

# Chapter 2

2021 First Special Session

**Subject** Higher Education Omnibus Act

**Bill** H.F. 7

**Analyst** Nathan Hopkins

**Date** June 23, 2021

## Overview

This is the higher education budget act for the June 2021 special session. This is the product of the H.F. 993/S.F. 975 conference committee from the 2021 regular session and the subsequent working group following adjournment of the 2021 regular session.

The act has two articles. The first article contains appropriations for the coming biennium, fiscal years 2022 and 2023. The second article contains higher education policy provisions.

## Article 1: Appropriations

This article appropriates funds to the Minnesota Office of Higher Education (OHE), the Minnesota State Colleges and Universities system (MnState), the University of the Minnesota system, and the Mayo Clinic.

Section	Description – Article 1: Appropriations
1	<p><b>Higher education appropriations.</b></p> <p>Specifies that appropriations contained in the act are for fiscal years 2022 (FY22 or the first year of the biennium) and 2023 (FY23 or the second year of the biennium). Appropriations are from the general fund unless stated otherwise.</p>
2	<p><b>Minnesota Office of Higher Education.</b></p> <p><b>Subd. 1. Total appropriation.</b> Appropriates \$271.7 million in FY22 and \$274.2 million in FY23 from the general fund to OHE, as described below.</p> <p><b>Subd. 2. State grants.</b> Appropriates \$210 million per year—with transfer authority between years if needed—for the state grant program under Minnesota Statutes, section 136A.121. <u>This is \$5.2 million above base for the biennium.</u></p>

**Section Description – Article 1: Appropriations**

---

**Subd. 3. Child care grants.** Appropriates base-level funding of \$6.7 million per year for child care grants under Minnesota Statutes, section 136A.125.

**Subd. 4. State work-study.** Appropriates base-level funding of \$14.5 million per year for work-study grants under Minnesota Statutes, section 136A.233.

**Subd. 5. Interstate tuition reciprocity.** Appropriates \$8.5 million per year—with transfer authority between years if needed— to pay obligations arising from tuition reciprocity agreements under Minnesota Statutes, section 136A.08. This is \$5 million below base for the biennium.

**Subd. 6. Safety officer's survivor grants.** Appropriates base-level funding of \$100,000 per year—with transfer authority between years if needed—to provide postsecondary education benefits to eligible dependent children and spouses of public safety officers killed in the line of duty pursuant to Minnesota Statutes, section 299A.45.

**Subd. 7. American Indian scholarships.** Appropriates base-level funding of \$3.5 million per year for the American Indian scholarship program under Minnesota Statutes, section 136A.126. Rider language for this appropriation requires that at least one person with demonstrated competence in American Indian culture and who lives in or near Bemidji be employed to assist students with the American Indian scholarship and other financial aid programs at Bemidji State University.

**Subd. 8. Tribal college grants.** Appropriates base-level funding of \$150,000 per year for tribal college supplemental grant assistance under Minnesota Statutes, section 136A.1796. These grants support enrollment at tribal colleges of students who are not members of a federally-recognized tribe. Existing federal grant funding is not available for educational costs associated with enrollment of these students.

**Subd. 9. Intervention for college attendance program (ICAP) grants.** Appropriates \$1.1 million per year for ICAP grants under Minnesota Statutes, section 136A.861. This is \$715,000 above base for the biennium.

**Subd. 10. Student-parent information.** Appropriates base-level funding of \$122,000 per year to provide information on planning for postsecondary education to students and parents under Minnesota Statutes, section 136A.87.

**Subd. 11. Get Ready!** Appropriates base-level funding of \$180,000 per year to OHE's Get Ready! initiative, a college and career readiness program.

**Subd. 12. Minnesota Education Equity Partnership.** Appropriates base-level funding of \$45,000 per year for a pass-through grant to the Minnesota Education

**Section Description – Article 1: Appropriations**

---

Equity Partnership, a nonprofit organization focused on education equity for student of color and American Indian students.

**Subd. 13. Midwest Higher Education Compact.** Appropriates base-level funding of \$115,000 per year to pay member-state fees for the Midwest Higher Education Compact, an interstate compact established in Minnesota under Minnesota Statutes, section 135A.20.

**Subd. 14. United Family Medicine residency program.** Appropriates base-level funding of \$501,000 per year for a pass-through grant to the United Family Medicine residency program to support up to 21 resident physicians in family practice. The program is intended to train doctors to practice family medicine in underserved urban and rural areas of the state.

**Subd. 15. MnLINK gateway and Minitex.** Appropriates base-level funding of \$5.9 million per year for a pass-through grant for Minitex and MnLINK, a library network that facilitates resource sharing.

**Subd. 16. Statewide Longitudinal Education Data System (SLEDs).** Appropriates base-level funding of \$1.78 million per year for SLEDs, an interagency database project that matches student data from pre-kindergarten through completion of postsecondary education and into the workforce.

**Subd. 17. Hennepin Healthcare.** Appropriates base-level funding of \$645,000 per year for a pass-through grant to Hennepin Healthcare for graduate family medical education programs.

