

1.1 Senator moves to amend S.F. No. 2214 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "ARTICLE 1

1.4 HIGHER EDUCATION APPROPRIATIONS

1.5 Section 1. APPROPRIATIONS.

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

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

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

1.17 Sec. 2. MINNESOTA OFFICE OF HIGHER
1.18 EDUCATION

1.19 Subdivision 1. Total Appropriation \$ 248,436,000 \$ 247,595,000

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

1.23 Subd. 2. State Grants 188,106,000 190,956,000

1.24 If the appropriation in this subdivision for
1.25 either year is insufficient, the appropriation
1.26 for the other year is available for it.

1.27 Subd. 3. Child Care Grants 6,694,000 6,694,000

1.28 Subd. 4. State Work-Study 14,502,000 14,502,000

1.29 Subd. 5. Interstate Tuition Reciprocity 11,018,000 11,018,000

1.30 If the appropriation in this subdivision for
1.31 either year is insufficient, the appropriation
1.32 for the other year is available to meet
1.33 reciprocity contract obligations.

2.1	<u>Subd. 6. Safety Officer's Survivors</u>	<u>100,000</u>	<u>100,000</u>
2.2	<u>This appropriation is to provide educational</u>		
2.3	<u>benefits under Minnesota Statutes, section</u>		
2.4	<u>299A.45, to eligible dependent children and</u>		
2.5	<u>to the spouses of public safety officers killed</u>		
2.6	<u>in the line of duty.</u>		
2.7	<u>If the appropriation in this subdivision for</u>		
2.8	<u>either year is insufficient, the appropriation</u>		
2.9	<u>for the other year is available for it.</u>		
2.10	<u>Subd. 7. Indian Scholarships</u>	<u>3,500,000</u>	<u>3,500,000</u>
2.11	<u>The commissioner must contract with or</u>		
2.12	<u>employ at least one person with demonstrated</u>		
2.13	<u>competence in American Indian culture and</u>		
2.14	<u>residing in or near the city of Bemidji to assist</u>		
2.15	<u>students with the scholarships under</u>		
2.16	<u>Minnesota Statutes, section 136A.126, and</u>		
2.17	<u>with other information about financial aid for</u>		
2.18	<u>which the students may be eligible. Bemidji</u>		
2.19	<u>State University must provide office space at</u>		
2.20	<u>no cost to the Office of Higher Education for</u>		
2.21	<u>purposes of administering the American Indian</u>		
2.22	<u>scholarship program under Minnesota Statutes,</u>		
2.23	<u>section 136A.126. This appropriation includes</u>		
2.24	<u>funding to administer the American Indian</u>		
2.25	<u>scholarship program.</u>		
2.26	<u>Subd. 8. Tribal College Grants</u>	<u>150,000</u>	<u>150,000</u>
2.27	<u>For tribal college assistance grants under</u>		
2.28	<u>Minnesota Statutes, section 136A.1796.</u>		
2.29	<u>Subd. 9. Intervention for College Attendance</u>		
2.30	<u>Program Grants</u>	<u>671,000</u>	<u>671,000</u>
2.31	<u>For the intervention for college attendance</u>		
2.32	<u>program under Minnesota Statutes, section</u>		
2.33	<u>136A.861.</u>		

3.1	<u>The commissioner may use no more than two</u>		
3.2	<u>percent of this appropriation to administer the</u>		
3.3	<u>intervention for college attendance program</u>		
3.4	<u>grants.</u>		
3.5	<u>Subd. 10. Student-Parent Information</u>	<u>122,000</u>	<u>122,000</u>
3.6	<u>Subd. 11. Get Ready!</u>	<u>180,000</u>	<u>180,000</u>
3.7	<u>Subd. 12. Minnesota Education Equity</u>		
3.8	<u>Partnership</u>	<u>45,000</u>	<u>45,000</u>
3.9	<u>Subd. 13. Midwest Higher Education Compact</u>	<u>115,000</u>	<u>115,000</u>
3.10	<u>Subd. 14. United Family Medicine Residency</u>		
3.11	<u>Program</u>	<u>501,000</u>	<u>501,000</u>
3.12	<u>For a grant to United Family Medicine</u>		
3.13	<u>residency program. This appropriation shall</u>		
3.14	<u>be used to support up to 21 resident physicians</u>		
3.15	<u>each year in family practice at United Family</u>		
3.16	<u>Medicine residency programs and shall</u>		
3.17	<u>prepare doctors to practice family care</u>		
3.18	<u>medicine in underserved rural and urban areas</u>		
3.19	<u>of the state. It is intended that this program</u>		
3.20	<u>will improve health care in underserved</u>		
3.21	<u>communities, provide affordable access to</u>		
3.22	<u>appropriate medical care, and manage the</u>		
3.23	<u>treatment of patients in a cost-effective</u>		
3.24	<u>manner.</u>		
3.25	<u>Subd. 15. MnLINK Gateway and Minitex</u>	<u>5,905,000</u>	<u>5,905,000</u>
3.26	<u>Subd. 16. Statewide Longitudinal Education</u>		
3.27	<u>Data System</u>	<u>882,000</u>	<u>882,000</u>
3.28	<u>Subd. 17. Hennepin County Medical Center</u>	<u>645,000</u>	<u>645,000</u>
3.29	<u>For transfer to Hennepin County Medical</u>		
3.30	<u>Center for graduate family medical education</u>		
3.31	<u>programs at Hennepin County Medical Center.</u>		
3.32	<u>Subd. 18. MNSCU Two-Year Public College</u>		
3.33	<u>Program</u>	<u>3,481,000</u>	<u>-0-</u>

4.1 (a) \$2,780,000 in fiscal year 2018 is for
 4.2 two-year public college program grants under
 4.3 Laws 2015, chapter 69, article 3, section 20.

4.4 (b) \$545,000 in fiscal year 2018 is to provide
 4.5 mentoring and outreach as specified under
 4.6 Laws 2015, chapter 69, article 3, section 20.

4.7 (c) \$156,000 in fiscal year 2018 is for
 4.8 information technology and administrative
 4.9 costs associated with implementation of the
 4.10 grant program.

4.11	<u>Subd. 19. College Possible</u>	<u>250,000</u>	<u>250,000</u>
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4.12 (a) This appropriation is for immediate transfer
 4.13 to College Possible to support programs of
 4.14 college admission and college graduation for
 4.15 low-income students through an intensive
 4.16 curriculum of coaching and support at both
 4.17 the high school and postsecondary level.

4.18 (b) This appropriation must, to the extent
 4.19 possible, be proportionately allocated between
 4.20 students from greater Minnesota and students
 4.21 in the seven-county metropolitan area.

4.22 (c) This appropriation must be used by College
 4.23 Possible only for programs supporting students
 4.24 who are residents of Minnesota and attending
 4.25 colleges or universities within Minnesota.

4.26 (d) By February 1 of each year, College
 4.27 Possible must report to the chairs and ranking
 4.28 minority members of the legislative
 4.29 committees and divisions with jurisdiction
 4.30 over higher education and E-12 education on
 4.31 activities funded by this appropriation. The
 4.32 report must include, but is not limited to,
 4.33 information about the expansion of College
 4.34 Possible in Minnesota, the number of College

5.1	<u>Possible coaches hired, the expansion within</u>		
5.2	<u>existing partner high schools, the expansion</u>		
5.3	<u>of high school partnerships, the number of</u>		
5.4	<u>high school and college students served, the</u>		
5.5	<u>total hours of community service by high</u>		
5.6	<u>school and college students, and a list of</u>		
5.7	<u>communities and organizations benefiting</u>		
5.8	<u>from student service hours.</u>		
5.9	<u>Subd. 20. Spinal Cord Injury and Traumatic</u>		
5.10	<u>Brain Injury Research Grant Program</u>	<u>3,000,000</u>	<u>3,000,000</u>
5.11	<u>For spinal cord injury and traumatic brain</u>		
5.12	<u>injury research grants authorized under</u>		
5.13	<u>Minnesota Statutes, section 136A.901.</u>		
5.14	<u>The commissioner may use no more than two</u>		
5.15	<u>percent of this appropriation to administer the</u>		
5.16	<u>grant program under this subdivision.</u>		
5.17	<u>Subd. 21. Summer Academic Enrichment</u>		
5.18	<u>Program</u>	<u>125,000</u>	<u>125,000</u>
5.19	<u>For summer academic enrichment grants under</u>		
5.20	<u>Minnesota Statutes, section 136A.091.</u>		
5.21	<u>The commissioner may use no more than two</u>		
5.22	<u>percent of this appropriation to administer the</u>		
5.23	<u>grant program under this subdivision.</u>		
5.24	<u>Subd. 22. Dual Training Competency Grants;</u>		
5.25	<u>Office of Higher Education</u>	<u>2,000,000</u>	<u>2,000,000</u>
5.26	<u>For training grants under Minnesota Statutes,</u>		
5.27	<u>section 136A.246.</u>		
5.28	<u>The commissioner may use no more than two</u>		
5.29	<u>percent of this appropriation to administer the</u>		
5.30	<u>grant program under this subdivision.</u>		
5.31	<u>Subd. 23. Dual Training Competency Grants;</u>		
5.32	<u>Department of Labor and Industry</u>	<u>200,000</u>	<u>200,000</u>
5.33	<u>For transfer to the commissioner of labor and</u>		
5.34	<u>industry for identification of competency</u>		

