

1.1 moves to amend H.F. No. 4252 as follows:

1.2 Page 1, line 16, strike "resident" and delete the new language

1.3 Page 1, line 17, delete the new language and insert "student eligible for a resident tuition
1.4 rate, or its equivalent,"

1.5 Page 6, after line 24, insert:

1.6 "Sec. 9. [136A.1212] FRAUD; DENIAL OF FUNDS.

1.7 Applicants or recipients of any student aid or grant program administered under chapter
1.8 136A may be denied funding if the applicant or recipient:

1.9 (1) presents information concerning the financial aid or grant application which is false,
1.10 fraudulent, misleading, deceptive, or inaccurate in a material respect;

1.11 (2) refuses to allow reasonable inspection or to supply reasonable information after a
1.12 written request by the office or school has been received; or

1.13 (3) has been determined by the commissioner or judicially determined to have committed
1.14 fraud or a material violation of law involving federal, state, or local government funds."

1.15 Page 9, delete section 15 and insert:

1.16 "Sec. 16. Minnesota Statutes 2024, section 136A.233, subdivision 3, is amended to read:

1.17 Subd. 3. **Payments.** Work-study payments shall be made to eligible students by
1.18 postsecondary institutions as provided in this subdivision.

1.19 (a) Students shall be selected for participation in the program by the postsecondary
1.20 institution on the basis of student financial need.

1.21 (b) ~~In selecting students for participation, priority must be given to students enrolled for~~
1.22 ~~at least 12 credits.~~ In each academic year, a student may be awarded work-study payments

2.1 for one period of nonenrollment or less than half-time enrollment if the student will enroll
2.2 on at least a half-time basis during the following academic term.

2.3 (c) Students will be paid for hours actually worked and the maximum hourly rate of pay
2.4 shall not exceed the maximum hourly rate of pay permitted under the federal college
2.5 work-study program.

2.6 (d) Minimum pay rates will be determined by an applicable federal or state law.

2.7 (e) The office shall annually establish a minimum percentage rate of student compensation
2.8 to be paid by an eligible employer.

2.9 ~~(f) Each postsecondary institution receiving money for state work-study grants shall~~
2.10 ~~make a reasonable effort to place work-study students in employment with eligible employers~~
2.11 ~~outside the institution. However, a public employer other than the institution may not~~
2.12 ~~terminate, lay off, or reduce the working hours of a permanent employee for the purpose~~
2.13 ~~of hiring a work-study student, or replace a permanent employee who is on layoff from the~~
2.14 ~~same or substantially the same job by hiring a work-study student.~~

2.15 ~~(g) The percent of the institution's work-study allocation provided to graduate students~~
2.16 ~~shall not exceed the percent of graduate student enrollment at the participating institution.~~

2.17 ~~(h)~~ An institution may use up to 30 percent of its allocation for student internships with
2.18 private, for-profit employers.

2.19 Sec. 17. Minnesota Statutes 2025 Supplement, section 136A.246, subdivision 1a, is
2.20 amended to read:

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

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

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

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

2.25 (2) is instructor-led for a majority of the training or leads to an accredited certificate,
2.26 diploma, or degree issued by a postsecondary institution; and

2.27 (3) results in the employee receiving an industry-recognized degree, certificate, or
2.28 credential.

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

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

- 3.1 (2) licensed or registered as a postsecondary institution by the office; or
- 3.2 (3) exempt from the provisions of section 136A.822 to 136A.834 or 136A.61 to 136A.71
- 3.3 as approved by the office.

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

- 3.5 (1) accredited certificates, diplomas, or degrees issued by a postsecondary institution;
- 3.6 (2) registered apprenticeship certifications or certificates;
- 3.7 (3) occupational licenses or registrations;
- 3.8 (4) certifications issued by, or recognized by, industry or professional associations; and
- 3.9 (5) other certifications as approved by the commissioner.

3.10 Sec. 18. Minnesota Statutes 2024, section 136A.62, is amended by adding a subdivision

3.11 to read:

3.12 Subd. 3b. **Institution.** "Institution" means school, as defined in this section.

3.13 Sec. 19. Minnesota Statutes 2024, section 136A.64, subdivision 1, is amended to read:

3.14 Subdivision 1. **Schools to provide information.** As a basis for registration, schools

3.15 shall provide the office with such information as the office needs to determine the nature

3.16 and activities of the school, including but not limited to the following which shall be

3.17 accompanied by an affidavit attesting to its accuracy and truthfulness:

- 3.18 (1) articles of incorporation, constitution, bylaws, or other operating documents;
- 3.19 (2) a duly adopted statement of the school's mission and goals;
- 3.20 (3) evidence of current school or program licenses granted by departments or agencies
- 3.21 of any state;
- 3.22 (4) compliance audits and audited financial statements that meet the requirements of
- 3.23 Code of Federal Regulations, title 34, section 668.23; United States Code, title 20, chapter
- 3.24 28, section 1094; Code of Federal Regulations, title 2, subpart A, part 200, subpart F, under
- 3.25 200.501 and 200.503; and United States Code, title 31, chapter 75, which shall be submitted
- 3.26 to the office on the same schedule stated under section 136A.675, subdivision 1a, paragraph
- 3.27 (a);
- 3.28 (5) all current promotional and recruitment materials and advertisements; ~~and~~
- 3.29 (6) the current school catalog and, if not contained in the catalog:

- 4.1 (i) the members of the board of trustees or directors, if any;
- 4.2 (ii) the current institutional officers;
- 4.3 (iii) current full-time and part-time faculty with degrees held or applicable experience;
- 4.4 (iv) a description of all school facilities;
- 4.5 (v) a description of all current course offerings;
- 4.6 (vi) all requirements for satisfactory completion of courses, programs, and degrees;
- 4.7 (vii) the school's policy about freedom or limitation of expression and inquiry;
- 4.8 (viii) a current schedule of fees, charges for tuition, required supplies, student activities,
- 4.9 housing, and all other standard charges;
- 4.10 (ix) the school's policy about refunds and adjustments;
- 4.11 (x) the school's policy about granting credit for prior education, training, and experience;
- 4.12 (xi) the school's policies about student admission, evaluation, suspension, and dismissal;
- 4.13 and
- 4.14 (xii) the school's disclosure to students on the student complaint process under section
- 4.15 136A.672; and
- 4.16 (7) enrollment data by academic term or calendar period following the submission
- 4.17 schedules in section 136A.675, subdivision 1a, paragraph (b).

4.18 Sec. 20. Minnesota Statutes 2024, section 136A.65, subdivision 8, is amended to read:

4.19 Subd. 8. **Disapproval of registration; appeal.** (a) By giving written notice and reasons

4.20 to the school, the office may:

- 4.21 (1) revoke, suspend, or refuse to renew registration;
- 4.22 (2) refuse approval of a school's degree; and
- 4.23 (3) refuse approval of the use of a regulated term in its name.

4.24 (b) Reasons for revocation or suspension of registration or approval may be for one or

4.25 more of the following reasons:

- 4.26 (1) violating the provisions of sections 136A.61 to 136A.71;
- 4.27 (2) providing false, misleading, or incomplete information to the office;
- 4.28 (3) presenting information about the school which is false, fraudulent, misleading,
- 4.29 deceptive, or inaccurate in a material respect to students or prospective students;

5.1 (4) refusing to allow reasonable inspection or to supply reasonable information after a
5.2 written request by the office has been received;

5.3 (5) failing to have enrollment within the last two years at the school;

5.4 (6) failing to have any enrollment within two years of a program's approval, except for
5.5 programs that require extensive approval processes by the United States Department of
5.6 Education, or the program's institutional or programmatic accreditor; or

5.7 (7) having been ~~administratively~~ determined by the commissioner or judicially determined
5.8 to have committed fraud or any other material violation of law involving federal, state, or
5.9 local government funds.