**Subd. 18. College Possible.** Appropriates \$550,000 per year for a pass-through grant to College Possible. This is \$100,000 above base for the biennium. College Possible is a nonprofit organization that supports programs encouraging low-income students to attend and graduate from college. The appropriation must be allocated proportionally to students from greater Minnesota and the seven-county metropolitan area, and must only be used for supporting students who plan to attend colleges and universities in Minnesota. A report is required.

**Subd. 19. Spinal cord injury and traumatic brain injury research grant program.** Appropriates base-level funding of \$3 million per year for grants to support research on spinal cord and traumatic brain injuries under Minnesota Statutes, section 136A.901.

**Subd. 20. Summer academic enrichment program.** Appropriates base-level funding of \$250,000 per year for summer academic enrichment grants under Minnesota Statutes, section 136A.091.

**Section Description – Article 1: Appropriations**

---

**Subd. 21. Dual training competency grants; OHE.** Appropriates base-level funding of \$2 million per year for dual training grants under Minnesota Statutes, section 136A.246.

**Subd. 22. Campus sexual assault reporting.** Appropriates base-level funding of \$25,000 per year to support data collection and reporting on sexual assault under Minnesota Statutes, section 135A.15, subdivision 6.

**Subd. 23. Campus sexual violence prevention and response coordinator.** Appropriates base-level funding of \$150,000 per year to fund a staff position, trainings, and instructional materials. These resources are intended to provide guidance to postsecondary institutions on the best practices for preventing and responding to campus sexual assault.

**Subd. 24. Emergency assistance for postsecondary students.** Appropriates \$269,000 per year for grants to Minnesota postsecondary institutions with a demonstrable homeless student population. This is \$188,000 above base for the biennium, and the base appropriation will increase to \$319,000 per year for the next biennium. The grants must be used to provide assistance to students facing an emergency that would prevent them from completing their term or program. Assistance may include emergency housing, food, and transportation.

**Subd. 25. Grants to student teachers in shortage areas.** Appropriates \$500,000 per year for grants to teacher candidates in shortage areas under Minnesota Statutes, section 136A.1275. This is \$1.5 million below base for the biennium, but note that the scope of this program has been narrowed and a new, separate grant program for underrepresented teacher candidates has been added.

**Subd. 26. Grants to underrepresented student teachers.** Appropriates \$1 million per year in new funding for the grant program for underrepresented minority teacher candidates established in article 2 of the act. This program was spun-off from the existing teacher candidate grant program at section 136A.1257. The base appropriation will increase to \$1.125 million per year for the next biennium.

**Subd. 27. Teacher shortage loan repayment.** Appropriates base-level funding of \$200,000 per year for teacher shortage loan forgiveness under Minnesota Statutes, section 136A.1791.

**Subd. 28. Large animal veterinarian loan forgiveness program.** Appropriates base-level funding of \$375,000 per year for large animal veterinarian loan forgiveness under Minnesota Statutes, section 136A.1795.

**Section Description – Article 1: Appropriations**

---

**Subd. 29. Agricultural educators loan forgiveness program.** Appropriates base-level funding of \$50,000 per year for loan forgiveness for agricultural education teachers under Minnesota Statutes, section 136A.1794.

**Subd. 30. Aviation degree loan forgiveness program.** Appropriates base-level funding of \$25,000 per year for loan forgiveness for eligible pilots and aircraft technicians under Minnesota Statutes, section 136A.1789.

**Subd. 31. Grants for students with intellectual and developmental disabilities.** Appropriates base-level funding of \$200,000 per year for grants under Minnesota Statutes, section 136A.1215 to students with intellectual disabilities who are enrolled in a comprehensive transition and postsecondary program as defined in Code of Federal Regulations, title 34, section 668.231.

**Subd. 32. Loan Repayment Assistance Program.** Appropriates base-level funding of \$25,000 per year for grant to the Loan Repayment Assistance Program of Minnesota. The Loan Repayment Assistance Program of Minnesota is a nonprofit organization that works to reduce the education debt burden of public interest lawyers who represent low-income clients. The grant must be used to provide education debt relief to attorneys with full-time employment providing legal advice or representation to low-income clients or support services for similar work.

**Subd. 33. Minnesota Independence College and Community.** Appropriates \$1.25 million per year to provide a grant to Minnesota Independence College and Community for need-based scholarships and tuition reduction for resident students. This is \$500,000 above base for the biennium, but the base appropriation will decrease back to \$1 million per year in the next biennium.

**Subd. 34. Student loan debt counseling.** Appropriates base-level funding of \$200,000 per year for the student loan debt counseling under Minnesota Statutes, section 136A.123.

**Subd. 35. Hunger-free campus grants.** Appropriates \$205,000 in FY22 and \$102,000 in FY23 for matching grants to postsecondary institutions to attain the hunger-free campus designation under Minnesota Statutes, section 136F.245, which is amended in article 2 of the act. This is \$307,000 above base for the biennium.