6.1	<u>standards for dual training under Minnesota</u>		
6.2	<u>Statutes, section 175.45.</u>		
6.3	<u>Subd. 24. Concurrent Enrollment Courses</u>	<u>340,000</u>	<u>340,000</u>
6.4	<u>(a) \$225,000 in fiscal year 2018 and \$225,000</u>		
6.5	<u>in fiscal year 2019 are for grants to develop</u>		
6.6	<u>new concurrent enrollment courses under</u>		
6.7	<u>Minnesota Statutes, section 124D.09,</u>		
6.8	<u>subdivision 10, that satisfy the elective</u>		
6.9	<u>standard for career and technical education.</u>		
6.10	<u>Any balance in the first year does not cancel</u>		
6.11	<u>but is available in the second year.</u>		
6.12	<u>(b) \$115,000 in fiscal year 2018 and \$115,000</u>		
6.13	<u>in fiscal year 2019 are for grants to</u>		
6.14	<u>postsecondary institutions currently</u>		
6.15	<u>sponsoring a concurrent enrollment course to</u>		
6.16	<u>expand existing programs. The commissioner</u>		
6.17	<u>shall determine the application process and</u>		
6.18	<u>the grant amounts. The commissioner must</u>		
6.19	<u>give preference to expanding programs that</u>		
6.20	<u>are at capacity. Any balance in the first year</u>		
6.21	<u>does not cancel but is available in the second</u>		
6.22	<u>year.</u>		
6.23	<u>(c) By December 1 of each year, the office</u>		
6.24	<u>shall submit a brief report to the chairs and</u>		
6.25	<u>ranking minority members of the legislative</u>		
6.26	<u>committees with jurisdiction over higher</u>		
6.27	<u>education regarding:</u>		
6.28	<u>(1) the courses developed by grant recipients</u>		
6.29	<u>and the number of students who enrolled in</u>		
6.30	<u>the courses under paragraph (a); and</u>		
6.31	<u>(2) the programs expanded and the number of</u>		
6.32	<u>students who enrolled in programs under</u>		
6.33	<u>paragraph (b).</u>		
6.34	<u>Subd. 25. Campus Sexual Assault Reporting</u>	<u>25,000</u>	<u>25,000</u>

7.1	<u>For the sexual assault reporting required under</u>		
7.2	<u>Minnesota Statutes, section 135A.15.</u>		
7.3	<u>Subd. 26. Campus Sexual Violence Prevention</u>		
7.4	<u>and Response Coordinator</u>	<u>150,000</u>	<u>150,000</u>
7.5	<u>For the Office of Higher Education to staff a</u>		
7.6	<u>campus sexual violence prevention and</u>		
7.7	<u>response coordinator to serve as a statewide</u>		
7.8	<u>resource providing professional development</u>		
7.9	<u>and guidance on best practices for</u>		
7.10	<u>postsecondary institutions. \$50,000 each year</u>		
7.11	<u>are for administrative funding to conduct</u>		
7.12	<u>trainings and provide materials to</u>		
7.13	<u>postsecondary institutions.</u>		
7.14	<u>Subd. 27. Addiction Medicine Graduate</u>		
7.15	<u>Fellowship Program</u>	<u>210,000</u>	<u>-0-</u>
7.16	<u>For the addiction medicine graduate fellowship</u>		
7.17	<u>program under Laws 2016, chapter 189, article</u>		
7.18	<u>1, section 2, subdivision 4.</u>		
7.19	<u>Subd. 28. Student and Employer Connection</u>		
7.20	<u>Information System</u>	<u>405,000</u>	<u>405,000</u>
7.21	<u>For a grant to the Minnesota Chamber</u>		
7.22	<u>Foundation for the creation of a web-based</u>		
7.23	<u>job and intern-seeking software tool that blind</u>		
7.24	<u>matches the needs of employers located in</u>		
7.25	<u>Minnesota with the individual profiles of high</u>		
7.26	<u>school seniors and postsecondary students</u>		
7.27	<u>attending Minnesota high schools and</u>		
7.28	<u>postsecondary institutions. No more than two</u>		
7.29	<u>percent of this appropriation may be used for</u>		
7.30	<u>administrative expenses of the foundation. The</u>		
7.31	<u>foundation must report by January 15, 2019,</u>		
7.32	<u>on activities under this subdivision to the</u>		
7.33	<u>chairs and ranking minority members of the</u>		
7.34	<u>legislative committees with jurisdiction over</u>		
7.35	<u>higher education finance.</u>		

8.1	<u>Subd. 29. Emergency Assistance for</u>	<u>175,000</u>	<u>175,000</u>
8.2	<u>Postsecondary Students</u>		
8.3	<u>(a) This appropriation is for the Office of</u>		
8.4	<u>Higher Education to allocate grant funds on a</u>		
8.5	<u>matching basis to schools with a demonstrable</u>		
8.6	<u>homeless student population.</u>		
8.7	<u>(b) This appropriation shall be used to meet</u>		
8.8	<u>immediate student needs that could result in</u>		
8.9	<u>a student not completing the term or their</u>		
8.10	<u>program including, but not limited to,</u>		
8.11	<u>emergency housing, food, and transportation.</u>		
8.12	<u>Emergency assistance does not impact the</u>		
8.13	<u>amount of state financial aid received.</u>		
8.14	<u>(c) The commissioner shall determine the</u>		
8.15	<u>application process and the grant amounts.</u>		
8.16	<u>Any balance in the first year does not cancel</u>		
8.17	<u>but shall be available in the second year. The</u>		
8.18	<u>Office of Higher Education shall partner with</u>		
8.19	<u>interested postsecondary institutions, other</u>		
8.20	<u>state agencies, and student groups to establish</u>		
8.21	<u>the programs.</u>		
8.22	<u>Subd. 30. Grants to Teacher Candidates</u>	<u>500,000</u>	<u>500,000</u>
8.23	<u>For grants to teacher candidates under</u>		
8.24	<u>Minnesota Statutes, section 136A.1275. This</u>		
8.25	<u>appropriation is in addition to the money</u>		
8.26	<u>available under Laws 2016, chapter 189,</u>		
8.27	<u>article 25, section 62, subdivision 11.</u>		
8.28	<u>The commissioner may use no more than two</u>		
8.29	<u>percent of the appropriation for administration</u>		
8.30	<u>of the program.</u>		
8.31	<u>Subd. 31. Teacher Shortage Loan Forgiveness</u>	<u>200,000</u>	<u>200,000</u>
8.32	<u>For the loan forgiveness program under</u>		
8.33	<u>Minnesota Statutes, section 136A.1791.</u>		

