section through the February 2027 forecast, under Minnesota Statutes, section 16A.103.
- (b) \$3,882,000 in fiscal year 2026 and \$3,882,000 in fiscal year 2027 are transferred from the general fund to the dual training account in the special revenue fund under Minnesota Statutes, section 136A.246, subdivision 10. Of the amounts transferred under this paragraph:
- (1) \$132,000 each year is for transfer to the Department of Labor and Industry to support identification of competency standards and development of dual training programs in the transportation and child care industries as required under Minnesota Statutes, section 175.45; and
- (2) \$750,000 each year is for grants to employers in the legal cannabis industry. The commissioner may use up to six percent of the amounts transferred under this clause to administer the program. The commissioner must give priority to applications from employers who are, or who are training employees who are, eligible as social equity applicants under Minnesota Statutes, section 342.17. After June 30, 2027, any unencumbered balance from this transfer may be used for grants to any eligible employer under Minnesota Statutes, section 136A.246.

This transfer is \$3,882,000 in fiscal year 2028 and each year thereafter. For fiscal years 2028 through 2031, the commissioner of management and budget must include a transfer of \$3,882,000 each year from the general fund to the dual training account in the special revenue fund under Minnesota Statutes, section 136A.246, subdivision 10, when preparing each forecast from the effective date of this section through the February 2027 forecast, under Minnesota Statutes, section 16A.103.

- (c) \$325,000 in fiscal year 2026 and \$325,000 in fiscal year 2027 are transferred from the general fund to the large animal veterinarian loan forgiveness program account in the special revenue fund under Minnesota Statutes, section 136A.1795, subdivision 2. For fiscal years 2028 through 2031, the commissioner of management and budget must include a transfer of \$325,000 each year from the general fund to the large animal veterinarian loan forgiveness program account in the special revenue fund under Minnesota Statutes, section 136A.1795, subdivision 2, when preparing each forecast from the effective date of this section through the February 2027 forecast, under Minnesota Statutes, section 16A.103.
- (d) \$45,000 in fiscal year 2026 and \$45,000 in fiscal year 2027 are transferred from the general fund to the agricultural education loan forgiveness account in the special revenue fund under Minnesota Statutes, section 136A.1794, subdivision 2. For fiscal years 2028 through 2031, the commissioner of management and budget must include a transfer of \$45,000 each year from the general fund to the agricultural education loan forgiveness account in the special revenue fund under Minnesota Statutes, section 136A.1794, subdivision 2, when preparing each forecast from the effective date of this section through the February 2027 forecast, under Minnesota Statutes, section 16A.103.
- (e) \$750,000 in fiscal year 2026 and \$750,000 in fiscal year 2027 are transferred from the general fund to the inclusive higher education grant account in the special revenue fund under Minnesota Statutes, section 135A.162, subdivision 4. The commissioner may use up to five percent of the amounts transferred under this paragraph to administer the program. For fiscal years 2028 through 2031, the commissioner of management and budget must include a transfer of \$750,000 each year from the general fund to the inclusive higher education grant account in the special revenue fund under Minnesota Statutes, section 135A.162, subdivision 4, when preparing each forecast from the effective date of this section through the February 2027 forecast, under Minnesota Statutes, section 16A.103.
- (f) \$49,500,000 in fiscal year 2026 and \$49,500,000 in fiscal year 2027 are transferred from the general fund to the account in the special revenue fund for North Star Promise scholarships under Minnesota Statutes, section 136A.1465, subdivision 8. For fiscal years 2028 through 2031, the commissioner of management and budget must include a transfer of \$49,500,000 each year from the general fund to the account in the special revenue fund for North Star Promise scholarships under Minnesota Statutes, section 136A.1465, subdivision 8, when preparing each forecast from the effective date of this section through the February 2027 forecast, under Minnesota Statutes, section 16A.103.

Sec. 6. CANCELLATION; ALS RESEARCH.

Of the amount appropriated from the general fund to the commissioner of the Office of Higher Education pursuant to Laws 2022, chapter 42, section 2, paragraph (b), as amended by Laws 2024, chapter 124, article 1, section 1, and Laws 2024, chapter 127, article 34, section 1, \$15,262,263 is canceled.

Sec. 7. **REPEALER.**

- (a) Laws 2022, chapter 42, section 2, as amended by Laws 2024, chapter 124, article 1, section 1, and Laws 2024, chapter 127, article 34, section 1, is repealed.
- (b) Minnesota Statutes 2024, sections 136A.091; 136A.1788; 136A.1789; 136A.1791, subdivisions 1, 2, 3a, 4, 5, 6, 7, 8, 9, and 10; and 136A.91, are repealed.

(c) Minnesota Statutes 2024, section 136A.1251, subdivisions 1, 2, 3, and 4, are repealed.

EFFECTIVE DATE. Paragraphs (a) and (b) are effective July 1, 2025. Money for programs under Minnesota Statutes 2024, sections 136A.1789 and 136A.1791, may remain in their respective special revenue fund accounts to facilitate a close out of the programs. Paragraph (c) is effective July 1, 2027.

ARTICLE 2 HIGHER EDUCATION PROVISIONS

Section 1. Minnesota Statutes 2024, section 135A.052, subdivision 1, is amended to read:

- Subdivision 1. **Statement of missions.** (a) The legislature recognizes each type of public postsecondary institution to have a distinctive mission within the overall provision of public higher education in the state and a responsibility to cooperate with each other. These missions are as follows:
- (1) the technical colleges shall offer vocational training and education to prepare students for skilled occupations that do not require a baccalaureate degree;
- (2) the community colleges shall offer lower division instruction in academic programs, occupational programs in which all credits earned will be accepted for transfer to a baccalaureate degree in the same field of study, and remedial studies, for students transferring to baccalaureate institutions and for those seeking associate degrees;
- (3) consolidated community technical colleges shall offer the same types of instruction, programs, certificates, diplomas, and degrees as the technical colleges and community colleges offer;
- (4) the state universities shall offer undergraduate and graduate instruction through the master's degree, including specialist certificates, in the liberal arts and sciences and professional education, and may offer applied doctoral degrees in education, business, psychology, physical therapy, audiology, cybersecurity, and nursing; and
- (5) the University of Minnesota shall offer undergraduate, graduate, and professional instruction through the doctoral degree, and shall be the primary state supported academic agency for research and extension services.
- (b) It is part of the mission of each system that within the system's resources the system's governing board and chancellor or president shall endeavor to:
 - (1) prevent the waste or unnecessary spending of public money;
- (2) use innovative fiscal and human resource practices to manage the state's resources and operate the system as efficiently as possible;
- (3) coordinate the system's activities wherever appropriate with the activities of the other system and governmental agencies;
- (4) use technology where appropriate to increase system productivity, improve customer service, increase public access to information about the system, and increase public participation in the business of the system;
- (5) utilize constructive and cooperative labor-management practices to the extent otherwise required by chapters 43A and 179A; and
 - (6) recommend to the legislature appropriate changes in law necessary to carry out the mission of the system.

Sec. 2. Minnesota Statutes 2024, section 135A.137, is amended to read:

135A.137 HUNGER-FREE CAMPUS DESIGNATION.

Subdivision 1. **Establishment.** (a) A Hunger-Free Campus designation is established for public postsecondary institutions and for, nonprofit degree-granting institutions physically located in Minnesota and registered with the Office of Higher Education under section 136A.63, and Tribal colleges. In order to be awarded the designation, an institution must meet the following minimum criteria:

- (1) have an established on-campus food pantry or partnership with a local food bank to provide regular, on-campus food distributions;
- (2) provide information to students on SNAP, MFIP, and other programs that reduce food insecurity. The institution shall notify students in work-study employment of their potential eligibility for SNAP benefits and provide information to those students that includes eligibility criteria and how to apply for benefits;
 - (3) hold or participate in one hunger awareness event per academic year;
 - (4) have an established emergency assistance grant that is available to students; and
- (5) establish a hunger task force that meets a minimum of three times per academic year. The task force must include at least two students currently enrolled at the institution.
 - (b) Each institution must reapply at least every four years to maintain the designation.
- Subd. 2. **Designation approval.** The <u>commissioner</u>, in <u>collaboration with the</u> student advisory council under section 136A.031, shall create an application process for institutions applying for <u>grant funds</u> the <u>designation</u>. The <u>commissioner</u>, in <u>collaboration with the</u> student advisory council, shall review applications and make recommendations to the commissioner. The <u>student advisory council may provide recommendations to the commissioner</u>, but the commissioner shall have final approval for the designation and the award amount.
- Subd. 3. Competitive grant. (a) Institutions eligible for a grant under this subdivision include public postsecondary institutions, nonprofit private postsecondary institutions, and Tribal colleges.
- (b) (a) The commissioner shall establish a competitive grant program to distribute grants to eligible institutions public postsecondary institutions, nonprofit postsecondary institutions, and Tribal colleges to meet and maintain the requirements for the Hunger-Free Campus designation under subdivision 1, paragraph (a) this section. Initial grants shall be made to institutions that have not earned the designation and demonstrate a need for funding to meet the Hunger-Free Campus designation requirements. Sustaining grants shall be made to institutions that have earned the designation and demonstrate both a partnership with a local food bank or organization that provides regular, on-campus food distributions and a need for funds to maintain the requirements under subdivision 1, paragraph (a).
- (e) (b) In awarding competitive grants, the commissioner shall give preference to applications for initial grants and to applications from institutions with the highest number of federal Pell Grant eligible students enrolled. The commissioner shall consider the head count at the institution when awarding grants. The maximum grant award for an initial institution designation is \$25,000. The maximum grant award for sustaining an institution designation is \$15,000. must consider, among other factors:
 - (1) the number of federal Pell Grant eligible students enrolled in the last academic year at the institution; and
 - (2) the total number of students enrolled at the institution.

- (d) (c) The commissioner, in collaboration with student associations representing eligible institutions the Student Advisory Council under section 136A.031, shall create an application process and establish selection criteria for awarding the grants.
- (e) No more than 20 percent of the total grant awards each fiscal year shall be for grants to nonprofit private postsecondary institutions.
 - Subd. 3a. Grant amounts. (a) The maximum grant amount for an initial grant is \$25,000 per fiscal year.
 - (b) The maximum grant amount for a sustaining grant is \$15,000 per fiscal year.
 - (c) Eligible institutions may only receive one initial grant.
- (d) If grant requests exceed the amount of available money, no more than 20 percent of the total grant awards shall be for grants to nonprofit private postsecondary institutions.
- Subd. 4. Grant requirements Match required. (a) An eligible institution that receives a grant under subdivision 3 must: match at least 50 percent of the grant amount awarded with money or in-kind resources.
- (1) use the grant funds to meet or maintain the minimum criteria of a hunger free campus designation under subdivision 1: and
 - (2) match at least 50 percent of the grant amount awarded with funds or in kind resources.
- (b) In addition to the requirements of paragraph (a), in order to receive a sustaining grant, an institution must demonstrate a partnership with a local food bank or organization or other source of funding that ensures regular, on campus distributions.
 - Sec. 3. Minnesota Statutes 2024, section 135A.15, subdivision 2a, is amended to read:
- Subd. 2a. Campus investigation and disciplinary hearing procedures sexual misconduct grievance procedures. (a) A postsecondary institution must provide a reporting party an opportunity for an impartial, timely, and thorough investigation of a report of sexual misconduct against a student. If an investigation reveals that sexual misconduct has occurred, the institution must take prompt and effective steps reasonably calculated to end the sexual misconduct, prevent its recurrence, and, as appropriate, remedy its effects.
- (b) An institution must offer and coordinate academic and residential supportive measures as needed and equitably to both the reporting and responding parties participating in a campus sexual misconduct grievance process, including but not limited to exam or assignment extensions, permitted class absence, a change in on-campus residence, and schedule changes.
- (c) An institution must allow the reporting and responding parties to present and review relevant evidence. Testimony by the parties and witnesses must be compiled in an investigative report.
- (d) Throughout any investigation or disciplinary proceeding, a postsecondary an institution must treat the reporting parties, responding parties, witnesses, and other participants in the proceeding with dignity and respect.
- (e) (e) If a postsecondary an institution conducts a hearing, an advisor the reporting and responding parties may provide opening and closing remarks, or a party's advisor may provide opening or closing remarks on behalf of a the party or assist with formulating questions to the other party or witnesses about related relevant evidence or credibility.

