

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

1.3 H. F. No. 2312, A bill for an act relating to higher education; making policy and technical
1.4 changes to certain higher education provisions including sexual misconduct grievance
1.5 procedures, student aid, and institutional grants; requiring reports; amending Minnesota
1.6 Statutes 2024, sections 135A.15, subdivision 2a; 135A.1582; 136A.246, subdivisions 1a,
1.7 3; 136A.87; 136A.901, subdivision 1; proposing coding for new law in Minnesota Statutes,
1.8 chapter 136A; repealing Minnesota Statutes 2024, sections 5.41, subdivision 2; 136A.057;
1.9 136A.1251, subdivision 5; 136A.1788, subdivision 5; 136A.1791, subdivision 9; 136A.246,
1.10 subdivision 9; 136A.861, subdivision 7; 136A.901, subdivision 2; 136A.91, subdivision 3;
1.11 Minnesota Rules, part 4850.0014, subparts 1, 2.

1.12 Reported the same back with the following amendments:

1.13 Delete everything after the enacting clause and insert:

1.14 **"ARTICLE 1**
1.15 **APPROPRIATIONS**

1.16 Section 1. **APPROPRIATIONS.**

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

1.24	<u>APPROPRIATIONS</u>	
1.25	<u>Available for the Year</u>	
1.26	<u>Ending June 30</u>	
1.27	<u>2026</u>	<u>2027</u>

1.28 **Sec. 2. MINNESOTA OFFICE OF HIGHER**
1.29 **EDUCATION**

2.1	<u>Subdivision 1. Total Appropriation</u>	<u>\$ 312,749,000</u>	<u>\$ 312,968,000</u>
2.2	<u>The amounts that may be spent for each</u>		
2.3	<u>purpose are specified in the following</u>		
2.4	<u>subdivisions.</u>		
2.5	<u>Subd. 2. State Grants</u>	<u>241,790,000</u>	<u>241,790,000</u>
2.6	<u>(a) If the appropriation in this subdivision for</u>		
2.7	<u>either year is insufficient, the appropriation</u>		
2.8	<u>for the other year is available for it.</u>		
2.9	<u>(b) For purposes of Minnesota Statutes,</u>		
2.10	<u>section 136A.121, subdivision 6, a tuition and</u>		
2.11	<u>fee maximum is established for four-year</u>		
2.12	<u>programs that is the lesser of: (1) the average</u>		
2.13	<u>tuition and fees charged by the institution; or</u>		
2.14	<u>(2) an amount equal to the highest tuition and</u>		
2.15	<u>fees charged at a public university in the</u>		
2.16	<u>2024-2025 academic year plus one percent for</u>		
2.17	<u>fiscal year 2026, plus an additional one percent</u>		
2.18	<u>for fiscal year 2027.</u>		
2.19	<u>(c) The base for this appropriation is</u>		
2.20	<u>\$242,707,000 in fiscal year 2028 and</u>		
2.21	<u>thereafter.</u>		
2.22	<u>Subd. 3. Child Care Grants</u>	<u>6,694,000</u>	<u>6,694,000</u>
2.23	<u>Subd. 4. State Work-Study</u>	<u>11,752,000</u>	<u>11,752,000</u>
2.24	<u>Subd. 5. Interstate Tuition Reciprocity</u>	<u>8,500,000</u>	<u>8,500,000</u>
2.25	<u>If the appropriation in this subdivision for</u>		
2.26	<u>either year is insufficient, the appropriation</u>		
2.27	<u>for the other year is available to meet</u>		
2.28	<u>reciprocity contract obligations.</u>		
2.29	<u>Subd. 6. Safety Officer's Survivors</u>	<u>100,000</u>	<u>100,000</u>
2.30	<u>This appropriation is to provide educational</u>		
2.31	<u>benefits under Minnesota Statutes, section</u>		
2.32	<u>299A.45, to eligible dependent children and</u>		

3.1 to the spouses of public safety officers killed
3.2 in the line of duty.

3.3 If the appropriation in this subdivision for
3.4 either year is insufficient, the appropriation
3.5 for the other year is available for it.

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

3.7 The commissioner must contract with or
3.8 employ at least one person with demonstrated
3.9 competence in American Indian culture and
3.10 residing in or near the city of Bemidji to assist
3.11 students with the scholarships under
3.12 Minnesota Statutes, section 136A.126, and
3.13 with other information about financial aid for
3.14 which the students may be eligible. This
3.15 appropriation includes funding to administer
3.16 the American Indian scholarship program.

3.17 **Subd. 8. Tribal College Supplemental Assistance**
3.18 **Grants** 3,650,000 3,650,000

3.19 For Tribal college assistance grants under
3.20 Minnesota Statutes, section 136A.1796.

3.21 Each eligible Tribal college may receive a
3.22 minimum grant in an amount no less than
3.23 \$1,000,000 and no more than \$1,050,000,
3.24 subject to available appropriations.

3.25 The commissioner may use no more than three
3.26 percent of this appropriation to administer the
3.27 program grants.

3.28 **Subd. 9. Intervention for College Attendance**
3.29 **Program Grants** 1,142,000 1,142,000

3.30 For the intervention for college attendance
3.31 program under Minnesota Statutes, section
3.32 136A.861.

3.33 The commissioner may use no more than three
3.34 percent of this appropriation to administer the

4.1	<u>intervention for college attendance program</u>		
4.2	<u>grants.</u>		
4.3	<u>Subd. 10. Information for Students and Parents</u>	<u>122,000</u>	<u>122,000</u>
4.4	<u>Subd. 11. Get Ready!</u>	<u>150,000</u>	<u>150,000</u>
4.5	<u>Subd. 12. Minnesota Education Equity</u>		
4.6	<u>Partnership</u>	<u>45,000</u>	<u>45,000</u>
4.7	<u>Subd. 13. Midwest Higher Education Compact</u>	<u>115,000</u>	<u>115,000</u>
4.8	<u>Subd. 14. United Family Medicine Residency</u>		
4.9	<u>Program</u>	<u>501,000</u>	<u>501,000</u>
4.10	<u>For a grant to United Family Medicine</u>		
4.11	<u>residency program. This appropriation shall</u>		
4.12	<u>be used to support up to 21 resident physicians</u>		
4.13	<u>each year in family practice at United Family</u>		
4.14	<u>Medicine residency programs and shall</u>		
4.15	<u>prepare doctors to practice family care</u>		
4.16	<u>medicine in underserved rural and urban areas</u>		
4.17	<u>of the state. It is intended that this program</u>		
4.18	<u>will improve health care in underserved</u>		
4.19	<u>communities, provide affordable access to</u>		
4.20	<u>appropriate medical care, and manage the</u>		
4.21	<u>treatment of patients in a cost-effective</u>		
4.22	<u>manner.</u>		
4.23	<u>Subd. 15. MnLINK Gateway and Minitex</u>	<u>6,655,000</u>	<u>6,708,000</u>
4.24	<u>Subd. 16. Statewide Longitudinal Education</u>		
4.25	<u>Data System</u>	<u>2,550,000</u>	<u>2,550,000</u>
4.26	<u>Subd. 17. Hennepin Healthcare</u>	<u>645,000</u>	<u>645,000</u>
4.27	<u>For transfer to Hennepin Healthcare for</u>		
4.28	<u>graduate family medical education programs</u>		
4.29	<u>at Hennepin Healthcare.</u>		
4.30	<u>Subd. 18. Campus Sexual Assault Reporting</u>	<u>25,000</u>	<u>25,000</u>
4.31	<u>For the sexual assault reporting required under</u>		
4.32	<u>Minnesota Statutes, section 135A.15.</u>		

5.1	<u>Subd. 19. Campus Sexual Violence Prevention</u>		
5.2	<u>and Response Coordinator</u>	<u>150,000</u>	<u>150,000</u>
5.3	<u>For the Office of Higher Education to staff a</u>		
5.4	<u>campus sexual violence prevention and</u>		
5.5	<u>response coordinator to serve as a statewide</u>		
5.6	<u>resource providing professional development</u>		
5.7	<u>and guidance on best practices for</u>		
5.8	<u>postsecondary institutions. \$50,000 each year</u>		
5.9	<u>is for administrative funding to conduct</u>		
5.10	<u>trainings and provide materials to</u>		
5.11	<u>postsecondary institutions.</u>		
5.12	<u>Subd. 20. Grants to Student Teachers in</u>		
5.13	<u>Shortage Areas</u>	<u>500,000</u>	<u>500,000</u>
5.14	<u>For grants to student teachers in shortage areas</u>		
5.15	<u>under Minnesota Statutes, section 136A.1275.</u>		
5.16	<u>The commissioner may use no more than three</u>		
5.17	<u>percent of the appropriation for administration</u>		
5.18	<u>of the program.</u>		
5.19	<u>Subd. 21. Grants to Underrepresented Student</u>		
5.20	<u>Teachers</u>	<u>1,125,000</u>	<u>1,125,000</u>
5.21	<u>For grants to underrepresented student teachers</u>		
5.22	<u>under Minnesota Statutes, section 136A.1274.</u>		
5.23	<u>The commissioner may use no more than three</u>		
5.24	<u>percent of the appropriation for administration</u>		
5.25	<u>of the program.</u>		
5.26	<u>Subd. 22. Grants for Students with Intellectual</u>		
5.27	<u>and Developmental Disabilities</u>	<u>200,000</u>	<u>200,000</u>
5.28	<u>For grants for students with intellectual and</u>		
5.29	<u>developmental disabilities under Minnesota</u>		
5.30	<u>Statutes, section 136A.1215.</u>		
5.31	<u>Subd. 23. Loan Repayment Assistance Program</u>	<u>55,000</u>	<u>55,000</u>
5.32	<u>For a grant to the Loan Repayment Assistance</u>		
5.33	<u>Program of Minnesota to provide education</u>		
5.34	<u>debt relief to attorneys with full-time</u>		

6.1	<u>employment providing legal advice or</u>		
6.2	<u>representation to low-income clients or support</u>		
6.3	<u>services for this work.</u>		
6.4	<u>Subd. 24. Hunger-Free Campus Grants</u>	<u>1,000,000</u>	<u>1,000,000</u>
6.5	<u>For the Hunger-Free Campus program under</u>		
6.6	<u>Minnesota Statutes, section 135A.137.</u>		
6.7	<u>Subd. 25. Fostering Independence Higher</u>		
6.8	<u>Education Grants</u>	<u>4,416,000</u>	<u>4,416,000</u>
6.9	<u>For grants to eligible students under Minnesota</u>		
6.10	<u>Statutes, section 136A.1241. The Office of</u>		
6.11	<u>Higher Education may use no more than three</u>		
6.12	<u>percent of the appropriation to administer</u>		
6.13	<u>grants.</u>		
6.14	<u>Subd. 26. Student Parent Support Initiative</u>	<u>1,000,000</u>	<u>1,000,000</u>
6.15	<u>For grants to support student parents under</u>		
6.16	<u>Minnesota Statutes, section 136A.1251. Of</u>		
6.17	<u>this amount, up to \$338,000 each year is for</u>		
6.18	<u>administrative and promotional costs.</u>		
6.19	<u>The base for this appropriation is \$0 in fiscal</u>		
6.20	<u>year 2028 and thereafter.</u>		
6.21	<u>Subd. 27. Director of Tribal Relations</u>	<u>143,000</u>	<u>143,000</u>
6.22	<u>Subd. 28. Direct Admissions Program</u>	<u>650,000</u>	<u>650,000</u>
6.23	<u>For the direct admissions program under</u>		
6.24	<u>Minnesota Statutes, section 136A.84.</u>		
6.25	<u>Subd. 29. American Indian Scholars</u>	<u>8,500,000</u>	<u>8,500,000</u>
6.26	<u>To support implementation of Minnesota</u>		
6.27	<u>Statutes, section 135A.121.</u>		
6.28	<u>\$4,032,000 in fiscal year 2026 and \$4,032,000</u>		
6.29	<u>in fiscal year 2027 are for transfer to the Board</u>		
6.30	<u>of Regents of the University of Minnesota.</u>		
6.31	<u>\$4,468,000 in fiscal year 2026 and \$4,468,000</u>		
6.32	<u>in fiscal year 2027 are for transfer to the Board</u>		

7.1 of Trustees of the Minnesota State Colleges
 7.2 and Universities.

7.3 **Subd. 30. Inclusive Higher Education** 250,000 250,000

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

7.8 **Subd. 31. Addiction Medicine Graduate Medical**
 7.9 **Education Fellowship** 270,000 270,000

7.10 (a) For a grant to Hennepin County Medical
 7.11 Center to support up to six physicians enrolled
 7.12 in an addiction medicine fellowship program.
 7.13 If the appropriation for either year is
 7.14 insufficient, the appropriation for the other
 7.15 year is available for it.

7.16 (b) Each year, in order to receive funds under
 7.17 this subdivision, Hennepin County Medical
 7.18 Center must certify to the commissioner the
 7.19 number of physicians actually enrolled in an
 7.20 addiction medicine fellowship for that year.
 7.21 The commissioner shall transfer to Hennepin
 7.22 County Medical Center \$90,000 for each
 7.23 physician enrolled in an addiction medicine
 7.24 fellowship subject to the total funds
 7.25 appropriated by this subdivision.