5.10 (c) Any order refusing, revoking, or suspending a school's registration, approval of a
5.11 school's degree, or use of a regulated term in the school's name is appealable in accordance
5.12 with chapter 14. The request must be in writing and made to the office within 30 days of
5.13 the date the school is notified of the action of the office. If a school has been operating and
5.14 its registration has been revoked, suspended, or refused by the office, the order is not effective
5.15 until the final determination of the appeal, unless immediate effect is ordered by the court.

5.16 Sec. 21. Minnesota Statutes 2024, section 136A.653, subdivision 1b, is amended to read:

5.17 Subd. 1b. **Tribal colleges.** A Tribal college is exempted from the provisions of sections
5.18 136A.61 to 136A.71. A Tribal college that is exempt may voluntarily waive its ~~exception~~
5.19 exemption by registering under section 136A.63. Upon registration, the Tribal college is
5.20 subject to all applicable requirements of sections 136A.61 to 136A.71.

5.21 Sec. 22. Minnesota Statutes 2024, section 136A.653, subdivision 3a, is amended to read:

5.22 Subd. 3a. **Tuition-free educational courses.** A ~~school~~ course or program, including a
5.23 ~~school~~ course or program using an online platform service, offering training, courses, or
5.24 programs is exempt from sections 136A.61 to 136A.71, to the extent tuition, fees, and any
5.25 other charges for a student to participate do not exceed two percent of the most recent
5.26 average undergraduate tuition and required fees as of January 1 of the current year charged
5.27 for full-time students at all degree-granting institutions as published annually by the United
5.28 States Department of Education as of January 1 of each year. To qualify for an exemption,
5.29 a school or online platform service must prominently display a notice comparable to the
5.30 following: "IMPORTANT: Each educational institution makes its own decision regarding
5.31 whether to accept completed coursework for credit. Check with your university or college."

6.1 Sec. 23. Minnesota Statutes 2024, section 136A.672, subdivision 5, is amended to read:

6.2 Subd. 5. **Appeals.** Any order requiring remedial action by the school or assigning a
6.3 penalty under section 136A.705 is appealable in accordance with chapter 14. The request
6.4 for an appeal must be made in writing to the office within 30 days of the date the school is
6.5 notified of the action of the office. The court shall award costs and reasonable attorney fees
6.6 in a contested chapter 14 hearing to the office if: ~~(1) the office substantially prevails on the~~
6.7 ~~merits in an action brought under this section; and (2) the school has a net income from~~
6.8 ~~student tuition, fees, and other required institutional charges collected from the last fiscal~~
6.9 ~~year of \$1,000,000 or greater.~~

6.10 Sec. 24. Minnesota Statutes 2024, section 136A.675, subdivision 1, is amended to read:

6.11 Subdivision 1. **Standard development and usage.** (a) To screen and detect whether an
6.12 institution may not be financially or administratively responsible, the office shall ~~develop~~
6.13 use financial and nonfinancial indicators. The ~~development~~ of financial and nonfinancial
6.14 indicators shall use industry standards as guidance.

6.15 (b) Annually, the office must provide a copy of the financial and nonfinancial indicators
6.16 to each registered institution and post a list of reviewed indicators on the office website.

6.17 (c) The office shall use regularly reported data submitted to the federal government or
6.18 other regulatory or accreditation agencies wherever possible.

6.19 (d) The office must use the indicators in this subdivision to identify institutions at
6.20 potential risk of being unable to meet the standards established under sections 136A.646;
6.21 136A.64, subdivision 3; 136A.65, subdivisions 1a and 4, paragraph (a), clauses (1), (2), (3),
6.22 and (7); and 136A.685 and thus unlikely to meet its financial obligations or complete its
6.23 academic terms for the next 18 months.

6.24 Sec. 25. Minnesota Statutes 2024, section 136A.675, is amended by adding a subdivision
6.25 to read:

6.26 Subd. 1a. **Institutional reporting schedules for audits and enrollment data.** (a) An
6.27 institution will submit to the office the required audit reports as stated in section 136A.64,
6.28 subdivision 1, clause (4), by the earlier of 30 days after the issuance date of an audit or nine
6.29 months after the last day of the institution's fiscal year.

6.30 (b) An institution will submit to the office the enrollment data required by section
6.31 136A.64, subdivision 1, clause (7), using one of the two following schedules:

7.1 (1) a school with limited program start dates within its academic year shall provide the
 7.2 office with a copy of the school's internal enrollment report for each academic term as soon
 7.3 as it is released internally. The school may provide the report with no additional data or
 7.4 required calculations; or

7.5 (2) a school with multiple or rolling program start dates must provide enrollment data
 7.6 to the office at least four times per year. Each school must determine four reporting dates
 7.7 a year that would result in the most useful data being provided to the office and must provide
 7.8 the office with the school's proposed enrollment reporting schedule.

7.9 Sec. 26. Minnesota Statutes 2025 Supplement, section 136A.69, subdivision 1, is amended
 7.10 to read:

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

7.14 (b) A new school must pay registration fees based on the institution's total full-time
 7.15 equivalent enrollment in the following amounts:

7.16 (1) \$5,000 for institutions with 2,500 or fewer full-time equivalent enrollment;

7.17 (2) \$7,500 for institutions with 2,501 to 5,000 full-time equivalent enrollment;

7.18 (3) \$10,000 for institutions with 5,001 to 7,500 full-time equivalent enrollment;

7.19 (4) \$15,000 for institutions with 7,501 to 10,000 full-time equivalent enrollment; and

7.20 (5) \$20,000 for institutions with 10,001 or greater full-time equivalent enrollment, and
 7.21 for institutions with no data on the previous year's full-time equivalent enrollment.

7.22 Full-time equivalent enrollment is established using the previous year's full-time equivalent
 7.23 enrollment as established in the United States Department of Education Integrated
 7.24 Postsecondary Education Data System. If enrollment cannot be established using the United
 7.25 States Department of Education Integrated Postsecondary Education Data System, the office
 7.26 may establish an institution's full-time equivalent enrollment through verification of its
 7.27 enrollment data submitted in accordance with section 136A.64, subdivision 1, clause (7).

7.28 (c) A new school must pay registration fees in an amount equal to the fee under paragraph
 7.29 (b), plus fees for each nondegree program or degree as follows:

7.30 nondegree program \$250

7.31 degree program \$750

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

8.12 (e) The annual renewal registration fee is based on an institution's total full-time
8.13 equivalent enrollment in the following amounts:

8.14 (1) \$1,500 for institutions with 2,500 or fewer full-time equivalent enrollment;

8.15 (2) \$3,000 for institutions with 2,501 to 5,000 full-time equivalent enrollment;

8.16 (3) \$5,000 for institutions with 5,001 to 10,000 full-time equivalent enrollment; and

8.17 (4) \$7,500 for institutions with 10,001 or greater full-time equivalent enrollment, and
8.18 for institutions with no data on the previous year's full-time equivalent enrollment.

8.19 Full-time equivalent enrollment is established using the previous year's full-time equivalent
8.20 enrollment as established in the United States Department of Education Integrated
8.21 Postsecondary Education Data System. If enrollment cannot be established using the United
8.22 States Department of Education Integrated Postsecondary Education Data System, the office
8.23 may establish an institution's full-time equivalent enrollment through verification of its
8.24 enrollment data submitted in accordance with section 136A.64, subdivision 1, clause (7).

