

Subject Higher Education: OHE Policy Bill

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Overview

This is the higher education supplemental finance and policy bill for the 2026 session. It contains various technical and administrative changes to higher education statutes, new policy items, and changes to the 2025 higher education budget act.

Summary

Section	Description
1	Developmental courses. Creates a new statute requiring public postsecondary institutions to provide an explanation of the difference between developmental and credit-earning courses to a student prior to their enrollment in a developmental education course, and have the student sign a written acknowledgement.
2	American Indian scholars: Eligibility. Makes a correction regarding state residency requirements for the program.
3	Protections for pregnant and parenting students: Definitions. Makes a technical correction for consistent terminology regarding postsecondary institutions.
4	Protections for pregnant and parenting students: Rights and protections. Makes a technical correction for consistent terminology regarding postsecondary institutions. Provides clarification about appropriate accommodations for pregnancy and related conditions.
5	Protections for pregnant and parenting students: Policy on discrimination. Makes a technical correction for consistent terminology regarding postsecondary institutions.

Section	Description
6	Consolidated student aid reporting. Provides more specific cross-references for consolidated reporting.
7	Summer academic enrichment: Eligibility. Makes a technical correction for consistent terminology regarding state residency. Cross-references the resident student definition at § 136A.101, subd. 8.
8	Summer academic enrichment: Report. Cross-references the consolidated reporting statute for reporting on this program.
9	State grant program: Eligibility for grants. Makes a technical correction for consistent terminology regarding state residency. Cross-references the resident student definition at § 136A.101, subd. 8.
10	Fraud; denial of funds. Creates a new section of statute denying student aid or grant program funds to individuals who commit fraud or submit materially misleading information.
11	Grants for students with intellectual and developmental disabilities: Reporting. Cross-references the consolidated reporting statute for reporting on this program.
12	Fostering independence higher education grants: Report. Cross-references the consolidated reporting statute for reporting on this program.
13	Child care grants: Eligible students. Makes a technical correction for consistent terminology regarding state residency. Cross-references the resident student definition at § 136A.101, subd. 8.
14	Underrepresented student teacher grants: Reporting. Cross-references the consolidated reporting statute for reporting on this program.
15	Student teacher grants in shortage areas: Reporting. Cross-references the consolidated reporting statute for reporting on this program.
16	North Star Promise scholarships: Report. Cross-references the consolidated reporting statute for reporting on this program.
17	Work-study grants: Payments. Removes outdated language to align statute to reflect current OHE practice.

Section	Description
18	Dual training competency grants: Definitions. Expands the definition of “eligible training” under the program.
19	Private and Out-of-State Public Postsecondary Education Act: Definitions. Adds a definition of “institution.”
20	Private and Out-of-State Public Postsecondary Education Act: Schools to provide information. Requires submission of enrollment data. Cross-references new information submission schedules in section 25.
21	Private and Out-of-State Public Postsecondary Education Act: Public information. Strikes an exception of accreditation reports for allowable disclosures to law enforcement or in connection with litigation.
22	Private and Out-of-State Public Postsecondary Education Act: Disapproval of registration; appeal. Increases ability of OHE to determine that a school has committed fraud and therefore to disapprove its registration.
23	Private and Out-of-State Public Postsecondary Education Act: Exemptions: Tribal colleges. Makes a technical correction to terms.
24	Private and Out-of-State Public Postsecondary Education Act: Exemptions: Tuition-free educational courses. Makes a technical correction to terms.
25	Private and Out-of-State Public Postsecondary Education Act: Student complaints: Appeals. Removes a requirement for OHE to be able to recover costs and attorney fees in administrative proceedings.
26	Private and Out-of-State Public Postsecondary Education Act: Risk analysis: Standard development and usage. Technical corrections.
27	Private and Out-of-State Public Postsecondary Education Act: Risk analysis: Institutional reporting schedules. Creates a new subdivision prescribing reporting schedules for certain required information. Related to section 19.

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28	Private and Out-of-State Public Postsecondary Education Act: Registration fees. Removes two paragraphs prescribing fees for applications that required significant revisions or corrections. Specifies how enrollment may be verified for purposes of determining a fee amount.
29	Private Career School Act: Policy. Makes technical conforming changes. Related to the elimination of the term “vocational” in section 32.
30	Private Career School Act: Definitions: Private career school. Removes an exemption specific to programs in the fine arts. Makes other technical changes to terms.
31	Private Career School Act: Definitions: Compliance audit. Updates a reference to federal audit requirements.
32	Private Career School Act: Definitions: Financial statements audit report. Updates a reference to federal audit requirements.
33	Private Career School Act: Definitions: Compilation report. Replaces a definition of “review-level engagement” with a definition of “compilation report.”
34	Private Career School Act: Definitions: Institution or school. Replaces a definition of “vocational” with a definition of “institution” or “school,” which references private career schools or distance education private career schools subject to the Private Career School Act.
35	Private Career School Act: Licensure: Application. Amends a subdivision regarding the financial information that must be included in an application for a license.
36	Private Career School Act: Licensure: Bond. Specifies surety bond amount due for schools without a history of revenue.
37	Private Career School Act: Licensure: Minimum standards. Clarifies criteria for program quality review. Removes certain specifications for review of premises and conditions.