7.26 (c) This appropriation shall be used to prepare
 7.27 fellows to practice addiction medicine in rural
 7.28 and underserved areas of the state, and to train
 7.29 fellows in: diagnostic interviewing;
 7.30 motivational interviewing; addiction
 7.31 counseling; recognition and care of common
 7.32 acute withdrawal syndromes and
 7.33 complications; pharmacotherapies of addictive
 7.34 disorders; epidemiology and pathophysiology
 7.35 of addiction; identification and treatment of

8.1	<u>addictive disorders in special populations;</u>		
8.2	<u>secondary interventions; the use of screening</u>		
8.3	<u>and diagnostic instruments; inpatient care; and</u>		
8.4	<u>working within a multidisciplinary team.</u>		
8.5	<u>Subd. 32. Unemployment Insurance Aid</u>	<u>158,000</u>	<u>158,000</u>
8.6	<u>For unemployment insurance aid to Tribal</u>		
8.7	<u>colleges under Minnesota Statutes, section</u>		
8.8	<u>268.193. Of the amount appropriated, \$24,000</u>		
8.9	<u>each year is for administration of the</u>		
8.10	<u>unemployment insurance aid.</u>		
8.11	<u>Subd. 33. North Star Promise; Administrative</u>		
8.12	<u>Costs</u>	<u>202,000</u>	<u>202,000</u>
8.13	<u>For administrative and promotion expenses to</u>		
8.14	<u>implement and direct the scholarship awards</u>		
8.15	<u>under Minnesota Statutes, section 136A.1465.</u>		
8.16	<u>Subd. 34. Agency Administration</u>	<u>6,194,000</u>	<u>6,360,000</u>
8.17	<u>Subd. 35. Balances Forward</u>		
8.18	<u>A balance in the first year under this section</u>		
8.19	<u>does not cancel, but is available for the second</u>		
8.20	<u>year.</u>		
8.21	<u>Subd. 36. Transfer Authority</u>		
8.22	<u>The commissioner of the Office of Higher</u>		
8.23	<u>Education may transfer unencumbered</u>		
8.24	<u>balances from the appropriations in this</u>		
8.25	<u>section to the state grant appropriation, the</u>		
8.26	<u>interstate tuition reciprocity appropriation, the</u>		
8.27	<u>child care grant appropriation, the Indian</u>		
8.28	<u>scholarship appropriation, the state work-study</u>		
8.29	<u>appropriation, the get ready appropriation, the</u>		
8.30	<u>intervention for college attendance</u>		
8.31	<u>appropriation, the student-parent information</u>		
8.32	<u>appropriation, the public safety officers'</u>		
8.33	<u>survivors appropriation, and the fostering</u>		
8.34	<u>independence higher education grant program.</u>		

9.1 The commissioner may transfer unencumbered
 9.2 balances from the Hunger-Free Campus
 9.3 appropriations to the emergency assistance for
 9.4 postsecondary students grant. To the extent
 9.5 there is a projected surplus in the appropriation
 9.6 for either the student teachers in shortage areas
 9.7 grant program or the underrepresented student
 9.8 teacher grant program, the commissioner may
 9.9 transfer unencumbered balances between the
 9.10 two programs as needed to meet demand.
 9.11 Transfers from the child care, state
 9.12 work-study, or Hunger-Free Campus
 9.13 appropriations may only be made to the extent
 9.14 there is a projected surplus in the
 9.15 appropriation. A transfer may be made only
 9.16 with prior written notice to the chairs and
 9.17 ranking minority members of the senate and
 9.18 house of representatives committees with
 9.19 jurisdiction over higher education finance.

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

9.23	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>877,939,000</u>	<u>\$</u>	<u>877,950,000</u>
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9.24 The amounts that may be spent for each
 9.25 purpose are specified in the following
 9.26 subdivisions.

9.27	<u>Subd. 2. Central Office and Shared Services</u>				
9.28	<u>Unit</u>		<u>36,401,000</u>		<u>36,401,000</u>

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

9.31	<u>Subd. 3. Operations and Maintenance</u>		<u>836,923,000</u>		<u>836,934,000</u>
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9.32 (a) This appropriation includes \$37,500,000
 9.33 in fiscal year 2026 and \$37,500,000 in fiscal
 9.34 year 2027 for student tuition relief.

- 10.1 (b) \$5,700,000 in fiscal year 2026 and
10.2 \$5,700,000 in fiscal year 2027 are to provide
10.3 supplemental aid for operations and
10.4 maintenance to the president of each two-year
10.5 institution in the system with at least one
10.6 campus that is not located in a metropolitan
10.7 county, as defined in Minnesota Statutes,
10.8 section 473.121, subdivision 4. The board
10.9 shall transfer at least \$158,000 for each
10.10 campus not located in a metropolitan county
10.11 in each year to the president of each institution
10.12 that includes such a campus.
- 10.13 (c) The Board of Trustees is requested to help
10.14 Minnesota close the attainment gap by funding
10.15 activities which improve retention and
10.16 completion for students of color.
- 10.17 (d) \$4,500,000 in fiscal year 2026 and
10.18 \$4,500,000 in fiscal year 2027 are for
10.19 workforce development scholarships under
10.20 Minnesota Statutes, section 136F.38.
- 10.21 (e) \$300,000 in fiscal year 2026 and \$300,000
10.22 in fiscal year 2027 are for transfer to the Cook
10.23 County Higher Education Board to provide
10.24 educational programming, workforce
10.25 development, and academic support services
10.26 to remote regions in northeastern Minnesota.
10.27 The Cook County Higher Education Board
10.28 shall continue to provide information to the
10.29 Board of Trustees on the number of students
10.30 served, credit hours delivered, and services
10.31 provided to students.
- 10.32 (f) \$40,000 in fiscal year 2026 and \$40,000 in
10.33 fiscal year 2027 are to implement the sexual
10.34 assault policies required under Minnesota
10.35 Statutes, section 135A.15.

- 11.1 (g) \$9,500,000 in fiscal year 2026 and
11.2 \$9,500,000 in fiscal year 2027 are for
11.3 enterprise-wide technology, including
11.4 upgrading the Integrated Statewide Record
11.5 System and maintaining enterprise-wide
11.6 technology services.
- 11.7 (h) \$50,000 in fiscal year 2026 and \$50,000
11.8 in fiscal year 2027 are to reduce students'
11.9 out-of-pocket costs by expanding free
11.10 offerings in course materials and resources,
11.11 including through open educational resources,
11.12 open textbooks, and implementation of
11.13 Z-Degrees under Minnesota Statutes, section
11.14 136F.305.
- 11.15 (i) \$3,158,000 in fiscal year 2026 and
11.16 \$3,158,000 in fiscal year 2027 are to expand
11.17 student support services. This appropriation
11.18 provides funding to campuses to address basic
11.19 needs insecurity, mental health, and other
11.20 high-need student support services by
11.21 increasing the amount of available resources
11.22 to students. In addition, this funding provides
11.23 systemwide resources and coordination,
11.24 including electronic connections for peer
11.25 support and professional clinical support for
11.26 mental health. These systemwide resources
11.27 must be available online 24 hours a day, seven
11.28 days a week.
- 11.29 (j) \$883,000 in fiscal year 2026 and \$894,000
11.30 in fiscal year 2027 are for costs associated
11.31 with the increased employer contribution rates
11.32 for the higher education individual retirement
11.33 account plan under Minnesota Statutes, section
11.34 354B.23, subdivision 3.

12.1 (k) \$282,000 the first year and \$282,000 the
 12.2 second year are to pay the cost of supplies and
 12.3 equipment necessary to provide access to
 12.4 menstrual products under Minnesota Statutes,
 12.5 section 135A.1365.

12.6 (l) \$809,000 in fiscal year 2026 and \$809,000
 12.7 in fiscal year 2027 are for unemployment
 12.8 insurance aid under Minnesota Statutes,
 12.9 section 268.193, to institutions within the
 12.10 system.

12.11 (m) \$2,250,000 in fiscal year 2026 and
 12.12 \$2,250,000 in fiscal year 2027 are for direct
 12.13 emergency grants to students. This
 12.14 appropriation must be used for emergency
 12.15 grants to students to meet immediate student
 12.16 needs that could result in a student not
 12.17 completing the term or the program, including
 12.18 but not limited to emergency housing, food,
 12.19 and transportation. Institutions shall minimize
 12.20 any negative impact on student financial aid
 12.21 resulting from the receipt of emergency funds.

12.22	<u>Subd. 4. Learning Network of Minnesota</u>	<u>4,115,000</u>	<u>4,115,000</u>
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12.23	<u>Subd. 5. Juvenile Detention Alternatives</u>		
12.24	<u>Initiative</u>	<u>500,000</u>	<u>500,000</u>

12.25 For transfer to Metropolitan State University.
 12.26 Of this amount: \$280,000 each year is to
 12.27 provide juvenile justice services and resources,
 12.28 including the Juvenile Detention Alternatives
 12.29 Initiative, to Minnesota counties and federally
 12.30 recognized Tribes; and \$220,000 each year is
 12.31 for funding to local units of government,
 12.32 federally recognized Tribes, and agencies to
 12.33 support local Juvenile Detention Alternative
 12.34 Initiatives, including but not limited to
 12.35 alternatives to detention. Any unencumbered

- 14.1 of Family Medicine; (2) the Mobile Dental
14.2 Clinic; and (3) expansion of geriatric
14.3 education and family programs.
- 14.4 (c) \$4,000,000 in fiscal year 2026 and
14.5 \$4,000,000 in fiscal year 2027 are for the
14.6 Minnesota Discovery, Research, and
14.7 InnoVation Economy funding program for
14.8 cancer care research.
- 14.9 (d) \$500,000 in fiscal year 2026 and \$500,000
14.10 in fiscal year 2027 are for the University of
14.11 Minnesota, Morris branch, to cover the costs
14.12 of tuition waivers under Minnesota Statutes,
14.13 section 137.16.
- 14.14 (e) \$1,000,000 in fiscal year 2026 and
14.15 \$1,000,000 in fiscal year 2027 are for
14.16 systemwide safety and security measures on
14.17 University of Minnesota campuses.
- 14.18 (f) \$366,000 in fiscal year 2026 and \$366,000
14.19 in fiscal year 2027 are for unemployment
14.20 insurance aid under Minnesota Statutes,
14.21 section 268.193.
- 14.22 (g) \$110,000 the first year and \$110,000 the
14.23 second year are to pay the cost of supplies and
14.24 equipment necessary to provide access to
14.25 menstrual products under Minnesota Statutes,
14.26 section 135A.1365.
- 14.27 (h) \$1,500,000 in fiscal year 2026 and
14.28 \$1,500,000 in fiscal year 2027 are for
14.29 programs at the University of Minnesota
14.30 Medical School Campus on the CentraCare
14.31 Health System Campus in St. Cloud. This
14.32 appropriation may be used for tuition support,
14.33 a residency program, a rural health research
14.34 program, a program to target scholarships to

15.1 students from diverse backgrounds, and a
 15.2 scholarship program targeted at students who
 15.3 will practice in rural areas. This appropriation
 15.4 must be spent on the CentraCare Health
 15.5 System Campus in the greater St. Cloud area.

15.6 (i) \$750,000 in fiscal year 2026 and \$750,000
 15.7 in fiscal year 2027 are for direct emergency
 15.8 grants to students. This appropriation must be
 15.9 used for emergency grants to students to meet
 15.10 immediate student needs that could result in
 15.11 a student not completing the term or the
 15.12 program, including but not limited to
 15.13 emergency housing, food, and transportation.

15.14 Institutions shall minimize any negative
 15.15 impact on student financial aid resulting from
 15.16 the receipt of emergency funds.

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

15.34 Subd. 3. Primary Care Education Initiatives 2,157,000 2,157,000

16.1 This appropriation is from the health care
 16.2 access fund.

16.3 **Subd. 4. Special Appropriations**

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

16.5 For the Agricultural Experiment Station and
 16.6 the Minnesota Extension Service:

16.7 (1) the agricultural experiment stations and
 16.8 Minnesota Extension Service must convene
 16.9 agricultural advisory groups to focus research,
 16.10 education, and extension activities on producer
 16.11 needs and implement an outreach strategy that
 16.12 more effectively and rapidly transfers research
 16.13 results and best practices to producers
 16.14 throughout the state;

16.15 (2) this appropriation includes funding for
 16.16 research and outreach on the production of
 16.17 renewable energy from Minnesota biomass
 16.18 resources, including agronomic crops, plant
 16.19 and animal wastes, and native plants or trees.