8.25 ~~(f) In addition to the fee under paragraph (e), a fee of \$600 must be paid for a renewal~~
8.26 ~~application that: (1) has had four revisions, corrections, amendment requests, or application~~
8.27 ~~reminders for the same application or registration requirement; or (2) cumulatively has had~~
8.28 ~~six revisions, corrections, amendment requests, or application reminders for the same license~~
8.29 ~~application and the school seeks to continue with the application process with additional~~
8.30 ~~application submissions. If this fee is paid, the school may submit two final application~~
8.31 ~~submissions for review prior to application denial under section 136A.65, subdivision 8.~~
8.32 ~~This provision excludes from its scope nonrepetitive questions or clarifications initiated by~~
8.33 ~~the school before the submission of the application, initial interpretation questions or inquiries~~

9.1 ~~from the office regarding a completed application, and initial requests from the office for~~
 9.2 ~~verification or validation of a completed application.~~

9.3 Sec. 27. Minnesota Statutes 2025 Supplement, section 136A.82, subdivision 1, is amended
 9.4 to read:

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

9.15 Sec. 28. Minnesota Statutes 2025 Supplement, section 136A.821, subdivision 5, is amended
 9.16 to read:

9.17 Subd. 5. **Private career school.** "Private career school" means a person who maintains
 9.18 a physical presence for any program at less than an associate degree level. Except for those
 9.19 required to obtain a license exclusively to participate in state financial aid or be listed on
 9.20 the eligible training provider list, access WIOA funding, or receive the dual training grant,
 9.21 private career school does not extend to:

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

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

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

9.27 (4) ~~schools~~ persons, programs, or courses exclusively engaged in training physically or
 9.28 mentally disabled persons;

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

10.1 (6) persons, programs, or courses contracted by persons or government agencies for the
10.2 training of their own employees for which no fee is charged to the employee, regardless of
10.3 whether that fee is reimbursed by the employer or a third party after the employee
10.4 successfully completes the training, ~~except for institutions or programs required to obtain~~
10.5 ~~a limited license exclusively to receive the dual training grant;~~

10.6 (7) ~~schools~~ persons, programs, or courses with no physical presence in Minnesota engaged
10.7 exclusively in offering distance programs that are located in and approved by other states
10.8 or jurisdictions if the distance education program does not include internships, externships,
10.9 field placements, or clinical placements for residents of Minnesota;

10.10 (8) ~~schools~~ persons, programs, or courses licensed or approved by other state boards or
10.11 agencies authorized under Minnesota law to issue licenses for institutions or programs,
10.12 ~~except for institutions or programs required to be licensed exclusively to participate in state~~
10.13 ~~financial aid or be listed on the eligible training provider list, access WIOA funding, or~~
10.14 ~~receive the dual training grant;~~

10.15 (9) ~~review classes, courses, or~~ persons, programs, or courses intended to prepare students
10.16 to sit for undergraduate, graduate, postgraduate, or occupational licensing, certification, or
10.17 entrance examinations;

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

10.24 (11) persons, programs ~~in the fine arts provided by organizations,~~ or courses that are
10.25 exempt from taxation under section 290.05 and registered with the attorney general under
10.26 chapter 309. ~~For purposes of this clause, "fine arts" means activities resulting in artistic~~
10.27 ~~creation or artistic performance of works of the imagination which are engaged in for the~~
10.28 ~~primary purpose of creative expression rather than commercial sale, vocational or career~~
10.29 ~~advancement, or employment; or~~

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

11.1 Sec. 29. Minnesota Statutes 2024, section 136A.821, subdivision 13, is amended to read:

11.2 Subd. 13. **Compliance audit.** "Compliance audit" means an audit of a private career
11.3 school's compliance with federal requirements related to its participation in federal Title IV
11.4 student aid programs or other federal grant programs performed under either Uniform Grant
11.5 Guidance, including predecessor Federal Circular A-133, or the United States Department
11.6 of Education's audit guide, Audits of Federal Student Financial Assistance Programs at
11.7 Participating Institutions and Institution Serviceers administration of federal funds conducted
11.8 by a certified public accountant or federal auditor to determine if the school is adhering to
11.9 applicable laws, regulations, and other grant conditions as required by Code of Federal
11.10 Regulations, title 2, subtitle A, chapter II, part 200.

11.11 Sec. 30. Minnesota Statutes 2024, section 136A.821, subdivision 16, is amended to read:

11.12 Subd. 16. **Audited Financial statements audit report.** "~~Audited~~ Financial statements
11.13 audit report" means the ~~financial statements of an entity or higher-level entity that have~~
11.14 ~~been examined by a certified public accountant or an equivalent government agency for~~
11.15 ~~public entities that include (1) an auditor's report, a statement of financial position, an income~~
11.16 ~~statement, a statement of cash flows, and notes to the financial statements or (2) the required~~
11.17 ~~equivalents for public entities as determined by the Financial Accounting Standards Board,~~
11.18 ~~the Governmental Accounting Standards Board, or the Securities and Exchange Commission~~
11.19 result of a service provided by a certified public accountant or federal auditor that conducts
11.20 a comprehensive and independent examination of the entity's financial statements as defined
11.21 in Code of Federal Regulations, title 34, section 668.23(d). If an entity's own financial
11.22 statements audit report is subsequently consolidated into a higher-level entity's financial
11.23 statements audit report, financial statements audit report can refer to both the entity's own
11.24 report and the higher-level entity's consolidated report in accordance with Code of Federal
11.25 Regulations, section 668.23(d)(2).

11.26 Sec. 31. Minnesota Statutes 2024, section 136A.821, subdivision 17, is amended to read:

11.27 Subd. 17. **~~Review-level engagement~~ Compilation report.** "~~Review-level engagement~~"
11.28 ~~means a service performed by a certified public accountant that provides limited assurance~~
11.29 ~~that there are no material modifications that need to be made to an entity's financial statements~~
11.30 ~~in order for them to conform to generally accepted accounting principles. Review-level~~
11.31 ~~engagement provides fewer assurances than those reported under audited financial statements~~
11.32 "Compilation report" means the result of an accounting service provided by a certified public
11.33 accountant to organize financial information provided by a client into professionally

12.1 formatted financial statements. A compilation report provides no assurances about the
 12.2 financial statements, unlike those provided in a financial statements audit report.

12.3 Sec. 32. Minnesota Statutes 2025 Supplement, section 136A.821, subdivision 21, is
 12.4 amended to read:

12.5 Subd. 21. ~~Vocational~~ **Institution or school.** ~~"Vocational" means education or training~~
 12.6 ~~for skills used in the labor market~~ "Institution" or "school" means private career school or
 12.7 distance education private career school, as defined in this section.

12.8 Sec. 33. Minnesota Statutes 2024, section 136A.822, subdivision 4, is amended to read:

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

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

12.13 (2) the specific programs which will be offered ~~and the specific purposes of the~~
 12.14 ~~instruction;~~

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

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

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

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

12.20 (7) financial documents related to the entity's and higher-level entity's most recently
 12.21 completed fiscal year; including a federal income tax return and, in accordance with the
 12.22 table below, one or more of the following: financial statements audit report, compliance
 12.23 audit, or compilation report. Any applicant with financial statements that are consolidated
 12.24 into a higher-level entity's financial statements must always include the consolidated
 12.25 financials of the higher-level entity along with the documents listed in each row of the table
 12.26 except for the final row. If not stated in the financial statements audit report, compliance
 12.27 audit, or compilation report, the entity must include a statement providing the total gross
 12.28 tuition and fee revenues associated with the programs and the total amount of institutional
 12.29 discounts and aid provided to students in the programs. An entity or higher-level entity
 12.30 subject to fluctuating levels of total gross revenues will continue to submit the required
 12.31 financial documents per the table even if the most current fiscal year's total gross revenues

13.1 moves them into a different category. If an entity or higher-level entity continues to
 13.2 experience a change in total gross revenues for two consecutive fiscal years, the office will
 13.3 notify the entity that it will be subject to the documentation requirements on a different row
 13.4 of the table for the next annual licensing application cycle.