**Subd. 36. Fostering independence higher education grants.** Appropriates \$238,000 in FY22 and \$3.759 million in FY23 in new funding for the new last-dollar grant program, created in article 2 of the act, for students who are currently or were formerly in foster care. \$238,000 of the FY22 appropriation is

**Section Description – Article 1: Appropriations**

---

dedicated to administrative costs for the new program, and the base appropriation will increase to \$3.761 million per year in the next biennium.

**Subd. 37. Concurrent enrollment grants.** Appropriates \$340,000 per year in base-level funding for grants to expand concurrent enrollment opportunities. This occurs under the new statutory program created at article 2 of the act, which would be codified at Minnesota Statutes, section 135A.102. Note, however, that this takes the place of a similar \$340,000 per year base appropriation to expand concurrent enrollment, which has previously existed within the appropriation rider language.

**Subd. 38. Aspiring teachers of color scholarship pilot program.** Appropriates \$1.5 million per year in new funding for the aspiring teachers of color scholarship pilot program established in article 2 of the act. This is a onetime appropriation.

**Subd. 39. Direct admissions.** Appropriates \$925,000 in FY22 and \$75,000 in FY23 in new funding for the direct admissions pilot program established in article 2 of the act.

**Subd. 35. Agency administration.** Appropriates \$4.504 million per year for OHE agency administration. This is \$354,000 above base for the biennium.

**Subd. 36. Balances forward.** For all appropriations in this section, allows any positive balance in the first year to carry forward to the second year.

**Subd. 37. Transfers.** Permits transfer of funds between certain programs, with prior notice to the legislature. Newly specifies that:

- transfers from the hunger-free campus appropriations may only be made to the emergency assistance appropriation; and
- transfers may be made between the two student teacher grant programs only to the extent there is a projected surplus in either appropriation.

**3 Board of Trustees of the Minnesota State Colleges and Universities.**

**Subd. 1. Total appropriation.** Specifies the total appropriation for the MnState system: \$792 million in FY22, and \$789.5 million in FY23.

**Subd. 2. Central office and shared services unit.** Appropriates \$34.082 million in FY22 and \$24.081 million in FY23 for the system's central office. This is \$2.015 million above base for the biennium, and the base appropriation will increase to \$34.401 million per year in the next biennium.

**Subd. 3. Operations and maintenance.** Appropriates \$753.795 million in FY22 and \$751.295 million in FY23 for general operations and maintenance. This is

**Section Description – Article 1: Appropriations**

---

\$54.4 million above base for the biennium. The rider paragraphs below attach various restrictions and requirements on these funds, and specify how certain amounts must be spent.

- a) **Prohibits undergraduate tuition rates from rising by more than 3.5 percent per year for both the 2021-2022 and the 2022-2023 academic years at both state colleges and state universities. Prohibits offsetting tuition increase caps by raising fees and other charges, but allows increasing differential tuition charges where program costs have increased.**
- b) **Requires MnState to request advice from the U.S. Department of Education on whether it is permissible to use COVID relief funds to provide tuition credits/refunds to students who paid more for courses that had to be moved online due to the coronavirus pandemic. Requires MnState to issue those credits/refunds if permissible.**
- c) **Dedicates a \$5.7 million per year to provide supplemental aid to state colleges with campuses outside of a metropolitan county. This is \$5.4 million above base for the biennium.** Allots \$158,000 per year for each non-metro campus (the previous allotment was \$100,000 per campus, with a cap of \$300,000 per institution).
- d) Requests MnState to help improve retention and completion for students of color.
- e) Dedicates \$4.5 million per year to workforce development scholarships under Minnesota Statutes, section 136F.38. This is \$1 million above base for the biennium.
- f) Dedicates a base-level amount of \$300,000 per year for transfer to the Cook County Higher Education Board to provide educational programming, workforce development, and academic support to remote regions in northeast Minnesota.
- g) Dedicates a base-level amount of \$40,000 per year for implementing the sexual assault policies required under Minnesota Statutes, section 135A.15.
- h) Dedicates a base-level amount of \$8 million per year for upgrading the Integrated Statewide Record System.
- i) Dedicates \$250,000 per year to implement the Z-Degree textbook program under Minnesota Statutes, section 136F.305. The base is lowered to \$50,000 per year in the next biennium. (There was no base

**Section Description – Article 1: Appropriations**

---

appropriation for this program in the coming biennium, but Z-Degrees did receive \$250,000 per year in onetime funding in the last biennium.)

- j) Dedicates \$1.5 million in new funding in FY22 only to mental health awareness under Minnesota Statutes, section 136F.20, subdivision 4, which is created in article 2 of the act. Of this amount, \$500,000 is for training, and \$200,000 is for peer support pilot programs. This is a onetime appropriation, but the funds are available until July 1, 2025.
- k) Dedicates \$1 million in new funding in FY22 only to comply with the student basic needs requirement under Minnesota Statutes, section 136F.202, which is created in article 2 of the act. This is a onetime appropriation, but the funds are available until July 1, 2025.
- l) Sets the operations and maintenance base appropriation for fiscal year 2024 and later at \$751.095 million per year.