16.20 The following areas should be prioritized and
 16.21 carried out in consultation with Minnesota
 16.22 producers, renewable energy, and bioenergy
 16.23 organizations:

16.24 (i) biofuel and other energy production from
 16.25 perennial crops, small grains, row crops, and
 16.26 forestry products in conjunction with the
 16.27 Natural Resources Research Institute (NRRI);

16.28 (ii) alternative bioenergy crops and cropping
 16.29 systems; and

16.30 (iii) biofuel coproducts used for livestock feed;

16.31 (3) this appropriation includes funding for the
 16.32 College of Food, Agricultural, and Natural
 16.33 Resources Sciences to establish and provide

- 17.1 leadership for organic agronomic,
17.2 horticultural, livestock, and food systems
17.3 research, education, and outreach and for the
17.4 purchase of state-of-the-art laboratory,
17.5 planting, tilling, harvesting, and processing
17.6 equipment necessary for this project;
- 17.7 (4) this appropriation includes funding for
17.8 research efforts that demonstrate a renewed
17.9 emphasis on the needs of the state's agriculture
17.10 community. The following areas should be
17.11 prioritized and carried out in consultation with
17.12 Minnesota farm organizations:
- 17.13 (i) vegetable crop research with priority for
17.14 extending the Minnesota vegetable growing
17.15 season;
- 17.16 (ii) fertilizer and soil fertility research and
17.17 development;
- 17.18 (iii) soil, groundwater, and surface water
17.19 conservation practices and contaminant
17.20 reduction research;
- 17.21 (iv) discovering and developing plant varieties
17.22 that use nutrients more efficiently;
- 17.23 (v) breeding and development of turf seed and
17.24 other biomass resources in all three Minnesota
17.25 biomes;
- 17.26 (vi) development of new disease-resistant and
17.27 pest-resistant varieties of turf and agronomic
17.28 crops;
- 17.29 (vii) utilizing plant and livestock cells to treat
17.30 and cure human diseases;
- 17.31 (viii) the development of dairy coproducts;

18.1 (ix) a rapid agricultural response fund for
 18.2 current or emerging animal, plant, and insect
 18.3 problems affecting production or food safety;
 18.4 (x) crop pest and animal disease research;
 18.5 (xi) developing animal agriculture that is
 18.6 capable of sustainably feeding the world;
 18.7 (xii) consumer food safety education and
 18.8 outreach;
 18.9 (xiii) programs to meet the research and
 18.10 outreach needs of organic livestock and crop
 18.11 farmers; and
 18.12 (xiv) alternative bioenergy crops and cropping
 18.13 systems; and growing, harvesting, and
 18.14 transporting biomass plant material; and
 18.15 (5) by February 1, 2027, the Board of Regents
 18.16 must submit a report to the legislative
 18.17 committees and divisions with jurisdiction
 18.18 over agriculture and higher education finance
 18.19 on the status and outcomes of research and
 18.20 initiatives funded in this paragraph.

18.21 **(b) Health Sciences**

18.22 \$346,000 each year is to support up to 12
 18.23 resident physicians in the St. Cloud Hospital
 18.24 family practice residency program. The
 18.25 program must prepare doctors to practice
 18.26 primary care medicine in rural areas of the
 18.27 state. The legislature intends this program to
 18.28 improve health care in rural communities,
 18.29 provide affordable access to appropriate
 18.30 medical care, and manage the treatment of
 18.31 patients in a more cost-effective manner. The
 18.32 remainder of this appropriation is for the rural
 18.33 physicians associates program; the Veterinary

9,204,0009,204,000

- 19.1 Diagnostic Laboratory; health sciences
 19.2 research; dental care; the Biomedical
 19.3 Engineering Center; and the collaborative
 19.4 partnership between the University of
 19.5 Minnesota and Mayo Clinic for regenerative
 19.6 medicine, research, clinical translation, and
 19.7 commercialization.
- 19.8 **(c) College of Science and Engineering** 1,140,000 1,140,000
 19.9 For the geological survey and the talented
 19.10 youth mathematics program.
- 19.11 **(d) System Special** 7,181,000 7,181,000
 19.12 (1) For general research, the Labor Education
 19.13 Service, Natural Resources Research Institute,
 19.14 Center for Urban and Regional Affairs, Bell
 19.15 Museum of Natural History, and the
 19.16 Humphrey exhibit.
- 19.17 (2) \$2,000,000 in fiscal year 2026 and
 19.18 \$2,000,000 in fiscal year 2027 are for the
 19.19 Natural Resources Research Institute to invest
 19.20 in applied research in natural resource
 19.21 stewardship and economic development to
 19.22 attract and retain top talent; provide matching
 19.23 funds for federal grants; upgrade facilities,
 19.24 equipment, and training; and expand
 19.25 entrepreneurial support and outreach efforts.
- 19.26 **Subd. 5. Academic Health Center**
 19.27 The appropriation for Academic Health Center
 19.28 funding under Minnesota Statutes, section
 19.29 297F.10, is estimated to be \$22,250,000 each
 19.30 year.
- 19.31 **Sec. 5. TRANSFERS.**
 19.32 (a) \$500,000 in fiscal year 2026 and \$500,000 in fiscal year 2027 are transferred from
 19.33 the general fund to the spinal cord and traumatic brain injury grant account in the special

20.1 revenue fund under Minnesota Statutes, section 136A.901, subdivision 1. The commissioner
20.2 may use up to three percent of the amounts transferred under this paragraph to administer
20.3 the program. For fiscal years 2028 through 2031, the commissioner of management and
20.4 budget must include a transfer of \$500,000 each year from the general fund to the spinal
20.5 cord and traumatic brain injury grant account in the special revenue fund under Minnesota
20.6 Statutes, section 136A.901, subdivision 1, when preparing each forecast from the effective
20.7 date of this section through the February 2027 forecast, under Minnesota Statutes, section
20.8 16A.103.

20.9 (b) \$3,882,000 in fiscal year 2026 and \$3,882,000 in fiscal year 2027 are transferred
20.10 from the general fund to the dual training account in the special revenue fund under
20.11 Minnesota Statutes, section 136A.246, subdivision 10. Of the amounts transferred under
20.12 this paragraph:

20.13 (1) \$132,000 each year is for transfer to the Department of Labor and Industry to support
20.14 identification of competency standards and development of dual training programs in the
20.15 transportation and child care industries as required under Minnesota Statutes, section 175.45;
20.16 and

20.17 (2) \$750,000 each year is for grants to employers in the legal cannabis industry. The
20.18 commissioner may use up to six percent of the amounts transferred under this clause to
20.19 administer the program. The commissioner must give priority to applications from employers
20.20 who are, or who are training employees who are, eligible as social equity applicants under
20.21 Minnesota Statutes, section 342.17. After June 30, 2027, any unencumbered balance from
20.22 this transfer may be used for grants to any eligible employer under Minnesota Statutes,
20.23 section 136A.246.

20.24 This transfer is \$3,882,000 in fiscal year 2028 and each year thereafter. For fiscal years
20.25 2028 through 2031, the commissioner of management and budget must include a transfer
20.26 of \$3,882,000 each year from the general fund to the dual training account in the special
20.27 revenue fund under Minnesota Statutes, section 136A.246, subdivision 10, when preparing
20.28 each forecast from the effective date of this section through the February 2027 forecast,
20.29 under Minnesota Statutes, section 16A.103.

20.30 (c) \$325,000 in fiscal year 2026 and \$325,000 in fiscal year 2027 are transferred from
20.31 the general fund to the large animal veterinarian loan forgiveness program account in the
20.32 special revenue fund under Minnesota Statutes, section 136A.1795, subdivision 2. For fiscal
20.33 years 2028 through 2031, the commissioner of management and budget must include a
20.34 transfer of \$325,000 each year from the general fund to the large animal veterinarian loan

21.1 forgiveness program account in the special revenue fund under Minnesota Statutes, section
 21.2 136A.1795, subdivision 2, when preparing each forecast from the effective date of this
 21.3 section through the February 2027 forecast, under Minnesota Statutes, section 16A.103.

21.4 (d) \$45,000 in fiscal year 2026 and \$45,000 in fiscal year 2027 are transferred from the
 21.5 general fund to the agricultural education loan forgiveness account in the special revenue
 21.6 fund under Minnesota Statutes, section 136A.1794, subdivision 2. For fiscal years 2028
 21.7 through 2031, the commissioner of management and budget must include a transfer of
 21.8 \$45,000 each year from the general fund to the agricultural education loan forgiveness
 21.9 account in the special revenue fund under Minnesota Statutes, section 136A.1794, subdivision
 21.10 2, when preparing each forecast from the effective date of this section through the February
 21.11 2027 forecast, under Minnesota Statutes, section 16A.103.

21.12 (e) \$750,000 in fiscal year 2026 and \$750,000 in fiscal year 2027 are transferred from
 21.13 the general fund to the inclusive higher education grant account in the special revenue fund
 21.14 under Minnesota Statutes, section 135A.162, subdivision 4. The commissioner may use up
 21.15 to five percent of the amounts transferred under this paragraph to administer the program.
 21.16 For fiscal years 2028 through 2031, the commissioner of management and budget must
 21.17 include a transfer of \$750,000 each year from the general fund to the inclusive higher
 21.18 education grant account in the special revenue fund under Minnesota Statutes, section
 21.19 135A.162, subdivision 4, when preparing each forecast from the effective date of this section
 21.20 through the February 2027 forecast, under Minnesota Statutes, section 16A.103.

21.21 (f) \$49,500,000 in fiscal year 2026 and \$49,500,000 in fiscal year 2027 are transferred
 21.22 from the general fund to the account in the special revenue fund for North Star Promise
 21.23 scholarships under Minnesota Statutes, section 136A.1465, subdivision 8. For fiscal years
 21.24 2028 through 2031, the commissioner of management and budget must include a transfer
 21.25 of \$49,500,000 each year from the general fund to the account in the special revenue fund
 21.26 for North Star Promise scholarships under Minnesota Statutes, section 136A.1465,
 21.27 subdivision 8, when preparing each forecast from the effective date of this section through
 21.28 the February 2027 forecast, under Minnesota Statutes, section 16A.103.

21.29 **Sec. 6. CANCELLATION; ALS RESEARCH.**

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

22.1 Sec. 7. **REPEALER.**

22.2 (a) Laws 2022, chapter 42, section 2, as amended by Laws 2024, chapter 124, article 1,
 22.3 section 1, and Laws 2024, chapter 127, article 34, section 1, is repealed.

22.4 (b) Minnesota Statutes 2024, sections 136A.091; 136A.1788; 136A.1789; 136A.1791,
 22.5 subdivisions 1, 2, 3a, 4, 5, 6, 7, 8, 9, and 10; and 136A.91, are repealed.

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

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

22.11 **ARTICLE 2**22.12 **HIGHER EDUCATION PROVISIONS**

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

22.14 Subdivision 1. **Statement of missions.** (a) The legislature recognizes each type of public
 22.15 postsecondary institution to have a distinctive mission within the overall provision of public
 22.16 higher education in the state and a responsibility to cooperate with each other. These missions
 22.17 are as follows:

22.18 (1) the technical colleges shall offer vocational training and education to prepare students
 22.19 for skilled occupations that do not require a baccalaureate degree;

22.20 (2) the community colleges shall offer lower division instruction in academic programs,
 22.21 occupational programs in which all credits earned will be accepted for transfer to a
 22.22 baccalaureate degree in the same field of study, and remedial studies, for students transferring
 22.23 to baccalaureate institutions and for those seeking associate degrees;

22.24 (3) consolidated community technical colleges shall offer the same types of instruction,
 22.25 programs, certificates, diplomas, and degrees as the technical colleges and community
 22.26 colleges offer;

22.27 (4) the state universities shall offer undergraduate and graduate instruction through the
 22.28 master's degree, including specialist certificates, in the liberal arts and sciences and
 22.29 professional education, and may offer applied doctoral degrees in education, business,
 22.30 psychology, physical therapy, audiology, cybersecurity, and nursing; and

23.1 (5) the University of Minnesota shall offer undergraduate, graduate, and professional
 23.2 instruction through the doctoral degree, and shall be the primary state supported academic
 23.3 agency for research and extension services.

23.4 (b) It is part of the mission of each system that within the system's resources the system's
 23.5 governing board and chancellor or president shall endeavor to:

23.6 (1) prevent the waste or unnecessary spending of public money;

23.7 (2) use innovative fiscal and human resource practices to manage the state's resources
 23.8 and operate the system as efficiently as possible;

23.9 (3) coordinate the system's activities wherever appropriate with the activities of the other
 23.10 system and governmental agencies;

23.11 (4) use technology where appropriate to increase system productivity, improve customer
 23.12 service, increase public access to information about the system, and increase public
 23.13 participation in the business of the system;

23.14 (5) utilize constructive and cooperative labor-management practices to the extent
 23.15 otherwise required by chapters 43A and 179A; and

23.16 (6) recommend to the legislature appropriate changes in law necessary to carry out the
 23.17 mission of the system.

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

23.19 **135A.137 HUNGER-FREE CAMPUS DESIGNATION.**

23.20 Subdivision 1. **Establishment.** (a) A Hunger-Free Campus designation is established
 23.21 for public postsecondary institutions ~~and for~~₂ nonprofit degree-granting institutions physically
 23.22 located in Minnesota and registered with the Office of Higher Education under section
 23.23 136A.63, and Tribal colleges. In order to be awarded the designation, an institution must
 23.24 meet the following minimum criteria:

23.25 (1) have an established on-campus food pantry or partnership with a local food bank to
 23.26 provide regular, on-campus food distributions;

23.27 (2) provide information to students on SNAP, MFIP, and other programs that reduce
 23.28 food insecurity. The institution shall notify students in work-study employment of their
 23.29 potential eligibility for SNAP benefits and provide information to those students that includes
 23.30 eligibility criteria and how to apply for benefits;

23.31 (3) hold or participate in one hunger awareness event per academic year;

24.1 (4) have an established emergency assistance grant that is available to students; and

24.2 (5) establish a hunger task force that meets a minimum of three times per academic year.

24.3 The task force must include at least two students currently enrolled at the institution.

24.4 (b) Each institution must reapply at least every four years to maintain the designation.

24.5 Subd. 2. **Designation approval.** The commissioner, in collaboration with the student
 24.6 advisory council under section 136A.031, shall create an application process for institutions
 24.7 applying for grant funds the designation. The commissioner, in collaboration with the student
 24.8 advisory council, shall review applications ~~and make recommendations to the commissioner.~~
 24.9 The student advisory council may provide recommendations to the commissioner, but the
 24.10 commissioner shall have final approval for the designation and the award amount.