- (f) An institution must allow equal opportunity during the hearing for the reporting and responding parties to consult an additional support person other than the party's advisor, such as an advocate, if requested and deemed appropriate by the Title IX coordinator or designee.
- (g) The reporting and responding parties must be given equal opportunity to question the credibility of the other party and witnesses through a live hearing or questioning by a decision-maker, pursuant to paragraph (i).
- (h) If an institution allows for cross-examination of witnesses and parties, the reporting party and the responding party are not permitted to personally cross-examine each other or any witnesses. Any cross-examination must be performed by the party's advisor or an adjudicator of the campus disciplinary proceeding.
- (i) An institution must appoint a decision-maker or panel of decision-makers who are not the investigator to assess the credibility of the reporting party, the responding party, and any other witnesses through a live hearing or direct questioning.
- (j) If the facts and circumstances rise to a policy violation, an institution must proceed with the campus sexual misconduct grievance process concurrently with a criminal investigation if requested by the reporting party.
- (k) Personal information of the reporting party such as character witness or sexual behavior of the reporting party is allowable if the information is deemed relevant by the decision-maker and if the information substantiates that the misconduct may have occurred. Mental health and medical information of the reporting party may be considered if: (1) a release is signed by the reporting party; and (2) nonrelevant information is redacted. If a responding party is found responsible, medical and mental health information of the reporting party may be considered to determine sanctions.
- (1) Questions and evidence about the reporting party's sexual predisposition or prior sexual behavior are not considered relevant unless such questions and evidence: (1) are offered to prove that someone other than the responding party committed the alleged conduct; or (2) concern specific incidents of the reporting party's prior sexual behavior with respect to the responding party and are offered to prove consent.
- (m) The responding and reporting parties may discuss the investigation and disciplinary proceedings with an advisor of choice, the party's parents, or an authorized legal guardian.
- (n) An institution must deliver the outcome of the grievance process simultaneously to the reporting and responding parties.
- (o) An institution must inform the reporting and responding parties no later than 24 hours before a decision is rendered regarding the timeline of the outcome's release. Alongside the notice of the outcome, an institution must offer community mental health and, if applicable, on-campus resources equitably to a reporting and responding party. The outcome must not be delivered to a reporting or responding party at the end of the day or on a weekend or holiday to ensure that the reporting and responding parties may access supportive services.
- (p) Institutions must have a policy prohibiting retaliation that specifies what constitutes retaliation and possible actions for students and employees if retaliation occurs. Retaliation against the reporting party, responding party, or witnesses resulting from a person's participation in a campus sexual misconduct investigation is prohibited.

Sec. 4. Minnesota Statutes 2024, section 135A.1582, is amended to read:

135A.1582 PROTECTIONS FOR PREGNANT AND PARENTING STUDENTS.

- Subdivision 1. **Definition Definitions.** (a) For the purpose purposes of this section, the following term has terms have the meaning meanings given.
- (b) "Parenting student" means a student enrolled at a public college or university who is the parent or legal guardian of or can claim as a dependent a child under the age of 18.
- (c) "Pregnancy or related conditions" has the meaning given in Code of Federal Regulations, title 34, section 106.2.
- (d) "Postsecondary institution" means an institution governed by the Board of Trustees of the Minnesota State Colleges and Universities or a private postsecondary institution that offers in-person courses on a campus located in Minnesota and is an eligible institution as defined in section 136A.103. Institutions governed by the Board of Regents of the University of Minnesota are requested to comply with this section.
- Subd. 2. **Rights and protections.** (a) A <u>Minnesota state college or university postsecondary institution</u> may not require and the University of Minnesota is requested not to require a pregnant or parenting student, solely because of the student's status as a pregnant or parenting student or due to issues related to the student's pregnancy or parenting, to:
 - (1) take a leave of absence or withdraw from the student's degree or certificate program;
 - (2) limit the student's studies;
 - (3) participate in an alternative program;
 - (4) change the student's major, degree, or certificate program; or
 - (5) refrain from joining or cease participating in any course, activity, or program at the college or university.
- (b) A Minnesota state college or university postsecondary institution shall provide and the University of Minnesota is requested to provide reasonable modifications to a pregnant student, including modifications that:
 - (1) would be provided to a student with a temporary medical condition; or
- (2) are related to the health and safety of the student and the student's unborn child, such as allowing the student to maintain a safe distance from substances, areas, and activities known to be hazardous to pregnant women or unborn children.
- (c) A Minnesota state college or university postsecondary institution must and the University of Minnesota is requested to, for reasons related to a student's pregnancy, childbirth, or any resulting medical status or condition:
 - (1) excuse the student's absence;
 - (2) allow the student to make up missed assignments or assessments;
- (3) allow the student additional time to complete assignments in the same manner as the institution allows for a student with a temporary medical condition; and
- (4) provide the student with access to instructional materials and video recordings of lectures for classes for which the student has an excused absence under this section to the same extent that instructional materials and video recordings of lectures are made available to any other student with an excused absence.

- (d) A Minnesota state college or university postsecondary institution must and the University of Minnesota is requested to allow a pregnant or parenting student to:
 - (1) take a leave of absence; and
- (2) if in good academic standing at the time the student takes a leave of absence, return to the student's degree or certificate program in good academic standing without being required to reapply for admission.
- (e) If a public college or university postsecondary institution provides early registration for courses or programs at the institution for any group of students, the Minnesota state college or university institution must provide and the University of Minnesota is requested to provide early registration for those courses or programs for pregnant or parenting students in the same manner.
- Subd. 3. **Policy on discrimination.** Each Minnesota state college or university postsecondary institution must adopt and the University of Minnesota is requested to adopt a policy for students on pregnancy and parenting discrimination. The policy must:
- (1) include the contact information of the Title IX coordinator who is the designated point of contact for a student requesting each protection or modification under this section. Contact information must include the Title IX coordinator's name, phone number, email, and office;
 - (2) be posted in an easily accessible, straightforward format on the college or university's website; and
 - (3) be made available annually to faculty, staff, and employees of the college or university.
- Subd. 4. **Administration.** The commissioner of the Office of Higher Education must, in consultation with the Board of Trustees of the Minnesota State Colleges and Universities and the Board of Regents of the University of Minnesota, and other relevant stakeholders, establish guidelines, as necessary, to administer this section. The guidelines must establish minimum periods for which a pregnant or parenting student must be given a leave of absence under subdivision 2, paragraph (d). In establishing the minimum periods, the Office of Higher Education shall consider the maximum amount of time a student may be absent without significantly interfering with the student's ability to complete the student's degree or certificate program.
 - Sec. 5. Minnesota Statutes 2024, section 136A.01, is amended by adding a subdivision to read:
- Subd. 4. Treatment of appropriations. (a) The office may retain up to ten percent of competitively awarded grants if another amount is not already designated as administrative funding in the appropriation.
- (b) Notwithstanding section 16A.28, beginning in fiscal year 2025, the office may carry forward unexpended and unencumbered nongrant operating appropriations from the second year of a biennium into the next biennium.

Sec. 6. [136A.054] CONSOLIDATED COMPETITIVE GRANT AND STUDENT LOAN REPAYMENT PROGRAM REPORTING.

- (a) The commissioner of the Office of Higher Education must report annually by February 15, to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education, on the details of programs administered under sections 135A.137, 136A.1251, 136A.1794, 136A.1795, 136A.246, 136A.861, and 136A.901, including the following, where applicable:
 - (1) organizations receiving grant awards;

- (2) grant award amounts and utilization rates;
- (3) grant program activities, goals, and outcomes;
- (4) grant matching sources and funding levels;
- (5) number and amount of loan repayment awards disbursed; and
- (6) demographic data of loan repayment program participants.
- (b) The commissioner must report any additional data and outcomes relevant to the evaluation of programs administered under sections 135A.137, 136A.1251, 136A.1794, 136A.1795, 136A.246, 136A.861, and 136A.901, and as evidenced by activities funded under each program.
 - Sec. 7. Minnesota Statutes 2024, section 136A.101, subdivision 5a, is amended to read:
- Subd. 5a. **Assigned family responsibility.** (a) "Assigned family responsibility" means the amount of a family's contribution to a student's cost of attendance, as determined by a federal need analysis. For dependent students, the assigned family responsibility is 79 percent of the parental contribution. If the parental contribution is less than \$0, the assigned family responsibility is 100 percent of the parental contribution. For independent students with dependents other than a spouse, the assigned family responsibility is 71 percent of the student contribution. For independent students without dependents other than a spouse, the assigned family responsibility is 35 percent of the student contribution.
- (b) Notwithstanding paragraph (a), if the parental contribution for dependent students or the student contribution for independent students is less than \$0, the assigned family responsibility is 100 percent of the student contribution \$0.
- (c) For a student registering for less than full time, the office shall prorate the assigned family responsibility using the ratio of the number of credits the student is enrolled in to the number of credits for full-time enrollment.
 - Sec. 8. Minnesota Statutes 2024, section 136A.103, is amended to read:

136A.103 INSTITUTION ELIGIBILITY REQUIREMENTS.

- <u>Subdivision 1.</u> <u>Eligibility.</u> (a) A postsecondary institution is eligible for state student aid <u>and to receive state</u> <u>student aid on behalf of students</u> under <u>this</u> chapter <u>136A</u> and sections 197.791 and 299A.45, if the institution is located in this state and:
 - (1) is operated by this state or the Board of Regents of the University of Minnesota; or
 - (2) is operated privately and, as determined by the office, meets the requirements of paragraph (b).
 - (b) A private institution must:
- (1) maintain academic standards substantially equivalent to those of comparable institutions operated in this state;
 - (2) (1) be licensed or registered as a postsecondary institution by the office; and
- (3)(i) by July 1, 2010, participate in the federal Pell Grant program under Title IV of the Higher Education Act of 1965, Public Law 89 329, as amended; or

- (2) meet one of the following criteria:
- (i) the institution participates in the federal Pell Grant program under Title IV of the Higher Education Act of 1965, Public Law 89-329, as amended;
 - (ii) if an the institution:
- (A) was participating in state student aid programs as of June 30, 2010, and the institution did <u>but does</u> not participate in the federal Pell Grant program by June 30, 2010, the institution must require every student who enrolls to sign a disclosure form, provided by the office, stating that the institution is not participating in the federal Pell Grant program. under Title IV of the Higher Education Act of 1965, Public Law 89-329, as amended;
- (B) requires every student who enrolls to sign a disclosure form, provided by the office, stating that the institution is not participating in the federal Pell Grant program; and
 - (C) has not had a change in ownership as defined in section 136A.63, subdivision 2; or
- (e) An (iii) the institution that offers only graduate-level degrees or graduate-level nondegree programs is an eligible institution if the institution is licensed or registered as a postsecondary institution by the office and participates in federal financial aid under Title IV of the Higher Education Act of 1965, Public Law 89-329, as amended.
- (d) (c) An eligible institution under paragraph (b), clause (3), item (ii) (2), that changes ownership as defined in section 136A.63, subdivision 2, must participate in the federal Pell Grant program within four calendar years of the first ownership change to continue eligibility remains eligible for state student aid for six months following the change in ownership.
- (e) An institution that loses its eligibility for the federal Pell Grant program is not an eligible institution. The office may terminate an institution's eligibility to participate in state student aid programs effective the date of the loss of eligibility for the federal Pell Grant program.
- (f) An institution must maintain adequate administrative and financial standards and compliance with all state statutes, rules, and administrative policies related to state financial aid programs.
- (g) The office may terminate a postsecondary institution's eligibility to participate in state student aid programs if the institution is
- <u>Subd. 2.</u> <u>Ineligibility.</u> A postsecondary institution otherwise eligible for state student aid under this chapter and sections 197.791 and 299A.45 becomes ineligible if the institution:
- (1) fails to maintain adequate compliance with administrative and financial standards and compliance with all state statutes, rules, and administrative policies related to state financial aid programs; or
- (2) has been terminated from participating in federal financial aid programs by the United States Department of Education for a violation of laws, regulations, or participation agreements governing federal financial aid programs.
 - Sec. 9. Minnesota Statutes 2024, section 136A.121, subdivision 9, is amended to read:
- Subd. 9. **Awards.** An undergraduate student who meets the office's requirements is eligible to apply for and receive a grant in any year of undergraduate study unless the student has obtained a baccalaureate degree or previously has received a state grant award for 180 120 credits or the equivalent, excluding (1) courses taken from a

Minnesota school or postsecondary institution which is not participating in the state grant program and from which a student transferred no credit, and (2) courses taken that qualify as developmental education or below college-level. A student enrolled in a two-year program at a four-year institution is only eligible for the tuition and fee maximums established by law for two-year institutions.