**Subd. 4. Learning Network of Minnesota.** Appropriates base-level funding of \$4.115 million per year for the Learning Network of Minnesota, a statewide telecommunications and technology network.

4 **Board of Regents of the University of Minnesota.**

**Subd. 1. Total appropriation.** Specifies the total appropriation for the university system: \$692.813 million per year. This subdivision also breaks down the amounts appropriated from the general fund and the health care access fund.

**Subd. 2. Operations and maintenance.** Appropriates \$621.968 million per year for operations and maintenance. This is \$38 million above base for the biennium. The rider paragraphs below attach various restrictions and requirements on these funds, and specify how certain amounts must be spent.

- a) **Dedicates a base-level amount of \$15 million per year to the medical school to increase research, improve the school's ranking, attract and retain staff and students, invest in physician training programs in rural and underserved areas, and to translate research discoveries into treatments and cures.**
- b) Dedicates a base-level amount of \$7.8 million per year to health training restoration to support faculty **physicians**, the mobile dental clinic, and expansion of geriatric and family programs.
- c) **Dedicates a base-level amount of \$4 million per year for MnDrive to advance research for cancer care research.**



**Section Description – Article 1: Appropriations**

---

- d) **Dedicates a base-level amount of \$500,000** per year to the Morris branch to cover the costs of tuition waivers for Native American students under Minnesota Statutes, section 137.16.
- e) Dedicates a base-level amount of \$150,000 per year to the rare disease advisory council under Minnesota Statutes, section 137.68. The base for FY24 and later is \$0. This is in keeping with the appropriation language in the council's enacting legislation, Laws 2019, chapter 65.
- f) Set the operations and maintenance base appropriation for fiscal year 2024 and later at \$628,818,000 per year.

**Subd. 3. Primary care education initiatives.** Appropriates base-level funding of \$2.1 million from the health care access fund for training primary care physicians.

**Subd. 4. Special appropriations.** This subdivision includes various "special appropriations" dedicated to specific purposes.

- a) **Agricultural and extension service:** Appropriates base-level funding of \$42.9 million per year for a number of specified **purposes** described in the act, with a required report to the legislature on the status and outcomes of research funded by this appropriation.
- b) **Health sciences:** Appropriates base-level funding of \$9.2 million per year. Of this appropriation, \$346,000 per year is to support up to 12 resident physicians at the St. Cloud Hospital family practice residency program. The remainder of the appropriation is for the rural physician associates program, the Veterinary Diagnostic Laboratory, health sciences research, dental care, the Biomedical Engineering Center, and the University/Mayo regenerative medicine partnership.
- c) **College of Science and Engineering:** Appropriates base-level funding of \$1.1 million per year for the geological survey and the talented youth mathematics program.
- d) **System special:** Appropriates \$7.431 million per year for general research, the Labor Education Service, Natural Resources Research Institute, Center for Urban and Regional Affairs, Bell Museum of Natural History, and the Humphrey exhibit. This is \$500,000 above base for the biennium. These additional funds are dedicated to the Natural Resources Research Institute as part of its \$2.25 million per year total appropriation to invest in applied research for economic development. The additional funds above base are onetime only.

**Section Description – Article 1: Appropriations**

---

- e) **University of Minnesota and Mayo Foundation Partnership:**  
Appropriates base-level funding of \$7.991 million per year. Of this amount, \$7.491 million per year is for direct and indirect expenses associated with the collaborative research partnership between the university and the Mayo Foundation on biotechnology and medical genomics. \$500,000 per year is to award competitive grants to conduct research in the prevention, treatment, causes, and cures of Alzheimer's disease and other dementias.

**Subd. 5. Academic Health Center.** The Academic Health Center is estimated to receive funding of \$22.25 million each year from the dedication of a portion of cigarette taxes under Minnesota Statutes, section 297F.10.

**5 Mayo Clinic.**

**Subd. 1. Total appropriation.** Specifies the total appropriation for the Mayo Clinic: \$1.35 million in FY22, and \$1.35 million in FY23.

**Subd. 2. Medical school.** Appropriates base-level funding of \$665,000 per year, to pay a capitation each year for students who are residents of Minnesota. The appropriation is intended to increase the number of doctors practicing in rural areas.

**Subd. 3. Family practice and graduate residency program.** Appropriates base-level funding of \$686,000 per year to pay stipend support for up to 27 residents each year.

**6 Cancellations.**

This section cancels the specified preexisting appropriations for the current 2021 fiscal year (FY21).

- \$340,000 total from the following three OHE-administered programs:
  - Get Ready! a college and career readiness program (\$180,000 FY21 appropriation);
  - campus sexual assault reporting required under Minnesota Statutes, section 135A.15 (\$25,000 FY21 appropriation); and
  - campus sexual violence prevention and response coordinator (\$150,000 FY21 appropriation).
- \$5 million from the FY21 appropriation to the state grant program (\$207.4 million FY21 appropriation).

