

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 4024

02/19/2024 Authored by Pelowski
The bill was read for the first time and referred to the Committee on Higher Education Finance and Policy
03/25/2024 Adoption of Report: Placed on the General Register as Amended
Read for the Second Time

- 1.1 A bill for an act
- 1.2 relating to higher education; making policy and technical changes to certain higher
- 1.3 education provisions including student sexual misconduct, student aid, student
- 1.4 supports, and institutional registration and contract provisions; modifying allowable
- 1.5 uses for appropriations; requiring reports; amending Minnesota Statutes 2022,
- 1.6 sections 135A.15, subdivisions 1a, 2, 6, 8, by adding a subdivision; 136A.091,
- 1.7 subdivision 3; 136A.1241, subdivision 3; 136A.1701, subdivisions 4, 7; 136A.62,
- 1.8 by adding subdivisions; 136A.63, subdivision 1; 136A.646; 136A.65, subdivision
- 1.9 4; 136A.675, subdivision 2; 136A.821, subdivision 5, by adding a subdivision;
- 1.10 136A.822, subdivisions 1, 2, 6, 7, 8; 136A.828, subdivision 3; 136A.829,
- 1.11 subdivision 3, by adding a subdivision; Minnesota Statutes 2023 Supplement,
- 1.12 sections 135A.121, subdivision 2; 135A.15, subdivision 1; 135A.161, by adding
- 1.13 a subdivision; 135A.162, subdivision 2; 136A.1241, subdivision 5; 136A.1465,
- 1.14 subdivisions 1, 2, 3, 4, 5; 136A.62, subdivision 3; 136A.833, subdivision 2;
- 1.15 136F.38, subdivision 3; Laws 2023, chapter 41, article 1, section 4, subdivision
- 1.16 2; proposing coding for new law in Minnesota Statutes, chapters 135A; 136A;
- 1.17 repealing Minnesota Statutes 2022, section 135A.16; Minnesota Statutes 2023
- 1.18 Supplement, section 135A.162, subdivision 7.
- 1.19 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
- 1.20 Section 1. Minnesota Statutes 2023 Supplement, section 135A.121, subdivision 2, is
- 1.21 amended to read:
- 1.22 Subd. 2. **Eligibility.** To be eligible each year for the program a student must:
- 1.23 (1) be enrolled in an undergraduate certificate, diploma, or degree program at the
- 1.24 University of Minnesota or a Minnesota state college or university;
- 1.25 (2) be either (i) a Minnesota resident for resident tuition purposes who is an enrolled
- 1.26 member or citizen of a federally recognized American Indian Tribe or Canadian First Nation,
- 1.27 or (ii) an enrolled member or citizen of a Minnesota Tribal Nation, regardless of resident
- 1.28 tuition status; ~~and~~

(3) have not (i) obtained a baccalaureate degree, or (ii) been enrolled for ~~180 credits~~ 12 semesters or the equivalent, excluding courses taken that qualify as developmental education or below college-level; and

(4) meet satisfactory academic progress as defined under section 136A.101, subdivision 10.

Sec. 2. [135A.144] TRANSCRIPT ACCESS.

Subdivision 1. Definitions. (a) The terms defined in this subdivision apply to this section.

(b) "Debt" means any money, obligation, claim, or sum, due or owed, or alleged to be due or owed, from a student. Debt does not include the fee, if any, charged to all students for the actual costs of providing the transcripts.

(c) "School" means a public institution governed by the Board of Trustees of the Minnesota State Colleges and Universities, private postsecondary educational institution as defined under section 136A.62 or 136A.821, or public or private entity that is responsible for providing transcripts to current or former students of an educational institution. Institutions governed by the Board of Regents of the University of Minnesota are requested to comply with this section.

(d) "Transcript" means the statement of an individual's academic record, including official transcripts or the certified statement of an individual's academic record provided by a school, and unofficial transcripts or the uncertified statement of an individual's academic record provided by a school.

Subd. 2. Prohibited practices. (a) A school must not refuse to provide a transcript for a current or former student because the student owes a debt to the school if:

(1) the debt owed is less than \$1,000;

(2) the student has entered into and, as determined by the institution, is in compliance with a payment plan with the school;

(3) the transcript request is made by a prospective employer for the student;

(4) the school has sent the debt for repayment to the Department of Revenue or to a collection agency, as defined in section 332.31, subdivision 3, external to the institution and the debt has not been returned to the institution unpaid; or

(5) the person is incarcerated at a Minnesota correctional facility.