Sec. 10. Minnesota Statutes 2024, section 136A.1465, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** The following terms have the meanings given:

- (1) "eligible student" means a resident student under section 136A.101, subdivision 8, who is enrolled in any public postsecondary educational institution or Tribal college and who meets the eligibility requirements in subdivision 2;
 - (2) "gift aid" includes:
 - (i) all federal financial aid that is not a loan or pursuant to a work-study program;
- (ii) state financial aid, unless designated for other expenses, that is not a loan or pursuant to a work-study program;
- (iii) institutional financial aid, including a grant, scholarship, tuition waiver, fellowship stipend, or other payment, unless designated for other expenses, that is not a loan or pursuant to a work-study program; and
 - (iv) all private financial aid that is not a loan or pursuant to a work-study program.

Financial aid from the state, public postsecondary educational institutions, and Tribal colleges that is specifically designated for other expenses is not gift aid for purposes of the North Star Promise scholarship.

- (3) "other expenses" includes books, required supplies, child care, emergency assistance, food, and housing;
- (4) "public postsecondary educational institution" means an institution operated by this state, or the Board of Regents of the University of Minnesota;
- (5) "recognized cost of attendance" has the meaning given in United States Code, title 20, chapter 28, subchapter IV, part F, section 1087ll;
 - (6) "Tribal college" means a college defined in section 136A.1796, subdivision 1, paragraph (e) (d); and
 - (7) "tuition and fees" means the actual eligible resident tuition and mandatory fees charged by an institution.
 - Sec. 11. Minnesota Statutes 2024, section 136A.1465, is amended by adding a subdivision to read:
- Subd. 1a. Resident tuition. (a) The Board of Regents of the University of Minnesota is requested to adopt a policy to charge resident tuition rates for all students eligible for North Star Promise.
- (b) The Board of Trustees of Minnesota State Colleges and Universities must adopt a policy to charge resident tuition rates for all students eligible for North Star Promise.

- Sec. 12. Minnesota Statutes 2024, section 136A.1465, subdivision 2, is amended to read:
- Subd. 2. Conditions for eligibility. A scholarship may be awarded to an eligible student who:
- (1) has completed the Free Application for Federal Student Aid (FAFSA) or the state aid application;
- (2) has a family adjusted gross income below \$80,000;
- (3) is a graduate of a secondary school or its equivalent, or is 17 years of age or over and has met all requirements for admission as a student to an eligible college or university;
- (4) has not earned a completed the degree requirements for the first baccalaureate degree at the time the scholarship is awarded;
 - (5) is enrolled in at least one credit per fall, spring, or summer semester;
 - (6) is enrolled in a program or course of study that applies to a degree, diploma, or certificate;
 - (7) is not in default, as defined by the office, of any federal or state student educational loan;
- (8) is not more than 30 days in arrears in court-ordered child support that is collected or enforced by the public authority responsible for child support enforcement or, if the applicant is more than 30 days in arrears in court-ordered child support that is collected or enforced by the public authority responsible for child support enforcement, but is complying with a written payment agreement under section 518A.69 or order for arrearages;
- (9) has not been convicted of or pled nolo contendere or guilty to a crime involving fraud in obtaining federal Title IV funds within the meaning of Code of Federal Regulations, subtitle B, chapter VI, part 668, subpart C; and
 - (10) is meeting satisfactory academic progress as defined in section 136A.101, subdivision 10.
 - Sec. 13. Minnesota Statutes 2024, section 136A.155, is amended to read:

136A.155 ADDITIONAL INSTITUTION ELIGIBILITY REQUIREMENTS.

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

- (1) meets the eligibility requirements under section 136A.103; or
- (2) is operated publicly or privately in another state, <u>and</u> is approved by the United States Secretary of Education, and, as determined by the office, maintains academic standards substantially equal to those of comparable institutions operated in this state.
 - Sec. 14. Minnesota Statutes 2024, section 136A.162, is amended to read:

136A.162 CLASSIFICATION OF DATA.

(a) Except as provided in paragraphs (b) and (c), data on applicants for financial assistance collected and used by the office for student financial aid programs administered by that office are private data on individuals as defined in section 13.02, subdivision 12.

- (b) Data on applicants may be disclosed to the commissioner of children, youth, and families to the extent necessary to determine eligibility under section 136A.121, subdivision 2, clause (5).
- (c) The following data collected in the Minnesota supplemental loan program under sections 136A.1701 and 136A.1704 may be disclosed to a consumer credit reporting agency only if the borrower and the cosigner give informed consent, according to section 13.05, subdivision 4, at the time of application for a loan:
 - (1) the lender-assigned borrower identification number;
 - (2) the name and address of borrower;
 - (3) the name and address of cosigner;
 - (4) the date the account is opened;
 - (5) the outstanding account balance;
 - (6) the dollar amount past due;
 - (7) the number of payments past due;
 - (8) the number of late payments in previous 12 months;
 - (9) (8) the type of account;
 - (10) (9) the responsibility for the account; and
 - (11) (10) the status or remarks code.
 - Sec. 15. Minnesota Statutes 2024, section 136A.1701, subdivision 4, is amended to read:
- Subd. 4. **Terms and conditions of loans.** (a) The office may loan money upon such terms and conditions as the office may prescribe. Annually, the office must determine the minimum loan amount, the maximum loan amount based on program type, the maximum cumulative amount for each program type, and the maximum lifetime limit for an individual. The annual amount of the loan must not exceed the cost of attendance as determined by the eligible institution less all other financial aid.
- (b) The minimum loan amount and a maximum loan amount to students must be determined annually by the office. Loan limits are defined based on the type of program enrollment, such as a certificate, an associate's degree, a bachelor's degree, or a graduate program. The aggregate principal amount of all loans made subject to this paragraph to a student as an undergraduate and graduate student must not exceed \$140,000. The amount of the loan must not exceed the cost of attendance as determined by the eligible institution less all other financial aid, including PLUS loans or other similar parent loans borrowed on the student's behalf. A student may borrow up to the maximum amount twice in the same grade level.
- (c) The cumulative borrowing maximums must be determined annually by the office and are defined based on program enrollment. In determining the cumulative borrowing maximums, the office shall, among other considerations, take into consideration the maximum SELF loan amount, student financing needs, funding capacity for the SELF program, delinquency and default loss management, and current financial market conditions.

Sec. 16. Minnesota Statutes 2024, section 136A.1796, is amended to read:

136A.1796 TRIBAL COLLEGE SUPPLEMENTAL GRANT ASSISTANCE.

Subdivision 1. **Definitions.** (a) As used in this section, the following terms have the meanings given them.

- (b) "Beneficiary student" means a resident of Minnesota who is enrolled in a certificate, diploma, or degree program in a Tribally controlled college and is an enrolled member of a federally recognized Indian Tribe.
- (b) (c) "Nonbeneficiary student" means a resident of Minnesota who is enrolled in a certificate, diploma, or degree program in a Tribally controlled college but is not an enrolled member of a federally recognized Indian Tribe.
- (e) (d) "Tribally controlled college" means an accredited institution of higher education located in this state that is formally controlled by or has been formally sanctioned or chartered by the governing body of a federally recognized Indian Tribe, or a combination of federally recognized Indian Tribes. Tribally controlled college does not include any institution or campus subject to the jurisdiction of the Board of Trustees of the Minnesota State Colleges and Universities or the Board of Regents of the University of Minnesota.
- Subd. 2. **Eligibility; grant assistance.** (a) A Tribally controlled college is eligible to receive supplemental grant assistance from the office, as provided in this section, for <u>beneficiary and</u> nonbeneficiary student enrollment if the college is not otherwise eligible to receive federal grant funding for those students under United States Code, title 25, section 1808.
- (b) The office shall make grants to Tribally controlled colleges to defray the costs of education associated with the enrollment of <u>beneficiary and</u> nonbeneficiary students. Grants made pursuant to this section must be provided directly to the recipient college.
- Subd. 3. **Grant application.** To receive a grant under this section, a Tribally controlled college must submit an application in the manner required by the office. Upon submission of a completed application indicating that the Tribally controlled college is eligible, the office shall distribute to the college, during each year of the biennium, a grant of \$5,300 for each <u>beneficiary and</u> nonbeneficiary student on a full-time equivalent basis. If the amount appropriated for grants under this section is insufficient to cover the total amount of grant eligibility, the office shall distribute a prorated amount per beneficiary and nonbeneficiary student on a full-time equivalent basis.
- Subd. 4. **Reporting by recipient institutions.** Each Tribally controlled college receiving a grant under this section shall provide to the office, on an annual basis, an accurate and detailed account of the expenditures of the grant funds received by the college, and a copy of the college's most recent audit report and documentation of the enrollment status and ethnic status of each <u>beneficiary and</u> nonbeneficiary student for which grant assistance is sought under this section.
 - Sec. 17. Minnesota Statutes 2024, section 136A.246, subdivision 1a, is amended to read:
 - Subd. 1a. **Definitions.** (a) The terms defined in this subdivision apply to this section.
 - (b) "Competency standard" has the meaning given in section 175.45, subdivision 2.
 - (c) "Eligible training" means training provided by an eligible training provider that:
 - (1) includes training to meet one or more identified competency standards;

- (2) is instructor-led for a majority of the training; and
- (3) results in the employee receiving an industry-recognized accredited degree, certificate, or credential.
- (d) "Eligible training provider" means an institution:
- (1) operated by the Board of Trustees of the Minnesota State Colleges and Universities or the Board of Regents of the University of Minnesota;
 - (2) licensed or registered as a postsecondary institution by the office; or
- (3) exempt from the provisions of section 136A.822 to 136A.834 or 136A.61 to 136A.71 as approved by the office.
 - (e) "Industry-recognized <u>accredited</u> degrees, certificates, or credentials" means:
 - (1) certificates, diplomas, or degrees issued by a <u>an accredited</u> postsecondary institution;
 - (2) registered apprenticeship certifications or certificates;
 - (3) occupational licenses or registrations;
 - (4) certifications issued by, or recognized by, industry or professional associations; and
 - (5) other certifications as approved by the commissioner.
 - Sec. 18. Minnesota Statutes 2024, section 136A.246, subdivision 3, is amended to read:
- Subd. 3. **Eligible training provider.** The Office of Higher Education and the Department of Labor and Industry must cooperate in maintaining an inventory of <u>accredited</u> degree, certificate, and credential programs that provide training to meet competency standards. The inventory must be posted on each agency's website with contact information for each program. The postings must be updated periodically.
 - Sec. 19. Minnesota Statutes 2024, section 136A.246, subdivision 6, is amended to read:
- Subd. 6. **Employer match.** A large employer must pay for at least 25 50 percent of the cost of training. For the purpose of this subdivision, a "large employer" means a business with more than \$25,000,000 in annual gross revenue in the previous calendar year.
 - Sec. 20. Minnesota Statutes 2024, section 136A.246, subdivision 8, is amended to read:
- Subd. 8. **Grant amounts.** (a) The maximum grant for an application for the cost of training is \$150,000 \$300,000. The maximum grant for an application for trainee support is ten percent of the grant amount for the cost of training. The maximum total grant per application is \$165,000 \$330,000. A grant may not exceed \$6,000 \$12,000 per year for a maximum of \$24,000 \$48,000 per employee.
- (b) An employee who is attending an eligible training provider that is an institution under section 136A.103 must apply for Pell and state grants as a condition of payment for training that employee under this section.