13.5 **Applicant or Renewal Applicant's**
 13.6 **Financial Situation for Most**
 13.7 **Recently Completed Fiscal Year**

Financial Documents to be Submitted
to the Office

13.8 Required by federal or other external
 13.9 entities to have both a financial
 13.10 statements audit and a compliance
 13.11 audit.

The financial statements audit report
and the compliance audit report. This
may be combined into one document.

13.12 Required by federal or other external
 13.13 entities to have a financial statements
 13.14 audit, but not a compliance audit.

The financial statements audit report.

13.15 Applicant is not required to have a
 13.16 financial statements audit, but elects
 13.17 to have one.

The financial statements audit report.

13.18 Applicant does not fall into a prior
 13.19 category but had gross annual revenues
 13.20 from all sources in the most recently
 13.21 completed fiscal year of \$5,000,000 or
 13.22 more. The office requires the applicant
 13.23 to have a financial statements audit.

The financial statements audit report, if
the applicant is a nonprofit entity then
must also include the completed Federal
Form 990 tax return for the most
recently completed fiscal year.

13.24 Applicant does not fall into a prior
 13.25 category but had gross annual revenues
 13.26 from all sources in the most recently
 13.27 completed fiscal year of \$250,000 or
 13.28 more but less than \$5,000,000. The
 13.29 office requires the applicant to have a
 13.30 compilation engagement.

The compilation report including
footnotes only for material items. If the
applicant is a nonprofit entity then must
also include the completed Federal
Form 990 tax return for the most
recently completed fiscal year.

13.31 Applicant does not fall into a prior
 13.32 category but had gross annual revenues
 13.33 from all sources in the most recently
 13.34 completed fiscal year of less than
 13.35 \$250,000.

Depending on the ownership or
corporate organization, the applicant's
federal income tax return and, if the net
income flows through to the owners'
personal federal tax returns, then must
submit a copy of each owner's personal
federal tax return. In addition to the tax
return information, an applicant must
provide a balance sheet dated as of the
last day of the most recently ended
fiscal year.

13.42 ~~(i) annual gross revenues from all sources;~~

13.43 ~~(ii) financial statements subjected to a review-level engagement or, if requested by the~~
 13.44 ~~office, audited financial statements;~~

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

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

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

14.5 (9) copies of all Minnesota enrollment agreement forms and contract forms and all
14.6 enrollment agreement forms and contract forms used in Minnesota; ~~and~~

14.7 ~~(10) gross income earned in the preceding year from student tuition, fees, and other~~
14.8 ~~required institutional charges.~~

14.9 Sec. 34. Minnesota Statutes 2025 Supplement, section 136A.822, subdivision 6, is amended
14.10 to read:

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

14.16 (b) The amount of the surety bond shall be ten percent of the preceding year's net revenue
14.17 from student tuition, fees, and other required institutional charges collected, ~~but in no event~~
14.18 ~~less than \$10,000~~, except that a private career school ~~may~~ must deposit a greater amount at
14.19 ~~its own~~ the office's discretion. A private career school in each annual application for licensure
14.20 must compute the amount of the surety bond and verify that the amount of the surety bond
14.21 complies with this subdivision. A private career school that operates at two or more locations
14.22 may combine net revenue from student tuition, fees, and other required institutional charges
14.23 collected for all locations for the purpose of determining the annual surety bond requirement.
14.24 The net revenue from tuition and fees used to determine the amount of the surety bond
14.25 required for a private career school having a license for the sole purpose of recruiting students
14.26 in Minnesota shall be only that paid to the private career school by the students recruited
14.27 from Minnesota. In the case of an entity applying for an initial license where the entity has
14.28 no history of revenues from student tuition, fees, or other required institutional charges, the
14.29 amount of the bond must be ten percent of the total amount of tuition, fees, and other required
14.30 institutional charges anticipated in the entity's first year of operation, based on a calculation
14.31 of total student tuition, fees, and other required institutional charges multiplied by the
14.32 maximum student enrollment in one academic year.

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

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

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

15.17 Sec. 35. Minnesota Statutes 2025 Supplement, section 136A.822, subdivision 8, is amended
15.18 to read:

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

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

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

15.23 (ii) refund all tuition and other charges, within 60 days, in the event of dissolution of
15.24 the private career school or in the event of any justifiable claims for refund against the
15.25 private career school by the student body;

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

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

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

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

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

16.3 (5) that the quality ~~and content~~ of each occupational course or program of study provides
16.4 education and adequate preparation to enrolled students for entry level positions in the
16.5 occupation for which prepared, based on minimum standards for employment in the field,
16.6 learning outcomes, assessment mechanisms, and clear structure of the curriculum;

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

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

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

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

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

16.23 (11) that the school includes a joint and several liability provision for torts and compliance
16.24 with the requirements of sections 136A.82 to 136A.834 in any contract effective after July
16.25 1, 2026, with any individual, entity, or postsecondary school located in another state for the
16.26 purpose of providing educational or training programs or awarding postsecondary credits
16.27 to Minnesota residents that may be applied to a program.

16.28 Sec. 36. Minnesota Statutes 2024, section 136A.822, subdivision 10, is amended to read:

16.29 Subd. 10. **Catalog, brochure, or electronic display.** Before a license is issued to a
16.30 private career school, the private career school shall furnish to the office a catalog, brochure,
16.31 or electronic display including: all required information to students in section 136A.826.

16.32 ~~(1) identifying data, such as volume number and date of publication;~~

- 17.1 ~~(2) name and address of the private career school and its governing body and officials;~~
- 17.2 ~~(3) a calendar of the private career school showing legal holidays, beginning and ending~~
17.3 ~~dates of each course quarter, term, or semester, and other important dates;~~
- 17.4 ~~(4) the private career school policy and regulations on enrollment including dates and~~
17.5 ~~specific entrance requirements for each program;~~
- 17.6 ~~(5) the private career school policy and regulations about leave, absences, class cuts,~~
17.7 ~~make-up work, tardiness, and interruptions for unsatisfactory attendance;~~
- 17.8 ~~(6) the private career school policy and regulations about standards of progress for the~~
17.9 ~~student including the grading system of the private career school, the minimum grades~~
17.10 ~~considered satisfactory, conditions for interruption for unsatisfactory grades or progress, a~~
17.11 ~~description of any probationary period allowed by the private career school, and conditions~~
17.12 ~~of reentrance for those dismissed for unsatisfactory progress;~~
- 17.13 ~~(7) the private career school policy and regulations about student conduct and conditions~~
17.14 ~~for dismissal for unsatisfactory conduct;~~
- 17.15 ~~(8) a detailed schedule of fees, charges for tuition, books, supplies, tools, student~~
17.16 ~~activities, laboratory fees, service charges, rentals, deposits, and all other charges;~~
- 17.17 ~~(9) the private career school policy and regulations, including an explanation of section~~
17.18 ~~136A:827, about refunding tuition, fees, and other charges if the student does not enter the~~
17.19 ~~program, withdraws from the program, or the program is discontinued;~~
- 17.20 ~~(10) a description of the available facilities and equipment;~~
- 17.21 ~~(11) a course outline syllabus for each course offered showing course objectives, subjects~~
17.22 ~~or units in the course, type of work or skill to be learned, and approximate time, hours, or~~
17.23 ~~credits to be spent on each subject or unit;~~
- 17.24 ~~(12) the private career school policy and regulations about granting credit for previous~~
17.25 ~~education and preparation;~~
- 17.26 ~~(13) a notice to students relating to the transferability of any credits earned at the private~~
17.27 ~~career school to other institutions;~~
- 17.28 ~~(14) a procedure for investigating and resolving student complaints;~~
- 17.29 ~~(15) the name and address of the office; and~~
- 17.30 ~~(16) the student complaint process and rights under section 136A:8295.~~