**7 Health sciences special.**

This section amends the 2014 law that established the University/Mayo regenerative medicine partnership to clarify the purposes for which grants may be awarded. This is

---

<b>Section</b>	<b>Description – Article 1: Appropriations</b>
----------------	--

---

a response to a 2020 report by the Legislative Auditor, which concluded that the partnership “spent some of its state appropriation on grants the state appropriation law did not authorize.”<sup>1</sup>

## Article 2: Higher Education Provisions

This article contains higher education policy provisions, including new programs and changes to existing programs.

---

<b>Section</b>	<b>Description – Article 2: Higher Education Provisions</b>
----------------	---

---

- |          |  |
|----------|--|
| <b>1</b> | <b>Student transfer reporting.</b><br>Requires OHE to annually report summary data on students who withdraw from enrollment without completing a degree, including information about transfer to other institutions.   |
| <b>2</b> | <b>State grant program: assigned family responsibility.</b><br>Lowers the assigned family responsibility element of the state grant formula by three percentage points for each category of student. This has the effect of raising state grant awards.  |
| <b>3</b> | <b>State grant program: eligibility for grants.</b><br>Updates terminology in existing law that extends state grant eligibility for a student who withdraws from school due to an illness: changing “major illness” to “serious health condition.” Expands the extension to students who withdraw in order to care for a spouse, child, or parent with a serious health condition. |
| <b>4</b> | <b>State grant program: cost of attendance.</b><br>Increases the default amount of the living and miscellaneous expense (LME) allowance from 106 percent to 109 percent of the federal poverty guidelines for a one person household in Minnesota for nine months. This is the default amount if a specific LME allowance is not provided in law.                                  |
| <b>5</b> | <b>State grant program: awards.</b><br>A student is not eligible to receive a state grant award if the student has already obtained a baccalaureate degree or has been enrolled as an undergraduate full-time  |
- 

<sup>1</sup> Office of the Legislative Auditor, *Regenerative Medicine Minnesota: Internal Controls and Compliance Audit July 2014 through February 2019* (January 2020), at p. 9. Available online at: <https://www.auditor.leg.state.mn.us/fad/pdf/fad2001.pdf>

**Section Description – Article 2: Higher Education Provisions**

---

for eight semesters or the equivalent. This section provides that noncredit developmental education courses do not count towards that eight semester limit.

**6 MN reconnect program: program administration.**

Clarifies that the commissioner must administer the program only to the extent funds are available. The reconnect program was established in 2019. It is no longer receiving funding, but remains codified in statute.

**7 Fostering independence higher education grants.**

**Subd. 1. Establishment.** Establishes a higher education grant program for students who are currently or were formerly in foster care. Requires OHE to identify eligible students and inform them about the program.

**Subd. 2. Definitions.** Defines key terms for the section.

**Subd. 3. Eligibility.** A student is eligible for the program if they are eligible for the Education and Training Voucher (ETV) Program, an existing higher education grant program for students who are or have been in foster care. A student who is not eligible for ETV is eligible for this program if she is or has been in foster care and is a resident of the state between 13 and 27 years old, who has graduated from high school and has been accepted for admission or is currently attending an eligible institution.

**Subd. 4. Cost of attendance.** The cost of attendance is calculated using the federal student aid regulations, except that—for private institutions—the cost of attendance is capped at the highest cost of attendance charges at public two-year or four-year institutions.

**Subd. 5. Foster grant amount; payment; opt-out.** Specifies the grant amount, which is equal to the cost of attendance after deducting the list of grants and scholarships and other aid listed in this section. The foster grant is paid directly to the institution. A private institution may opt-out by providing notice to the office by September 1 for the next academic year. A private institution that does not opt-out and accepts the student's application must pay the difference between the institution's cost of attendance and the sum of the foster grant and other aid. Foster grants may be awarded year round.

**Subd. 6. Dissemination of information.** Requires OHE to prepare and provide information about the program to be disseminated to social services agencies, the Department of Human Services, and institutions. The office shall also update the list of eligible private institutions that have opted-out of the program.

**Section Description – Article 2: Higher Education Provisions**

---

**Subd. 7. Assistance from the Office of Higher Education.** Requires the office to assist foster grant applicants with completing the foster grant application and accessing and applying for federal and state financial aid resources.

**Subd. 8. Report.** Requires an annual report to the legislature on the number of foster grant recipients and their retention and graduation rates. The first report is due by January 15, 2024.

**8 Child care grants: eligible students.**

Removes the eligibility caps regarding enrollment, and instead caps eligibility for those who have received grant funds over ten semesters. Reduces the minimum enrollment requirement for undergraduate from six credits to one credit.

Also, updates terminology in existing law that extends child care grant eligibility for a student who withdraws from school due to an illness: changing “major illness” to “serious health condition.” Expands the extension to students who withdraw in order to care for a spouse, child, or parent with a serious health condition.