9.1	<u>The commissioner may use no more than two</u>		
9.2	<u>percent of this appropriation to administer the</u>		
9.3	<u>program under this subdivision.</u>		
9.4	<u>Subd. 32. Large Animal Veterinarian Loan</u>		
9.5	<u>Forgiveness Program</u>	<u>375,000</u>	<u>375,000</u>
9.6	<u>For the large animal veterinarian loan</u>		
9.7	<u>forgiveness program under Minnesota Statutes,</u>		
9.8	<u>section 136A.1795.</u>		
9.9	<u>Subd. 33. Agricultural Educators Loan</u>		
9.10	<u>Forgiveness</u>	<u>50,000</u>	<u>50,000</u>
9.11	<u>For deposit in the agricultural education loan</u>		
9.12	<u>forgiveness account.</u>		
9.13	<u>Subd. 34. Aviation Degree Loan Forgiveness</u>		
9.14	<u>Program</u>	<u>25,000</u>	<u>25,000</u>
9.15	<u>For the aviation degree loan forgiveness</u>		
9.16	<u>program under Minnesota Statutes, section</u>		
9.17	<u>136A.1789.</u>		
9.18	<u>Subd. 35. Grants for Students with Intellectual</u>		
9.19	<u>and Developmental Disabilities</u>	<u>200,000</u>	<u>200,000</u>
9.20	<u>For grants for students with intellectual and</u>		
9.21	<u>developmental disabilities under Minnesota</u>		
9.22	<u>Statutes, section 136A.1215.</u>		
9.23	<u>Subd. 36. Loan Repayment Assistance Program</u>	<u>25,000</u>	<u>25,000</u>
9.24	<u>For a grant to the Loan Repayment Assistance</u>		
9.25	<u>Program of Minnesota to provide education</u>		
9.26	<u>debt relief to attorneys with full-time</u>		
9.27	<u>employment providing legal advice or</u>		
9.28	<u>representation to low-income clients or support</u>		
9.29	<u>services for this work.</u>		
9.30	<u>Subd. 37. Minnesota Life College</u>	<u>1,000,000</u>	<u>1,000,000</u>
9.31	<u>For a grant to Minnesota Life College for</u>		
9.32	<u>need-based scholarships and tuition reduction.</u>		
9.33	<u>Subd. 38. Agency Administration</u>	<u>2,564,000</u>	<u>2,564,000</u>
9.34	<u>Subd. 39. Balances Forward</u>		

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

10.4 Subd. 40. Transfers

10.5 The commissioner of the Office of Higher
 10.6 Education may transfer unencumbered
 10.7 balances from the appropriations in this
 10.8 section to the state grant appropriation, the
 10.9 interstate tuition reciprocity appropriation, the
 10.10 child care grant appropriation, the Indian
 10.11 scholarship appropriation, the state work-study
 10.12 appropriation, the get ready appropriation, and
 10.13 the public safety officers' survivors
 10.14 appropriation. Transfers from the child care
 10.15 or state work-study appropriations may only
 10.16 be made to the extent there is a projected
 10.17 surplus in the appropriation. A transfer may
 10.18 be made only with prior written notice to the
 10.19 chairs and ranking minority members of the
 10.20 senate and house of representatives
 10.21 committees with jurisdiction over higher
 10.22 education finance.

10.23 Sec. 3. BOARD OF TRUSTEES OF THE
 10.24 MINNESOTA STATE COLLEGES AND
 10.25 UNIVERSITIES

10.26	<u>Subdivision 1. Total Appropriation</u>	<u>\$ 709,748,000</u>	<u>\$ 714,640,000</u>
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10.27 The amounts that may be spent for each
 10.28 purpose are specified in the following
 10.29 subdivisions.

10.30	<u>Subd. 2. Central Office and Shared Services Unit</u>	<u>33,074,000</u>	<u>33,074,000</u>
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10.31 For the Office of the Chancellor and the
 10.32 Shared Services Division.

10.33 Notwithstanding section 136F.06, subdivision
 10.34 3, the Board of Trustees must not renew its

11.1 existing lease for the central office location,
 11.2 and must explore co-locating the central office
 11.3 on an existing system campus or campuses.

11.4 **Subd. 3. Operations and Maintenance**

672,559,000

677,451,000

11.5 (a) Of this amount, the Board of Trustees must
 11.6 transfer \$100,000 for each campus not located
 11.7 in a metropolitan county, as defined in
 11.8 Minnesota Statutes, section 473.121,
 11.9 subdivision 4, in each year to the president of
 11.10 each institution that includes such a campus,
 11.11 provided that no institution may receive more
 11.12 than \$300,000 under this paragraph.

11.13 (b) The Board of Trustees must establish
 11.14 tuition rates as follows:

11.15 (1) for the 2017-2018 academic year, the
 11.16 tuition rate at colleges must not exceed the
 11.17 2016-2017 academic year rate; and

11.18 (2) for the 2018-2019 academic year, the
 11.19 tuition rate at universities must not exceed the
 11.20 2017-2018 academic year rate, and the tuition
 11.21 rate at colleges must be reduced by at least
 11.22 one percent compared to the 2017-2018
 11.23 academic year rate.

11.24 The student tuition relief may not be offset by
 11.25 increases in mandatory fees, charges, or other
 11.26 assessments to the student.

11.27 (c) The Board of Trustees is requested to help
 11.28 Minnesota close the attainment gap by funding
 11.29 activities which improve retention and
 11.30 completion for students of color.

11.31 (d) This appropriation includes \$500,000 in
 11.32 fiscal year 2018 and \$500,000 in fiscal year
 11.33 2019 for workforce development scholarships
 11.34 under Minnesota Statutes, section 136F.38.

- 12.1 (e) \$200,000 each year is for transfer to the
12.2 Cook County Higher Education Board to
12.3 provide educational programming and
12.4 academic support services to remote regions
12.5 in northeastern Minnesota. The Cook County
12.6 Higher Education Board shall continue to
12.7 provide information to the Board of Trustees
12.8 on the number of students served, credit hours
12.9 delivered, and services provided to students.
- 12.10 (f) \$50,000 in fiscal year 2018 and \$50,000 in
12.11 fiscal year 2019 are for developing and
12.12 teaching online agricultural courses by farm
12.13 business management faculty at colleges that
12.14 offer farm business management.
- 12.15 (g) \$175,000 in fiscal year 2018 and \$175,000
12.16 in fiscal year 2019 are for the
12.17 veterans-to-agriculture pilot program
12.18 established by Laws 2015, chapter 69, article
12.19 1, section 4, subdivision 3. The program shall
12.20 continue to conform to the requirements of
12.21 that subdivision. The appropriation shall be
12.22 used to support, in equal amounts, up to six
12.23 program sites statewide. No more than two
12.24 percent of the total appropriation provided by
12.25 this section may be used for administrative
12.26 purposes at the system level.
- 12.27 No later than December 15, 2018, the program
12.28 shall report to the committees of the house of
12.29 representatives and the senate with jurisdiction
12.30 over issues related to agriculture, veterans
12.31 affairs, and higher education on program
12.32 operations, including information on
12.33 participation rates, new job placements, and
12.34 any unmet needs.

13.1 (h) This appropriation includes \$40,000 in
 13.2 fiscal year 2018 and \$40,000 in fiscal year
 13.3 2019 to implement the sexual assault policies
 13.4 required under Minnesota Statutes, section
 13.5 135A.15.

13.6 (i) This appropriation includes \$3,000,000 in
 13.7 fiscal year 2018 and \$5,000,000 in fiscal year
 13.8 2019 for upgrading the Integrated Statewide
 13.9 Record System.

13.10 (j) \$100,000 in fiscal year 2018 is for use by
 13.11 Winona State University for HealthForce
 13.12 Minnesota to develop educational materials
 13.13 that increase awareness of career opportunities
 13.14 available in the field of senior care. The
 13.15 educational materials developed under this
 13.16 provision must be appropriate for students in
 13.17 K-12 education settings, dislocated workers,
 13.18 and rural communities. Materials must be
 13.19 developed in collaboration with employers
 13.20 and trade organizations representing
 13.21 employers in the field of senior care.

13.22 Winona State University shall submit a report
 13.23 by February 1, 2019, to the chairs and ranking
 13.24 minority members of the legislative
 13.25 committees with jurisdiction over higher
 13.26 education finance and policy. The report must
 13.27 include information about the materials
 13.28 developed, to whom materials were
 13.29 distributed, and identify any collaborations
 13.30 with employers and trade organizations.