(b) A school must not charge an additional or higher fee for obtaining a transcript or provide less favorable treatment of a transcript request because a student owes a debt to the originating school.

Subd. 3. **Institutional policy.** (a) A school that uses transcript issuance as a tool for debt collection must have a policy accessible to students that outlines how the school collects on debts owed to the school.

(b) A school shall seek to use transcript issuance as a tool for debt collection for the fewest number of cases possible and in a manner that allows for the quickest possible resolution of the debt benefitting the student's educational progress.

Sec. 3. Minnesota Statutes 2023 Supplement, section 135A.15, subdivision 1, is amended to read:

Subdivision 1. **Applicability; policy required.** (a) This section applies to the following postsecondary institutions:

(1) institutions governed by the Board of Trustees of the Minnesota State Colleges and Universities; and

(2) private postsecondary institutions that offer in-person courses on a campus located in Minnesota and which are eligible institutions as defined in section 136A.103, ~~provided that a private postsecondary institution with a systemwide enrollment of fewer than 100 students in the previous academic year is exempt from subdivisions 4 to 10~~ paragraph (a), that are participating in the federal Pell Grant program under Title IV of the Higher Education Act of 1965, Public Law 89-329, as amended.

Institutions governed by the Board of Regents of the University of Minnesota are requested to comply with this section.

(b) A postsecondary institution must adopt a clear, understandable written policy on sexual harassment and sexual violence that informs victims of their rights under the crime victims bill of rights, including the right to assistance from the Crime Victims Reimbursement Board and the commissioner of public safety. The policy must apply to students and employees and must provide information about their rights and duties. The policy must apply to criminal incidents against a student or employee of a postsecondary institution occurring on property owned or leased by the postsecondary system or institution or at any activity, program, organization, or event sponsored by the system or institution, or by a fraternity and sorority. It must include procedures for reporting incidents of sexual harassment or sexual violence and for disciplinary actions against violators. During student registration,

4.1 a postsecondary institution shall provide each student with information regarding its policy.
4.2 A copy of the policy also shall be posted at appropriate locations on campus at all times.

4.3 Sec. 4. Minnesota Statutes 2022, section 135A.15, subdivision 1a, is amended to read:

4.4 Subd. 1a. ~~Sexual assault definition~~ Definitions. (a) For the purposes of this section,
4.5 the following terms have the meanings given.

4.6 (b) "Advisor" means a person who is selected by a responding or reporting party to serve
4.7 as a support during a campus investigation and disciplinary process. This person may be
4.8 an attorney. An advisor serves as a support to a party by offering comfort or attending
4.9 meetings.

4.10 (c) "Domestic violence" has the meaning giving in section 518B.01, subdivision 2.

4.11 ~~(b)~~ (d) "Incident" means one report of sexual assault misconduct to a postsecondary
4.12 institution, regardless of the number of complainants included in the report, the number of
4.13 respondents included in the report, and whether or not the identity of any party is known
4.14 by the reporting postsecondary institution. Incident encompasses all nonconsensual events
4.15 included within one report if multiple events have been identified.

4.16 (e) "Intimate partner violence" means any physical or sexual harm or a pattern of any
4.17 other coercive behavior committed, enabled, or solicited to gain or maintain power and
4.18 control over a victim, including verbal, psychological, economic, or technological abuse
4.19 that may or may not constitute criminal behavior against an individual, that may be classified
4.20 as a sexual assault or domestic violence caused by:

4.21 (1) a current or former spouse of the individual; or

4.22 (2) a person in a sexual or romantic relationship with the individual.

4.23 (f) "Nonconsensual dissemination of sexual images" has the meaning given in section
4.24 617.261.

4.25 (g) "Reporting party" means the party in a disciplinary proceeding who has reported
4.26 being subject to conduct or communication that could constitute sexual harassment or sexual
4.27 misconduct.

4.28 (h) "Responding party" means the party in a disciplinary proceeding who has been
4.29 reported to be the perpetrator of conduct or communication that could constitute sexual
4.30 harassment or sexual misconduct.