18.1 ~~A private career school that is exclusively a distance education school is exempt from~~
18.2 ~~clauses (3) and (5).~~

18.3 Sec. 37. Minnesota Statutes 2024, section 136A.822, subdivision 12, is amended to read:

18.4 Subd. 12. **Permanent student records.** (a) A private career school or a distance education
18.5 private career school licensed under sections 136A.82 to 136A.834 and located in Minnesota
18.6 shall maintain a ~~permanent~~ student record for each student for 50 years from the last date
18.7 of the student's attendance. ~~A private career school licensed under this chapter and offering~~
18.8 ~~distance instruction to a student located in Minnesota shall maintain a permanent record for~~
18.9 ~~each Minnesota student for 50 years from the last date of the student's attendance~~ The private
18.10 career school or distance education private career school may choose to reduce the amount
18.11 of time it maintains a student record to no less than 20 years so long as the entity sends the
18.12 permanent student record to the office to hold for the remainder of the duration the student
18.13 records are required to be maintained. Records include school transcripts, documents, and
18.14 files containing student data about academic credits earned, courses completed, grades
18.15 awarded, degrees awarded, and periods of attendance.

18.16 (b) A private career school or distance education private career school licensed under
18.17 sections 136A.82 to 136A.834 and located in Minnesota shall maintain a permanent student
18.18 record required for professional licensure in Minnesota for each student for ten years from
18.19 the last date of the student's attendance or the number of years required by an institutional
18.20 or programmatic accreditor, whichever is greater. ~~A private career school licensed under~~
18.21 ~~this chapter and offering distance instruction to a student located in Minnesota shall maintain~~
18.22 ~~records required for professional licensure in Minnesota that are not included in paragraph~~
18.23 ~~(a) for each Minnesota student for ten years from the last date of the student's attendance~~
18.24 ~~or the number of years required by an institutional or programmatic accreditor, whichever~~
18.25 ~~is greater.~~

18.26 (c) To preserve permanent student records, a private career school shall submit a plan
18.27 that meets the following requirements:

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

18.29 (2) ~~an appropriate official must be designated to provide a student with copies of records~~
18.30 ~~or a transcript upon request; and~~

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

19.1 ~~(4)~~ (2) a continuous surety bond or irrevocable letter of credit issued by a financial
 19.2 institution must be filed with the office in an amount not to exceed \$20,000 if the private
 19.3 career school has no binding agreement approved by the office, for preserving student
 19.4 records. The bond or irrevocable letter of credit shall run to the state of Minnesota. In the
 19.5 event of a school closure, the surety bond or irrevocable letter of credit must be used by the
 19.6 office to retrieve, recover, maintain, digitize, and destroy academic records.

19.7 Sec. 38. Minnesota Statutes 2025 Supplement, section 136A.822, subdivision 13, is
 19.8 amended to read:

19.9 Subd. 13. **Limited license.** (a) Unless otherwise exempt under sections 136A.82 to
 19.10 136A.834:

19.11 (1) a private career school licensed by another state agency or board must be required
 19.12 to obtain a limited license to participate in state financial aid; and

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

19.16 (b) A private career school seeking a limited license under this subdivision shall be
 19.17 required to satisfy ~~only~~ the requirements of subdivisions 4, clauses (1), (2), and (3), (7), (8),
 19.18 (9), and (10); 5; 8, clauses (1), ~~(4), (7), (8),~~ (9), and (10); ~~9; 10; 11;~~ and 12. If requested by
 19.19 the office, a private career school seeking a limited license under this subdivision shall also
 19.20 be required to satisfy the requirements of subdivisions 4, clauses (7), (8), (9), and (10); 8,
 19.21 clauses (4), (7), and (8); 9; 10; and 11. If a private career school is licensed to participate
 19.22 in state financial aid under this chapter, the private career school must follow the refund
 19.23 policy in section 136A.827, even if that section conflicts with the refund policy of the
 19.24 licensing agency or board. A distance education private career school located in another
 19.25 state, or a distance education private career school licensed to recruit Minnesota residents
 19.26 for attendance at a distance education private career school outside of this state, or a distance
 19.27 education private career school licensed by another state agency as its primary licensing
 19.28 body, may continue to use the distance education private career school's name as permitted
 19.29 by its home state or its primary licensing body.

19.30 Sec. 39. Minnesota Statutes 2024, section 136A.822, is amended by adding a subdivision
 19.31 to read:

19.32 Subd. 14. **Financial records.** The office shall not disclose financial records or
 19.33 accreditation reports provided to it by a school pursuant to this section except for the purpose

20.1 of defending, at hearings pursuant to chapter 14, or other appeal proceedings, its decision
20.2 to approve or not to approve the granting of degrees or the use of a name by the school.
20.3 Section 15.17, subdivision 4, shall not apply to such records.

20.4 Sec. 40. Minnesota Statutes 2024, section 136A.822, is amended by adding a subdivision
20.5 to read:

20.6 Subd. 15. **Public information.** All information submitted to the office is public
20.7 information except financial records, student complaint data, and accreditation records and
20.8 reports. Except for accreditation reports, the office may disclose any records or information
20.9 submitted to the office:

20.10 (1) to law enforcement officials; or

20.11 (2) in connection with a legal or administrative proceeding to:

20.12 (i) defend its decision to approve or disapprove a program or course;

20.13 (ii) defend its decision to revoke the institution's approval; or

20.14 (iii) enforce a requirement of law.

20.15 Sec. 41. Minnesota Statutes 2024, section 136A.823, subdivision 1, is amended to read:

20.16 Subdivision 1. **Application.** (a) Application for renewal of a license must be made at
20.17 least 60 days, other than the exception in paragraph (b), before expiration of the current
20.18 license on a form provided by the office. A renewal application shall be accompanied by a
20.19 nonrefundable fee as provided in section 136A.824 that is sufficient to recover, but does
20.20 not exceed, the administrative costs of the office.

20.21 (b) The financial documents listed in section 136A.822, subdivision 4, clause (7), required
20.22 to be submitted to the office as part of a renewal application, shall be submitted according
20.23 to the following schedule:

20.24 (1) the financial statements audit reports, compliance audit reports, and compilation
20.25 reports, by the earlier of 30 days after the issuance date of each report or nine months after
20.26 the last day of the entity's or higher-level entity's fiscal year; or

20.27 (2) for federal tax returns and stand-alone balance sheets, by the earlier of 30 days after
20.28 the federal tax return is completed or one week following the last day of a federal filing
20.29 extension period that is usually six months in length.