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

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

13.34 Subdivision 1. **Total Appropriation** \$ 636,868,000 \$ 638,818,000

14.1	<u>Appropriations by Fund</u>		
14.2		<u>2018</u>	<u>2019</u>
14.3	<u>General</u>	<u>634,711,000</u>	<u>636,661,000</u>
14.4	<u>Health Care Access</u>	<u>2,157,000</u>	<u>2,157,000</u>
14.5	<u>The amounts that may be spent for each</u>		
14.6	<u>purpose are specified in the following</u>		
14.7	<u>subdivisions.</u>		
14.8	<u>Subd. 2. Operations and Maintenance</u>	<u>567,273,000</u>	<u>569,223,000</u>
14.9	<u>(a) \$15,000,000 in fiscal year 2018 and</u>		
14.10	<u>\$15,000,000 in fiscal year 2019 are to: (1)</u>		
14.11	<u>increase the medical school's research</u>		
14.12	<u>capacity; (2) improve the medical school's</u>		
14.13	<u>ranking in National Institutes of Health</u>		
14.14	<u>funding; (3) ensure the medical school's</u>		
14.15	<u>national prominence by attracting and</u>		
14.16	<u>retaining world-class faculty, staff, and</u>		
14.17	<u>students; (4) invest in physician training</u>		
14.18	<u>programs in rural and underserved</u>		
14.19	<u>communities; and (5) translate the medical</u>		
14.20	<u>school's research discoveries into new</u>		
14.21	<u>treatments and cures to improve the health of</u>		
14.22	<u>Minnesotans.</u>		
14.23	<u>(b) \$6,800,000 in fiscal year 2018 and</u>		
14.24	<u>\$8,800,000 in fiscal year 2019 are for health</u>		
14.25	<u>training restoration. This appropriation must</u>		
14.26	<u>be used to support all of the following: (1)</u>		
14.27	<u>faculty physicians who teach at eight residency</u>		
14.28	<u>program sites, including medical resident and</u>		
14.29	<u>student training programs in the Department</u>		
14.30	<u>of Family Medicine; (2) the Mobile Dental</u>		
14.31	<u>Clinic; and (3) expansion of geriatric</u>		
14.32	<u>education and family programs.</u>		
14.33	<u>(c) \$1,000,000 in fiscal year 2018 and</u>		
14.34	<u>\$1,000,000 in fiscal year 2019 are for the</u>		
14.35	<u>Minnesota Discovery, Research, and</u>		

15.1 InnoVation Economy funding program for
15.2 cancer care research.

15.3 (d) \$50,000 in fiscal year 2018 is to develop
15.4 and implement a plan to offer the academic
15.5 program for students with intellectual and
15.6 developmental disabilities required in article
15.7 2, section 17. The Board of Regents must
15.8 submit a report on the plan to the chairs and
15.9 ranking minority members of the committees
15.10 of the legislature with jurisdiction over higher
15.11 education finance and policy no later than
15.12 January 15, 2018. The report must describe
15.13 program plans, including strategies for
15.14 recruitment of applicants, and strategies to
15.15 address anticipated program needs that cannot
15.16 be filled using existing campus or system
15.17 resources. This is a onetime appropriation.

15.18 (e) \$500,000 in fiscal year 2018 and \$500,000
15.19 in fiscal year 2019 are for the University of
15.20 Minnesota, Morris branch, to cover the costs
15.21 of tuition waivers under Minnesota Statutes,
15.22 section 137.16.

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

15.24 This appropriation is from the health care
15.25 access fund.

15.26 **Subd. 4. Special Appropriations**

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

15.28 For the Agricultural Experiment Station and
15.29 the Minnesota Extension Service:

15.30 (1) the agricultural experiment stations and
15.31 Minnesota Extension Service must convene
15.32 agricultural advisory groups to focus research,
15.33 education, and extension activities on producer
15.34 needs and implement an outreach strategy that

16.1 more effectively and rapidly transfers research
16.2 results and best practices to producers
16.3 throughout the state;

16.4 (2) this appropriation includes funding for
16.5 research and outreach on the production of
16.6 renewable energy from Minnesota biomass
16.7 resources, including agronomic crops, plant
16.8 and animal wastes, and native plants or trees.

16.9 The following areas should be prioritized and
16.10 carried out in consultation with Minnesota
16.11 producers, renewable energy, and bioenergy
16.12 organizations:

16.13 (i) biofuel and other energy production from
16.14 perennial crops, small grains, row crops, and
16.15 forestry products in conjunction with the
16.16 Natural Resources Research Institute (NRRI);

16.17 (ii) alternative bioenergy crops and cropping
16.18 systems; and

16.19 (iii) biofuel coproducts used for livestock feed;

16.20 (3) this appropriation includes funding for the
16.21 College of Food, Agricultural, and Natural
16.22 Resources Sciences to establish and provide
16.23 leadership for organic agronomic,
16.24 horticultural, livestock, and food systems
16.25 research, education, and outreach and for the
16.26 purchase of state-of-the-art laboratory,
16.27 planting, tilling, harvesting, and processing
16.28 equipment necessary for this project;

16.29 (4) this appropriation includes funding for
16.30 research efforts that demonstrate a renewed
16.31 emphasis on the needs of the state's agriculture
16.32 community. The following areas should be
16.33 prioritized and carried out in consultation with
16.34 Minnesota farm organizations:

- 17.1 (i) vegetable crop research with priority for
17.2 extending the Minnesota vegetable growing
17.3 season;
- 17.4 (ii) fertilizer and soil fertility research and
17.5 development;
- 17.6 (iii) soil, groundwater, and surface water
17.7 conservation practices and contaminant
17.8 reduction research;
- 17.9 (iv) discovering and developing plant varieties
17.10 that use nutrients more efficiently;
- 17.11 (v) breeding and development of turf seed and
17.12 other biomass resources in all three Minnesota
17.13 biomes;
- 17.14 (vi) development of new disease-resistant and
17.15 pest-resistant varieties of turf and agronomic
17.16 crops;
- 17.17 (vii) utilizing plant and livestock cells to treat
17.18 and cure human diseases;
- 17.19 (viii) the development of dairy coproducts;
- 17.20 (ix) a rapid agricultural response fund for
17.21 current or emerging animal, plant, and insect
17.22 problems affecting production or food safety;
- 17.23 (x) crop pest and animal disease research;
- 17.24 (xi) developing animal agriculture that is
17.25 capable of sustainably feeding the world;
- 17.26 (xii) consumer food safety education and
17.27 outreach;
- 17.28 (xiii) programs to meet the research and
17.29 outreach needs of organic livestock and crop
17.30 farmers; and

18.1	<u>(xiv) alternative bioenergy crops and cropping</u>		
18.2	<u>systems; and growing, harvesting, and</u>		
18.3	<u>transporting biomass plant material; and</u>		
18.4	<u>(5) by February 1, 2019, the Board of Regents</u>		
18.5	<u>must submit a report to the legislative</u>		
18.6	<u>committees and divisions with jurisdiction</u>		
18.7	<u>over agriculture and higher education finance</u>		
18.8	<u>on the status and outcomes of research and</u>		
18.9	<u>initiatives funded in this paragraph.</u>		
18.10	<u>(b) Health Sciences</u>	<u>9,204,000</u>	<u>9,204,000</u>
18.11	<u>\$346,000 each year is to support up to 12</u>		
18.12	<u>resident physicians in the St. Cloud Hospital</u>		
18.13	<u>family practice residency program. The</u>		
18.14	<u>program must prepare doctors to practice</u>		
18.15	<u>primary care medicine in rural areas of the</u>		
18.16	<u>state. The legislature intends this program to</u>		
18.17	<u>improve health care in rural communities,</u>		
18.18	<u>provide affordable access to appropriate</u>		
18.19	<u>medical care, and manage the treatment of</u>		
18.20	<u>patients in a more cost-effective manner. The</u>		
18.21	<u>remainder of this appropriation is for the rural</u>		
18.22	<u>physicians associates program; the Veterinary</u>		
18.23	<u>Diagnostic Laboratory; health sciences</u>		
18.24	<u>research; dental care; the Biomedical</u>		
18.25	<u>Engineering Center; and the collaborative</u>		
18.26	<u>partnership between the University of</u>		
18.27	<u>Minnesota and Mayo Clinic for regenerative</u>		
18.28	<u>medicine, research, clinical translation, and</u>		
18.29	<u>commercialization.</u>		
18.30	<u>(c) Institute of Technology</u>	<u>1,140,000</u>	<u>1,140,000</u>
18.31	<u>For the geological survey and the talented</u>		
18.32	<u>youth mathematics program.</u>		
18.33	<u>(d) System Special</u>	<u>6,181,000</u>	<u>6,181,000</u>

19.1 For general research, the Labor Education
 19.2 Service, Natural Resources Research Institute,
 19.3 Center for Urban and Regional Affairs, Bell
 19.4 Museum of Natural History, and the
 19.5 Humphrey exhibit.

19.6 \$1,000,000 in fiscal year 2018 and \$1,000,000
 19.7 in fiscal year 2019 are for the Natural
 19.8 Resources Research Institute to invest in
 19.9 applied research for economic development.