- Sec. 21. Minnesota Statutes 2024, section 136A.65, subdivision 4, is amended to read:
- Subd. 4. **Criteria for approval.** (a) A school applying to be registered and to have its degree or degrees and name approved must substantially meet the following criteria:
- (1) the school has an organizational framework with administrative and teaching personnel to provide the educational programs offered;
- (2) the school has financial resources sufficient to meet the school's financial obligations, including refunding tuition and other charges consistent with its stated policy if the institution is dissolved, or if claims for refunds are made, to provide service to the students as promised, and to provide educational programs leading to degrees as offered:
- (3) the school operates in conformity with generally accepted accounting principles according to the type of school;
 - (4) the school provides an educational program leading to the degree it offers;
- (5) the school provides appropriate and accessible library, laboratory, and other physical facilities to support the educational program offered;
- (6) the school has a policy on freedom or limitation of expression and inquiry for faculty and students which is published or available on request;
- (7) the school uses only publications and advertisements which are truthful and do not give any false, fraudulent, deceptive, inaccurate, or misleading impressions about the school, its personnel, programs, services, or occupational opportunities for its graduates for promotion and student recruitment;
- (8) the school's compensated recruiting agents who are operating in Minnesota identify themselves as agents of the school when talking to or corresponding with students and prospective students;
 - (9) the school provides information to students and prospective students concerning:
 - (i) comprehensive and accurate policies relating to student admission, evaluation, suspension, and dismissal;
- (ii) clear and accurate policies relating to granting credit for prior education, training, and experience and for courses offered by the school;
- (iii) current schedules of fees, charges for tuition, required supplies, student activities, housing, and all other standard charges;
 - (iv) policies regarding refunds and adjustments for withdrawal or modification of enrollment status; and
- (v) procedures and standards used for selection of recipients and the terms of payment and repayment for any financial aid program;
- (10) the school must not withhold a student's official transcript because the student is in arrears or in default on any loan issued by the school to the student if the loan qualifies as an institutional loan under United States Code, title 11, section 523(a)(8)(b);
 - (11) the school has a process to receive and act on student complaints;

- (12) if the school is unaccredited, the school includes a joint and several liability provision for torts and compliance with the requirements of sections 136A.61 to 136A.71 in any contract effective after July 1, 2026, with any individual, entity, or postsecondary school located in another state for the purpose of providing educational or training programs or awarding postsecondary credits or continuing education credits to Minnesota residents that may be applied to a degree program; and
- (13) the school must not use nondisclosure agreements or other contracts restricting a student's ability to disclose information in connection with school actions or conduct that would be covered under section 136A.672.
 - (b) An application for degree approval must also include:
 - (i) title of degree and formal recognition awarded;
 - (ii) location where such degree will be offered;
 - (iii) proposed implementation date of the degree;
 - (iv) admissions requirements for the degree;
 - (v) length of the degree;
 - (vi) projected enrollment for a period of five years;
 - (vii) the curriculum required for the degree, including course syllabi or outlines;
- (viii) statement of academic and administrative mechanisms planned for monitoring the quality of the proposed degree;
 - (ix) statement of satisfaction of professional licensure criteria, if applicable;
 - (x) documentation of the availability of clinical, internship, externship, or practicum sites, if applicable; and
- (xi) statement of how the degree fulfills the institution's mission and goals, complements existing degrees, and contributes to the school's viability.
 - Sec. 22. Minnesota Statutes 2024, section 136A.653, subdivision 5, is amended to read:
- Subd. 5. **Higher Learning Commission accredited institutions in Minnesota.** (a) A postsecondary institution accredited by the Higher Learning Commission or its successor with its primary physical location in Minnesota is exempt from the provisions of sections 136A.61 to 136A.71, including related fees, when it creates new or modifies existing:
- (1) <u>program degree levels, program degree types,</u> majors, minors, concentrations, specializations, and areas of emphasis within approved degrees;
 - (2) nondegree programs within approved degrees;
 - (3) underlying curriculum or courses;
 - (4) modes of delivery; and

- (5) locations; and
- (6) course or term changes that do not impact the number of instructional hours.
- (b) The institution must annually notify the commissioner of the exempt actions listed in paragraph (a) and, upon the commissioner's request, must provide additional information about the action.
 - (c) The institution must notify the commissioner within 60 days of a program closing.
- (d) Nothing in this subdivision exempts an institution from the annual registration and degree approval requirements of sections 136A.61 to 136A.71.
- (e) An institution exempt under this subdivision may advertise, recruit, and enroll students while the program is evaluated for an exemption. In the event the program is determined not to be exempt, the institution must submit the full review application to the office within 60 days of notification or cease advertisement, recruitment, and enrollment of students and may be subject to the provisions of sections 136A.65, subdivision 8, 136A.705, and 136A.71.
 - Sec. 23. Minnesota Statutes 2024, section 136A.658, is amended to read:

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

- (a) The office may participate in an interstate reciprocity agreement regarding postsecondary distance education if it determines that participation is in the best interest of Minnesota postsecondary students.
- (b) If the office decides to participate in an interstate reciprocity agreement, an institution that meets the following requirements is exempt from the provisions of sections 136A.61 to 136A.71:
 - (1) the institution is situated in a state which is also participating in the interstate reciprocity agreement;
- (2) the institution has been approved to participate in the interstate reciprocity agreement by the institution's home state and other entities with oversight of the interstate reciprocity agreement; and
- (3) the institution has elected to participate in and operate in compliance with the terms of the interstate reciprocity agreement.
- (c) If the office participates in an interstate reciprocity agreement and the office is responsible for the administration of that interstate reciprocity agreement, which may include the approval of applications for membership of in-state institutions to participate in the interstate reciprocity agreement, the office shall collect reasonable fees sufficient to recover, but not exceed, its costs to administer the interstate reciprocity agreement. The office processing fees for approving an in-state institution application shall be as follows:
 - (1) \$750 \$1,500 for institutions with fewer than 2,500 or fewer full-time equivalent enrollment;
 - (2) \$3,000 \$5,000 for institutions with 2,501 to 20,000 12,500 full-time equivalent enrollment; and
 - (3) \$7,500 for institutions with greater than 20,001 12,500 full-time equivalent enrollment.

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

Sec. 24. Minnesota Statutes 2024, section 136A.69, subdivision 1, is amended to read:

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

(b) A new school offering no more than one degree at each level during its first year must pay registration fees for each applicable level based on the institution's total full-time equivalent enrollment in the following amounts:

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

- (1) \$5,000 for institutions with 2,500 or fewer full-time equivalent enrollment;
- (2) \$7,500 for institutions with 2,501 to 5,000 full-time equivalent enrollment;
- (3) \$10,000 for institutions with 5,001 to 7,500 full-time equivalent enrollment;
- (4) \$15,000 for institutions with 7,501 to 10,000 full-time equivalent enrollment; and
- (5) \$20,000 for institutions with 10,001 or greater full-time equivalent enrollment, and for institutions with no data on the previous year's full-time equivalent enrollment.

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

(c) A new school that will offer more than one degree per level during its first year must pay registration fees in an amount equal to the fee for the first degree at each degree level under paragraph (b), plus fees for each additional nondegree program or degree as follows:

nondegree program	\$250
additional associate degree	\$ 250
additional baccalaureate degree	\$ 500
additional master's degree program	\$750
additional doctorate degree	\$ 1.000

(d) In addition to the fees under paragraphs (b) and (c), a fee of \$600 must be paid for an initial application that: (1) has had four revisions, corrections, amendment requests, or application reminders for the same application or registration requirement; or (2) cumulatively has had six revisions, corrections, amendment requests, or application reminders for the same license application and the school seeks to continue with the application process with additional application submissions. If this fee is paid, the school may submit two final application submissions for review prior to application denial under section 136A.65, subdivision 8. This provision excludes from its scope nonrepetitive questions or clarifications initiated by the school before the submission of the application, initial interpretation questions or inquiries from the office regarding a completed application, and initial requests from the office for verification or validation of a completed application.

- (e) The annual renewal registration fee is \$1,500. based on an institution's total full-time equivalent enrollment in the following amounts:
 - (1) \$1,500 for institutions with 2,500 or fewer full-time equivalent enrollment;
 - (2) \$3,000 for institutions with 2,501 to 5,000 full-time equivalent enrollment;
 - (3) \$5,000 for institutions with 5,001 to 10,000 full-time equivalent enrollment; and
- (4) \$7,500 for institutions with 10,001 or greater full-time equivalent enrollment, and for institutions with no data on the previous year's full-time equivalent enrollment.

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

- (f) In addition to the fee under paragraph (e), a fee of \$600 must be paid for a renewal application that: (1) has had four revisions, corrections, amendment requests, or application reminders for the same application or registration requirement; or (2) cumulatively has had six revisions, corrections, amendment requests, or application reminders for the same license application and the school seeks to continue with the application process with additional application submissions. If this fee is paid, the school may submit two final application submissions for review prior to application denial under section 136A.65, subdivision 8. This provision excludes from its scope nonrepetitive questions or clarifications initiated by the school before the submission of the application, initial interpretation questions or inquiries from the office regarding a completed application, and initial requests from the office for verification or validation of a completed application.
 - Sec. 25. Minnesota Statutes 2024, section 136A.82, is amended to read:

136A.82 POLICY; CITATION.

Subdivision 1. **Policy.** The legislature has found and hereby declares that the availability of legitimate vocational programs offered by responsible nonprofit and for-profit private career schools are in the best interests of the people of this state. The legislature has found and declares that the state can provide assistance and protection for persons choosing vocational programs by establishing policies and procedures to ensure the authenticity and legitimacy of vocational programs offered by nonprofit and for-profit private career schools. The legislature has found and declares that this same policy applies to any nonprofit and for-profit private career schools located in another state or country that offers or makes available to a Minnesota resident any vocational program which does not require leaving the state for its completion.

- Subd. 2. Citation. Sections 136A.82 to 136A.834 may be cited as the "Private Career School Act."
- Sec. 26. Minnesota Statutes 2024, section 136A.821, subdivision 4, is amended to read:
- Subd. 4. **Person.** "Person" means any individual, partnership, company, firm, society, trust, association, or corporation or any combination thereof. <u>Person does not extend to:</u>
 - (1) a government body;
 - (2) a public school as defined in section 120A.05, subdivisions 9, 11, 13, and 17; or
 - (3) a nonpublic school, religious organization, or home school as defined in section 120A.22, subdivision 4.