24.11 Subd. 3. **Competitive grant.** ~~(a) Institutions eligible for a grant under this subdivision~~
 24.12 ~~include public postsecondary institutions, nonprofit private postsecondary institutions, and~~
 24.13 ~~Tribal colleges.~~

24.14 ~~(b)~~ (a) The commissioner shall establish a competitive grant program to distribute grants
 24.15 ~~to eligible institutions~~ public postsecondary institutions, nonprofit postsecondary institutions,
 24.16 and Tribal colleges to meet and maintain the requirements for the Hunger-Free Campus
 24.17 designation under subdivision 1, paragraph (a) this section. Initial grants shall be made to
 24.18 institutions that have not earned the designation and demonstrate a need for funding to meet
 24.19 the Hunger-Free Campus designation requirements. Sustaining grants shall be made to
 24.20 institutions that have earned the designation and demonstrate both a partnership with a local
 24.21 food bank or organization that provides regular, on-campus food distributions and a need
 24.22 for funds to maintain the requirements under subdivision 1, paragraph (a).

24.23 ~~(e)~~ (b) In awarding competitive grants, the commissioner ~~shall give preference to~~
 24.24 ~~applications for initial grants and to applications from institutions with the highest number~~
 24.25 ~~of federal Pell Grant eligible students enrolled. The commissioner shall consider the head~~
 24.26 ~~count at the institution when awarding grants. The maximum grant award for an initial~~
 24.27 ~~institution designation is \$25,000. The maximum grant award for sustaining an institution~~
 24.28 ~~designation is \$15,000.~~ must consider, among other factors:

24.29 (1) the number of federal Pell Grant eligible students enrolled in the last academic year
 24.30 at the institution; and

24.31 (2) the total number of students enrolled at the institution.

25.1 ~~(d)~~ (c) The commissioner, in collaboration with ~~student associations representing eligible~~
 25.2 ~~institutions~~ the Student Advisory Council under section 136A.031, shall create an application
 25.3 process and establish selection criteria for awarding the grants.

25.4 ~~(e) No more than 20 percent of the total grant awards each fiscal year shall be for grants~~
 25.5 ~~to nonprofit private postsecondary institutions.~~

25.6 Subd. 3a. **Grant amounts.** (a) The maximum grant amount for an initial grant is \$25,000
 25.7 per fiscal year.

25.8 (b) The maximum grant amount for a sustaining grant is \$15,000 per fiscal year.

25.9 (c) Eligible institutions may only receive one initial grant.

25.10 (d) If grant requests exceed the amount of available money, no more than 20 percent of
 25.11 the total grant awards shall be for grants to nonprofit private postsecondary institutions.

25.12 Subd. 4. ~~Grant requirements~~ **Match required.** (a) An eligible institution that receives
 25.13 a grant under subdivision 3 must: match at least 50 percent of the grant amount awarded
 25.14 with money or in-kind resources.

25.15 ~~(1) use the grant funds to meet or maintain the minimum criteria of a hunger-free campus~~
 25.16 ~~designation under subdivision 1; and~~

25.17 ~~(2) match at least 50 percent of the grant amount awarded with funds or in-kind resources.~~

25.18 ~~(b) In addition to the requirements of paragraph (a), in order to receive a sustaining grant,~~
 25.19 ~~an institution must demonstrate a partnership with a local food bank or organization or other~~
 25.20 ~~source of funding that ensures regular, on-campus distributions.~~

25.21 Sec. 3. Minnesota Statutes 2024, section 135A.15, subdivision 2a, is amended to read:

25.22 Subd. 2a. ~~Campus investigation and disciplinary hearing procedures~~ **sexual**
 25.23 **misconduct grievance procedures.** (a) A postsecondary institution must provide a reporting
 25.24 party an opportunity for an impartial, timely, and thorough investigation of a report of sexual
 25.25 misconduct against a student. If an investigation reveals that sexual misconduct has occurred,
 25.26 the institution must take prompt and effective steps reasonably calculated to end the sexual
 25.27 misconduct, prevent its recurrence, and, as appropriate, remedy its effects.

25.28 (b) An institution must offer and coordinate academic and residential supportive measures
 25.29 as needed and equitably to both the reporting and responding parties participating in a
 25.30 campus sexual misconduct grievance process, including but not limited to exam or assignment
 25.31 extensions, permitted class absence, a change in on-campus residence, and schedule changes.

26.1 (c) An institution must allow the reporting and responding parties to present and review
26.2 relevant evidence. Testimony by the parties and witnesses must be compiled in an
26.3 investigative report.

26.4 (d) Throughout any investigation or disciplinary proceeding, a ~~postsecondary~~ an
26.5 institution must treat the reporting parties, responding parties, witnesses, and other
26.6 participants in the proceeding with dignity and respect.

26.7 (~~e~~) (e) If a ~~postsecondary~~ an institution conducts a hearing, an ~~advisor~~ the reporting and
26.8 responding parties may provide opening and closing remarks, or a party's advisor may
26.9 provide opening or closing remarks on behalf of a the party or assist with formulating
26.10 questions to the other party or witnesses about ~~related~~ relevant evidence or credibility.

26.11 (f) An institution must allow equal opportunity during the hearing for the reporting and
26.12 responding parties to consult an additional support person other than the party's advisor,
26.13 such as an advocate, if requested and deemed appropriate by the Title IX coordinator or
26.14 designee.

26.15 (g) The reporting and responding parties must be given equal opportunity to question
26.16 the credibility of the other party and witnesses through a live hearing or questioning by a
26.17 decision-maker, pursuant to paragraph (i).

26.18 (h) If an institution allows for cross-examination of witnesses and parties, the reporting
26.19 party and the responding party are not permitted to personally cross-examine each other or
26.20 any witnesses. Any cross-examination must be performed by the party's advisor or an
26.21 adjudicator of the campus disciplinary proceeding.

26.22 (i) An institution must appoint a decision-maker or panel of decision-makers who are
26.23 not the investigator to assess the credibility of the reporting party, the responding party, and
26.24 any other witnesses through a live hearing or direct questioning.

26.25 (j) If the facts and circumstances rise to a policy violation, an institution must proceed
26.26 with the campus sexual misconduct grievance process concurrently with a criminal
26.27 investigation if requested by the reporting party.

26.28 (k) Personal information of the reporting party such as character witness or sexual
26.29 behavior of the reporting party is allowable if the information is deemed relevant by the
26.30 decision-maker and if the information substantiates that the misconduct may have occurred.
26.31 Mental health and medical information of the reporting party may be considered if: (1) a
26.32 release is signed by the reporting party; and (2) nonrelevant information is redacted. If a

27.1 responding party is found responsible, medical and mental health information of the reporting
 27.2 party may be considered to determine sanctions.

27.3 (l) Questions and evidence about the reporting party's sexual predisposition or prior
 27.4 sexual behavior are not considered relevant unless such questions and evidence: (1) are
 27.5 offered to prove that someone other than the responding party committed the alleged conduct;
 27.6 or (2) concern specific incidents of the reporting party's prior sexual behavior with respect
 27.7 to the responding party and are offered to prove consent.

27.8 (m) The responding and reporting parties may discuss the investigation and disciplinary
 27.9 proceedings with an advisor of choice, the party's parents, or an authorized legal guardian.

27.10 (n) An institution must deliver the outcome of the grievance process simultaneously to
 27.11 the reporting and responding parties.

27.12 (o) An institution must inform the reporting and responding parties no later than 24
 27.13 hours before a decision is rendered regarding the timeline of the outcome's release. Alongside
 27.14 the notice of the outcome, an institution must offer community mental health and, if
 27.15 applicable, on-campus resources equitably to a reporting and responding party. The outcome
 27.16 must not be delivered to a reporting or responding party at the end of the day or on a weekend
 27.17 or holiday to ensure that the reporting and responding parties may access supportive services.

27.18 (p) Institutions must have a policy prohibiting retaliation that specifies what constitutes
 27.19 retaliation and possible actions for students and employees if retaliation occurs. Retaliation
 27.20 against the reporting party, responding party, or witnesses resulting from a person's
 27.21 participation in a campus sexual misconduct investigation is prohibited.

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

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

27.24 **135A.1582 PROTECTIONS FOR PREGNANT AND PARENTING STUDENTS.**

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

27.27 (b) "Parenting student" means a student enrolled at a public college or university who
 27.28 is the parent or legal guardian of or can claim as a dependent a child under the age of 18.

27.29 (c) "Pregnancy or related conditions" has the meaning given in Code of Federal
 27.30 Regulations, title 34, section 106.2.

27.31 (d) "Postsecondary institution" means an institution governed by the Board of Trustees
 27.32 of the Minnesota State Colleges and Universities or a private postsecondary institution that

28.1 offers in-person courses on a campus located in Minnesota and is an eligible institution as
28.2 defined in section 136A.103. Institutions governed by the Board of Regents of the University
28.3 of Minnesota are requested to comply with this section.

28.4 Subd. 2. **Rights and protections.** (a) A ~~Minnesota state college or university~~
28.5 postsecondary institution may not require and the University of Minnesota is requested not
28.6 to require a pregnant or parenting student, solely because of the student's status as a pregnant
28.7 or parenting student or due to issues related to the student's pregnancy or parenting, to:

28.8 (1) take a leave of absence or withdraw from the student's degree or certificate program;

28.9 (2) limit the student's studies;

28.10 (3) participate in an alternative program;

28.11 (4) change the student's major, degree, or certificate program; or

28.12 (5) refrain from joining or cease participating in any course, activity, or program at the
28.13 college or university.

28.14 (b) A ~~Minnesota state college or university~~ postsecondary institution shall provide and
28.15 the University of Minnesota is requested to provide reasonable modifications to a pregnant
28.16 student, including modifications that:

28.17 (1) would be provided to a student with a temporary medical condition; or

28.18 (2) are related to the health and safety of the student and the student's unborn child, such
28.19 as allowing the student to maintain a safe distance from substances, areas, and activities
28.20 known to be hazardous to pregnant women or unborn children.

28.21 (c) A ~~Minnesota state college or university~~ postsecondary institution must and the
28.22 University of Minnesota is requested to, for reasons related to a student's pregnancy,
28.23 childbirth, or any resulting medical status or condition:

28.24 (1) excuse the student's absence;

28.25 (2) allow the student to make up missed assignments or assessments;

28.26 (3) allow the student additional time to complete assignments in the same manner as the
28.27 institution allows for a student with a temporary medical condition; and

28.28 (4) provide the student with access to instructional materials and video recordings of
28.29 lectures for classes for which the student has an excused absence under this section to the
28.30 same extent that instructional materials and video recordings of lectures are made available
28.31 to any other student with an excused absence.

29.1 (d) A ~~Minnesota state college or university~~ postsecondary institution must and the
 29.2 University of Minnesota is requested to allow a pregnant or parenting student to:

29.3 (1) take a leave of absence; and

29.4 (2) if in good academic standing at the time the student takes a leave of absence, return
 29.5 to the student's degree or certificate program in good academic standing without being
 29.6 required to reapply for admission.

29.7 (e) If a ~~public college or university~~ postsecondary institution provides early registration
 29.8 for courses or programs at the institution for any group of students, the ~~Minnesota state~~
 29.9 ~~college or university~~ institution must provide and the University of Minnesota is requested
 29.10 to provide early registration for those courses or programs for pregnant or parenting students
 29.11 in the same manner.

29.12 Subd. 3. **Policy on discrimination.** Each ~~Minnesota state college or university~~
 29.13 postsecondary institution must adopt and the University of Minnesota is requested to adopt
 29.14 a policy for students on pregnancy and parenting discrimination. The policy must:

29.15 (1) include the contact information of the Title IX coordinator who is the designated
 29.16 point of contact for a student requesting each protection or modification under this section.
 29.17 Contact information must include the Title IX coordinator's name, phone number, email,
 29.18 and office;

29.19 (2) be posted in an easily accessible, straightforward format on the college or university's
 29.20 website; and

29.21 (3) be made available annually to faculty, staff, and employees of the college or
 29.22 university.

29.23 Subd. 4. **Administration.** The commissioner of the Office of Higher Education must,
 29.24 in consultation with the Board of Trustees of the Minnesota State Colleges and Universities
 29.25 ~~and~~, the Board of Regents of the University of Minnesota, and other relevant stakeholders,
 29.26 establish guidelines, as necessary, to administer this section. The guidelines must establish
 29.27 minimum periods for which a pregnant or parenting student must be given a leave of absence
 29.28 under subdivision 2, paragraph (d). In establishing the minimum periods, the Office of
 29.29 Higher Education shall consider the maximum amount of time a student may be absent
 29.30 without significantly interfering with the student's ability to complete the student's degree
 29.31 or certificate program.

30.1 Sec. 5. Minnesota Statutes 2024, section 136A.01, is amended by adding a subdivision to
30.2 read:

30.3 Subd. 4. **Treatment of appropriations.** (a) The office may retain up to ten percent of
30.4 competitively awarded grants if another amount is not already designated as administrative
30.5 funding in the appropriation.

30.6 (b) Notwithstanding section 16A.28, beginning in fiscal year 2025, the office may carry
30.7 forward unexpended and unencumbered nongrant operating appropriations from the second
30.8 year of a biennium into the next biennium.

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

30.11 (a) The commissioner of the Office of Higher Education must report annually by February
30.12 15, to the chairs and ranking minority members of the legislative committees with jurisdiction
30.13 over higher education, on the details of programs administered under sections 135A.137,
30.14 136A.1251, 136A.1794, 136A.1795, 136A.246, 136A.861, and 136A.901, including the
30.15 following, where applicable:

30.16 (1) organizations receiving grant awards;

30.17 (2) grant award amounts and utilization rates;

30.18 (3) grant program activities, goals, and outcomes;

30.19 (4) grant matching sources and funding levels;

30.20 (5) number and amount of loan repayment awards disbursed; and

30.21 (6) demographic data of loan repayment program participants.