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38	Private Career School Act: Licensure: Catalog, brochure, or electronic display. Replaces specifications with a cross-reference to the section amended by section 45 of the bill, where the specifications are added.
39	Private Career School Act: Licensure: Permanent student records. Provides an option to reduce the time requirement for maintaining student records. Removes certain requirements for a school's mandated plan to preserve student records.
40	Private Career School Act: Licensure: Limited license. Amends the requirements for a limited license, making some depend on special request by OHE. Also makes technical changes to terms.
41	Private Career School Act: Licensure: Financial records. Adds a subdivision providing that OHE not disclose financial records or accreditation reports received as part of a license application, except as specified.
42	Private Career School Act: Licensure: Public information. Adds a subdivision regarding the public availability of information received by OHE. This aligns the Private Career School Act with the Private and Out-of-State Public Postsecondary Education Act, as amended in section 21 of the bill.
43	Private Career School Act: License renewal: Application. Provides a schedule for the submission of financial information as part of an application for renewal of a license.
44	Private Career School Act: License renewal: Change of ownership. Makes a clarifying change regarding mergers and consolidations.
45	Private Career School Act: Fees: Initial licensure fee. Removes a paragraph prescribing a fee for applications that required significant revisions or corrections.
46	Private Career School Act: Fees: Renewal licensure fee. Removes a paragraph prescribing a fee for applications that required significant revisions or corrections.
47	Private Career School Act: Information to students: Catalog, brochure, or electronic display. Adds specifications for contents of the catalog, brochure, or electronic display, which were stricken by section 36.

Section	Description
48	Private Career School Act: Refunds: Student. Clarifies the definition of “student” in this section.
49	Private Career School Act: Refunds: Proration. Amends a requirement regarding the contents of a confirmation from the school after a student cancels their enrollment.
50	Private Career School Act: Prohibitions: Transcripts. Removes provisions related to the disbursement of student aid funds.
51	Private Career School Act: Revocation of license or permit: Grounds. Increases ability of OHE to determine that a school has committed fraud and therefore to revoke its license.
52	Private Career School Act: Revocation of license or permit: Powers and duties. Removes probationary licensure, shifts the requirements and restrictions for probationary licensure to conditional licensure, removes time restrictions for conditional licensure.
53	Private Career School Act: Student complaints: Appeals. Removes a requirement for OHE to be able to recover costs and attorney fees in administrative proceedings.
54	Private Career School Act: Inspection. Removes OHE’s ability to require the submission of audited financial statements as part of an inspection.
55	Private Career School Act: Exemptions: Application for exemptions. Clarifies when an exemption for a school or program expires.
56	Private Career School Act: Exemptions: Exemption reasons. Removes a paragraph providing an exemption for certain schools based on the content of their programs.
57-56	College savings plan: Definitions Updates cross-references to the Internal Revenue Code.
59	College savings plan: Definitions: Uncashed distribution check. Adds a new definition of “uncashed distribution check.”

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60	<p>College savings plan: Data.</p> <p>Allows OHE to contact account owners about financial aid programs.</p>
61	<p>College savings plan: Account distributions: Handling of uncashed distribution checks.</p> <p>Provides that uncashed distribution checks will be credited back to the owner's account.</p>
62	<p>Unemployment insurance aid.</p> <p>Removes OHE, which distributed unemployment insurance aid to Tribal colleges, from a provision governing a response when the amount of the legislative appropriation for unemployment insurance aid is insufficient to cover the calculated amount of aid under the statute.</p>
63	<p>2025 appropriation: State grants.</p> <p>For the state grant program, amends the temporary cap the legislature imposed on recognized tuition and fees for four-year programs, making it the lesser of the average tuition and fees charged by the student's institution or the <i>average</i> tuition and fees charged at all public four-year programs in Minnesota (i.e. the seven universities in the Minnesota State Colleges and Universities system, and the five campuses in the University of Minnesota system).</p>
64	<p>2025 appropriation: Minnesota State Colleges and Universities (MnState): Total appropriation.</p> <p>Updates an appropriation total to conform to the changes in section 65 of the bill.</p>
65	<p>2025 appropriation: MnState: Operations and maintenance.</p> <p>Includes a new ongoing appropriation of \$1,500,000 in fiscal year 2027 for an identity verification system to combat enrollment fraud and specifies that contracts for this system are subject to the Government Data Practices Act. Also includes \$5,000 in onetime funding for reforestation at Bemidji State University.</p>
66	<p>Repealer.</p> <p>Repeals the following:</p> <ul style="list-style-type: none">▪ § 124D.09, subd. 10a: a legislative report requirement regarding concurrent enrollment programs;▪ § 136A.657: a section of the Private and Out-of-State Public Postsecondary Education Act providing an exemption for religious schools;▪ § 136A.827, subsd. 1b, 2: two subdivisions in a section of the Private Career School Act specifying student refund requirements in certain circumstances;

Section **Description**

- § 136A.834: a section of the Private Career School Act providing an exemption for religious schools; and
- § 136G.03, subd. 11; 136G.09, subd. 10: subdivisions of the college savings plan chapter dealing with dormant accounts.



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