- Sec. 27. Minnesota Statutes 2024, section 136A.821, subdivision 5, is amended to read:
- Subd. 5. **Private career school.** "Private career school" means a person who maintains a physical presence for any program at less than an associate degree level; is not registered as a private institution under sections 136A.61 to 136A.71; and is not specifically exempted by section 136A.833. Private career school does not extend to:
 - (1) public postsecondary institutions with a physical presence in Minnesota;
 - (2) postsecondary institutions registered under sections 136A.61 to 136A.71;
- (3) postsecondary institutions exempt from registration under section 136A.653, subdivisions 1b, 2, 3, and 3a; 136A.657; or 136A.658 due to the nature of the institution's programs;
 - (4) schools exclusively engaged in training physically or mentally disabled persons;
- (5) courses taught to students in an apprenticeship program registered by the United States Department of Labor or Minnesota Department of Labor and taught by or required by a trade union in which students are not responsible for tuition, fees, or any other charges, regardless of payment or reimbursement method;
- (6) programs contracted by persons or government agencies for the training of their own employees for which no fee is charged to the employee, regardless of whether that fee is reimbursed by the employer or a third party after the employee successfully completes the training, except for institutions or programs required to obtain a limited license exclusively to receive the dual training grant;
- (7) schools with no physical presence in Minnesota engaged exclusively in offering distance programs that are located in and approved by other states or jurisdictions if the distance education program does not include internships, externships, field placements, or clinical placements for residents of Minnesota;
- (8) schools licensed or approved by other state boards or agencies authorized under Minnesota law to issue licenses for institutions or programs, except for institutions or programs required to be licensed exclusively to participate in state financial aid or be listed on the eligible training provider list, access WIOA funding, or receive the dual training grant;
- (9) review classes, courses, or programs intended to prepare students to sit for undergraduate, graduate, postgraduate, or occupational licensing, certification, or entrance examinations;
- (10) classes, courses, or programs conducted by a bona fide trade, professional, or fraternal organization, solely for that organization's membership and not available to the public. In making the determination that the organization is bona fide, the office may request the school provide three certified letters from persons that qualify as evaluators under section 136A.828, subdivision 3, paragraph (1), that the organization is recognized in Minnesota;
- (11) programs in the fine arts provided by organizations exempt from taxation under section 290.05 and registered with the attorney general under chapter 309. For purposes of this clause, "fine arts" means activities resulting in artistic creation or artistic performance of works of the imagination which are engaged in for the primary purpose of creative expression rather than commercial sale, vocational or career advancement, or employment; or
- (12) classes, courses, or programs intended to fulfill the continuing education requirements for a bona fide licensure or certification in a profession that have been approved by a legislatively or judicially established board or agency responsible for regulating the practice of the profession or by an industry-specific certification entity and that are offered exclusively to individuals with the professional licensure or certification.

- Sec. 28. Minnesota Statutes 2024, section 136A.821, is amended by adding a subdivision to read:
- Subd. 21. Vocational. "Vocational" means education or training for skills used in the labor market.
- Sec. 29. Minnesota Statutes 2024, section 136A.821, is amended by adding a subdivision to read:
- Subd. 22. **Trade union.** "Trade union" means an organization of workers in a skilled occupation who act together to secure all members favorable wages, hours, or other working conditions.
 - Sec. 30. Minnesota Statutes 2024, section 136A.821, is amended by adding a subdivision to read:
- Subd. 23. Eligible training provider. "Eligible training provider" has the meaning given in Code of Federal Regulations, title 20, section 680.410.
 - Sec. 31. Minnesota Statutes 2024, section 136A.821, is amended by adding a subdivision to read:
- <u>Subd. 24.</u> <u>Eligible training provider list.</u> "Eligible training provider list" means the list of eligible training providers that the state must maintain under Code of Federal Regulations, title 20, section 680.430.
 - Sec. 32. Minnesota Statutes 2024, section 136A.821, is amended by adding a subdivision to read:
- Subd. 25. State financial aid. For purposes of sections 136A.82 to 136A.834, "state financial aid" includes all financial aid that may be awarded under chapter 136A, with the exception of the dual training grant.
 - Sec. 33. Minnesota Statutes 2024, section 136A.821, is amended by adding a subdivision to read:
- Subd. 26. WIOA funding. "WIOA funding" means any funding available through the Workforce Innovation and Opportunity Act under Code of Federal Regulations, title 20, section 680.
 - Sec. 34. Minnesota Statutes 2024, section 136A.821, is amended by adding a subdivision to read:
 - Subd. 27. **Dual training grant.** "Dual training grant" means any money awarded under section 136A.246.
 - Sec. 35. Minnesota Statutes 2024, section 136A.822, subdivision 3, is amended to read:
- Subd. 3. **Refunds.** If a contract is deemed determined by the office to be unenforceable under subdivision 2, a private career school must refund tuition, fees, and other charges received from a student or on behalf of a student within 30 days of receiving written notification and demand for refund from the office.
 - Sec. 36. Minnesota Statutes 2024, section 136A.822, subdivision 6, is amended to read:
- Subd. 6. **Bond.** (a) No license shall be issued to any private career school with a physical presence within the state of Minnesota for any program, unless the applicant files with the office a continuous corporate surety bond written by a company authorized to do business in Minnesota conditioned upon the faithful performance of all contracts and agreements with students made by the applicant.
- (b) (1) The amount of the surety bond shall be ten percent of the preceding year's net revenue from student tuition, fees, and other required institutional charges collected, but in no event less than \$10,000, except that a private career school may deposit a greater amount at its own discretion. A private career school in each annual application for licensure must compute the amount of the surety bond and verify that the amount of the surety bond complies with this subdivision. A private career school that operates at two or more locations may combine net

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

- (2) A person required to obtain a private career school license due to the use of "academy," "institute," "college," or "university" in its name and which is also licensed by another state agency or board, except not including those schools licensed exclusively in order to participate in state grants or SELF loan financial aid programs, shall be required to provide a school bond of \$10,000.
- (c) The bond shall run to the state of Minnesota and to any person who may have a cause of action against the applicant arising at any time after the bond is filed and before it is canceled for breach of any contract or agreement made by the applicant with any student. The aggregate liability of the surety for all breaches of the conditions of the bond shall not exceed the principal sum deposited by the private career school under paragraph (b). The surety of any bond may cancel it upon giving 60 days' notice in writing to the office and shall be relieved of liability for any breach of condition occurring after the effective date of cancellation.
- (d) In lieu of bond, the applicant may deposit with the commissioner of management and budget a sum equal to the amount of the required surety bond in cash, an irrevocable letter of credit issued by a financial institution equal to the amount of the required surety bond, or securities as may be legally purchased by savings banks or for trust funds in an aggregate market value equal to the amount of the required surety bond.
- (e) Failure of a private career school to post and maintain the required surety bond or deposit under paragraph (d) may result in denial, suspension, or revocation of the school's license.
 - Sec. 37. Minnesota Statutes 2024, section 136A.822, subdivision 8, is amended to read:
 - Subd. 8. Minimum standards. A license shall be issued if the office first determines:
 - (1) that the applicant has a sound financial condition with sufficient resources available to:
 - (i) meet the private career school's financial obligations;
- (ii) refund all tuition and other charges, within a reasonable period of time 60 days, in the event of dissolution of the private career school or in the event of any justifiable claims for refund against the private career school by the student body;
 - (iii) provide adequate service to its students and prospective students; and
 - (iv) maintain and support the private career school;
- (2) that the applicant has satisfactory facilities with sufficient tools and equipment and the necessary number of work stations to prepare adequately the students currently enrolled, and those proposed to be enrolled;
- (3) that the applicant employs a sufficient number of qualified teaching personnel to provide the educational programs contemplated;
- (4) that the private career school has an organizational framework with administrative and instructional personnel to provide the programs and services it intends to offer;

- (5) that the quality and content of each occupational course or program of study provides education and adequate preparation to enrolled students for entry level positions in the occupation for which prepared;
- (6) that the premises and conditions where the students work and study and the student living quarters which are owned, maintained, recommended, or approved by the applicant are sanitary, healthful, and safe, as evidenced by certificate of occupancy issued by the municipality or county where the private career school is physically situated, a fire inspection by the local or state fire marshal, or another verification deemed acceptable by the office;
- (7) that the contract or enrollment agreement used by the private career school complies with the provisions in section 136A.826;
- (8) that contracts and agreements do not contain a wage assignment provision or a confession of judgment clause;
- (9) that there has been no adjudication of fraud or misrepresentation in any criminal, civil, or administrative proceeding in any jurisdiction against the private career school or its owner, officers, agents, or sponsoring organization;
- (10) that the private career school or its owners, officers, agents, or sponsoring organization has not had a license revoked under section 136A.829 or its equivalent in other states or has closed the institution prior to all students, enrolled at the time of the closure, completing their program within two years of the effective date of the revocation; and
- (11) that the school includes a joint and several liability provision for torts and compliance with the requirements of sections 136A.82 to 136A.834 in any contract effective after July 1, 2026, with any individual, entity, or postsecondary school located in another state for the purpose of providing educational or training programs or awarding postsecondary credits to Minnesota residents that may be applied to a program.
 - Sec. 38. Minnesota Statutes 2024, section 136A.822, subdivision 13, is amended to read:
- Subd. 13. **Private career schools licensed by another state agency or board Limited license.** (a) Unless otherwise exempt under sections 136A.82 to 136A.834:
- (1) a private career school <u>licensed by another state agency or board must be</u> required to obtain a <u>private career school limited</u> license <u>due</u> to <u>the use of "academy," "institute," "college," or "university" in its name or licensed for the purpose of participating participate</u> in state financial aid <u>under chapter 136A</u>, and <u>which is also licensed by another state agency or board; and</u>
- (2) a private career school exclusively seeking to be listed on the eligible training provider list, access WIOA funding, or receive the dual training grant shall be required to obtain a limited license.
- (b) A private career school seeking a limited license under this subdivision shall be required to satisfy only the requirements of subdivisions 4, clauses (1), (2), (3), (5), (7), (8), (9), and (10); 5; 6, paragraph (b), clause (2); 8, clauses (1), (4), (7), (8), and (9), and (10); 9; 10; 11; and 12. If a school is licensed to participate in state financial aid under this chapter, the school must follow the refund policy in section 136A.827, even if that section conflicts with the refund policy of the licensing agency or board. A distance education private career school located in another state, or a school licensed to recruit Minnesota residents for attendance at a school outside of this state, or a school licensed by another state agency as its primary licensing body, may continue to use the school's name as permitted by its home state or its primary licensing body.

- Sec. 39. Minnesota Statutes 2024, section 136A.824, subdivision 1, is amended to read:
- Subdivision 1. **Initial licensure fee.** (a) The office processing fee for an initial licensure application is:
- (1) \$2,500 \$3,730 for a private career school that will offer no more than one program during its first year of operation;
- (2) \$750 \$1,500 for a private career school licensed exclusively due to the use of the term "college," "university," "academy," or "institute" in its name, or licensed exclusively in order to participate in state grant or SELF loan financial aid programs, be listed on the eligible training provider list, access WIOA funding, or receive the dual training grant; and
- (3) \$2,500 \$3,730, plus \$500 for each additional program offered by the private career school, for a private career school during its first year of licensed operation.
- (b) In addition to the fee under paragraph (a), a fee of \$600 must be paid for an initial application that: (1) has had four revisions, corrections, amendment requests, or application reminders for the same application or licensure requirement; or (2) cumulatively has had six revisions, corrections, amendment requests, or application reminders for the same license application and the private career school seeks to continue with the application process with additional application submissions. If this fee is paid, the private career school may submit two final application submissions for review prior to application denial under section 136A.829, subdivision 1, clause (2). This provision excludes from its scope nonrepetitive questions or clarifications initiated by the school before the submission of the application, initial interpretation questions or inquiries from the office regarding a completed application, and initial requests from the office for verification or validation of a completed application.
 - Sec. 40. Minnesota Statutes 2024, section 136A.824, subdivision 2, is amended to read:
 - Subd. 2. Renewal licensure fee; late fee. (a) The office processing fee for a renewal licensure application is:
 - (1) for a private career school that offers one program, the license renewal fee is \$1,150 \(\frac{\$3,160}{}\); and
- (2) for a private career school that offers more than one program, the license renewal fee is \$1,150, plus \$200 for each additional program with a maximum renewal licensing fee of \$2,000;
- (3) for a private career school licensed exclusively due to the use of the term "college," "university," "academy," or "institute" in its name, the license renewal fee is \$750; and
- (4) (2) for a private career school licensed by another state agency and also licensed with the office exclusively in order to participate in state student financial aid programs, be listed on the eligible training provider list, access WIOA funding, or receive the dual training grant, the license renewal fee is \$750 \$1,500.
- (b) If a license renewal application is not received by the office by the close of business at least 60 days before the expiration of the current license, a late fee of \$100 per business day, not to exceed \$3,000, shall be assessed.
- (c) In addition to the fee under paragraph (a), a fee of \$600 must be paid for a renewal application that: (1) has had four revisions, corrections, amendment requests, or application reminders for the same application or licensure requirement; or (2) cumulatively has had six revisions, corrections, amendment requests, or application reminders for the same license application and the private career school seeks to continue with the application process with additional application submissions. If this fee is paid, the private career school may submit two final application submissions for review prior to application denial under section 136A.829, subdivision 1, clause (2). This provision excludes from its scope nonrepetitive questions or clarifications initiated by the school before the submission of the application, initial interpretation questions or inquiries from the office regarding a completed application, and initial requests from the office for verification or validation of a completed application.