30.22 (b) The commissioner must report any additional data and outcomes relevant to the
30.23 evaluation of programs administered under sections 135A.137, 136A.1251, 136A.1794,
30.24 136A.1795, 136A.246, 136A.861, and 136A.901, and as evidenced by activities funded
30.25 under each program.

30.26 Sec. 7. Minnesota Statutes 2024, section 136A.101, subdivision 5a, is amended to read:

30.27 Subd. 5a. **Assigned family responsibility.** (a) "Assigned family responsibility" means
30.28 the amount of a family's contribution to a student's cost of attendance, as determined by a
30.29 federal need analysis. For dependent students, the assigned family responsibility is 79 percent
30.30 of the parental contribution. ~~If the parental contribution is less than \$0, the assigned family~~
30.31 ~~responsibility is 100 percent of the parental contribution.~~ For independent students with

31.1 dependents other than a spouse, the assigned family responsibility is 71 percent of the student
 31.2 contribution. For independent students without dependents other than a spouse, the assigned
 31.3 family responsibility is 35 percent of the student contribution.

31.4 (b) Notwithstanding paragraph (a), if the parental contribution for dependent students
 31.5 or the student contribution for independent students is less than \$0, the assigned family
 31.6 responsibility is 100 percent of the student contribution \$0.

31.7 (c) For a student registering for less than full time, the office shall prorate the assigned
 31.8 family responsibility using the ratio of the number of credits the student is enrolled in to
 31.9 the number of credits for full-time enrollment.

31.10 Sec. 8. Minnesota Statutes 2024, section 136A.103, is amended to read:

31.11 **136A.103 INSTITUTION ELIGIBILITY REQUIREMENTS.**

31.12 Subdivision 1. Eligibility. (a) A postsecondary institution is eligible for state student
 31.13 aid and to receive state student aid on behalf of students under this chapter 136A and sections
 31.14 197.791 and 299A.45, if the institution is located in this state and:

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

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

31.18 (b) A private institution must:

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

31.21 ~~(2)~~ (1) be licensed or registered as a postsecondary institution by the office; and

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

31.24 (2) meet one of the following criteria:

31.25 (i) the institution participates in the federal Pell Grant program under Title IV of the
 31.26 Higher Education Act of 1965, Public Law 89-329, as amended;

31.27 (ii) if an the institution:

31.28 (A) was participating in state student aid programs as of June 30, 2010, and the institution
 31.29 did but does not participate in the federal Pell Grant program by June 30, 2010, the institution
 31.30 must require every student who enrolls to sign a disclosure form, provided by the office,

32.1 ~~stating that the institution is not participating in the federal Pell Grant program.~~ under Title
 32.2 IV of the Higher Education Act of 1965, Public Law 89-329, as amended;

32.3 (B) requires every student who enrolls to sign a disclosure form, provided by the office,
 32.4 stating that the institution is not participating in the federal Pell Grant program; and

32.5 (C) has not had a change in ownership as defined in section 136A.63, subdivision 2; or

32.6 ~~(e) An (iii) the institution that offers only graduate-level degrees or graduate-level~~
 32.7 ~~nondegree programs is an eligible institution if the institution is licensed or registered as a~~
 32.8 ~~postsecondary institution by the office and participates in federal financial aid under Title~~
 32.9 ~~IV of the Higher Education Act of 1965, Public Law 89-329, as amended.~~

32.10 ~~(d) (c) An eligible institution under paragraph (b), clause (3), item (ii) (2), that changes~~
 32.11 ~~ownership as defined in section 136A.63, subdivision 2, must participate in the federal Pell~~
 32.12 ~~Grant program within four calendar years of the first ownership change to continue eligibility~~
 32.13 ~~remains eligible for state student aid for six months following the change in ownership.~~

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

32.18 ~~(f) An institution must maintain adequate administrative and financial standards and~~
 32.19 ~~compliance with all state statutes, rules, and administrative policies related to state financial~~
 32.20 ~~aid programs.~~

32.21 ~~(g) The office may terminate a postsecondary institution's eligibility to participate in~~
 32.22 ~~state student aid programs if the institution is~~

32.23 Subd. 2. **Ineligibility.** A postsecondary institution otherwise eligible for state student
 32.24 aid under this chapter and sections 197.791 and 299A.45 becomes ineligible if the institution:

32.25 (1) fails to maintain adequate compliance with administrative and financial standards
 32.26 and compliance with all state statutes, rules, and administrative policies related to state
 32.27 financial aid programs; or

32.28 (2) has been terminated from participating in federal financial aid programs by the United
 32.29 States Department of Education for a violation of laws, regulations, or participation
 32.30 agreements governing federal financial aid programs.

33.1 Sec. 9. Minnesota Statutes 2024, section 136A.121, subdivision 9, is amended to read:

33.2 Subd. 9. **Awards.** An undergraduate student who meets the office's requirements is
33.3 eligible to apply for and receive a grant in any year of undergraduate study unless the student
33.4 has obtained a baccalaureate degree or previously has received a state grant award for ~~180~~
33.5 120 credits or the equivalent, excluding (1) courses taken from a Minnesota school or
33.6 postsecondary institution which is not participating in the state grant program and from
33.7 which a student transferred no credit, and (2) courses taken that qualify as developmental
33.8 education or below college-level. A student enrolled in a two-year program at a four-year
33.9 institution is only eligible for the tuition and fee maximums established by law for two-year
33.10 institutions.

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

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

33.13 (1) "eligible student" means a resident student under section 136A.101, subdivision 8,
33.14 who is enrolled in any public postsecondary educational institution or Tribal college and
33.15 who meets the eligibility requirements in subdivision 2;

33.16 (2) "gift aid" includes:

33.17 (i) all federal financial aid that is not a loan or pursuant to a work-study program;

33.18 (ii) state financial aid, unless designated for other expenses, that is not a loan or pursuant
33.19 to a work-study program;

33.20 (iii) institutional financial aid, including a grant, scholarship, tuition waiver, fellowship
33.21 stipend, or other payment, unless designated for other expenses, that is not a loan or pursuant
33.22 to a work-study program; and

33.23 (iv) all private financial aid that is not a loan or pursuant to a work-study program.

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

33.27 (3) "other expenses" includes books, required supplies, child care, emergency assistance,
33.28 food, and housing;

33.29 (4) "public postsecondary educational institution" means an institution operated by this
33.30 state, or the Board of Regents of the University of Minnesota;

34.1 (5) "recognized cost of attendance" has the meaning given in United States Code, title
34.2 20, chapter 28, subchapter IV, part F, section 10871l;

34.3 (6) "Tribal college" means a college defined in section 136A.1796, subdivision 1,
34.4 paragraph ~~(e)~~ (d); and

34.5 (7) "tuition and fees" means the ~~actual~~ eligible resident tuition and mandatory fees
34.6 charged by an institution.

34.7 Sec. 11. Minnesota Statutes 2024, section 136A.1465, is amended by adding a subdivision
34.8 to read:

34.9 Subd. 1a. **Resident tuition.** (a) The Board of Regents of the University of Minnesota is
34.10 requested to adopt a policy to charge resident tuition rates for all students eligible for North
34.11 Star Promise.

34.12 (b) The Board of Trustees of Minnesota State Colleges and Universities must adopt a
34.13 policy to charge resident tuition rates for all students eligible for North Star Promise.

34.14 Sec. 12. Minnesota Statutes 2024, section 136A.1465, subdivision 2, is amended to read:

34.15 Subd. 2. **Conditions for eligibility.** A scholarship may be awarded to an eligible student
34.16 who:

34.17 (1) has completed the Free Application for Federal Student Aid (FAFSA) or the state
34.18 aid application;

34.19 (2) has a family adjusted gross income below \$80,000;

34.20 (3) is a graduate of a secondary school or its equivalent, or is 17 years of age or over
34.21 and has met all requirements for admission as a student to an eligible college or university;

34.22 (4) has not ~~earned a~~ completed the degree requirements for the first baccalaureate degree
34.23 at the time the scholarship is awarded;

34.24 (5) is enrolled in at least one credit per fall, spring, or summer semester;

34.25 (6) is enrolled in a program or course of study that applies to a degree, diploma, or
34.26 certificate;

34.27 (7) is not in default, as defined by the office, of any federal or state student educational
34.28 loan;

34.29 (8) is not more than 30 days in arrears in court-ordered child support that is collected or
34.30 enforced by the public authority responsible for child support enforcement or, if the applicant

35.1 is more than 30 days in arrears in court-ordered child support that is collected or enforced
 35.2 by the public authority responsible for child support enforcement, but is complying with a
 35.3 written payment agreement under section 518A.69 or order for arrearages;

35.4 (9) has not been convicted of or pled nolo contendere or guilty to a crime involving
 35.5 fraud in obtaining federal Title IV funds within the meaning of Code of Federal Regulations,
 35.6 subtitle B, chapter VI, part 668, subpart C; and

35.7 (10) is meeting satisfactory academic progress as defined in section 136A.101, subdivision
 35.8 10.

35.9 Sec. 13. Minnesota Statutes 2024, section 136A.155, is amended to read:

35.10 **136A.155 ADDITIONAL INSTITUTION ELIGIBILITY REQUIREMENTS.**

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

35.13 (1) meets the eligibility requirements under section 136A.103; or

35.14 (2) is operated publicly or privately in another state, and is approved by the United States
 35.15 Secretary of Education, ~~and, as determined by the office, maintains academic standards~~
 35.16 ~~substantially equal to those of comparable institutions operated in this state.~~

35.17 Sec. 14. Minnesota Statutes 2024, section 136A.162, is amended to read:

35.18 **136A.162 CLASSIFICATION OF DATA.**

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

35.22 (b) Data on applicants may be disclosed to the commissioner of children, youth, and
 35.23 families to the extent necessary to determine eligibility under section 136A.121, subdivision
 35.24 2, clause (5).

35.25 (c) The following data collected in the Minnesota supplemental loan program under
 35.26 sections 136A.1701 and 136A.1704 may be disclosed to a consumer credit reporting agency
 35.27 only if the borrower and the cosigner give informed consent, according to section 13.05,
 35.28 subdivision 4, at the time of application for a loan:

35.29 (1) the lender-assigned borrower identification number;

35.30 (2) the name and address of borrower;

- 36.1 (3) the name and address of cosigner;
- 36.2 (4) the date the account is opened;
- 36.3 (5) the outstanding account balance;
- 36.4 (6) the dollar amount past due;
- 36.5 (7) the number of payments past due;
- 36.6 ~~(8) the number of late payments in previous 12 months;~~
- 36.7 ~~(9)~~ (8) the type of account;
- 36.8 ~~(10)~~ (9) the responsibility for the account; and
- 36.9 ~~(11)~~ (10) the status or remarks code.

36.10 Sec. 15. Minnesota Statutes 2024, section 136A.1701, subdivision 4, is amended to read:

36.11 Subd. 4. **Terms and conditions of loans.** ~~(a)~~ The office may loan money upon such
 36.12 terms and conditions as the office may prescribe. Annually, the office must determine the
 36.13 minimum loan amount, the maximum loan amount based on program type, the maximum
 36.14 cumulative amount for each program type, and the maximum lifetime limit for an individual.
 36.15 The annual amount of the loan must not exceed the cost of attendance as determined by the
 36.16 eligible institution less all other financial aid.

36.17 ~~(b) The minimum loan amount and a maximum loan amount to students must be~~
 36.18 ~~determined annually by the office. Loan limits are defined based on the type of program~~
 36.19 ~~enrollment, such as a certificate, an associate's degree, a bachelor's degree, or a graduate~~
 36.20 ~~program. The aggregate principal amount of all loans made subject to this paragraph to a~~
 36.21 ~~student as an undergraduate and graduate student must not exceed \$140,000. The amount~~
 36.22 ~~of the loan must not exceed the cost of attendance as determined by the eligible institution~~
 36.23 ~~less all other financial aid, including PLUS loans or other similar parent loans borrowed on~~
 36.24 ~~the student's behalf. A student may borrow up to the maximum amount twice in the same~~
 36.25 ~~grade level.~~

36.26 ~~(c) The cumulative borrowing maximums must be determined annually by the office~~
 36.27 ~~and are defined based on program enrollment. In determining the cumulative borrowing~~
 36.28 ~~maximums, the office shall, among other considerations, take into consideration the maximum~~
 36.29 ~~SELF loan amount, student financing needs, funding capacity for the SELF program,~~
 36.30 ~~delinquency and default loss management, and current financial market conditions.~~

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

37.2 **136A.1796 TRIBAL COLLEGE SUPPLEMENTAL GRANT ASSISTANCE.**

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

37.5 (b) "Beneficiary student" means a resident of Minnesota who is enrolled in a certificate,
37.6 diploma, or degree program in a Tribally controlled college and is an enrolled member of
37.7 a federally recognized Indian Tribe.

37.8 ~~(b)~~ (c) "Nonbeneficiary student" means a resident of Minnesota who is enrolled in a
37.9 certificate, diploma, or degree program in a Tribally controlled college but is not an enrolled
37.10 member of a federally recognized Indian Tribe.

37.11 ~~(c)~~ (d) "Tribally controlled college" means an accredited institution of higher education
37.12 located in this state that is formally controlled by or has been formally sanctioned or chartered
37.13 by the governing body of a federally recognized Indian Tribe, or a combination of federally
37.14 recognized Indian Tribes. Tribally controlled college does not include any institution or
37.15 campus subject to the jurisdiction of the Board of Trustees of the Minnesota State Colleges
37.16 and Universities or the Board of Regents of the University of Minnesota.