19.10 **(e) University of Minnesota and Mayo**
 19.11 **Foundation Partnership**

7,991,000

7,991,000

19.12 This appropriation is for the following
 19.13 activities:

19.14 (1) \$7,491,000 in fiscal year 2018 and
 19.15 \$7,491,000 in fiscal year 2019 are for the
 19.16 direct and indirect expenses of the
 19.17 collaborative research partnership between the
 19.18 University of Minnesota and the Mayo
 19.19 Foundation for research in biotechnology and
 19.20 medical genomics. An annual report on the
 19.21 expenditure of these funds must be submitted
 19.22 to the governor and the chairs of the legislative
 19.23 committees responsible for higher education
 19.24 finance by June 30 of each fiscal year.

19.25 (2) \$500,000 in fiscal year 2018 and \$500,000
 19.26 in fiscal year 2019 are to award competitive
 19.27 grants to conduct research into the prevention,
 19.28 treatment, causes, and cures of Alzheimer's
 19.29 disease and other dementias.

19.30 **Subd. 5. Academic Health Center**

19.31 The appropriation for Academic Health Center
 19.32 funding under Minnesota Statutes, section
 19.33 297F.10, is estimated to be \$22,250,000 each
 19.34 year.

20.1 **Sec. 5. MAYO CLINIC**

20.2	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>1,351,000</u>	<u>\$</u>	<u>1,351,000</u>
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20.3 The amounts that may be spent are specified
 20.4 in the following subdivisions.

20.5	<u>Subd. 2. Medical School</u>		<u>665,000</u>		<u>665,000</u>
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20.6 The state must pay a capitation each year for
 20.7 each student who is a resident of Minnesota.

20.8 The appropriation may be transferred between
 20.9 each year of the biennium to accommodate
 20.10 enrollment fluctuations. It is intended that
 20.11 during the biennium the Mayo Clinic use the
 20.12 capitation money to increase the number of
 20.13 doctors practicing in rural areas in need of
 20.14 doctors.

20.15 **Subd. 3. Family Practice and Graduate**
 20.16 **Residency Program**

		<u>686,000</u>		<u>686,000</u>
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20.17 The state must pay stipend support for up to
 20.18 27 residents each year.

20.19 **ARTICLE 2**20.20 **HIGHER EDUCATION POLICY**

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

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

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

20.27 (c) The Board of Trustees of the Minnesota State Colleges and Universities may exercise
 20.28 the powers under this section for employees included in the units provided in clauses (9),
 20.29 (10), and (11) of section 179A.10, subdivision 2, except with respect to sections 43A.22 to
 20.30 43A.31, which shall continue to be the responsibility of the commissioner. The commissioner
 20.31 shall have the right to review and comment to the Minnesota State Colleges and Universities
 20.32 on the board's final proposals prior to exchange of final positions with the designated
 20.33 bargaining units as well as any requests for interest arbitration. The legislature encourages

21.1 the Board of Trustees, in coordination with the commissioner of management and budget
21.2 and the Board of Regents of the University of Minnesota, to endeavor in collective bargaining
21.3 negotiations to seek fiscal balance recognizing the ability of the employer to fund the
21.4 agreements or awards. When submitting a proposed collective bargaining agreement to the
21.5 Legislative Coordinating Commission and the legislature under section 3.855, subdivision
21.6 2, the Board of Trustees must use procedures and assumptions consistent with those used
21.7 by the commissioner in calculating the costs of the proposed contract. The Legislative
21.8 Coordinating Commission must, when considering a collective bargaining agreement or
21.9 arbitration award submitted by the Board of Trustees, evaluate market conditions affecting
21.10 the employees in the bargaining unit, equity with other bargaining units in the executive
21.11 branch, and the ability of the trustees and the state to fund the agreement or award.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

22.34 (11) aggregate data on the following:

- 23.1 (i) student demographics;
- 23.2 (ii) a five-year history of student enrollment, including student enrollment by legislative
- 23.3 district;
- 23.4 (iii) a five-year history of student debt;
- 23.5 (iv) a five-year history of mandatory student fees by campus;
- 23.6 (v) employee head count and employee demographics;
- 23.7 (vi) facilities, including physical space overview, condition, square footage, distribution
- 23.8 by region, any deferred maintenance, and capital bonding requested and received;
- 23.9 (vii) administrative costs, including the definition of "administrators" used by the system,
- 23.10 the total number of "administrators" as percent of total employee head count, and system
- 23.11 office budget for Minnesota State Colleges and Universities as percent of total system
- 23.12 general fund revenue; and
- 23.13 (viii) college and university operating budgets.
- 23.14 (b) Data required by this subdivision shall be submitted by the public postsecondary
- 23.15 systems to the Minnesota Office of Higher Education and the Department of Management
- 23.16 and Budget and included in the biennial budget document. Representatives from each system,
- 23.17 in consultation with the commissioner of management and budget and the commissioner
- 23.18 of the Office of Higher Education, shall develop consistent reporting practices for this
- 23.19 purpose.
- 23.20 (c) To the extent practicable, each system shall develop the ability to respond to legislative
- 23.21 requests for financial analyses that are more detailed than those required by this subdivision,
- 23.22 including but not limited to analyses that show expenditures or revenues by institution or
- 23.23 program, or in multiple categories of expenditures or revenues, and analyses that show
- 23.24 revenue sources for particular types of expenditures.
- 23.25 **Sec. 3. [135A.0434] MANDATORY STUDENT ACTIVITY FEES PROHIBITED.**
- 23.26 Subdivision 1. Mandatory fee prohibition. (a) The governing board of a public
- 23.27 postsecondary institution must not impose on students any mandatory fee funding
- 23.28 noninstructional student programs, activities, groups, or services.
- 23.29 (b) This section does not prohibit mandatory fees paid by students that are directly related
- 23.30 to academic, administrative, or health services.

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

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

24.7 Sec. 4. **[135A.158] INFORMATION PROVIDED TO STUDENT PARENTS AND**
24.8 **PREGNANT STUDENTS.**

24.9 A public or regionally accredited private postsecondary educational institution must
24.10 provide information according to this section to students who are parents of one or more
24.11 children age 12 or younger, and to students who notify the institution that they are pregnant.
24.12 The information must include a fact sheet on the legal rights of student parents and pregnant
24.13 students and a list of resources to support student parents and pregnant students. The list of
24.14 resources may include resources for prenatal care, child care, transportation, and housing.
24.15 This information must be available in languages that reflect the primary languages of the
24.16 institution's student body.

24.17 Sec. 5. **[136A.055] DEVELOPMENTAL EDUCATION REPORTING.**

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

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

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

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

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

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

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

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

25.2 Subd. 5a. **Assigned family responsibility.** "Assigned family responsibility" means the
25.3 amount of a family's contribution to a student's cost of attendance, as determined by a federal
25.4 need analysis. For dependent students, the assigned family responsibility is ~~94~~ 90 percent
25.5 of the parental contribution. For independent students with dependents other than a spouse,
25.6 the assigned family responsibility is ~~86~~ 82 percent of the student contribution. For
25.7 independent students without dependents other than a spouse, the assigned family
25.8 responsibility is ~~50~~ 46 percent of the student contribution.

25.9 Sec. 7. **[136A.1215] GRANTS FOR STUDENTS WITH INTELLECTUAL AND**
25.10 **DEVELOPMENTAL DISABILITIES.**

25.11 Subdivision 1. **Establishment.** A program is established to provide financial assistance
25.12 to students with intellectual and developmental disabilities that attend a Minnesota
25.13 postsecondary institution.

25.14 Subd. 2. **Eligible students.** A postsecondary student is eligible for a grant under this
25.15 section if the student:

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

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

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

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

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

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

25.26 (2) any institutional aid the student receives.

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

25.30 Subd. 5. **Reporting.** By February 15 of each year, the commissioner of higher education
25.31 must submit a report on the details of the program under this section to the legislative

26.1 committees with jurisdiction over higher education finance and policy. The report must
26.2 include the following information, broken out by postsecondary institution:

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

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

26.5 (3) summary demographic data on award recipients.

26.6 Sec. 8. Minnesota Statutes 2016, section 136A.125, subdivision 2, is amended to read:

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

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

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

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

26.16 (4) either has not earned a baccalaureate degree and has been enrolled full time less than
26.17 ~~eight~~ ten semesters or the equivalent, or has earned a baccalaureate degree and has been
26.18 enrolled full time less than ~~eight~~ ten semesters or the equivalent in a graduate or professional
26.19 degree program;

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

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

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

26.25 (b) A student who withdraws from enrollment for active military service after December
26.26 31, 2002, because the student was ordered to active military service as defined in section
26.27 190.05, subdivision 5b or 5c, or for a major illness, while under the care of a medical
26.28 professional, that substantially limits the student's ability to complete the term is entitled to
26.29 an additional semester or the equivalent of grant eligibility and will be considered to be in
26.30 continuing enrollment status upon return.