**9 Child care grants: amount and length of grants.**

Increases the maximum annual grant award for each eligible child from \$3,000 to \$6,500. Ties grant award amounts to the applicant’s expected family contribution under the federal needs analysis. Provides greater detail on calculating grant award amounts based on the number of undergraduate or graduate-level credits in which a recipient has enrolled.

**10 Indian scholarships: student eligibility.**

Expands eligibility to students who are enrolled in or citizens of a federally recognized or Canadian recognized tribe, regardless of ancestry or “blood quantum.”

**11 Indian scholarships: award amount.**

Clarifies that specified award maximums are per academic year, and awards may be given for four quarters, three semesters, or the equivalent during the course of a single fiscal year.

**12 Underrepresented student teacher grants.**

Creates a new grant program for student teachers who belong to a racial or ethnic group underrepresented in the state’s teacher workforce. This new program is spun off from the existing student teacher candidate grant program at Minnesota Statutes, section 136A.1275, which is narrowed in the following section.

**Subd. 1. Establishment.** Establishes the program within OHE.

---

**Section Description – Article 2: Higher Education Provisions**

---

**Subd. 2. Eligibility.** Sets eligibility criteria for the grant. Recipients must be enrolled in an approved teacher preparation program, demonstrate financial need, be making satisfactory academic progress, and belong to a racial or ethnic group underrepresented in the state’s teacher workforce.

**Subd. 3. Administration.** Requires OHE to establish an application process and notify grant recipients by established deadlines. Requires OHE to determine grant amounts (up to \$7,500) based on available funding and the number and financial need of applicants. If program funds are insufficient to provide full awards to all eligible applicants, requires OHE to prioritize awards based on financial need and geographic distribution.

**Subd. 4. Reporting.** Requires annual legislative reports on the program.

**13 Student teacher candidate grants in shortage areas.**

Removes the underrepresented racial or ethnic group criteria for eligibility from this program, as this becomes its own separate program in section 12 of this article. Expands the program to student teachers who intend to teach in a rural school district.

**Subd. 1. Establishment.** Replaces the current definition of “shortage area” with a new definition of “license shortage area,” which are determined by OHE in coordination with the Professional Educator Licensing and Standards Board (PELSB) using data from the biennial teacher supply-and-demand report, but which may only come from the several enumerated subject areas. Also adds a definition of “rural school district.”

**Subd. 2. Eligibility.** Removes the underrepresented racial or ethnic group criteria for eligibility from this program, as this becomes its own separate program in section 12 of this article. Expands the program to student teachers who intend to teach in a rural school district.

**Subd. 3. Administration.** Imposes new notification requirements for grant recipients. Removes a provision concerning underrepresented student teachers, which is no longer applicable. Provides guidance for making awards and prioritizing applicants in the event of insufficient funds.

**Subd. 4. Reporting.** Adds an annual legislative report requirement, and requires OHE to post eligible licensure shortage areas online.

Section	Description – Article 2: Higher Education Provisions
14	<b>SELF Refi: student loan refinancing.</b> Increases the total amount of loans that can be refinanced under the program from \$100 million to \$300 million. Increases the maximum loan available under the program from \$70,000 to \$200,000.
15	<b>Teacher shortage loan repayment program.</b> Renames the program from “loan forgiveness” to “loan repayment.” Replaces the definition of a “teacher shortage area” with the new definition of a “license shortage area” created in section 13 of this article. Expands the program to teachers from underrepresented racial or ethnic groups and to those who teach in a rural school district.
16	<b>Dual training competency grants: program created.</b> This is a technical change to conform to the new definitions in section 16 of this article.
17	<b>Dual training competency grants: definitions.</b> Creates a new definitions subdivision for the dual training competency grant program.
18	<b>Dual training competency grants: eligible grantees.</b> Removes specification about “training” under the grant because this is now addressed in the definition of “eligible training” under section 17 of this article. The added requirement for an agreement between the grantee and the training provider is transferred to this subdivision from the subdivision amended by section 20 of this article.
19	<b>Dual training competency grants: eligible training provider.</b> Removes provisions that become redundant under sections 17 and 18 of this article.
20	<b>Dual training competency grants: application.</b> Makes technical changes to conform to new definitions in section 17 of this article. Also, removes a requirement that employer applicants state the number of trainees who are recent high school graduates. This change is related to the change in section 21 of this article.
21	<b>Dual training competency grants: grant criteria.</b> Eliminates the prioritization of employers training recent high school graduates, and makes this one in a list of factors OHE may consider in awarding grants.