37.17 Subd. 2. **Eligibility; grant assistance.** (a) A Tribally controlled college is eligible to
37.18 receive supplemental grant assistance from the office, as provided in this section, for
37.19 beneficiary and nonbeneficiary student enrollment if the college is not otherwise eligible
37.20 to receive federal grant funding for those students under United States Code, title 25, section
37.21 1808.

37.22 (b) The office shall make grants to Tribally controlled colleges to defray the costs of
37.23 education associated with the enrollment of beneficiary and nonbeneficiary students. Grants
37.24 made pursuant to this section must be provided directly to the recipient college.

37.25 Subd. 3. **Grant application.** To receive a grant under this section, a Tribally controlled
37.26 college must submit an application in the manner required by the office. Upon submission
37.27 of a completed application indicating that the Tribally controlled college is eligible, the
37.28 office shall distribute to the college, during each year of the biennium, a grant of \$5,300
37.29 for each beneficiary and nonbeneficiary student on a full-time equivalent basis. If the amount
37.30 appropriated for grants under this section is insufficient to cover the total amount of grant
37.31 eligibility, the office shall distribute a prorated amount per beneficiary and nonbeneficiary
37.32 student on a full-time equivalent basis.

38.1 Subd. 4. **Reporting by recipient institutions.** Each Tribally controlled college receiving
 38.2 a grant under this section shall provide to the office, on an annual basis, an accurate and
 38.3 detailed account of the expenditures of the grant funds received by the college, and a copy
 38.4 of the college's most recent audit report and documentation of the enrollment status and
 38.5 ethnic status of each beneficiary and nonbeneficiary student for which grant assistance is
 38.6 sought under this section.

38.7 Sec. 17. Minnesota Statutes 2024, section 136A.246, subdivision 1a, is amended to read:

38.8 Subd. 1a. **Definitions.** (a) The terms defined in this subdivision apply to this section.

38.9 (b) "Competency standard" has the meaning given in section 175.45, subdivision 2.

38.10 (c) "Eligible training" means training provided by an eligible training provider that:

38.11 (1) includes training to meet one or more identified competency standards;

38.12 (2) is instructor-led for a majority of the training; and

38.13 (3) results in the employee receiving an industry-recognized accredited degree, certificate,
 38.14 or credential.

38.15 (d) "Eligible training provider" means an institution:

38.16 (1) operated by the Board of Trustees of the Minnesota State Colleges and Universities
 38.17 or the Board of Regents of the University of Minnesota;

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

38.19 (3) exempt from the provisions of section 136A.822 to 136A.834 or 136A.61 to 136A.71
 38.20 as approved by the office.

38.21 (e) "Industry-recognized accredited degrees, certificates, or credentials" means:

38.22 (1) certificates, diplomas, or degrees issued by a an accredited postsecondary institution;

38.23 (2) registered apprenticeship certifications or certificates;

38.24 (3) occupational licenses or registrations;

38.25 (4) certifications issued by, or recognized by, industry or professional associations; and

38.26 (5) other certifications as approved by the commissioner.

38.27 Sec. 18. Minnesota Statutes 2024, section 136A.246, subdivision 3, is amended to read:

38.28 Subd. 3. **Eligible training provider.** The Office of Higher Education and the Department
 38.29 of Labor and Industry must cooperate in maintaining an inventory of accredited degree,

39.1 certificate, and credential programs that provide training to meet competency standards.
39.2 The inventory must be posted on each agency's website with contact information for each
39.3 program. The postings must be updated periodically.

39.4 Sec. 19. Minnesota Statutes 2024, section 136A.246, subdivision 6, is amended to read:

39.5 Subd. 6. **Employer match.** A large employer must pay for at least ~~25~~ 50 percent of the
39.6 cost of training. For the purpose of this subdivision, a "large employer" means a business
39.7 with more than \$25,000,000 in annual gross revenue in the previous calendar year.

39.8 Sec. 20. Minnesota Statutes 2024, section 136A.246, subdivision 8, is amended to read:

39.9 Subd. 8. **Grant amounts.** (a) The maximum grant for an application for the cost of
39.10 training is ~~\$150,000~~ \$300,000. The maximum grant for an application for trainee support
39.11 is ten percent of the grant amount for the cost of training. The maximum total grant per
39.12 application is ~~\$165,000~~ \$330,000. A grant may not exceed ~~\$6,000~~ \$12,000 per year for a
39.13 maximum of ~~\$24,000~~ \$48,000 per employee.

39.14 (b) An employee who is attending an eligible training provider that is an institution under
39.15 section 136A.103 must apply for Pell and state grants as a condition of payment for training
39.16 that employee under this section.

39.17 Sec. 21. Minnesota Statutes 2024, section 136A.65, subdivision 4, is amended to read:

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

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

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

39.26 (3) the school operates in conformity with generally accepted accounting principles
39.27 according to the type of school;

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

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

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

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

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

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

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

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

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

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

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

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

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

40.25 (12) if the school is unaccredited, the school includes a joint and several liability provision
40.26 for torts and compliance with the requirements of sections 136A.61 to 136A.71 in any
40.27 contract effective after July 1, 2026, with any individual, entity, or postsecondary school
40.28 located in another state for the purpose of providing educational or training programs or
40.29 awarding postsecondary credits or continuing education credits to Minnesota residents that
40.30 may be applied to a degree program; and

41.1 (13) the school must not use nondisclosure agreements or other contracts restricting a
 41.2 student's ability to disclose information in connection with school actions or conduct that
 41.3 would be covered under section 136A.672.

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

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

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

41.7 (iii) proposed implementation date of the degree;

41.8 (iv) admissions requirements for the degree;

41.9 (v) length of the degree;

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

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

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

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

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

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

41.19 Sec. 22. Minnesota Statutes 2024, section 136A.653, subdivision 5, is amended to read:

41.20 Subd. 5. **Higher Learning Commission accredited institutions in Minnesota.** (a) A
 41.21 postsecondary institution accredited by the Higher Learning Commission or its successor
 41.22 with its primary physical location in Minnesota is exempt from the provisions of sections
 41.23 136A.61 to 136A.71, including related fees, when it creates new or modifies existing:

41.24 (1) program degree levels, program degree types, majors, minors, concentrations,
 41.25 specializations, and areas of emphasis within approved degrees;

41.26 (2) nondegree programs ~~within approved degrees~~;

41.27 (3) underlying curriculum or courses;

41.28 (4) modes of delivery; ~~and~~

41.29 (5) locations; and

42.1 (6) course or term changes that do not impact the number of instructional hours.

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

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

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

42.8 (e) An institution exempt under this subdivision may advertise, recruit, and enroll students
42.9 while the program is evaluated for an exemption. In the event the program is determined
42.10 not to be exempt, the institution must submit the full review application to the office within
42.11 60 days of notification or cease advertisement, recruitment, and enrollment of students and
42.12 may be subject to the provisions of sections 136A.65, subdivision 8, 136A.705, and 136A.71.

42.13 Sec. 23. Minnesota Statutes 2024, section 136A.658, is amended to read:

42.14 **136A.658 EXEMPTION; STATE AUTHORIZATION RECIPROCITY**
42.15 **AGREEMENT SCHOOLS.**

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

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

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

42.24 (2) the institution has been approved to participate in the interstate reciprocity agreement
42.25 by the institution's home state and other entities with oversight of the interstate reciprocity
42.26 agreement; and

42.27 (3) the institution has elected to participate in and operate in compliance with the terms
42.28 of the interstate reciprocity agreement.

42.29 (c) If the office participates in an interstate reciprocity agreement and the office is
42.30 responsible for the administration of that interstate reciprocity agreement, which may include
42.31 the approval of applications for membership of in-state institutions to participate in the
42.32 interstate reciprocity agreement, the office shall collect reasonable fees sufficient to recover,

43.1 but not exceed, its costs to administer the interstate reciprocity agreement. The office
43.2 processing fees for approving an in-state institution application shall be as follows:

43.3 (1) ~~\$750~~ \$1,500 for institutions with ~~fewer than 2,500~~ or fewer full-time equivalent
43.4 enrollment;

43.5 (2) ~~\$3,000~~ \$5,000 for institutions with 2,501 to ~~20,000~~ 12,500 full-time equivalent
43.6 enrollment; and

43.7 (3) \$7,500 for institutions with greater than ~~20,001~~ 12,500 full-time equivalent enrollment.

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

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

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

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

43.18 ~~associate degree~~ \$2,000

43.19 ~~baccalaureate degree~~ \$2,500

43.20 ~~master's degree~~ \$3,000

43.21 ~~doctorate degree~~ \$3,500

43.22 (1) \$5,000 for institutions with 2,500 or fewer full-time equivalent enrollment;

43.23 (2) \$7,500 for institutions with 2,501 to 5,000 full-time equivalent enrollment;

43.24 (3) \$10,000 for institutions with 5,001 to 7,500 full-time equivalent enrollment;

43.25 (4) \$15,000 for institutions with 7,501 to 10,000 full-time equivalent enrollment; and

43.26 (5) \$20,000 for institutions with 10,001 or greater full-time equivalent enrollment, and
43.27 for institutions with no data on the previous year's full-time equivalent enrollment.

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

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

44.4	nondegree program	\$250
44.5	additional associate degree	\$250
44.6	additional baccalaureate degree	\$500
44.7	additional master's degree program	\$750
44.8	additional doctorate degree	\$1,000

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

44.20 (e) The annual renewal registration fee is ~~\$1,500~~. based on an institution's total full-time
 44.21 equivalent enrollment in the following amounts:

44.22 (1) \$1,500 for institutions with 2,500 or fewer full-time equivalent enrollment;

44.23 (2) \$3,000 for institutions with 2,501 to 5,000 full-time equivalent enrollment;

44.24 (3) \$5,000 for institutions with 5,001 to 10,000 full-time equivalent enrollment; and

44.25 (4) \$7,500 for institutions with 10,001 or greater full-time equivalent enrollment, and
 44.26 for institutions with no data on the previous year's full-time equivalent enrollment.

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

44.30 (f) In addition to the fee under paragraph (e), a fee of \$600 must be paid for a renewal
 44.31 application that: (1) has had four revisions, corrections, amendment requests, or application
 44.32 reminders for the same application or registration requirement; or (2) cumulatively has had
 44.33 six revisions, corrections, amendment requests, or application reminders for the same license

45.1 application and the school seeks to continue with the application process with additional
 45.2 application submissions. If this fee is paid, the school may submit two final application
 45.3 submissions for review prior to application denial under section 136A.65, subdivision 8.
 45.4 This provision excludes from its scope nonrepetitive questions or clarifications initiated by
 45.5 the school before the submission of the application, initial interpretation questions or inquiries
 45.6 from the office regarding a completed application, and initial requests from the office for
 45.7 verification or validation of a completed application.

45.8 Sec. 25. Minnesota Statutes 2024, section 136A.82, is amended to read:

45.9 **136A.82 POLICY; CITATION.**

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

45.20 Subd. 2. **Citation.** Sections 136A.82 to 136A.834 may be cited as the "Private Career
 45.21 School Act."

45.22 Sec. 26. Minnesota Statutes 2024, section 136A.821, subdivision 4, is amended to read:

45.23 Subd. 4. **Person.** "Person" means any individual, partnership, company, firm, society,
 45.24 trust, association, or corporation or any combination thereof. Person does not extend to:

45.25 (1) a government body;

45.26 (2) a public school as defined in section 120A.05, subdivisions 9, 11, 13, and 17; or

45.27 (3) a nonpublic school, religious organization, or home school as defined in section
 45.28 120A.22, subdivision 4.

45.29 Sec. 27. Minnesota Statutes 2024, section 136A.821, subdivision 5, is amended to read:

45.30 Subd. 5. **Private career school.** "Private career school" means a person who maintains
 45.31 a physical presence for any program at less than an associate degree level; ~~is not registered~~

46.1 ~~as a private institution under sections 136A.61 to 136A.71;~~ and is not specifically exempted
46.2 by section 136A.833. Private career school does not extend to:

46.3 (1) public postsecondary institutions with a physical presence in Minnesota;

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

46.5 (3) postsecondary institutions exempt from registration under section 136A.653,
46.6 subdivisions 1b, 2, 3, and 3a; 136A.657; or 136A.658 due to the nature of the institution's
46.7 programs;

46.8 (4) schools exclusively engaged in training physically or mentally disabled persons;

46.9 (5) courses taught to students in an apprenticeship program registered by the United
46.10 States Department of Labor or Minnesota Department of Labor and taught by or required
46.11 by a trade union in which students are not responsible for tuition, fees, or any other charges,
46.12 regardless of payment or reimbursement method;

46.13 (6) programs contracted by persons or government agencies for the training of their own
46.14 employees for which no fee is charged to the employee, regardless of whether that fee is
46.15 reimbursed by the employer or a third party after the employee successfully completes the
46.16 training, except for institutions or programs required to obtain a limited license exclusively
46.17 to receive the dual training grant;

46.18 (7) schools with no physical presence in Minnesota engaged exclusively in offering
46.19 distance programs that are located in and approved by other states or jurisdictions if the
46.20 distance education program does not include internships, externships, field placements, or
46.21 clinical placements for residents of Minnesota;

46.22 (8) schools licensed or approved by other state boards or agencies authorized under
46.23 Minnesota law to issue licenses for institutions or programs, except for institutions or
46.24 programs required to be licensed exclusively to participate in state financial aid or be listed
46.25 on the eligible training provider list, access WIOA funding, or receive the dual training
46.26 grant;

46.27 (9) review classes, courses, or programs intended to prepare students to sit for
46.28 undergraduate, graduate, postgraduate, or occupational licensing, certification, or entrance
46.29 examinations;

46.30 (10) classes, courses, or programs conducted by a bona fide trade, professional, or
46.31 fraternal organization, solely for that organization's membership and not available to the
46.32 public. In making the determination that the organization is bona fide, the office may request

47.1 the school provide three certified letters from persons that qualify as evaluators under section
 47.2 136A.828, subdivision 3, paragraph (1), that the organization is recognized in Minnesota;

47.3 (11) programs in the fine arts provided by organizations exempt from taxation under
 47.4 section 290.05 and registered with the attorney general under chapter 309. For purposes of
 47.5 this clause, "fine arts" means activities resulting in artistic creation or artistic performance
 47.6 of works of the imagination which are engaged in for the primary purpose of creative
 47.7 expression rather than commercial sale, vocational or career advancement, or employment;
 47.8 or

47.9 (12) classes, courses, or programs intended to fulfill the continuing education
 47.10 requirements for a bona fide licensure or certification in a profession that have been approved
 47.11 by a legislatively or judicially established board or agency responsible for regulating the
 47.12 practice of the profession or by an industry-specific certification entity and that are offered
 47.13 exclusively to individuals with the professional licensure or certification.