21.1 Sec. 42. Minnesota Statutes 2024, section 136A.823, subdivision 3, is amended to read:

21.2 Subd. 3. **Change of ownership.** Within 30 days of a change of ownership, a school must
21.3 submit a registration renewal application, the information and materials for an initial
21.4 registration under section 136A.822, subdivision 4, and the applicable registration fees for
21.5 a new institution under section 136A.824, subdivision 1. For purposes of this subdivision,
21.6 "change of ownership" means: a merger or consolidation with a ~~corporation~~ separate entity
21.7 or higher-level entity; a sale, lease, exchange, or other disposition of all or substantially all
21.8 of the assets of a school; the transfer of a controlling interest of at least 51 percent of the
21.9 school's stock; entering into receivership; or a change in the nonprofit or for-profit status
21.10 of a school.

21.11 Sec. 43. Minnesota Statutes 2025 Supplement, section 136A.824, subdivision 1, is amended
21.12 to read:

21.13 Subdivision 1. **Initial licensure fee.** ~~(a)~~ The office processing fee for an initial licensure
21.14 application is:

21.15 (1) \$3,730 for a private career school that will offer no more than one program during
21.16 its first year of operation;

21.17 (2) \$1,500 for a private career school licensed by another state agency and seeking a
21.18 limited license exclusively in order to participate in state financial aid; and

21.19 (3) \$3,730, plus \$500 for each additional program offered by the private career school,
21.20 for a private career school during its first year of licensed operation.

21.21 ~~(b) In addition to the fee under paragraph (a), a fee of \$600 must be paid for an initial~~
21.22 ~~application that: (1) has had four revisions, corrections, amendment requests, or application~~
21.23 ~~reminders for the same application or licensure requirement; or (2) cumulatively has had~~
21.24 ~~six revisions, corrections, amendment requests, or application reminders for the same license~~
21.25 ~~application and the private career school seeks to continue with the application process with~~
21.26 ~~additional application submissions. If this fee is paid, the private career school may submit~~
21.27 ~~two final application submissions for review prior to application denial under section~~
21.28 ~~136A.829, subdivision 1, clause (2). This provision excludes from its scope nonrepetitive~~
21.29 ~~questions or clarifications initiated by the school before the submission of the application,~~
21.30 ~~initial interpretation questions or inquiries from the office regarding a completed application,~~
21.31 ~~and initial requests from the office for verification or validation of a completed application.~~

22.1 Sec. 44. Minnesota Statutes 2025 Supplement, section 136A.824, subdivision 2, is amended
22.2 to read:

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

22.5 (1) for a private career school, the license renewal fee is \$3,160; and

22.6 (2) for a private career school licensed by another state agency and that also has a limited
22.7 license with the office exclusively in order to participate in state financial aid, the license
22.8 renewal fee is \$1,500.

22.9 (b) If a license renewal application is not received by the office by the expiration of the
22.10 current license, a late fee of \$100 per business day, not to exceed \$3,000, shall be assessed.

22.11 ~~(c) In addition to the fee under paragraph (a), a fee of \$600 must be paid for a renewal
22.12 application that: (1) has had four revisions, corrections, amendment requests, or application
22.13 reminders for the same application or licensure requirement; or (2) cumulatively has had
22.14 six revisions, corrections, amendment requests, or application reminders for the same license
22.15 application and the private career school seeks to continue with the application process with
22.16 additional application submissions. If this fee is paid, the private career school may submit
22.17 two final application submissions for review prior to application denial under section
22.18 136A.829, subdivision 1, clause (2). This provision excludes from its scope nonrepetitive
22.19 questions or clarifications initiated by the school before the submission of the application,
22.20 initial interpretation questions or inquiries from the office regarding a completed application,
22.21 and initial requests from the office for verification or validation of a completed application.~~

22.22 Sec. 45. Minnesota Statutes 2024, section 136A.826, subdivision 1, is amended to read:

22.23 Subdivision 1. **Catalog, brochure, or electronic display.** (a) A private career school
22.24 or its agent must provide the catalog, brochure, or electronic display required in this section
22.25 ~~136A.822, subdivision 10~~, to a prospective student in a time or manner that gives the
22.26 prospective student at least five days to read the catalog, brochure, or electronic display
22.27 before signing a contract or enrollment agreement or before being accepted by a private
22.28 career school that does not use a written contract or enrollment agreement.

22.29 (b) A catalog, brochure, or electronic display must include, at a minimum:

22.30 (1) identifying data, such as volume number or date of publication;

22.31 (2) name, address, governing body, and names of senior officials;

23.1 (3) an academic calendar showing legal holidays, beginning and ending dates of each
23.2 course quarter, term, or semester, and other important dates;

23.3 (4) the policy and regulations on enrollment including dates and specific entrance
23.4 requirements for each program;

23.5 (5) the policy and regulations about leave, absences, class cuts, make-up work, tardiness,
23.6 and interruptions for unsatisfactory attendance;

23.7 (6) the policy and regulations about standards of progress for the student including the
23.8 grading system of the private career school, the minimum grades considered satisfactory,
23.9 conditions for interruption for unsatisfactory grades or progress, a description of any
23.10 probationary period allowed by the private career school, and conditions of reentrance for
23.11 those dismissed for unsatisfactory progress;

23.12 (7) the policy and regulations about student conduct and conditions for dismissal for
23.13 unsatisfactory conduct;

23.14 (8) a detailed schedule of fees, charges for tuition, books, supplies, tools, student
23.15 activities, laboratory fees, service charges, rentals, deposits, and all other charges;

23.16 (9) the policy and regulations, including an explanation of section 136A.827, about
23.17 refunding tuition, fees, and other charges if the student does not enter the program, withdraws
23.18 from the program, or the program is discontinued;

23.19 (10) a description of the available facilities and equipment;

23.20 (11) a course outline or syllabus for each course offered showing course objectives,
23.21 subjects or units in the course, type of work or skill to be learned, and approximate time,
23.22 hours, or credits to be spent on each subject or unit;

23.23 (12) the policy and regulations about granting credit for previous education and
23.24 preparation;

23.25 (13) a notice to students relating to the transferability of any credits earned; or

23.26 (14) a procedure for investigating and resolving student complaints and the rights of the
23.27 student under section 136A.8295.

23.28 Sec. 46. Minnesota Statutes 2024, section 136A.827, subdivision 1, is amended to read:

23.29 Subdivision 1. **Student.** For the purposes of this section, "student" means the party to
23.30 the contract, whether the party is the student, the student's parent or guardian, or other person

24.1 on behalf of the student. If there is no contract, student means the party who has been
24.2 accepted into the course or program.

24.3 Sec. 47. Minnesota Statutes 2024, section 136A.827, subdivision 4, is amended to read:

24.4 Subd. 4. **Proration.** (a) When a student has been accepted by a private career school
24.5 and gives notice of cancellation after the program of instruction has begun, the student is
24.6 entitled to a refund if, at the last documented date of attendance, the student has not completed
24.7 at least 75 percent of the entire program of instruction. For purposes of this subdivision,
24.8 program of instruction is calculated under paragraph (c) or (d). Program of instruction does
24.9 not mean one term, a payment period, a module, or any other portion of the entire
24.10 instructional program.

24.11 (b) A notice of cancellation from a student under this subdivision must be confirmed in
24.12 writing by the private career school and mailed to the student's last known address. The
24.13 confirmation from the school must state that the school has withdrawn the student from
24.14 enrollment, ~~and if this action was not the student's intent, the student must contact the school.~~

24.15 (c) The length of a program of instruction for a program that has a defined calendar start
24.16 and end date that does not change after the program has begun equals the number of days
24.17 from the first scheduled date of the program through the last scheduled date of the program.
24.18 To calculate the completion percentage, divide the number of calendar days from the first
24.19 date of the program through the student's last documented date of attendance by the length
24.20 of the program of instruction, and truncate the result after the second digit following the
24.21 decimal point. If the completion percentage is less than 75 percent, the private career school
24.22 may retain:

24.23 (1) tuition, fees, and charges equal to the total of tuition, fees, and charges multiplied
24.24 by the completion percentage; plus

24.25 (2) the initial program application fees, not to exceed \$50; plus

24.26 (3) the lesser of (i) 25 percent of the total tuition, or (ii) \$100.