- Sec. 41. Minnesota Statutes 2024, section 136A.824, subdivision 6, is amended to read:
- Subd. 6. **Solicitor permit fee.** The solicitor permit fee is \$350 \$500 and must be paid annually.
- Sec. 42. Minnesota Statutes 2024, section 136A.824, subdivision 7, is amended to read:
- Subd. 7. **Multiple location fee.** Private career schools wishing to operate at multiple locations must pay <u>the greater of</u>:
 - (1) \$250 \$500 per location, for locations two to five; and; or
- (2) an additional \$100 for each location over five. the actual cost of travel expenses, lodging, and customary meals incurred for an in-person site visit, should the office determine one is necessary.
 - Sec. 43. Minnesota Statutes 2024, section 136A.833, is amended to read:

136A.833 EXEMPTIONS.

Subdivision 1. **Application for exemptions.** (a) A school that seeks an exemption from the provisions of sections 136A.822 to 136A.834 for the school and all of its programs or some of its programs must apply to the office to establish that the school or program meets the requirements of an exemption. An exemption for the school or program expires two years from the date of approval or when a school adds a new program or makes a modification equal to or greater than 25 percent to an existing educational program. If a school is reapplying for an exemption, the application must be submitted to the office 90 days before the current exemption expires. If a school fails to apply within 90 days of expiration, the school is subject to fees and penalties under sections 136A.831 and 136A.832. This exemption shall not extend to any school that uses any publication or advertisement that is not truthful and gives any false, fraudulent, deceptive, inaccurate, or misleading impressions about the school or its personnel, programs, services, or occupational opportunities for its graduates for promotion and student recruitment. Exemptions denied under this section are subject to appeal under section 136A.829. If an appeal is initiated, the denial of the exemption is not effective until the final determination of the appeal, unless immediate effect is ordered by the court.

- (b) A school that meets any of the exemptions in this section and exclusively seeks to be listed on the eligible training provider list, access WIOA funding, or receive the dual training grant, is exempt from sections 136A.822 to 136A.834, except the school must satisfy the requirements of section 136A.822, subdivisions 4, clauses (1), (2), and (3); 8, clauses (9) and (10); 10, clause (8); and 12.
 - Subd. 2. Exemption reasons. Sections 136A.821 to 136A.832 shall not apply to the following:
 - (1) public postsecondary institutions;
 - (2) postsecondary institutions registered under sections 136A.61 to 136A.71;
- (3) postsecondary institutions exempt from registration under sections 136A.653, subdivisions 1b, 2, 3, and 3a; 136A.657; and 136A.658;
 - (4) private schools complying with the requirements of section 120A.22, subdivision 4;
- (5) courses taught to students in an apprenticeship program registered by the United States Department of Labor or Minnesota Department of Labor and taught by or required by a trade union. A trade union is an organization of workers in the same skilled occupation or related skilled occupations who act together to secure all members favorable wages, hours, and other working conditions;

- (6) private career schools exclusively engaged in training physically or mentally disabled persons;
- (7) private career schools licensed or approved by boards authorized under Minnesota law to issue licenses for training programs except private career schools required to obtain a private career school license due to the use of "academy," "institute," "college," or "university" in their names;
- (8) private career schools and educational programs, or training programs, contracted for by persons, firms, corporations, government agencies, or associations, for the training of their own employees, for which no fee is charged the employee, regardless of whether that fee is reimbursed by the employer or third party after the employee successfully completes the training;
- (9) (1) private career schools engaged exclusively in the teaching of purely avocational programs that are engaged primarily for personal development, recreational recreation, or remedial subjects that education, and are not advertised or maintained generally intended for vocational or career advancement, including adult basic education, exercise or fitness teacher programs, modeling, or acting, as determined by the office except private career schools required to obtain a private career school license due to the use of "college" or "university" in their names;
- (10) classes, courses, or programs conducted by a bona fide trade, professional, or fraternal organization, solely for that organization's membership and not available to the public. In making the determination that the organization is bona fide, the office may request the school provide three certified letters from persons that qualify as evaluators under section 136A.828, subdivision 3, paragraph (1), that the organization is recognized in Minnesota;
- (11) programs in the fine arts provided by organizations exempt from taxation under section 290.05 and registered with the attorney general under chapter 309. For the purposes of this clause, "fine arts" means activities resulting in artistic creation or artistic performance of works of the imagination which are engaged in for the primary purpose of creative expression rather than commercial sale, vocational or career advancement, or employment. In making this determination the office may seek the advice and recommendation of the Minnesota Board of the Arts;
- (12) classes, courses, or programs intended to fulfill the continuing education requirements for a bona fide licensure or certification in a profession, that have been approved by a legislatively or judicially established board or agency responsible for regulating the practice of the profession or by an industry specific certification entity, and that are offered exclusively to individuals with the professional licensure or certification. In making the determination that the licensure or certification is bona fide, the office may request the school provide three certified letters from persons that qualify as evaluators under section 136A.828, subdivision 3, paragraph (1), that the licensure and certification is recognized in Minnesota;
- (13) review classes, courses, or programs intended to prepare students to sit for undergraduate, graduate, postgraduate, or occupational licensing, certification, or entrance examinations and does not include the instruction to prepare students for that license, occupation, certification, or exam;
 - (14) (2) classes, courses, or programs providing 16 40 or fewer clock hours of instruction; and
- (15) classes, courses, or programs providing instruction in personal development that is not advertised or maintained for vocational or career advancement, modeling, or acting:
- (16) private career schools with no physical presence in Minnesota engaged exclusively in offering distance instruction that are located in and regulated by other states or jurisdictions if the distance education instruction does not include internships, externships, field placements, or clinical placements for residents of Minnesota; and
- (17) (3) private career schools providing exclusively training, instructional programs, or courses where tuition, fees, and any other charges, regardless of payment or reimbursement method, for a student to participate do not exceed \$100 \$500.

- Sec. 44. Minnesota Statutes 2024, section 136A.834, subdivision 1, is amended to read:
- Subdivision 1. Exemption. (a) A program is exempt from the provisions of sections 136A.821 to 136A.832 if it is:
- (1) offered by a private career school or any department or branch of a private career school that is substantially owned, operated, or supported by a bona fide church or religious organization;
- (2) primarily designed for, aimed at, and attended by persons who sincerely hold or seek to learn the particular religious faith or beliefs of that church or religious organization; and
- (3) primarily intended to prepare its students to become ministers of, to enter into some other vocation closely related to, or to conduct their lives in consonance with the particular faith of that church or religious organization.
- (b) Any private career school or any department or branch of a private career school is exempt from the provisions of sections 136A.821 to 136A.832 if all of its programs are exempt under paragraph (a).
 - Sec. 45. Minnesota Statutes 2024, section 136A.834, subdivision 5, is amended to read:
- Subd. 5. **Application.** A school that seeks an exemption from the provisions of sections 136A.82 to 136A.834 must apply to the office to establish that the school meets the requirements of an exemption. An exemption expires two years from the date of approval or when a school adds a new program or makes a modification equal to or greater than 25 percent to an existing educational program. If a school is reapplying for an exemption, the application must be submitted to the office 90 days before the current exemption expires. If a school fails to apply within 90 days of expiration, the school is subject to the fees and penalties under sections 136A.831 and 136A.832.
 - Sec. 46. Minnesota Statutes 2024, section 136A.901, subdivision 1, is amended to read:
- Subdivision 1. **Grant program.** (a) The commissioner shall establish a grant program to award grants to institutions in Minnesota for research into spinal cord injuries and traumatic brain injuries. Grants shall be awarded to conduct research into new and innovative treatments and rehabilitative efforts for the functional improvement of people with spinal cord and traumatic brain injuries. Research topics may include, but are not limited to, pharmaceutical, medical device, brain stimulus, and rehabilitative approaches and techniques. The commissioner, in consultation with the advisory council established under section 136A.902, shall award 50 percent of the grant funds for research involving spinal cord injuries and 50 percent to research involving traumatic brain injuries. In addition to the amounts appropriated by law, the commissioner may accept additional funds from private and public sources. Amounts received from these sources are appropriated to the commissioner for the purposes of issuing grants under this section.
- (b) <u>Institutions that are eligible to apply for a grant under this section include postsecondary institutions and nonprofit organizations.</u>
- (c) A spinal cord and traumatic brain injury grant account is established in the special revenue fund. Money in the account is appropriated to the commissioner to make grants and to administer the grant program under this section. Appropriations to the commissioner for the program are for transfer to the account. Appropriations from the account do not cancel and are available until expended.

Sec. 47. REVISOR INSTRUCTIONS.

Subdivision 1. Student parent support. The revisor of statutes must renumber Minnesota Statutes, section 136A.1251, as Minnesota Statutes, section 136A.915. The revisor must also make cross-reference changes consistent with the renumbering.

- Subd. 2. <u>Inclusive higher education.</u> The revisor of statutes must renumber Minnesota Statutes, section 135A.161, as Minnesota Statutes, section 136A.921. The revisor of statutes must renumber Minnesota Statutes, section 135A.162, as Minnesota Statutes, section 136A.922. The revisor must also make cross-reference changes consistent with the renumbering.
- <u>Subd. 3.</u> <u>Hunger-Free Campus designation.</u> <u>The revisor of statutes must renumber Minnesota Statutes, section 135A.137, as Minnesota Statutes, section 136A.912. The revisor must also make cross-reference changes consistent with the renumbering.</u>

Sec. 48. **REPEALER.**

- (a) Minnesota Statutes 2024, sections 5.41, subdivision 2; 136A.057; 136A.1251, subdivision 5; 136A.246, subdivision 9; 136A.69, subdivisions 3 and 5; 136A.824, subdivisions 3 and 5; 136A.861, subdivision 7; and 136A.901, subdivision 2, are repealed.
 - (b) Minnesota Rules, part 4850.0014, subparts 1 and 2, are repealed."