47.14 Sec. 28. Minnesota Statutes 2024, section 136A.821, is amended by adding a subdivision
 47.15 to read:

47.16 Subd. 21. **Vocational.** "Vocational" means education or training for skills used in the
 47.17 labor market.

47.18 Sec. 29. Minnesota Statutes 2024, section 136A.821, is amended by adding a subdivision
 47.19 to read:

47.20 Subd. 22. **Trade union.** "Trade union" means an organization of workers in a skilled
 47.21 occupation who act together to secure all members favorable wages, hours, or other working
 47.22 conditions.

47.23 Sec. 30. Minnesota Statutes 2024, section 136A.821, is amended by adding a subdivision
 47.24 to read:

47.25 Subd. 23. **Eligible training provider.** "Eligible training provider" has the meaning given
 47.26 in Code of Federal Regulations, title 20, section 680.410.

47.27 Sec. 31. Minnesota Statutes 2024, section 136A.821, is amended by adding a subdivision
 47.28 to read:

47.29 Subd. 24. **Eligible training provider list.** "Eligible training provider list" means the list
 47.30 of eligible training providers that the state must maintain under Code of Federal Regulations,
 47.31 title 20, section 680.430.

48.1 Sec. 32. Minnesota Statutes 2024, section 136A.821, is amended by adding a subdivision
48.2 to read:

48.3 Subd. 25. **State financial aid.** For purposes of sections 136A.82 to 136A.834, "state
48.4 financial aid" includes all financial aid that may be awarded under chapter 136A, with the
48.5 exception of the dual training grant.

48.6 Sec. 33. Minnesota Statutes 2024, section 136A.821, is amended by adding a subdivision
48.7 to read:

48.8 Subd. 26. **WIOA funding.** "WIOA funding" means any funding available through the
48.9 Workforce Innovation and Opportunity Act under Code of Federal Regulations, title 20,
48.10 section 680.

48.11 Sec. 34. Minnesota Statutes 2024, section 136A.821, is amended by adding a subdivision
48.12 to read:

48.13 Subd. 27. **Dual training grant.** "Dual training grant" means any money awarded under
48.14 section 136A.246.

48.15 Sec. 35. Minnesota Statutes 2024, section 136A.822, subdivision 3, is amended to read:

48.16 Subd. 3. **Refunds.** If a contract is ~~deemed~~ determined by the office to be unenforceable
48.17 under subdivision 2, a private career school must refund tuition, fees, and other charges
48.18 received from a student or on behalf of a student within 30 days of receiving written
48.19 notification and demand for refund from the office.

48.20 Sec. 36. Minnesota Statutes 2024, section 136A.822, subdivision 6, is amended to read:

48.21 Subd. 6. **Bond.** (a) No license shall be issued to any private career school with a physical
48.22 presence within the state of Minnesota for any program, unless the applicant files with the
48.23 office a continuous corporate surety bond written by a company authorized to do business
48.24 in Minnesota conditioned upon the faithful performance of all contracts and agreements
48.25 with students made by the applicant.

48.26 (b)~~(4)~~ The amount of the surety bond shall be ten percent of the preceding year's net
48.27 revenue from student tuition, fees, and other required institutional charges collected, but in
48.28 no event less than \$10,000, except that a private career school may deposit a greater amount
48.29 at its own discretion. A private career school in each annual application for licensure must
48.30 compute the amount of the surety bond and verify that the amount of the surety bond complies
48.31 with this subdivision. A private career school that operates at two or more locations may

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

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

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

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

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

49.28 Sec. 37. Minnesota Statutes 2024, section 136A.822, subdivision 8, is amended to read:

49.29 Subd. 8. **Minimum standards.** A license shall be issued if the office first determines:

49.30 (1) that the applicant has a sound financial condition with sufficient resources available
 49.31 to:

49.32 (i) meet the private career school's financial obligations;

50.1 (ii) refund all tuition and other charges, within ~~a reasonable period of time~~ 60 days, in
50.2 the event of dissolution of the private career school or in the event of any justifiable claims
50.3 for refund against the private career school by the student body;

50.4 (iii) provide adequate service to its students and prospective students; and

50.5 (iv) maintain and support the private career school;

50.6 (2) that the applicant has satisfactory facilities with sufficient tools and equipment and
50.7 the necessary number of work stations to prepare adequately the students currently enrolled,
50.8 and those proposed to be enrolled;

50.9 (3) that the applicant employs a sufficient number of qualified teaching personnel to
50.10 provide the educational programs contemplated;

50.11 (4) that the private career school has an organizational framework with administrative
50.12 and instructional personnel to provide the programs and services it intends to offer;

50.13 (5) that the quality and content of each occupational course or program of study provides
50.14 education and adequate preparation to enrolled students for entry level positions in the
50.15 occupation for which prepared;

50.16 (6) that the premises and conditions where the students work and study and the student
50.17 living quarters which are owned, maintained, recommended, or approved by the applicant
50.18 are sanitary, healthful, and safe, as evidenced by certificate of occupancy issued by the
50.19 municipality or county where the private career school is physically situated, a fire inspection
50.20 by the local or state fire marshal, or another verification deemed acceptable by the office;

50.21 (7) that the contract or enrollment agreement used by the private career school complies
50.22 with the provisions in section 136A.826;

50.23 (8) that contracts and agreements do not contain a wage assignment provision or a
50.24 confession of judgment clause;

50.25 (9) that there has been no adjudication of fraud or misrepresentation in any criminal,
50.26 civil, or administrative proceeding in any jurisdiction against the private career school or
50.27 its owner, officers, agents, or sponsoring organization;

50.28 (10) that the private career school or its owners, officers, agents, or sponsoring
50.29 organization has not had a license revoked under section 136A.829 or its equivalent in other
50.30 states or has closed the institution prior to all students, enrolled at the time of the closure,
50.31 completing their program within two years of the effective date of the revocation; and

51.1 (11) that the school includes a joint and several liability provision for torts and compliance
 51.2 with the requirements of sections 136A.82 to 136A.834 in any contract effective after July
 51.3 1, 2026, with any individual, entity, or postsecondary school located in another state for the
 51.4 purpose of providing educational or training programs or awarding postsecondary credits
 51.5 to Minnesota residents that may be applied to a program.

51.6 Sec. 38. Minnesota Statutes 2024, section 136A.822, subdivision 13, is amended to read:

51.7 Subd. 13. ~~Private career schools licensed by another state agency or board~~ **Limited**
 51.8 **license.** (a) Unless otherwise exempt under sections 136A.82 to 136A.834:

51.9 (1) a private career school licensed by another state agency or board must be required
 51.10 to obtain a private career school limited license due to the use of "academy," "institute,"
 51.11 "college," or "university" in its name or licensed for the purpose of participating participate
 51.12 in state financial aid under chapter 136A, and which is also licensed by another state agency
 51.13 or board; and

51.14 (2) a private career school exclusively seeking to be listed on the eligible training provider
 51.15 list, access WIOA funding, or receive the dual training grant shall be required to obtain a
 51.16 limited license.

51.17 (b) A private career school seeking a limited license under this subdivision shall be
 51.18 required to satisfy only the requirements of subdivisions 4, clauses (1), (2), (3), ~~(5)~~, (7), (8),
 51.19 (9), and (10); 5; ~~6, paragraph (b), clause (2)~~; 8, clauses (1), (4), (7), (8), and (9), and (10);
 51.20 9; 10; 11; and 12. If a school is licensed to participate in state financial aid under this chapter,
 51.21 the school must follow the refund policy in section 136A.827, even if that section conflicts
 51.22 with the refund policy of the licensing agency or board. A distance education private career
 51.23 school located in another state, or a school licensed to recruit Minnesota residents for
 51.24 attendance at a school outside of this state, or a school licensed by another state agency as
 51.25 its primary licensing body, may continue to use the school's name as permitted by its home
 51.26 state or its primary licensing body.

51.27 Sec. 39. Minnesota Statutes 2024, section 136A.824, subdivision 1, is amended to read:

51.28 Subdivision 1. **Initial licensure fee.** (a) The office processing fee for an initial licensure
 51.29 application is:

51.30 (1) ~~\$2,500~~ \$3,730 for a private career school that will offer no more than one program
 51.31 during its first year of operation;

52.1 (2) ~~\$750~~ \$1,500 for a private career school licensed exclusively ~~due to the use of the~~
 52.2 ~~term "college," "university," "academy," or "institute" in its name, or licensed exclusively~~
 52.3 ~~in order to participate in state grant or SELF-loan financial aid programs, be listed on the~~
 52.4 ~~eligible training provider list, access WIOA funding, or receive the dual training grant; and~~

52.5 (3) ~~\$2,500~~ \$3,730, plus \$500 for each additional program offered by the private career
 52.6 school, for a private career school during its first year of licensed operation.

52.7 (b) In addition to the fee under paragraph (a), a fee of \$600 must be paid for an initial
 52.8 application that: (1) has had four revisions, corrections, amendment requests, or application
 52.9 reminders for the same application or licensure requirement; or (2) cumulatively has had
 52.10 six revisions, corrections, amendment requests, or application reminders for the same license
 52.11 application and the private career school seeks to continue with the application process with
 52.12 additional application submissions. If this fee is paid, the private career school may submit
 52.13 two final application submissions for review prior to application denial under section
 52.14 136A.829, subdivision 1, clause (2). This provision excludes from its scope nonrepetitive
 52.15 questions or clarifications initiated by the school before the submission of the application,
 52.16 initial interpretation questions or inquiries from the office regarding a completed application,
 52.17 and initial requests from the office for verification or validation of a completed application.

52.18 Sec. 40. Minnesota Statutes 2024, section 136A.824, subdivision 2, is amended to read:

52.19 Subd. 2. **Renewal licensure fee; late fee.** (a) The office processing fee for a renewal
 52.20 licensure application is:

52.21 (1) for a private career school ~~that offers one program~~, the license renewal fee is ~~\$1,150~~
 52.22 \$3,160; and

52.23 ~~(2) for a private career school that offers more than one program, the license renewal~~
 52.24 ~~fee is \$1,150, plus \$200 for each additional program with a maximum renewal licensing~~
 52.25 ~~fee of \$2,000;~~

52.26 ~~(3) for a private career school licensed exclusively due to the use of the term "college,"~~
 52.27 ~~"university," "academy," or "institute" in its name, the license renewal fee is \$750; and~~

52.28 ~~(4)~~ (2) for a private career school licensed by another state agency and also licensed
 52.29 with the office exclusively in order to participate in state ~~student~~ financial aid programs, be
 52.30 listed on the eligible training provider list, access WIOA funding, or receive the dual training
 52.31 grant, the license renewal fee is ~~\$750~~ \$1,500.

53.1 (b) If a license renewal application is not received by the office by ~~the close of business~~
 53.2 ~~at least 60 days before~~ the expiration of the current license, a late fee of \$100 per business
 53.3 day, not to exceed \$3,000, shall be assessed.

53.4 (c) In addition to the fee under paragraph (a), a fee of \$600 must be paid for a renewal
 53.5 application that: (1) has had four revisions, corrections, amendment requests, or application
 53.6 reminders for the same application or licensure requirement; or (2) cumulatively has had
 53.7 six revisions, corrections, amendment requests, or application reminders for the same license
 53.8 application and the private career school seeks to continue with the application process with
 53.9 additional application submissions. If this fee is paid, the private career school may submit
 53.10 two final application submissions for review prior to application denial under section
 53.11 136A.829, subdivision 1, clause (2). This provision excludes from its scope nonrepetitive
 53.12 questions or clarifications initiated by the school before the submission of the application,
 53.13 initial interpretation questions or inquiries from the office regarding a completed application,
 53.14 and initial requests from the office for verification or validation of a completed application.

53.15 Sec. 41. Minnesota Statutes 2024, section 136A.824, subdivision 6, is amended to read:

53.16 Subd. 6. **Solicitor permit fee.** The solicitor permit fee is ~~\$350~~ \$500 and must be paid
 53.17 annually.

53.18 Sec. 42. Minnesota Statutes 2024, section 136A.824, subdivision 7, is amended to read:

53.19 Subd. 7. **Multiple location fee.** Private career schools wishing to operate at multiple
 53.20 locations must pay the greater of:

53.21 (1) ~~\$250~~ \$500 per location, ~~for locations two to five; and; or~~

53.22 (2) ~~an additional \$100 for each location over five.~~ the actual cost of travel expenses,
 53.23 lodging, and customary meals incurred for an in-person site visit, should the office determine
 53.24 one is necessary.