Section	Description – Article 2: Higher Education Provisions
22	<b>Dual training competency grants: employer match.</b> Makes technical changes to conform to new definitions in section 17 of this article. Makes a clarifying change regarding what constitutes a “large business.”
23	<b>Dual training competency grants: payment of grant.</b> Makes technical changes to conform to new definitions in section 17 of this article.
24	<b>Dual training competency grants: grant amounts.</b> Clarifies that an employee receiving training under the program only needs to apply for financial aid if the employee is receiving training at an institution eligible to receive state financial aid.
25	<b>Private and out-of-state public institutions: sale of an institution.</b> Requires an institution to submit a registration renewal application when it enters receivership.
26	<b>Private and out-of-state public institutions: school closure.</b> Provides that an institution is deemed to have ceased operations when it fails to complete a renewal of its registration required due to a “change of ownership” of the institution as defined in section 136A.63, subdivision 2, which is amended by section 25 of this article.
27	<b>Private and out-of-state public institutions: Higher Learning Commission accredited institutions.</b> Clarifies the exemption for “regionally accredited” institutions to specify that it refers to institutions accredited by the Higher Learning Commission, the regional accreditor for Minnesota. This is prompted by the fact that the U.S. Department of Education regulations no longer distinguish between national and regional accreditors.
28	<b>Private and out-of-state public institutions: risk analysis.</b> Codifies more specific and detailed procedures regarding the analysis OHE performs to determine if an institution is at risk of precipitous failure and closure. <b>Subd. 1. Standard development and usage.</b> Permits OHE to develop financial and nonfinancial indicators to determine if institutions are unable to meet certain legal requirements and are at risk of closure within 18 months. <b>Subd. 2. Additional reporting.</b> Requires institutions to notify OHE when specified events occur. These events increase an institution’s risk of closure and may be related to: debt, revenue, and cash flow; accreditation and licensure; securities issued by the institution; criminal and civil investigations of the institution.



**Section Description – Article 2: Higher Education Provisions**

---

**Subd. 3. Determination procedures.** Sets forth procedures for how OHE will evaluate an institution's risk of failure and determine what actions to take in response.

**Subd. 4. Data classification.** Classifies data supplied by an institution under this section as "financial records," which are not publicly available, but requires that certain enumerated categories of data be publicly available.

**29 Private and out-of-state public institutions: records.**

Requires institutions to maintain for at least ten years student records required for professional licensure in Minnesota.

**30 Private career schools: permanent student records.**

Requires institutions to maintain for at least ten years student records required for professional licensure in Minnesota.

**31 Private career schools: school closure.**

Provides that an institution is deemed to have ceased operations when it fails to complete a renewal of its registration required due to a "change of ownership" of the institution as defined in section 136A.823, subdivision 3, which is created by section 32 of this article.

**32 Private career schools: change of ownership.**

Creates a new subdivision requiring institutions to submit a licensure renewal application when there is a "change of ownership" of the institution. This subdivision mirrors the existing provision that applies to private and out-of-state public institutions, and which is amended in section 25 of this article.

**33 Private career schools: proration.**

Amends a subdivision within the section of law concerning school refund policies in order to provide greater detail about how refund amounts are calculated.

**34 Private career schools: cancellation occurrence.**

Amends a subdivision within the section of law concerning refund policies to specify how a student may notify the institution of withdraw from a program. Provides that a student is not required to provide written notice of withdraw, and provides that a student shall be considered withdrawn if the student has not attended class for 14 consecutive days without contacting the institution.

**Section Description – Article 2: Higher Education Provisions**

---

**35 Concurrent enrollment grants.**

Establishes a new statutory program administered by OHE that would award matching grants to postsecondary institutions on a competitive basis in order to expand concurrent enrollment offerings.

**Subd. 1. Grants.** Establishes an OHE-administered competitive grant program for postsecondary institutions to expand concurrent enrollment offerings. Lists the activities eligible for grant funding.

**Subd. 2. Application.** Sets minimum requirements for grant applications. Requires 50 percent match from the grant recipient.

**Subd. 3. Report.** Requires an annual legislative report on the program.

**36 Mental health awareness program.**

Requires MnState to implement a mental health awareness program at each college and university by fall of 2022. Lists the components which the program must include. Also requires MnState to make grants to colleges and universities to establish a peer support pilot program to support students with mental health conditions.

**37 Student success basic needs barrier reduction.**

Creates new requirements for MnState institutions to inform students about assistance programs.

**Subd. 1. Basic needs resources.** Requires each MnState college and university to create a central web page identifying basic needs resources for students and designating a single contract person to answer student questions.

**Subd. 2. Basic needs support trigger.** Requires MnState to raise awareness about students' potential eligibility for food assistance programs, and to use financial aid data to identify and reach-out to students who are likely eligible for assistance programs.

**38 Hunger-free campus designation.**

Expands the existing hunger-free campus designation program and incorporates a competitive grant program.

**Subd. 1. Establishment.** Expands the existing hunger-free campus designation to eligible state universities, University of Minnesota campuses, and private nonprofit postsecondary institutions. Requires institutions to reapply for the designation every four years.

**Section Description – Article 2: Higher Education Provisions**

---

**Subd. 2. Designation approval.** Allows relevant student associations for each kind of campus to create an application process and approve awards.

**Subd. 3. Competitive grant.** Allows public postsecondary institutions and tribal colleges to apply for grants to meet or maintain the requirements for the hunger-free campus designation. Initial grants have an \$8,000 maximum. Sustaining grants have a \$5,000 maximum. Institutions must provide a 50 percent match to receive the grant.