Delete the title and insert:

"A bill for an act relating to higher education; providing funding and policy-related changes for the Office of Higher Education, Minnesota State Colleges and Universities, and the University of Minnesota; modifying certain scholarship and student aid programs; establishing and modifying grant programs to higher education institutions; providing authority to the Office of Higher Education for treatment of certain appropriations; providing for certain policy changes to student financial aid, institution eligibility, institutional licensure provisions, student loan programs, and institutional grant programs; requiring reports; appropriating money; canceling an appropriation; amending Minnesota Statutes 2024, sections 135A.052, subdivision 1; 135A.137; 135A.15, subdivision 2a; 135A.1582; 136A.01, by adding a subdivision; 136A.101, subdivision 5a; 136A.103; 136A.121, subdivision 9; 136A.1465, subdivisions 1, 2, by adding a subdivision; 136A.155; 136A.162; 136A.1701, subdivision 4; 136A.1796; 136A.246, subdivisions 1a, 3, 6, 8; 136A.65, subdivision 4; 136A.653, subdivision 5; 136A.658; 136A.69, subdivision 1; 136A.82; 136A.821, subdivisions 4, 5, by adding subdivisions; 136A.822, subdivisions 3, 6, 8, 13; 136A.824, subdivisions 1, 2, 6, 7; 136A.833; 136A.834, subdivisions 1, 5; 136A.901, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 136A; repealing Minnesota Statutes 2024, sections 5.41, subdivision 2; 136A.057; 136A.091; 136A.1251, subdivisions 1, 2, 3, 4, 5; 136A.1788; 136A.1789; 136A.1791, subdivisions 1, 2, 3a, 4, 5, 6, 7, 8, 9, 10; 136A.246, subdivision 9; 136A.69, subdivisions 3, 5; 136A.824, subdivisions 3, 5; 136A.861, subdivision 7; 136A.901, subdivision 2; 136A.91; Laws 2022, chapter 42, section 2, as amended; Minnesota Rules, part 4850.0014, subparts 1, 2."

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

Stephenson and Torkelson from the Committee on Ways and Means to which was referred:

H. F. No. 2438, A bill for an act relating to transportation; establishing a budget for transportation; appropriating money for transportation purposes, including Department of Transportation, Department of Public Safety, and Metropolitan Council activities; modifying prior appropriations; transferring money; modifying various policy and finance provisions; modifying and providing for allocation of certain fees; directing certain rulemaking; requiring studies; modifying and requiring certain legislative reporting; amending Minnesota Statutes 2024, sections 4.076, subdivisions 4, 5; 161.115, subdivision 177; 161.178, subdivisions 1, 2a, 8, by adding a subdivision; 162.16;

168.002, subdivision 6; 168.013, subdivision 1m; 168.091; 168.1287, subdivisions 1, 5; 168.27, subdivisions 8, 11, 16, 22; 168.33, by adding a subdivision; 168A.11, subdivision 1; 168E.01, by adding subdivisions; 168E.05, subdivision 1; 169.011, subdivision 36; 169.06, subdivision 5; 169.09, subdivision 8; 169.14, subdivision 1a; 169.686, subdivision 1; 169.865, subdivisions 1a, 3; 169A.55, subdivision 5; 171.01, by adding a subdivision; 171.05, subdivision 1; 171.06, by adding a subdivision; 171.0605, subdivision 2, by adding a subdivision; 171.061, by adding a subdivision; 171.13, subdivisions 7, 8; 171.17, subdivision 1; 171.2405, subdivision 1; 171.301, subdivision 1; 171.306, subdivisions 1, 4; 174.02, by adding a subdivision; 174.03, subdivision 12, by adding a subdivision; 174.07, subdivision 3; 174.38, subdivision 4; 174.49, by adding a subdivision; 174.56; 174.634, subdivision 2; 289A.51, subdivisions 3, 4; 297A.993, subdivision 2a; 299A.01, by adding a subdivision; 360.511, by adding subdivisions; 360.55, subdivisions 4, 4a, 8, by adding a subdivision; 398A.04, by adding a subdivision; 473.13, by adding a subdivision; 473.39, subdivision 6, by adding subdivisions; 473.408, by adding a subdivision; 473.4465, subdivision 4, by adding a subdivision; Laws 2021, First Special Session chapter 5, article 1, section 2, subdivision 2, as amended; Laws 2021, First Special Session chapter 14, article 11, section 45; Laws 2023, chapter 60, article 10, section 9; Laws 2023, chapter 68, article 1, section 2, subdivisions 2, 3; article 4, section 109; Laws 2024, chapter 127, article 1, section 2, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 137; 168; 168A; 174.

Reported the same back with the following amendments:

Page 2, line 23, delete "4.847,522,000" and insert "4.951,997,000" and delete "4.043,100,000" and insert "4.019,318,000"

Page 2, line 30, delete "3,381,720,000" and insert "3,486,195,000" and delete "2,545,308,000" and insert "2,521,526,000"

Page 2, delete line 31

Page 7, line 8, delete " $\underline{2,141,813,000}$ " and insert " $\underline{2,205,557,000}$ " and delete " $\underline{1,281,813,000}$ " and insert " $\underline{1,222,157,000}$ "

Page 9, line 1, delete "296,575,000" and insert "297,306,000" and delete "319,675,000" and insert "315,549,000"

Page 9, line 2, delete "\$293,575,000" and insert "\$294,306,000"

Page 9, line 3, delete "\$316,675,000" and insert "\$312,549,000"

Page 9, line 19, delete "21,052,000" and insert "7,052,000"

Page 9, delete line 24

Page 9, delete lines 29 to 34

Page 16, line 9, delete "638,000" and insert "1,198,000" and delete "672,000" and insert "1,232,000"

Page 16, line 11, delete "11,926,000" and insert "11,366,000" and delete "11,926,000" and insert "11,366,000"

Page 16, line 14, delete "6,561,000" and insert "6,001,000" and delete "6,561,000" and insert "6,001,000"

Page 18, line 26, delete "73" and insert "74"

Page 18, line 30, delete "<u>74</u>" and insert "<u>75</u>"

Page 87, after line 30, insert:

"Sec. 54. Minnesota Statutes 2024, section 289A.51, subdivision 1, is amended to read:

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

- (b) "Electric-assisted bicycle" has the meaning given in section 169.011, subdivision 27, except that the term is limited to a new electric-assisted bicycle purchased from an eligible retailer.
- (c) "Eligible expenses" means the amount paid for an electric-assisted bicycle and any qualifying accessories purchased at the same time as the electric-assisted bicycle, inclusive of sales tax but exclusive of any other related charges, including charges for a warranty, service, or delivery.
 - (d) "Eligible individual" means an individual who:
 - (1) is at least 15 years old;
- (2) is a resident individual taxpayer at the time of application for a rebate certificate and in the previous calendar year; and
- (3) was not claimed as a dependent on another return in the taxable year described in subdivision 3, paragraph (c); and
- (4) filed an individual income tax return for the taxable year used to determine eligibility under subdivision 3, paragraph (c).
- (e) "Eligible retailer" means a person who has engaged in the business of retail sales of new electric-assisted bicycles for at least six months prior to receiving the approval of the commissioner under subdivision 5.
- (f) "Qualifying accessories" means a bicycle helmet, lights, lock, luggage rack, basket, bag or backpack, fenders, or reflective clothing.

EFFECTIVE DATE. This section is effective for rebates after December 31, 2024."

Page 88, line 12, delete "eligible individuals" and insert "an eligible individual"

Page 88, line 13, delete "incomes that were" and insert "income that was"

Page 89, line 10, delete the second "eligible" and insert "total"

Renumber the sections in sequence

Correct the title numbers accordingly

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 2431 and 2438 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. No. 2847 was read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Schultz, Niska, Nash, Joy and Fogelman introduced:

H. F. No. 3232, A bill for an act relating to taxation; modifying eligibility for certain tax programs and classifications; amending Minnesota Statutes 2024, sections 273.124, subdivision 13; 290.0661, subdivision 1; 290.0671, subdivision 1.

The bill was read for the first time and referred to the Committee on Taxes.

Harder introduced:

H. F. No. 3233, A bill for an act relating to public safety; providing that a risk level III predatory offender name change is public information; amending Minnesota Statutes 2024, sections 259.11; 259.13, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Judiciary Finance and Civil Law.

Joy introduced:

H. F. No. 3234, A bill for an act relating to taxation; sales and use; providing a refundable exemption for construction materials for a community center in the city of Dilworth.

The bill was read for the first time and referred to the Committee on Taxes.

Backer introduced:

H. F. No. 3235, A bill for an act relating to human services; providing for a supplemental rate to housing support providers in Otter Tail County; amending Minnesota Statutes 2024, section 256I.05, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Human Services Finance and Policy.

Burkel and Anderson, P. H., introduced:

H. F. No. 3236, A bill for an act relating to environment; modifying requirements for water appropriations permits; amending Minnesota Statutes 2024, sections 103G.287, subdivision 1; 103G.305, subdivision 1, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources Finance and Policy.

Roach introduced:

H. F. No. 3237, A bill for an act relating to health; prohibiting addition of fluoride to public drinking water; proposing coding for new law in Minnesota Statutes, chapter 144; repealing Minnesota Statutes 2024, section 144.145.

The bill was read for the first time and referred to the Committee on Health Finance and Policy.

Heintzeman, Nelson and Knudsen introduced:

H. F. No. 3238, A bill for an act relating to capital investment; appropriating money for the WonderTrek Children's Museum in the city of Baxter.

The bill was read for the first time and referred to the Committee on Capital Investment.

Freiberg; Greene; Virnig; Reyer; Liebling; Jordan; Lee, K.; Hansen, R., and Gottfried introduced:

H. F. No. 3239, A bill for an act relating to health; prohibiting the use of an exemption to immunization due to conscientiously held beliefs for immunization against measles, mumps, and rubella; amending Minnesota Statutes 2024, section 121A.15, subdivisions 3, 9, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Health Finance and Policy.

Freiberg, Greene, Liebling, Virnig, Reyer, Frazier, Jordan, Bierman, Gottfried and Hansen, R., introduced:

H. F. No. 3240, A bill for an act relating to health; establishing a targeted grant program to address outbreaks of vaccine-preventable diseases; appropriating money.

The bill was read for the first time and referred to the Committee on Health Finance and Policy.

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Madam Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 1959 and 2216.

FIRST READING OF SENATE BILLS

S. F. No. 1959, A bill for an act relating to state government; establishing a budget for the Department of Military Affairs and the Department of Veterans Affairs; modifying veterans services and benefits provisions; requiring the commissioner of administration to place a memorial plaque honoring Gold Star and Blue Star families on State Capitol grounds; providing benefits to veterans of the Secret War in Laos; requiring county veteran services officers to aid certain additional veterans; establishing a task force; requiring reports; appropriating money; amending Minnesota Statutes 2024, sections 13.461, subdivision 27; 193.143; 197.065; 197.236, subdivisions 8, 9; 197.603, subdivision 1; 197.608, subdivision 6; 197.75, subdivision 1; 197.791, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 197.

The bill was read for the first time and referred to the Committee on Ways and Means.

S. F. No. 2216, A bill for an act relating to commerce; establishing a budget for the Department of Commerce; adding, modifying, and eliminating various provisions governing insurance, financial institutions, commercial regulations and consumer protection, and telecommunications; modifying cannabis provisions; modifying fees assessed by the Department of Commerce; establishing a common interest community ombudsperson and a common interest community register; classifying data; making technical changes; appropriating money; amending Minnesota Statutes 2024, sections 45.027, subdivisions 1, 2, by adding a subdivision; 45.24; 46A.04; 47.20, subdivisions 2, 4a, 8; 47.77; 53B.61; 55.07, by adding a subdivision; 58B.02, subdivision 8a; 58B.051; 60A.201, subdivision 2, by adding a subdivision; 60C.09, subdivision 2; 60D.09, by adding a subdivision; 60D.15, subdivisions 4, 7, by adding subdivisions; 60D.16, subdivision 2; 60D.17, subdivision 1; 60D.18, subdivision 3; 60D.19, subdivision 4, by adding subdivisions; 60D.20, subdivision 1; 60D.217; 60D.22, subdivisions 1, 3, 6, by adding a subdivision; 60D.24, subdivision 2; 60D.25; 62A.31, subdivisions 1r, 1w; 62A.65, subdivisions 1, 2, by adding a subdivision; 62D.12, subdivisions 2, 2a; 62D.121, subdivision 1; 62D.221, by adding a subdivision; 62J.26, subdivisions 1, 2, 3, by adding subdivisions; 62Q.73, subdivision 4; 65A.01, subdivision 3c; 72A.20, by adding a subdivision; 80A.65, subdivision 2; 80A.66; 80E.12; 82.63, subdivision 2; 116.943, subdivisions 1, 5; 168.27, by adding a subdivision; 216B.40; 216B.62, by adding a subdivision; 325E.3892, subdivisions 1, 2; 325F.072, subdivision 3; 325G.24, subdivision 2; 334.01, subdivision 2; 342.17; 342.37, by adding subdivisions; Laws 2023, chapter 63, article 9, section 5; proposing coding for new law in Minnesota Statutes, chapters 45; 60D; 62A; 168A; 216B; 237; 239; 325E; 325F; 515B.