27.1 Sec. 9. Minnesota Statutes 2016, section 136A.125, subdivision 4, is amended to read:

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

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

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

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

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

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

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

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

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

27.25 (3) divided by 15 for undergraduate students and six for graduate and professional
27.26 students; and

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

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

28.1 Sec. 10. Minnesota Statutes 2016, section 136A.1275, is amended to read:

28.2 **136A.1275 GRANTS TO STUDENT TEACHERS IN SHORTAGE AREAS**
28.3 **TEACHER CANDIDATE GRANTS.**

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

28.14 (b) "Shortage area" means a license field or economic development region within
28.15 Minnesota defined as a shortage area by the Department of Education using data collected
28.16 for the teacher supply and demand report under section 127A.05, subdivision 6, or other
28.17 surveys conducted by the Department of Education that provide indicators for teacher supply
28.18 and demand.

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

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

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

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

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

28.31 Subd. 3. **Administration; repayment.** (a) The commissioner must establish an
28.32 application process and other guidelines for implementing this program, including repayment

29.1 responsibilities for stipend recipients who do not complete student teaching or who leave
 29.2 Minnesota to teach in another state during the first year after student teaching.

29.3 (b) The commissioner must determine each academic year the stipend amount up to
 29.4 \$7,500 based on the amount of available funding and₂ the number of eligible applicants₂
 29.5 and the financial need of the applicants.

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

29.12 **Sec. 11. [136A.1789] AVIATION DEGREE LOAN FORGIVENESS PROGRAM.**

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

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

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

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

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

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

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

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

30.1 (2) have qualified education loans;

30.2 (3) reside in Minnesota; and

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

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

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

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

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

30.24 (b) For each year that the participant meets the eligibility requirements under subdivision
30.25 3, the commissioner must make annual disbursements directly to:

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

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

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

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

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

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

31.13 Sec. 12. **[136A.1794] AGRICULTURAL EDUCATION LOAN FORGIVENESS**
 31.14 **PROGRAM.**

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

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

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

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

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

31.26 (d) "School" means the following:

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

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

31.29 (3) a charter school; or

31.30 (4) a private school.

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

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

32.7 (1) be a qualified teacher;

32.8 (2) have qualified education loans; and

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

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

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

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

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

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

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

33.5 Sec. 13. Minnesota Statutes 2016, section 136A.653, is amended by adding a subdivision
 33.6 to read:

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

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

33.13 (2) nondegree programs within approved degrees;

33.14 (3) underlying curriculum or courses;

33.15 (4) modes of delivery; and

33.16 (5) locations.

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

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

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

33.23 Sec. 14. Minnesota Statutes 2016, section 136A.685, is amended to read:

33.24 **136A.685 PRIVATE INSTITUTIONS; ADJUDICATION OF FRAUD OR**
 33.25 **MISREPRESENTATION.**

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

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

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

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

34.6 Sec. 15. Minnesota Statutes 2016, section 136A.902, subdivision 1, is amended to read:

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

34.9 (1) one member representing the University of Minnesota Medical School;

34.10 (2) one member representing the Mayo Medical School;

34.11 (3) one member representing the Courage Kenny Rehabilitation Center;

34.12 (4) one member representing Hennepin County Medical Center;

34.13 (5) one member who is a neurosurgeon;

34.14 (6) one member who has a spinal cord injury;

34.15 (7) one member who is a family member of a person with a spinal cord injury;

34.16 (8) one member who has a traumatic brain injury;

34.17 (9) one member who is a veteran who has a spinal cord injury ~~or a traumatic brain injury~~;

34.18 (10) one member who is a veteran who has a traumatic brain injury;

34.19 (11) one member who is a family member of a person with a traumatic brain injury;

34.20 ~~(12)~~ (12) one member who is a physician specializing in the treatment of spinal cord
 34.21 injury ~~representing Gillette Children's Specialty Healthcare~~; and

34.22 ~~(12)~~ (13) one member who is a physician specializing in the treatment of traumatic brain
 34.23 injury; and

34.24 (14) one member representing Gillette Children's Specialty Healthcare.

34.25 Sec. 16. [136F.38] WORKFORCE DEVELOPMENT SCHOLARSHIPS.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

36.1 Sec. 17. **[137.45] PROGRAM FOR STUDENTS WITH INTELLECTUAL AND**
36.2 **DEVELOPMENTAL DISABILITIES.**

36.3 Subdivision 1. **Program required.** The Board of Regents of the University of Minnesota
36.4 is requested to offer an academic program for students with intellectual and developmental
36.5 disabilities at the University of Minnesota-Morris.

36.6 Subd. 2. **Enrollment and admission.** The program must establish an enrollment goal
36.7 of at least 15 incoming students per academic year. The board must establish an application
36.8 process for the program. A student who successfully completes the program must be awarded
36.9 a certificate, diploma, or other appropriate academic credential.

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

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

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

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

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

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

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

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

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

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

36.32 (2) program goals and outcomes; and

37.1 (3) the success rate of participants.

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

37.4 **Sec. 18. [137.47] FETAL TISSUE RESEARCH.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

38.27 Sec. 19. Minnesota Statutes 2016, section 148.89, subdivision 5, is amended to read:

38.28 Subd. 5. **Practice of psychology.** "Practice of psychology" means the observation,
38.29 description, evaluation, interpretation, or modification of human behavior by the application
38.30 of psychological principles, methods, or procedures for any reason, including to prevent,
38.31 eliminate, or manage symptomatic, maladaptive, or undesired behavior and to enhance

39.1 interpersonal relationships, work, life and developmental adjustment, personal and
 39.2 organizational effectiveness, behavioral health, and mental health. The practice of psychology
 39.3 includes, but is not limited to, the following services, regardless of whether the provider
 39.4 receives payment for the services:

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

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

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

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

39.15 (i) mental and emotional disorder or disability;

39.16 (ii) alcohol and substance dependence or abuse;

39.17 (iii) disorders of habit or conduct;

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

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

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

39.22 (5) psychoeducational services and treatment; and

39.23 (6) consultation and supervision.

39.24 Sec. 20. **[148.9075] LICENSURE EXEMPTIONS.**

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

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

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

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

40.7 **Sec. 21. [298.2215] COUNTY SCHOLARSHIP PROGRAM.**

40.8 Subdivision 1. **Establishment.** A county may establish a scholarship fund from any
40.9 unencumbered revenue received pursuant to section 298.018, 298.28, 298.39, 298.396, or
40.10 298.405 or any law imposing a tax upon severed mineral values. Scholarships must be used
40.11 at a two-year Minnesota State Colleges and Universities institution within the county. The
40.12 county shall establish procedures for applying for and distributing the scholarships.

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

40.16 **Sec. 22.** Laws 2014, chapter 312, article 1, section 15, is amended to read:

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

40.18 (a) For fiscal years 2016 to ~~2041~~ 2017, \$3,500,000 is added to the base operations and
40.19 maintenance appropriation to the Board of Regents of the University of Minnesota in Laws
40.20 2013, chapter 99, article 1, section 5.

40.21 (b) For fiscal years 2018 to 2040, \$3,312,000 is added to the base operations and
40.22 maintenance appropriation to the Board of Regents of the University of Minnesota in Laws
40.23 2013, chapter 99, article 1, section 5.

40.24 **Sec. 23. DEVELOPMENTAL EDUCATION REFORM.**

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

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

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

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

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

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

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

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

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

41.19 **Sec. 24. GREATER MINNESOTA OUTREACH AND RECRUITMENT.**

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

41.28 **Sec. 25. UNIVERSITY OF MINNESOTA FETAL TISSUE RESEARCH;**
41.29 **LEGISLATIVE AUDITOR REVIEW.**

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

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

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

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

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

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

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

42.20 **EFFECTIVE DATE.** This section is effective the day following final enactment. The
42.21 legislative auditor is requested to complete the review no later than 60 days following final
42.22 enactment.