24.27 (d) The length of a program of instruction for a program that is measured in clock hours
24.28 equals the number of clock hours the student was scheduled to attend. To calculate the
24.29 completion percentage, divide the number of clock hours that the student actually attended
24.30 by the length of the program of instruction, and truncate the result after the second digit
24.31 following the decimal point. If the completion percentage is less than 75 percent, the private
24.32 career school may retain:

25.1 (1) tuition, fees, and charges equal to the total of tuition, fees, and charges multiplied
25.2 by the completion percentage; plus

25.3 (2) the initial program application fees, not to exceed \$50; plus

25.4 (3) the lesser of (i) 25 percent of the total tuition, or (ii) \$100.

25.5 Sec. 48. Minnesota Statutes 2024, section 136A.828, subdivision 6, is amended to read:

25.6 Subd. 6. **Financial aid payments Transcripts.** ~~(a) All private career schools must~~
25.7 ~~collect, assess, and distribute funds received from loans or other financial aid as provided~~
25.8 ~~in this subdivision.~~

25.9 ~~(b) Student loans or other financial aid funds received from federal, state, or local~~
25.10 ~~governments or administered in accordance with federal student financial assistance programs~~
25.11 ~~under title IV of the Higher Education Act of 1965, as amended, United States Code, title~~
25.12 ~~20, chapter 28, must be collected and applied as provided by applicable federal, state, or~~
25.13 ~~local law or regulation.~~

25.14 ~~(c) Student loans or other financial aid assistance received from a bank, finance or credit~~
25.15 ~~card company, or other private lender must be collected or disbursed as provided in~~
25.16 ~~paragraphs (d) and (e).~~

25.17 ~~(d) Loans or other financial aid payments for amounts greater than \$3,000 must be~~
25.18 ~~disbursed:~~

25.19 ~~(1) in two equal disbursements, if the term length is more than four months. The loan~~
25.20 ~~or payment amounts may be disbursed no earlier than the first day the student attends class~~
25.21 ~~with the remainder to be disbursed halfway through the term; or~~

25.22 ~~(2) in three equal disbursements, if the term length is more than six months. The loan~~
25.23 ~~or payment amounts may be disbursed no earlier than the first day the student attends class,~~
25.24 ~~one-third of the way through the term, and two-thirds of the way through the term.~~

25.25 ~~(e) Loans or other financial aid payments for amounts less than \$3,000 may be disbursed~~
25.26 ~~as a single disbursement on the first day a student attends class, regardless of term length.~~

25.27 ~~(f) No private career school may enter into a contract or agreement with, or receive any~~
25.28 ~~money from, a bank, finance or credit card company, or other private lender, unless the~~
25.29 ~~private lender follows the requirements for disbursements provided in paragraphs (d) and~~
25.30 ~~(e).~~

26.1 (g) No private career school may withhold an official transcript for arrears or default on
26.2 any loan made by the private career school to a student if the loan qualifies as an institutional
26.3 loan under United States Code, title 11, section 523(a)(8)(b).

26.4 Sec. 49. Minnesota Statutes 2024, section 136A.829, subdivision 1, is amended to read:

26.5 Subdivision 1. **Grounds.** The office may, after notice and upon providing an opportunity
26.6 for a hearing, under chapter 14 if requested by the parties adversely affected, refuse to issue,
26.7 refuse to renew, revoke, or suspend a license or solicitor's permit for any of the following
26.8 grounds:

26.9 (1) violation of any provisions of sections 136A.821 to 136A.833 or any rule adopted
26.10 by the office;

26.11 (2) furnishing to the office false, misleading, or incomplete information;

26.12 (3) presenting to prospective students information relating to the private career school
26.13 that is false, fraudulent, deceptive, substantially inaccurate, or misleading;

26.14 (4) refusal to allow reasonable inspection or supply reasonable information after written
26.15 request by the office;

26.16 (5) having been ~~administratively~~ determined by the commissioner or judicially determined
26.17 to have committed fraud or any other material violation of law involving federal, state, or
26.18 local government funds;

26.19 (6) the existence of any circumstance that would be grounds for the refusal of an initial
26.20 or renewal license under section 136A.822; or

26.21 (7) using fraudulent or coercive practices, whether in the course of business in this state
26.22 or elsewhere.

26.23 Sec. 50. Minnesota Statutes 2024, section 136A.829, subdivision 3, is amended to read:

26.24 Subd. 3. **Powers and duties.** The office shall have (in addition to the powers and duties
26.25 now vested therein by law) the following powers and duties:

26.26 (a) To negotiate and enter into interstate reciprocity agreements with similar agencies
26.27 in other states, if in the judgment of the office such agreements are or will be helpful in
26.28 effectuating the purposes of Laws 1973, chapter 714;

26.29 (b) To grant conditional private career school license ~~for periods of less than one year~~
26.30 if in the judgment of the office correctable deficiencies exist at the time of application and
26.31 when ~~refusal to issue private career school license would adversely affect currently enrolled~~

27.1 students the risk of harm to students can be minimized through the use of restrictions and
27.2 requirements as conditions of the license. Conditional licenses may include requirements
27.3 and restrictions for:

27.4 (1) periodic monitoring and submission of reports on the school's deficiencies to ascertain
27.5 whether compliance improves;

27.6 (2) periodic collaborative consultations with the school on noncompliance with sections
27.7 136A.82 to 136A.834 or how the institution is managing compliance;

27.8 (3) the submission of contingency plans such as teach-out plans or transfer pathways
27.9 for students;

27.10 (4) a prohibition from accepting tuition and fee payments prior to the add/drop period
27.11 of the current period of instruction or before the funds have been earned by the school
27.12 according to the refund requirements of section 136A.827;

27.13 (5) a prohibition from enrolling new students;

27.14 (6) enrollment caps;

27.15 (7) the initiation of alternative processes and communications with students enrolled at
27.16 the school to notify students of deficiencies or probation status;

27.17 (8) the submission of a surety under section 136A.822, subdivision 6, paragraph (b),
27.18 that exceeds ten percent of the preceding year's net revenue from student tuition, fees, and
27.19 other required institutional charges collected; or

27.20 (9) submission of closure information under section 136A.8225;

27.21 (c) The office may upon its own motion, and shall upon the verified complaint in writing
27.22 of any person setting forth fact which, if proved, would constitute grounds for refusal or
27.23 revocation under Laws 1973, chapter 714, investigate the actions of any applicant or any
27.24 person or persons holding or claiming to hold a license or permit. However, before proceeding
27.25 to a hearing on the question of whether a license or permit shall be refused, revoked or
27.26 suspended for any cause enumerated in subdivision 1, the office shall grant a reasonable
27.27 time to the holder of or applicant for a license or permit to correct the situation. If within
27.28 such time the situation is corrected and the private career school is in compliance with the
27.29 provisions of sections 136A.82 to 136A.834, no further action leading to refusal, revocation,
27.30 or suspension shall be taken.