**39 Z-Degrees.**

This section makes various changes to the Z-Degree statute, a zero-textbook-cost associate's degree requirement at state colleges.

**Subd. 1. Definitions.** Amends definitions of terms for the section.

**Subd. 2. Requirement.** Adds a new requirement that four additional state colleges or universities offer a Z-Degree by the 2023-2024 academic year. Requires MnState to continuously expand the Z-Degree offerings on system campuses.

**Subd. 3. Open educational resource development.** Removes redundant language.

**Subd. 4. Report.** Requires annual reporting on Z-Degree offerings; adds a requirement that the report include information on faculty incentives.

**40 Workforce development scholarships: program eligibility.**

Expands the programs of study or certification eligible for workforce development scholarships by allowing an individual MnState institution to, biennially, designate a program as eligible based on regional workforce shortage data from the Department of Employment and Economic Development (DEED).

**41 Credit for prior learning.**

Requires MnState to expand credit for prior learning for work-based experiences and make students aware of the opportunity to receive credit for prior learning. Requires MnState to report by February 1, 2022, to the higher education chairs and ranking minority members on the progress and continued development related to credits for prior learning.

**42 Direct admissions pilot program.**

Creates a new, non-statutory pilot program to automatically offer conditional state college or university admittance to eligible graduating high school seniors.

---

**Section Description – Article 2: Higher Education Provisions**

---

**Subd. 1. Authorization.** Authorizes the pilot program within OHE, which would consult with MnState, the University of Minnesota, the Department of Education, and other stakeholder organizations.

**Subd. 2. Pilot design and goals.** States the general aim of the program. Requires the initial program to include high schools with a significant number of students of color and/or low-income students.

**Subd. 3. Evaluation and report.** Requires a legislative report on the program by February 1, 2022. The report must include information about scaling-up the program to all public high schools in the state.

**43 Report on the expense patterns of public higher education institutions.**

Requires the Board of Trustees, and requests the Board of Regents, to provide a report by January 1, 2022, on the expense patterns of public higher education institutions. The report must contain information from each institution on different categories of expenses listed in this section that the institutions currently report to the federal government. The report must also include historical information comparing the administrative costs versus the instruction costs, and whether the former is growing disproportionately in relation to the core function of the institution.

**44 Transcript access.**

Creates a new statute prohibiting schools from attaching transcript release to payment of student debts.

**Subd. 1. Definitions.** Defines the following terms for this section: “debt,” “school,” and “transcript.” Under the subdivision’s definition of “school,” this section will apply to all public and private postsecondary institutions. The University of Minnesota is requested to comply.

**Subd. 2. Prohibited practices.** Prohibits a school from:

- 1) refusing to provide a transcript to a student who owes money to the school under certain conditions; or
- 2) charging a higher fee for a transcript because a student owes money to the school.

**Subd. 3. Institutional policy.** Requires schools that use transcript issuance as a tool for debt collection to have an accessible policy on the practice, and to strive to minimize their use of the practice.

**Section Description – Article 2: Higher Education Provisions**

---

**45 Aspiring Minnesota teachers of color scholarship pilot program.**

This section establishes a new scholarship, administered by the Office of Higher Education (OHE), for people of color and American Indians enrolled in a teacher preparation program. The first scholarships would be awarded by November 1, 2021.

**Subd. 1. Scholarship program established.** Establishes the program in OHE.

**Subd. 2. Eligibility.** Sets forth criteria for a person to be eligible for a scholarship. Also sets a lifetime limit of \$25,000 on the total amount of scholarship money an individual can receive under this program.

**Subd. 3. Scholarship award amount.** The maximum annual scholarship award amount available is \$10,000, but an award must not exceed a student's cost of attendance. If program funds are insufficient to make full awards to all eligible applicants, awards may be prioritized based on expected family contributions.

**Subd. 4. Administration.** Addresses the application process. Requires awards to be paid out to the applicant's school after the school confirms information.

**Subd. 5. Service expectation.** States that recipients are expected to service as full-time teachers in Minnesota after completing their preparation programs.

**Subd. 6. Report.** Requires a legislative report on the program.

**46 Revisor instruction.**

Requires the revisor of statutes to renumber the hunger-free campus designation statute to move it out of the chapter addressing state colleges and universities, and into the chapter addressing postsecondary education more broadly, to reflect the expansion of the designation.

**47 Repealer.**

Repeals a section of law authorizing a now-defunct loan repayment program; repeals a subdivision controlling renewal of licenses for private career schools; repeals the sunset date for the hunger-free campus designation statute.

Repeals OHE administrative rules governing state grants used as a match to the National Service Scholars Program of the Corporation for National Service. This program was created by Laws 1997, chapter 183, article 2, section 19, and is now expired.



**MN HOUSE  
RESEARCH**

*Minnesota House Research Department provides nonpartisan legislative, legal, and information services to the Minnesota House of Representatives. This document can be made available in alternative formats.*

[www.house.mn/hrd](http://www.house.mn/hrd) | 651-296-6753 | 155 State Office Building | St. Paul, MN 55155