53.25 Sec. 43. Minnesota Statutes 2024, section 136A.833, is amended to read:

53.26 **136A.833 EXEMPTIONS.**

53.27 Subdivision 1. **Application for exemptions.** (a) A school that seeks an exemption from
 53.28 the provisions of sections 136A.822 to 136A.834 for the school and all of its programs or
 53.29 some of its programs must apply to the office to establish that the school or program meets
 53.30 the requirements of an exemption. An exemption for the school or program expires two
 53.31 years from the date of approval or when a school adds a new program or makes a

54.1 modification equal to or greater than 25 percent to an existing educational program. If a
 54.2 school is reapplying for an exemption, the application must be submitted to the office 90
 54.3 days before the current exemption expires. If a school fails to apply within 90 days of
 54.4 expiration, the school is subject to fees and penalties under sections 136A.831 and 136A.832.

54.5 This exemption shall not extend to any school that uses any publication or advertisement
 54.6 that is not truthful and gives any false, fraudulent, deceptive, inaccurate, or misleading
 54.7 impressions about the school or its personnel, programs, services, or occupational
 54.8 opportunities for its graduates for promotion and student recruitment. Exemptions denied
 54.9 under this section are subject to appeal under section 136A.829. If an appeal is initiated,
 54.10 the denial of the exemption is not effective until the final determination of the appeal, unless
 54.11 immediate effect is ordered by the court.

54.12 (b) A school that meets any of the exemptions in this section and exclusively seeks to
 54.13 be listed on the eligible training provider list, access WIOA funding, or receive the dual
 54.14 training grant, is exempt from sections 136A.822 to 136A.834, except the school must
 54.15 satisfy the requirements of section 136A.822, subdivisions 4, clauses (1), (2), and (3); 8,
 54.16 clauses (9) and (10); 10, clause (8); and 12.

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

54.19 ~~(1) public postsecondary institutions;~~

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

54.21 ~~(3) postsecondary institutions exempt from registration under sections 136A.653,~~
 54.22 ~~subdivisions 1b, 2, 3, and 3a; 136A.657; and 136A.658;~~

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

54.24 ~~(5) courses taught to students in an apprenticeship program registered by the United~~
 54.25 ~~States Department of Labor or Minnesota Department of Labor and taught by or required~~
 54.26 ~~by a trade union. A trade union is an organization of workers in the same skilled occupation~~
 54.27 ~~or related skilled occupations who act together to secure all members favorable wages,~~
 54.28 ~~hours, and other working conditions;~~

54.29 ~~(6) private career schools exclusively engaged in training physically or mentally disabled~~
 54.30 ~~persons;~~

54.31 ~~(7) private career schools licensed or approved by boards authorized under Minnesota~~
 54.32 ~~law to issue licenses for training programs except private career schools required to obtain~~

55.1 ~~a private career school license due to the use of "academy," "institute," "college," or~~
 55.2 ~~"university" in their names;~~

55.3 ~~(8) private career schools and educational programs, or training programs, contracted~~
 55.4 ~~for by persons, firms, corporations, government agencies, or associations, for the training~~
 55.5 ~~of their own employees, for which no fee is charged the employee, regardless of whether~~
 55.6 ~~that fee is reimbursed by the employer or third party after the employee successfully~~
 55.7 ~~completes the training;~~

55.8 ~~(9) (1) private career schools engaged exclusively in the teaching of purely avocational~~
 55.9 ~~programs that are engaged primarily for personal development, recreational recreation, or~~
 55.10 ~~remedial subjects that education, and are not advertised or maintained generally intended~~
 55.11 ~~for vocational or career advancement, including adult basic education, exercise or fitness~~
 55.12 ~~teacher programs, modeling, or acting, as determined by the office except private career~~
 55.13 ~~schools required to obtain a private career school license due to the use of "college" or~~
 55.14 ~~"university" in their names;~~

55.15 ~~(10) classes, courses, or programs conducted by a bona fide trade, professional, or~~
 55.16 ~~fraternal organization, solely for that organization's membership and not available to the~~
 55.17 ~~public. In making the determination that the organization is bona fide, the office may request~~
 55.18 ~~the school provide three certified letters from persons that qualify as evaluators under section~~
 55.19 ~~136A.828, subdivision 3, paragraph (1), that the organization is recognized in Minnesota;~~

55.20 ~~(11) programs in the fine arts provided by organizations exempt from taxation under~~
 55.21 ~~section 290.05 and registered with the attorney general under chapter 309. For the purposes~~
 55.22 ~~of this clause, "fine arts" means activities resulting in artistic creation or artistic performance~~
 55.23 ~~of works of the imagination which are engaged in for the primary purpose of creative~~
 55.24 ~~expression rather than commercial sale, vocational or career advancement, or employment.~~
 55.25 ~~In making this determination the office may seek the advice and recommendation of the~~
 55.26 ~~Minnesota Board of the Arts;~~

55.27 ~~(12) classes, courses, or programs intended to fulfill the continuing education~~
 55.28 ~~requirements for a bona fide licensure or certification in a profession, that have been approved~~
 55.29 ~~by a legislatively or judicially established board or agency responsible for regulating the~~
 55.30 ~~practice of the profession or by an industry-specific certification entity, and that are offered~~
 55.31 ~~exclusively to individuals with the professional licensure or certification. In making the~~
 55.32 ~~determination that the licensure or certification is bona fide, the office may request the~~
 55.33 ~~school provide three certified letters from persons that qualify as evaluators under section~~

56.1 ~~136A.828, subdivision 3, paragraph (1), that the licensure and certification is recognized in~~
 56.2 ~~Minnesota;~~

56.3 ~~(13) review classes, courses, or programs intended to prepare students to sit for~~
 56.4 ~~undergraduate, graduate, postgraduate, or occupational licensing, certification, or entrance~~
 56.5 ~~examinations and does not include the instruction to prepare students for that license,~~
 56.6 ~~occupation, certification, or exam;~~

56.7 ~~(14) (2) classes, courses, or programs providing 16 40 or fewer clock hours of instruction;~~
 56.8 ~~and~~

56.9 ~~(15) classes, courses, or programs providing instruction in personal development that is~~
 56.10 ~~not advertised or maintained for vocational or career advancement, modeling, or acting;~~

56.11 ~~(16) private career schools with no physical presence in Minnesota engaged exclusively~~
 56.12 ~~in offering distance instruction that are located in and regulated by other states or jurisdictions~~
 56.13 ~~if the distance education instruction does not include internships, externships, field~~
 56.14 ~~placements, or clinical placements for residents of Minnesota; and~~

56.15 ~~(17) (3) private career schools providing exclusively training, instructional programs,~~
 56.16 ~~or courses where tuition, fees, and any other charges, regardless of payment or reimbursement~~
 56.17 ~~method, for a student to participate do not exceed \$100 \$500.~~

56.18 Sec. 44. Minnesota Statutes 2024, section 136A.834, subdivision 1, is amended to read:

56.19 Subdivision 1. **Exemption.** (a) A program is exempt from the provisions of sections
 56.20 136A.821 to 136A.832 if it is:

56.21 (1) offered by a ~~private career~~ school or any department or branch of a ~~private career~~
 56.22 school that is substantially owned, operated, or supported by a bona fide church or religious
 56.23 organization;

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

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

56.29 (b) Any ~~private career~~ school or any department or branch of a ~~private career~~ school is
 56.30 exempt from the provisions of sections 136A.821 to 136A.832 if all of its programs are
 56.31 exempt under paragraph (a).

57.1 Sec. 45. Minnesota Statutes 2024, section 136A.834, subdivision 5, is amended to read:

57.2 Subd. 5. **Application.** A school that seeks an exemption from the provisions of sections
57.3 136A.82 to 136A.834 must apply to the office to establish that the school meets the
57.4 requirements of an exemption. An exemption expires two years from the date of approval
57.5 or when a school adds a new program or makes a modification equal to or greater than 25
57.6 percent to an existing educational program. If a school is reapplying for an exemption, the
57.7 application must be submitted to the office 90 days before the current exemption expires.
57.8 If a school fails to apply within 90 days of expiration, the school is subject to the fees and
57.9 penalties under sections 136A.831 and 136A.832.

57.10 Sec. 46. Minnesota Statutes 2024, section 136A.901, subdivision 1, is amended to read:

57.11 Subdivision 1. **Grant program.** (a) The commissioner shall establish a grant program
57.12 to award grants to institutions in Minnesota for research into spinal cord injuries and traumatic
57.13 brain injuries. Grants shall be awarded to conduct research into new and innovative treatments
57.14 and rehabilitative efforts for the functional improvement of people with spinal cord and
57.15 traumatic brain injuries. Research topics may include, but are not limited to, pharmaceutical,
57.16 medical device, brain stimulus, and rehabilitative approaches and techniques. The
57.17 commissioner, in consultation with the advisory council established under section 136A.902,
57.18 shall award 50 percent of the grant funds for research involving spinal cord injuries and 50
57.19 percent to research involving traumatic brain injuries. In addition to the amounts appropriated
57.20 by law, the commissioner may accept additional funds from private and public sources.
57.21 Amounts received from these sources are appropriated to the commissioner for the purposes
57.22 of issuing grants under this section.

57.23 (b) Institutions that are eligible to apply for a grant under this section include
57.24 postsecondary institutions, nonprofit organizations, and for-profit organizations.

57.25 (c) A spinal cord and traumatic brain injury grant account is established in the special
57.26 revenue fund. Money in the account is appropriated to the commissioner to make grants
57.27 and to administer the grant program under this section. Appropriations to the commissioner
57.28 for the program are for transfer to the account. Appropriations from the account do not
57.29 cancel and are available until expended.

57.30 Sec. 47. **REVISOR INSTRUCTIONS.**

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

58.1 Subd. 2. **Inclusive higher education.** The revisor of statutes must renumber Minnesota
 58.2 Statutes, section 135A.161, as Minnesota Statutes, section 136A.921. The revisor of statutes
 58.3 must renumber Minnesota Statutes, section 135A.162, as Minnesota Statutes, section
 58.4 136A.922. The revisor must also make cross-reference changes consistent with the
 58.5 renumbering.

58.6 Subd. 3. **Hunger-Free Campus designation.** The revisor of statutes must renumber
 58.7 Minnesota Statutes, section 135A.137, as Minnesota Statutes, section 136A.912. The revisor
 58.8 must also make cross-reference changes consistent with the renumbering.

58.9 **Sec. 48. REPEALER.**

58.10 (a) Minnesota Statutes 2024, sections 5.41, subdivision 2; 136A.057; 136A.1251,
 58.11 subdivision 5; 136A.246, subdivision 9; 136A.69, subdivisions 3 and 5; 136A.824,
 58.12 subdivisions 3 and 5; 136A.861, subdivision 7; and 136A.901, subdivision 2, are repealed.

58.13 (b) Minnesota Rules, part 4850.0014, subparts 1 and 2, are repealed."

58.14 Delete the title and insert:

58.15 "A bill for an act
 58.16 relating to higher education; providing funding and policy-related changes for the
 58.17 Office of Higher Education, Minnesota State Colleges and Universities, and the
 58.18 University of Minnesota; modifying certain scholarship and student aid programs;
 58.19 modifying grant programs to higher education institutions; providing authority to
 58.20 the Office of Higher Education for treatment of certain appropriations; providing
 58.21 for certain policy changes to student financial aid, institution eligibility, institutional
 58.22 licensure provisions, student loan programs, and institutional grant programs;
 58.23 requiring reports; appropriating money; canceling an appropriation; amending
 58.24 Minnesota Statutes 2024, sections 135A.052, subdivision 1; 135A.137; 135A.15,
 58.25 subdivision 2a; 135A.1582; 136A.01, by adding a subdivision; 136A.101,
 58.26 subdivision 5a; 136A.103; 136A.121, subdivision 9; 136A.1465, subdivisions 1,
 58.27 2, by adding a subdivision; 136A.155; 136A.162; 136A.1701, subdivision 4;
 58.28 136A.1796; 136A.246, subdivisions 1a, 3, 6, 8; 136A.65, subdivision 4; 136A.653,
 58.29 subdivision 5; 136A.658; 136A.69, subdivision 1; 136A.82; 136A.821, subdivisions
 58.30 4, 5, by adding subdivisions; 136A.822, subdivisions 3, 6, 8, 13; 136A.824,
 58.31 subdivisions 1, 2, 6, 7; 136A.833; 136A.834, subdivisions 1, 5; 136A.901,
 58.32 subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 136A;
 58.33 repealing Minnesota Statutes 2024, sections 5.41, subdivision 2; 136A.057;
 58.34 136A.091; 136A.1251, subdivisions 1, 2, 3, 4, 5; 136A.1788; 136A.1789;
 58.35 136A.1791, subdivisions 1, 2, 3a, 4, 5, 6, 7, 8, 9, 10; 136A.246, subdivision 9;
 58.36 136A.69, subdivisions 3, 5; 136A.824, subdivisions 3, 5; 136A.861, subdivision
 58.37 7; 136A.901, subdivision 2; 136A.91; Laws 2022, chapter 42, section 2, as
 58.38 amended; Minnesota Rules, part 4850.0014, subparts 1, 2."

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

59.1 This Committee action taken April 21, 2025

59.2 Co-Chair

59.3 Co-Chair