27.31 ~~(d) To grant a private career school a probationary license for periods of less than three~~
27.32 ~~years if, in the judgment of the office, correctable deficiencies exist at the time of application~~

28.1 ~~that need more than one year to correct and when the risk of harm to students can be~~
 28.2 ~~minimized through the use of restrictions and requirements as conditions of the license.~~
 28.3 ~~Probationary licenses may include requirements and restrictions for:~~

28.4 ~~(1) periodic monitoring and submission of reports on the school's deficiencies to ascertain~~
 28.5 ~~whether compliance improves;~~

28.6 ~~(2) periodic collaborative consultations with the school on noncompliance with sections~~
 28.7 ~~136A.82 to 136A.834 or how the institution is managing compliance;~~

28.8 ~~(3) the submission of contingency plans such as teach-out plans or transfer pathways~~
 28.9 ~~for students;~~

28.10 ~~(4) a prohibition from accepting tuition and fee payments prior to the add/drop period~~
 28.11 ~~of the current period of instruction or before the funds have been earned by the school~~
 28.12 ~~according to the refund requirements of section 136A.827;~~

28.13 ~~(5) a prohibition from enrolling new students;~~

28.14 ~~(6) enrollment caps;~~

28.15 ~~(7) the initiation of alternative processes and communications with students enrolled at~~
 28.16 ~~the school to notify students of deficiencies or probation status;~~

28.17 ~~(8) the submission of a surety under section 136A.822, subdivision 6, paragraph (b),~~
 28.18 ~~clause (1), that exceeds ten percent of the preceding year's net revenue from student tuition,~~
 28.19 ~~fees, and other required institutional charges collected; or~~

28.20 ~~(9) submission of closure information under section 136A.8225.~~

28.21 Sec. 51. Minnesota Statutes 2024, section 136A.8295, subdivision 5, is amended to read:

28.22 Subd. 5. **Appeals.** Any order requiring remedial action by the school or assigning a
 28.23 penalty under section 136A.832 is appealable in accordance with chapter 14. The request
 28.24 for an appeal must be made in writing to the office within 30 days of the date the school is
 28.25 notified of the action of the office. The court shall award costs and reasonable attorney fees
 28.26 in a contested chapter 14 hearing to the office if: ~~(1) the office substantially prevails on the~~
 28.27 ~~merits in an action brought under this section; and (2) the school has a net income from~~
 28.28 ~~student tuition, fees, and other required institutional charges collected from the last fiscal~~
 28.29 ~~year of \$1,000,000 or greater.~~

29.1 Sec. 52. Minnesota Statutes 2024, section 136A.83, is amended to read:

29.2 **136A.83 INSPECTION.**

29.3 (a) The office or a delegate may inspect the instructional books and records, classrooms,
29.4 dormitories, tools, equipment and classes of any private career school or applicant for license
29.5 at any reasonable time. ~~The office may require the submission of audited financial statements.~~
29.6 The office or a delegate may inspect the financial books and records of the private career
29.7 school. In no event shall such financial information be used by the office to regulate or set
29.8 the tuition or fees charged by the private career school.

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

29.14 Sec. 53. Minnesota Statutes 2025 Supplement, section 136A.833, subdivision 1, is amended
29.15 to read:

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

29.33 (b) A school that meets any of the exemptions in this section and exclusively seeks to
29.34 be listed on the eligible training provider list, access WIOA funding, or receive the dual

30.1 training grant, is exempt from sections 136A.822 to 136A.834, except the school must
30.2 satisfy the requirements of section 136A.822, subdivisions 4, clauses (1), (2), and (3); 8,
30.3 clauses (9) and (10); 10, clause (8); and 12.

30.4 Sec. 54. Minnesota Statutes 2025 Supplement, section 136A.833, subdivision 2, is amended
30.5 to read:

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

30.8 (1) ~~private career schools engaged exclusively in the teaching of avocational programs~~
30.9 ~~that are engaged primarily for personal development, recreation, or remedial education, and~~
30.10 ~~are not generally intended for vocational or career advancement, including adult basic~~
30.11 ~~education, exercise or fitness teacher programs, modeling, or acting, as determined by the~~
30.12 ~~office;~~

30.13 ~~(2)~~ classes, courses, or programs providing 40 or fewer clock hours of instruction; and

30.14 ~~(3)~~ (2) private career schools providing training, instructional programs, or courses where
30.15 tuition, fees, and any other charges for a student to participate do not exceed \$500.

30.16 Sec. 55. Minnesota Statutes 2024, section 136G.03, subdivision 30, is amended to read:

30.17 Subd. 30. **Qualified higher education expenses.** "Qualified higher education expenses"
30.18 means expenses as defined in ~~section~~ sections 529(c)(7), (8), and (9); 529(e)(3); and 529(f)
30.19 of the Internal Revenue Code.

30.20 Sec. 56. Minnesota Statutes 2024, section 136G.03, subdivision 31, is amended to read:

30.21 Subd. 31. **Qualified rollover distribution.** "Qualified rollover distribution" means a
30.22 distribution that qualifies as a rollover under section 529(c)(3)(C) and (E) of the Internal
30.23 Revenue Code.

30.24 Sec. 57. Minnesota Statutes 2024, section 136G.03, is amended by adding a subdivision
30.25 to read:

30.26 Subd. 35. **Uncashed distribution check.** "Uncashed distribution check" means any
30.27 distribution check generated by an account owner's request regardless of the payee that
30.28 remains uncashed by the payee for at least 180 days.

31.1 Sec. 58. Minnesota Statutes 2024, section 136G.05, subdivision 10, is amended to read:

31.2 Subd. 10. **Data.** Account owner data, account data, and data on beneficiaries of accounts
 31.3 are private data on individuals or nonpublic data as defined in section 13.02, except that the
 31.4 names and addresses of the beneficiaries of accounts that receive matching grants are public.
 31.5 The office may use data received under this chapter to share information with account
 31.6 owners about the office's other programs and resources including those that deal with how
 31.7 to pay for postsecondary education.

31.8 Sec. 59. Minnesota Statutes 2024, section 136G.13, is amended by adding a subdivision
 31.9 to read:

31.10 Subd. 6. **Handling of uncashed distribution checks.** Unless otherwise directed by the
 31.11 office, the plan administrator will mark an uncashed distribution check as no longer
 31.12 outstanding and will credit back the amount of the check to the account owner's account
 31.13 from which the check was originally disbursed. The amount being credited will be accounted
 31.14 for as a new contribution and will be invested by the plan administrator according to the
 31.15 current instructions on file from the account owner.

31.16 Sec. 60. Minnesota Statutes 2024, section 268.193, subdivision 2, is amended to read:

31.17 Subd. 2. **Unemployment insurance aid.** Eligible postsecondary institutions are eligible
 31.18 to receive unemployment insurance aid under this section. For each fiscal year, an eligible
 31.19 entity's aid is the difference between fiscal year 2022's unemployment insurance costs and
 31.20 the current year's unemployment insurance costs, as reflected in the unemployment insurance
 31.21 employer accounts maintained by the state. If the total eligible unemployment insurance
 31.22 aid for a fiscal year is greater than the annual appropriation for that year, the Board of
 31.23 Trustees of the Minnesota State Colleges and Universities ~~or the commissioner of the Office~~
 31.24 ~~of Higher Education, as applicable,~~ must proportionately reduce the aid payment to each
 31.25 eligible entity.

31.26 Sec. 61. **REPEALER.**

31.27 Minnesota Statutes 2024, sections 124D.09, subdivision 10a; 136A.657; 136A.827,
 31.28 subdivisions 1b and 2; 136A.834, subdivisions 2, 3, and 4; 136G.03, subdivision 11; and
 31.29 136G.09, subdivision 10, are repealed.

31.30 Minnesota Statutes 2025 Supplement, section 136A.834, subdivisions 1 and 5, are
 31.31 repealed."

31.32 Renumber the sections in sequence and correct the internal references

32.1 Amend the title accordingly