42.23 **Sec. 26. STATE GRANT REPORT.**

42.24 (a) The commissioner of higher education must report to the legislature the estimated
42.25 amount of funding necessary for the state grant program to fully meet the financial aid needs
42.26 of lower- and middle-income Minnesota college students based on the program's shared
42.27 responsibility design. The report must include an estimate of:

42.28 (1) the amount a student should be expected to contribute toward the cost of education
42.29 through borrowing and employment;

42.30 (2) the amount a student's family should be expected to contribute toward the cost of
42.31 education, based on the family's financial circumstances;

43.1 (3) the actual living and miscellaneous expenses of a student, including room, board,
43.2 transportation, and the cost of textbooks; and

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

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

43.8 **Sec. 27. UNIVERSITY OF MINNESOTA TUITION.**

43.9 (a) For the 2018-2019 and 2019-2020 academic years, the Board of Regents of the
43.10 University of Minnesota is encouraged to continue to adopt tuition schedules for the
43.11 University of Minnesota Twin Cities campus that:

43.12 (1) move the nonresident undergraduate tuition rate for a full-time student toward the
43.13 median nonresident undergraduate tuition rate for public Big Ten universities;

43.14 (2) move the resident undergraduate tuition rate for a full-time student toward the median
43.15 of resident undergraduate tuition rates for public Big Ten universities;

43.16 (3) move the nonresident graduate tuition rate in each graduate program for a full-time
43.17 student toward the median of nonresident graduate tuition rates for public Big Ten universities
43.18 with a similar program; and

43.19 (4) move the resident graduate tuition rate in each graduate program for a full-time
43.20 student toward the median of resident graduate tuition rates for public Big Ten universities
43.21 with a similar program.

43.22 (b) For purposes of this section, "public Big Ten university" means the flagship campus
43.23 for public universities that are members of the Big Ten Conference.

43.24 **Sec. 28. LIVING AND MISCELLANEOUS EXPENSE ALLOWANCE.**

43.25 The living and miscellaneous expense allowance for the state grant program under
43.26 Minnesota Statutes, section 136A.121, for the biennium ending June 30, 2019, is set at
43.27 \$9,320 for each fiscal year of the biennium.

43.28 **Sec. 29. ONGOING APPROPRIATION.**

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

44.1

ARTICLE 3

44.2

OFFICE OF HIGHER EDUCATION AGENCY POLICY

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

44.4

44.5

44.6

44.7

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

44.8

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

44.9

136A.103 INSTITUTION ELIGIBILITY REQUIREMENTS.

44.10

44.11

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

44.12

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

44.13

44.14

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

44.15

(b) A private institution must:

44.16

44.17

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

44.18

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

44.19

44.20

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

44.21

44.22

44.23

44.24

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

44.25

44.26

44.27

44.28

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

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

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

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

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

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

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

45.17 (c) The commissioner must make annual disbursements directly to the participant of
45.18 \$15,000 or the balance of the participant's qualifying educational loans, whichever is less,
45.19 for each year that a participant meets the service obligation required under subdivision 3,
45.20 paragraph (b), up to a maximum of five years.

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

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

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

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

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

46.2 **136A.646 ADDITIONAL SECURITY.**

46.3 (a) ~~In the event~~ New schools that have been granted conditional approval for degrees or
46.4 names to allow them the opportunity to apply for and receive accreditation under section
46.5 136A.65, subdivision 7, or any registered institution that is notified by the United States
46.6 Department of Education that it has fallen below minimum financial standards and that its
46.7 continued participation in Title IV will be conditioned upon its satisfying either the Zone
46.8 Alternative, Code of Federal Regulations, title 34, section 668.175, paragraph (f), or a Letter
46.9 of Credit Alternative, Code of Federal Regulations, title 34, section 668.175, paragraph (c),
46.10 ~~the institution~~ shall provide a surety bond ~~conditioned upon the faithful performance of all~~
46.11 ~~contracts and agreements with students~~ in a sum equal to the "letter of credit" required by
46.12 the United States Department of Education in the Letter of Credit Alternative, but in no
46.13 event shall such bond be less than \$10,000 nor more than \$250,000.

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

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

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

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

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

46.24 (d) In the event of a school closure, the additional security must first be used to destroy
46.25 any private educational data under section 13.32 left at a physical campus in Minnesota
46.26 after all other governmental agencies have recovered or retrieved records under their record
46.27 retention policies. Any remaining funds must then be used to reimburse tuition and fee costs
46.28 to students that were enrolled at the time of the closure or had withdrawn in the previous
46.29 120 calendar days but did not graduate. Priority for refunds will be given to students in the
46.30 following order:

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

46.32 (2) private student loans; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

49.14 Subd. 7. **Conditional approval.** (a) The office may grant a school a one-year conditional

49.15 approval for a degree or use of a term in its name for a period of less than one year if doing

49.16 so would be in the best interests of currently enrolled students or prospective students.

49.17 Conditional approval of a degree or use of a term under this paragraph must not exceed a

49.18 period of three years.

49.19 (b) The office may grant new schools ~~may be granted~~ and programs a one-year conditional

49.20 approval for degrees or ~~names annually for a period not to exceed five years~~ use of a term

49.21 in its name to allow ~~them~~ the school the opportunity to apply for and receive accreditation

49.22 as required in subdivision 1a. Conditional approval of a school or program under this

49.23 paragraph must not exceed a period of five years. A new school or program granted

49.24 conditional approval may be allowed to continue as a ~~registered institution~~ in order to

49.25 complete an accreditation process upon terms and conditions the office determines.

49.26 (c) The office may grant a registered school a one-year conditional approval for degrees

49.27 or use of a term in its name to allow the school the opportunity to apply for and receive

49.28 accreditation as required in subdivision 1a if the school's accrediting agency is no longer

49.29 recognized by the United States Department of Education for purposes of eligibility to

49.30 participate in Title IV federal financial aid programs. The office must not grant conditional

49.31 approvals under this paragraph to a school for a period of more than five years.

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

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

50.7 **136A.653 EXEMPTIONS.**

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

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

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

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

50.30 Subd. 3a. **Tuition-free educational courses.** A school, including a school using an
50.31 online platform service, offering training, courses, or programs is exempt from sections
50.32 136A.61 to 136A.71, to the extent it offers tuition-free courses to students in Minnesota. A
50.33 course will be considered tuition-free if the school charges no tuition and the required fees

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

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

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

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

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

51.22 **136A.67 REGISTRATION REPRESENTATIONS.**

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

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

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

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

52.14 Subd. 3. **Investigation.** The office shall initiate an investigation upon receipt of a
52.15 complaint within the authority of subdivision 2. A school involved in an investigation shall
52.16 be informed of the alleged violations and the processes of the investigation. A school
52.17 involved in an investigation shall respond to the alleged violations and provide requested
52.18 documentation to the office. Upon completing an investigation, the office shall inform the
52.19 school and the student of the investigation outcome.

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

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

52.25 **136A.68 RECORDS.**

52.26 A registered school shall maintain a permanent record for each student for 50 years from
52.27 the last date of the student's attendance. A registered school offering distance instruction to
52.28 a student located in Minnesota shall maintain a permanent record for each Minnesota student
52.29 for 50 years from the last date of the student's attendance. Records include a student's
52.30 academic transcript, documents, and files containing student data about academic credits
52.31 earned, courses completed, grades awarded, degrees awarded, and periods of attendance.
52.32 To preserve permanent records, a school shall submit a plan that meets the following
52.33 requirements:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

54.22 (2) the specific programs which will be offered and the specific purposes of the
54.23 instruction;

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

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

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

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

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

54.31 (i) annual gross revenues from all sources;

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

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

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

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

55.8 (9) copies of all Minnesota enrollment agreement forms and contract forms and all
 55.9 enrollment agreement forms and contract forms used in Minnesota; and

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

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

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

55.19 (b)(1) The amount of the surety bond shall be ten percent of the preceding year's ~~gross~~
 55.20 net income from student tuition, fees, and other required institutional charges collected, but
 55.21 in no event less than \$10,000 ~~nor greater than \$250,000~~, except that a private career school
 55.22 may deposit a greater amount at its own discretion. A private career school in each annual
 55.23 application for licensure must compute the amount of the surety bond and verify that the
 55.24 amount of the surety bond complies with this subdivision, ~~unless the private career school~~
 55.25 ~~maintains a surety bond equal to at least \$250,000~~. A private career school that operates at
 55.26 two or more locations may combine ~~gross~~ net income from student tuition, fees, and other
 55.27 required institutional charges collected for all locations for the purpose of determining the
 55.28 annual surety bond requirement. The ~~gross~~ net tuition and fees used to determine the amount
 55.29 of the surety bond required for a private career school having a license for the sole purpose
 55.30 of recruiting students in Minnesota shall be only that paid to the private career school by
 55.31 the students recruited from Minnesota.