The bill was read for the first time and referred to the Committee on Ways and Means.

REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Long from the Committee on Rules and Legislative Administration, pursuant to rules 1.21 and 3.33, designated the following bills to be placed on the Calendar for the Day for Friday, April 25, 2025 and established a prefiling requirement for amendments offered to the following bills:

H. F. Nos. 2432, 3022, 2563, 1354 and 2551.

Niska moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

There being no objection, the order of business reverted to Messages from the Senate.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendments the concurrence of the House is respectfully requested:

H. F. No. 1014, A bill for an act relating to commerce; allowing the board of directors of the Minnesota Insurance Guarantee Association to request financial information from insureds; amending Minnesota Statutes 2024, section 60C.09, subdivision 2.

THOMAS S. BOTTERN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Reyer moved that the House concur in the Senate amendments to H. F. No. 1014 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1014, A bill for an act relating to commerce; allowing the Minnesota Insurance Guaranty Association to request financial information from insureds; amending Minnesota Statutes 2024, section 60C.09, subdivision 2.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Acomb	Altendorf	Backer	Baker	Bierman	Carroll
Agbaje	Anderson, P. E.	Bahner	Bennett	Bliss	Cha
Allen	Anderson, P. H.	Bakeberg	Berg	Burkel	Clardy

Coulter	Gomez	Jacob	Lillie	Pérez-Vega	Smith
Curran	Gordon	Johnson, P.	Long	Perryman	Stephenson
Davids	Gottfried	Johnson, W.	Mahamoud	Pinto	Stier
Davis	Greene	Jones	McDonald	Pursell	Swedzinski
Dotseth	Greenman	Jordan	Mekeland	Quam	Tabke
Duran	Hansen, R.	Joy	Moller	Rarick	Torkelson
Elkins	Harder	Keeler	Momanyi-Hiltsley	Rehm	Van Binsbergen
Engen	Heintzeman	Klevorn	Mueller	Rehrauer	Vang
Falconer	Hemmingsen-Jaeger	Knudsen	Murphy	Repinski	Virnig
Feist	Her	Koegel	Myers	Reyer	Warwas
Finke	Hicks	Kotyza-Witthuhn	Nadeau	Robbins	West
Fischer	Hill	Kozlowski	Nash	Rymer	Wiener
Fogelman	Hollins	Koznick	Nelson	Schomacker	Witte
Franson	Hortman	Kraft	Niska	Schultz	Wolgamott
Frazier	Howard	Kresha	Noor	Schwartz	Xiong
Frederick	Hudson	Lawrence	Norris	Scott	Youakim
Freiberg	Huot	Lee, F.	Novotny	Sencer-Mura	Zeleznikar
Gander	Hussein	Lee, K.	O'Driscoll	Sexton	Spk. Demuth
Gillman	Igo	Liebling	Olson	Skraba	_

The bill was repassed, as amended by the Senate, and its title agreed to.

Madam Speaker:

I hereby announce the passage by the Senate of the following Senate File, herewith transmitted:

S. F. No. 3196.

FIRST READING OF SENATE BILLS

S. F. No. 3196, A bill for an act relating to corrections; appropriating money for deficiencies in the budget of the Department of Corrections; amending Laws 2023, chapter 52, article 2, section 6, as amended.

The bill was read for the first time.

Moller moved that S. F. No. 3196 and H. F. No. 3006, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

CALENDAR FOR THE DAY

H. F. No. 2446, A bill for an act relating to state government; establishing a budget for the Department of Agriculture, the Board of Animal Health, the Agricultural Utilization Research Institute, and the Office of Broadband Development; making policy and technical changes to agricultural provisions; requiring reports; transferring money; appropriating money; amending Minnesota Statutes 2024, sections 17.133, subdivision 2; 18B.01, subdivision 1d, by adding a subdivision; 18B.30; Laws 2023, chapter 43, article 1, section 2, subdivision 4, as amended; proposing coding for new law in Minnesota Statutes, chapter 18C.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 130 yeas and 3 nays as follows:

Those who voted in the affirmative were:

Acomb	Dotseth	Hemmingsen-Jaeger	Kozlowski	Noor	Sexton
Agbaje	Duran	Her	Koznick	Norris	Skraba
Allen	Elkins	Hicks	Kraft	Novotny	Smith
Altendorf	Engen	Hill	Kresha	O'Driscoll	Stephenson
Anderson, P. E.	Falconer	Hollins	Lawrence	Olson	Stier
Anderson, P. H.	Feist	Hortman	Lee, F.	Pérez-Vega	Swedzinski
Backer	Finke	Howard	Lee, K.	Perryman	Tabke
Bahner	Fischer	Hudson	Liebling	Pinto	Torkelson
Bakeberg	Franson	Huot	Lillie	Pursell	Van Binsbergen
Baker	Frazier	Hussein	Long	Quam	Vang
Bennett	Frederick	Igo	Mahamoud	Rarick	Virnig
Berg	Freiberg	Jacob	McDonald	Rehm	Warwas
Bierman	Gander	Johnson, P.	Mekeland	Rehrauer	West
Bliss	Gillman	Johnson, W.	Moller	Repinski	Wiener
Burkel	Gomez	Jones	Momanyi-Hiltsley	Reyer	Witte
Carroll	Gottfried	Jordan	Mueller	Robbins	Wolgamott
Cha	Greene	Joy	Murphy	Rymer	Xiong
Clardy	Greenman	Keeler	Myers	Schomacker	Youakim
Coulter	Hansen, R.	Klevorn	Nadeau	Schultz	Zeleznikar
Curran	Hanson, J.	Knudsen	Nash	Schwartz	Spk. Demuth
Davids	Harder	Koegel	Nelson	Scott	
Davis	Heintzeman	Kotyza-Witthuhn	Niska	Sencer-Mura	

Those who voted in the negative were:

Dippel Gordon Roach

The bill was passed and its title agreed to.

S. F. No. 571 was reported to the House.

Scott moved to amend S. F. No. 571, the first engrossment, as follows:

Page 22, after line 23, insert:

"(c) This section does not apply to the probate of federal trust land under United States Code, title 25, sections 2205 to 2209, as amended, in a federal, state, or Tribal probate matter. Federal trust land has the meaning given under United States Code, title 24, section 2201(4)(i)."

The motion prevailed and the amendment was adopted.

S. F. No. 571, A bill for an act relating to trusts; modifying various provisions of the Uniform Trust Code, Powers of Appointment, and the Uniform Probate Code; making technical, clarifying, and conforming changes; amending Minnesota Statutes 2024, sections 501A.01; 501C.0301; 501C.0302; 501C.0407; 501C.0411; 501C.0414; 501C.0602; 501C.0605; 501C.0701; 501C.0808, subdivisions 1, 2, 3, 4, 5, 6, 8, by adding a subdivision; 501C.1013, subdivision 4; 501C.1014, by adding a subdivision; 501C.1105, subdivision 1, by adding a subdivision; 502.851, subdivisions 1, 2, 3, 4, 11, 15, 16; 524.2-114; 524.2-804, subdivision 1.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Acomb	Dotseth	Heintzeman	Kozlowski	Norris	Skraba
Agbaje	Duran	Hemmingsen-Jaeger	Koznick	Novotny	Smith
Allen	Elkins	Her	Kraft	O'Driscoll	Stephenson
Altendorf	Engen	Hicks	Kresha	Olson	Stier
Anderson, P. E.	Falconer	Hill	Lawrence	Pérez-Vega	Swedzinski
Anderson, P. H.	Feist	Hollins	Lee, F.	Perryman	Tabke
Backer	Finke	Hortman	Lee, K.	Pinto	Torkelson
Bahner	Fischer	Howard	Liebling	Pursell	Van Binsbergen
Bakeberg	Fogelman	Hudson	Lillie	Quam	Vang
Baker	Franson	Huot	Long	Rarick	Virnig
Bennett	Frazier	Hussein	Mahamoud	Rehm	Warwas
Berg	Frederick	Igo	McDonald	Rehrauer	West
Bierman	Freiberg	Jacob	Mekeland	Repinski	Wiener
Bliss	Gander	Johnson, P.	Moller	Reyer	Witte
Burkel	Gillman	Johnson, W.	Momanyi-Hiltsley	Roach	Wolgamott
Carroll	Gomez	Jones	Mueller	Robbins	Xiong
Cha	Gordon	Jordan	Murphy	Rymer	Youakim
Clardy	Gottfried	Joy	Myers	Schomacker	Zeleznikar
Coulter	Greene	Keeler	Nadeau	Schultz	Spk. Demuth
Curran	Greenman	Klevorn	Nash	Schwartz	
Davids	Hansen, R.	Knudsen	Nelson	Scott	
Davis	Hanson, J.	Koegel	Niska	Sencer-Mura	
Dippel	Harder	Kotyza-Witthuhn	Noor	Sexton	

The bill was passed, as amended, and its title agreed to.

MOTIONS AND RESOLUTIONS

Davids moved that the name of Bakeberg be added as an author on H. F. No. 200. The motion prevailed.

Olson moved that the name of Schultz be added as an author on H. F. No. 733. The motion prevailed.

Backer moved that the name of Pérez-Vega be added as an author on H. F. No. 973. The motion prevailed.

Hansen, R., moved that the name of Feist be added as an author on H. F. No. 1073. The motion prevailed.

Murphy moved that the name of Howard be added as an author on H. F. No. 1501. The motion prevailed.

Reyer moved that the name of Howard be added as an author on H. F. No. 1502. The motion prevailed.

Mahamoud moved that the name of Kozlowski be added as an author on H. F. No. 1913. The motion prevailed.

Momanyi-Hiltsley moved that the name of Pérez-Vega be added as an author on H. F. No. 2143. The motion prevailed.

Fischer moved that the name of Pérez-Vega be added as an author on H. F. No. 2196. The motion prevailed.

Johnson, P., moved that the name of Pérez-Vega be added as an author on H. F. No. 2289. The motion prevailed.

West moved that the name of Hudson be added as an author on H. F. No. 2339. The motion prevailed.

Norris moved that the name of Bierman be added as an author on H. F. No. 2354. The motion prevailed.

Reyer moved that the name of Virnig be added as an author on H. F. No. 2689. The motion prevailed.

Jones moved that the name of Virnig be added as an author on H. F. No. 2709. The motion prevailed.

Klevorn moved that the name of Virnig be added as an author on H. F. No. 2725. The motion prevailed.

Reyer moved that the name of Virnig be added as an author on H. F. No. 2779. The motion prevailed.

Reyer moved that the name of Virnig be added as an author on H. F. No. 2903. The motion prevailed.

Perryman moved that the name of Wolgamott be added as an author on H. F. No. 2946. The motion prevailed.

Reyer moved that the name of Virnig be added as an author on H. F. No. 3017. The motion prevailed.

Reyer moved that the name of Virnig be added as an author on H. F. No. 3188. The motion prevailed.

Baker moved that the name of Virnig be added as an author on H. F. No. 3228. The motion prevailed.

Moller moved that the names of Curran and Virnig be added as authors on H. F. No. 3230. The motion prevailed.

Feist moved that the name of Youakim be added as chief author on H. F. No. 3231. The motion prevailed.

ADJOURNMENT

Niska moved that when the House adjourns today it adjourn until 10:00 a.m., Friday, April 25, 2025. The motion prevailed.

Niska moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 10:00 a.m., Friday, April 25, 2025.