

HOUSE RESEARCH

Bill Summary

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Overview

This bill makes a number of miscellaneous and technical changes to the laws governing participation in state student aid programs, registration and licensure with the Office of Higher Education, and the office's ability to access certain types of data. The bill also modifies the makeup and reporting requirements of the Higher Education Advisory Council.

Article 1: Policy and Technical Changes

Overview

This article modifies and streamlines certain definitions related to participation in state student aid programs, adds membership and reporting requirements to the Higher Education Advisory Council, and exempts schools that provide free courses and training programs from registration and licensure requirements.

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- 1 Dissemination.** Permits employment and training service providers to disseminate data to the Office of Higher Education for purposes of supporting program improvement, system evaluation, and research initiatives, including the Statewide Longitudinal Education Data System (SLEDS).

These data are otherwise classified as private data, pursuant to the government data practices

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act.

- 2 Higher Education Advisory Council.** Adds the director of the Office of Higher Education and the Commissioner of Employment and Economic Development to the Higher Education Advisory Council. The chair of the Council is to be appointed by the governor. The representative of private colleges on the Council may be either the president of the Private College Council or the president of a nonprofit private college.

This section also newly directs the Council to bring matters to the attention of the governor and the legislature, rather than to the Office of Higher Education, and requires that the matters be “important and necessary to the postsecondary needs of Minnesotans related to democracy and participation in the workforce.”

- 3 Resident student.** Streamlines the definition of “resident student” for purposes of state grant and scholarship programs.

The changes in this section do not expand the definition of “resident student” in a material way, except that existing language related to residency in circumstances involving military service, a natural disaster, or refugee status is replaced with an allowance for the Office of Higher Education to make determinations on a case-by-case basis for a student who relocated to Minnesota due to “unusual circumstances,” which may include any of those listed above, or other circumstances as determined by the office.

- 4 Independent student.** Clarifies an existing citation to federal law in the definition of “independent student,” for purposes of state grant and scholarship programs.

- 5 Eligible student.** Provides that a student who withdraws from enrollment due to a major illness is entitled to an additional semester of eligibility for a child care grant.

This section only applies to withdrawals where the student is under the care of a medical professional, and the illness substantially limits the student’s ability to complete the academic term.

- 6 Definitions.** Clarifies an existing citation to federal law in the definition of “independent student,” for purposes of state work-study programs.

- 7 Additional security.** Establishes procedures for cancellation of a required surety bond, in cases where a bond is required because a registered institution has fallen below specified financial standards required for participation in federal financial aid programs.

To operate within the state, all private institutions, and in some circumstances, out-of-state public institutions operating within the state are required to register with the Office of Higher Education.

- 8 Criteria for approval.** Requires, as a condition of registration with the Office of Higher Education, that a school provides training programs to the school’s staff and faculty that include recommendations about the limits of advice a staff or faculty member can provide a student related to financial aid and credit transfer policies.

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To operate within the state, all private institutions, and in some circumstances, out-of-state public institutions operating within the state are required to register with the Office of Higher Education.

- 9** **Disapproval of registration appeal.** Clarifies the right of a school to appeal an order of the Office of Higher Education related to a school's registration, approved degrees, or use of a term in the school's name. Appeals of these orders are permitted as provided in the Administrative Procedures Act.

If an operating school has its registration revoked, it may continue to operate until a final determination is made in the appeal, unless otherwise ordered by the court.

- 10** **Free educational courses.** Exempts schools that provide exclusively free training or instructional programs, or courses where no tuition, fees, or other charges are required for participation, from the registration and degree and name approval requirements contained in law.

- 11** **Minimum standards.** Requires, as a condition of licensure with the Office of Higher Education, that a school provides training programs to the school's staff and faculty that include recommendations about the limits of advice a staff or faculty member can provide a student related to financial aid and credit transfer policies.

To operate within the state, all non-degree granting private institutions are required to be licensed by the Office of Higher Education.

- 12** **Exemptions.** Exempts schools that provide exclusively free training or instructional programs, or courses where no tuition, fees, or other charges are required for participation, from the licensure requirements contained in law.

- 13** **Use of data.** Permits data related to administration of the Minnesota Unemployment Insurance law to be disseminated to the Office of Higher Education for purposes of supporting program improvement, system evaluation, and research initiatives, including the Statewide Longitudinal Education Data System (SLEDS).

- 14** **Renewal (Public Safety Officer Survivor Benefit).** Provides that a student who withdraws from enrollment due to a major illness is entitled to an additional semester of eligibility for a public safety officer survivor benefit.

This section only applies to withdrawals where the student is under the care of a medical professional, and the illness substantially limits the student's ability to complete the academic term.

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Article 2: Terminating Institutions from Financial Aid Programs

Overview

This article codifies existing administrative rules related to termination of an institution from participation in state student aid programs. Changes to policy from the rules is noted below.

- 1 Institution termination.** Codifies existing administrative rules related to termination of an institution's eligibility to participate in state student financial aid programs. The standards for termination are as provided in the existing rules, with new allowances for termination in the following circumstances:
 - the institution has a consistent pattern of noncompliance with Minnesota laws, rules, or administrative policies related to student aid programs, or lacks the capacity to administer the programs on campus, based on a number of listed factors
 - the institution misappropriates student aid funds
 - the institution falsifies information or engages in misleading or deceptive practices related to administration of student aid programs
 - the institution no longer meets the requirements for participation in the student aid programs in current law or rule
 - the institution is terminated from participation in federal financial aid programs by the U.S. Department of Education due to noncompliance with the laws, regulations, and agreements governing participation in those programs.
- 2 Termination procedure.** Codifies existing administrative rules related to the procedure for terminating an institution's participation in state student aid programs.
- 3 Request for hearing.** Codifies existing administrative rules allowing an institution to request an administrative hearing related to its termination from participation in state student aid programs.
- 4 Restriction on awards during termination period.** Permits the Office of Higher Education to withhold further financial aid disbursements to institutions subject to termination from participation in state student programs and provides requirements for use of funds currently held by the institution for financial aid purposes.
- 5 Final decision; orders.** Codifies existing administrative rules related to the time that a final decision is made, when a termination order is appealed to an administrative law judge.
- 6 Reinstatement of eligibility.** Codifies existing administrative rules related to the procedure for reinstatement of an institution's eligibility to participate in state student aid programs.
- 7 Reinstatement requirements.** Codifies existing administrative rules that establish the

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requirements for an institution to be reinstated into participation in the state student aid programs, with two new criteria: the institution must allow the Office of Higher Education to conduct a reinstatement audit; and the institution must be eligible to participate in federal financial aid programs.

- 8** **Response to reinstatement request.** Codifies existing administrative rules related to an institution's request for reinstatement into participation in the state student aid programs, with a new authorization for the Office of Higher Education to place an institution on probationary status.
- 9** **Probationary period.** Establishes standards and requirements for an institution subject to probationary reinstatement into state student aid programs.
- 10** **Reinstatement.** Requires reinstatement of an institution into participation in state student aid programs if the institution successfully completes a probationary reinstatement period and is otherwise eligible to participate in the programs.
- 11** **Student awards after termination.** Codifies existing administrative rules related to disbursement of student aid funds when an institution is terminated from participation in state student aid programs, and clarifies the application of SELF loans related to these disbursements.
- 12** **Repealer.** Repeals a number of administrative rules, all of which are codified into statute by this article, with modifications as noted above.