55.32 (2) A person required to obtain a private career school license due to the use of
 55.33 "academy," "institute," "college," or "university" in its name and which is also licensed by

56.1 another state agency or board, except not including those schools licensed exclusively in
56.2 order to participate in state grants or SELF loan financial aid programs, shall be required
56.3 to provide a school bond of \$10,000.

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

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

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

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

56.21 Subd. 12. **Permanent records.** A private career school licensed under sections 136A.82
56.22 to 136A.834 and located in Minnesota shall maintain a permanent record for each student
56.23 for 50 years from the last date of the student's attendance. A private career school licensed
56.24 under this chapter and offering distance instruction to a student located in Minnesota shall
56.25 maintain a permanent record for each Minnesota student for 50 years from the last date of
56.26 the student's attendance. Records include school transcripts, documents, and files containing
56.27 student data about academic credits earned, courses completed, grades awarded, degrees
56.28 awarded, and periods of attendance. To preserve permanent records, a private career school
56.29 shall submit a plan that meets the following requirements:

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

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

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

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

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

57.10 Subd. 13. **Private career schools licensed by another state agency or board.** A private
57.11 career school required to obtain a private career school license due to the use of "academy,"
57.12 "institute," "college," or "university" in its name or licensed for the purpose of participating
57.13 in state financial aid under chapter 136A, and which is also licensed by another state agency
57.14 or board shall be required to satisfy only the requirements of subdivisions 4, clauses (1),
57.15 (2), (3), (5), (7), (8), and (10); 5; 6, paragraph (b), clause (2); 8, clauses (1), (4), (7), (8),
57.16 and (9); 9; 10, ~~clause (13)~~; and 12. If a school is licensed to participate in state financial aid
57.17 under this chapter, the school must follow the refund policy in section 136A.827, even if
57.18 that section conflicts with the refund policy of the licensing agency or board. A distance
57.19 education private career school located in another state, or a school licensed to recruit
57.20 Minnesota residents for attendance at a school outside of this state, or a school licensed by
57.21 another state agency as its primary licensing body, may continue to use the school's name
57.22 as permitted by its home state or its primary licensing body.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

58.27 (b) When a student has been accepted by the private career school and gives ~~written~~
58.28 notice of cancellation following the fifth business day after the day of acceptance by the
58.29 private career school, but before the start of the program, in the case of resident private
58.30 career schools, or before the first lesson has been serviced by the private career school, in
58.31 the case of distance education private career schools, all tuition, fees and other charges,

59.1 except 15 percent of the total cost of the program but not to exceed \$50, shall be refunded
59.2 to the student.

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

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

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

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

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

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

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

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

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

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

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

59.30 (g) A school may advertise that the school or its programs have been accredited by an
59.31 accrediting agency recognized by the United States Department of Education or the Council
59.32 for Higher Education Accreditation, but shall not advertise any other accreditation unless

60.1 approved by the office. The office may approve an institution's advertising of accreditation
60.2 that is not recognized by the United States Department of Education or the Council for
60.3 Higher Education if that accreditation is industry specific. Clear distinction must be made
60.4 when the school is in candidacy or application status versus full accreditation.

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

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

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

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

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

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

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

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

60.31 Subd. 3. **Investigation.** The office shall initiate an investigation upon receipt of a
60.32 complaint within the authority of subdivision 2. A school involved in an investigation shall
60.33 be informed of the alleged violations and the processes of the investigation. A school

61.1 involved in an investigation shall respond to the alleged violations and provide requested
61.2 documentation to the office. Upon completion of an investigation, the office shall inform
61.3 the school and the student of the investigation outcome.

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

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

61.9 **136A.83 INSPECTION.**

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

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

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

61.23 **136A.833 EXEMPTIONS.**

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

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

- 62.1 (1) public postsecondary institutions;
- 62.2 (2) postsecondary institutions registered under sections 136A.61 to 136A.71;
- 62.3 (3) private career schools of nursing accredited by the state Board of Nursing or an
62.4 equivalent public board of another state or foreign country;
- 62.5 (4) private schools complying with the requirements of section 120A.22, subdivision 4;
- 62.6 (5) courses taught to students in a valid apprenticeship program taught by or required
62.7 by a trade union;
- 62.8 (6) private career schools exclusively engaged in training physically or mentally disabled
62.9 persons for the state of Minnesota;
- 62.10 (7) private career schools licensed by boards authorized under Minnesota law to issue
62.11 licenses except private career schools required to obtain a private career school license due
62.12 to the use of "academy," "institute," "college," or "university" in their names;
- 62.13 (8) private career schools and educational programs, or training programs, contracted
62.14 for by persons, firms, corporations, government agencies, or associations, for the training
62.15 of their own employees, for which no fee is charged the employee;
- 62.16 (9) private career schools engaged exclusively in the teaching of purely avocational,
62.17 recreational, or remedial subjects as determined by the office except private career schools
62.18 required to obtain a private career school license due to the use of "academy," "institute,"
62.19 "college," or "university" in their names unless the private career school used "academy"
62.20 or "institute" in its name prior to August 1, 2008;
- 62.21 (10) classes, courses, or programs conducted by a bona fide trade, professional, or
62.22 fraternal organization, solely for that organization's membership;
- 62.23 (11) programs in the fine arts provided by organizations exempt from taxation under
62.24 section 290.05 and registered with the attorney general under chapter 309. For the purposes
62.25 of this clause, "fine arts" means activities resulting in artistic creation or artistic performance
62.26 of works of the imagination which are engaged in for the primary purpose of creative
62.27 expression rather than commercial sale or employment. In making this determination the
62.28 office may seek the advice and recommendation of the Minnesota Board of the Arts;
- 62.29 (12) classes, courses, or programs intended to fulfill the continuing education
62.30 requirements for licensure or certification in a profession, that have been approved by a
62.31 legislatively or judicially established board or agency responsible for regulating the practice
62.32 of the profession, and that are offered exclusively to an individual practicing the profession;

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

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

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

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

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

63.17 (18) private career schools providing exclusively training, instructional programs, or
63.18 courses where tuition, fees, and any other charges for a student to participate do not exceed
63.19 \$100.

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

63.22 Subd. 5. **Application.** A school that seeks an exemption from the provisions of sections
63.23 136A.82 to 136A.834 must apply to the office to establish that the school meets the
63.24 requirements of an exemption. An exemption expires two years from the date of approval
63.25 or when a school adds a new program or makes a modification equal to or greater than 25
63.26 percent to an existing educational program. If a school is reapplying for an exemption, the
63.27 application must be submitted to the office 90 days before the current exemption expires.

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

63.29 Subd. 10. **Credit load.** By the end of the first academic year including summer term, a
63.30 grantee must have accumulated at least the lesser of 30 program credits by the end of the
63.31 first academic year including summer term or the number of credits that the student's program
63.32 is scheduled for during the first academic year. A college must certify that a grantee is

64.1 carrying sufficient credits in the second grant year to complete the program at the end of
64.2 the second year, including summer school. The commissioner shall set the terms and provide
64.3 the form for certification.

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

64.5 Delete the title and insert:

64.6 "A bill for an act
64.7 relating to higher education; providing funding and policy for the Office of Higher
64.8 Education, the Minnesota State Colleges and Universities, the University of
64.9 Minnesota, and other related programs; modifying state grant program calculation
64.10 parameters; providing financial aid and student loan forgiveness programs; requiring
64.11 reports; appropriating money; amending Minnesota Statutes 2016, sections 43A.06,
64.12 subdivision 1; 135A.031, subdivision 7; 135A.15, subdivision 1a; 136A.101,
64.13 subdivision 5a; 136A.103; 136A.125, subdivisions 2, 4; 136A.1275; 136A.1795,
64.14 subdivision 4; 136A.62, by adding a subdivision; 136A.646; 136A.65, subdivisions
64.15 1a, 4, 7; 136A.653; 136A.657, by adding a subdivision; 136A.67; 136A.68;
64.16 136A.685; 136A.821, by adding subdivisions; 136A.822, subdivisions 4, 6, 12,
64.17 13; 136A.826, subdivision 2; 136A.827, subdivisions 2, 3; 136A.828, subdivision
64.18 3; 136A.83; 136A.833; 136A.834, by adding a subdivision; 136A.902, subdivision
64.19 1; 148.89, subdivision 5; Laws 2014, chapter 312, article 1, section 15; Laws 2015,
64.20 chapter 69, article 3, section 20, subdivision 10; proposing coding for new law in
64.21 Minnesota Statutes, chapters 135A; 136A; 136F; 137; 148; 298."