(e) (i) "Sexual assault" means rape, sex offenses - fondling, sex offenses - incest, or sex offenses - statutory rape as defined in Code of Federal Regulations, title 34, part 668, subpart D, appendix A, as amended.

(j) "Sexual extortion" has the meaning given in section 609.3458.

(k) "Sex trafficking" has the meaning given in section 609.321, subdivision 7a.

(l) "Sexual harassment" has the meaning given in section 363A.03, subdivision 43.

(m) "Sexual misconduct" means an incident of sexual violence, intimate partner violence, domestic violence, sexual assault, sexual harassment, nonconsensual distribution of sexual images, sexual extortion, nonconsensual dissemination of a deepfake depicting intimate parts or sexual acts, sex trafficking, or stalking.

(n) "Stalking" has the meaning given in section 609.749.

Sec. 5. Minnesota Statutes 2022, section 135A.15, subdivision 2, is amended to read:

Subd. 2. **Victims' rights.** (a) The policy required under subdivision 1 shall, at a minimum, require that students and employees be informed of the policy, and shall include provisions for:

(1) filing criminal charges with local law enforcement officials in ~~sexual assault~~ cases defined as sexual misconduct;

(2) the prompt assistance of campus authorities, at the request of the victim, in notifying the appropriate law enforcement officials and disciplinary authorities of a ~~sexual assault~~ misconduct incident;

(3) allowing ~~sexual assault~~ misconduct victims to decide whether to report a case to law enforcement; participate in a campus investigation, disciplinary proceeding, or nondisciplinary restorative justice service; or not report altogether;

(4) requiring campus authorities to treat ~~sexual assault~~ misconduct victims with dignity;

(5) requiring campus authorities to offer ~~sexual assault~~ misconduct victims fair and respectful health care, counseling services, or referrals to such services;

(6) preventing campus authorities from suggesting to a victim of ~~sexual assault~~ misconduct that the victim is at fault for the crimes or violations that occurred;

(7) preventing campus authorities from suggesting to a victim of ~~sexual assault~~ misconduct that the victim should have acted in a different manner to avoid such a crime;

(8) subject to ~~subdivision~~ subdivisions 2a and 10, protecting the privacy of sexual ~~assault~~ misconduct victims by only disclosing data collected under this section to the victim, persons whose work assignments reasonably require access, and, at a sexual ~~assault~~ misconduct victim's request, police conducting a criminal investigation;

(9) an investigation and resolution of a sexual ~~assault~~ misconduct complaint by campus disciplinary authorities;

(10) a sexual ~~assault~~ misconduct victim's participation in and the presence of the victim's attorney or other support person who is not a fact witness to the sexual ~~assault~~ misconduct at any meeting with campus officials concerning the victim's sexual ~~assault~~ misconduct complaint or campus disciplinary proceeding concerning a sexual ~~assault~~ misconduct complaint;

(11) ensuring that a sexual ~~assault~~ misconduct victim may decide when to repeat a description of the incident of sexual ~~assault~~ misconduct;

(12) notice to a sexual ~~assault~~ misconduct victim of the availability of a campus or local program providing ~~sexual-assault victim~~ advocacy services and information on free legal resources and services;

(13) notice to a sexual ~~assault~~ misconduct victim of the outcome of any campus disciplinary proceeding concerning a sexual ~~assault~~ misconduct complaint, consistent with laws relating to data practices;

(14) the complete and prompt assistance of campus authorities, at the direction of law enforcement authorities, in obtaining, securing, and maintaining evidence in connection with a sexual ~~assault~~ misconduct incident;

(15) the assistance of campus authorities, at the request of the sexual misconduct victim, in preserving ~~for a sexual-assault complainant or victim~~ materials relevant to a campus disciplinary proceeding;

(16) during and after the process of investigating a complaint and conducting a campus disciplinary procedure, the assistance of campus personnel, in cooperation with the appropriate law enforcement authorities, at a sexual ~~assault~~ misconduct victim's request, in shielding the victim from unwanted contact with the alleged assailant, including transfer of the victim to alternative classes or to alternative college-owned housing, if alternative classes or housing are available and feasible;

(17) forbidding retaliation, and establishing a process for investigating complaints of retaliation, against sexual ~~assault~~ misconduct victims by campus authorities, the accused, organizations affiliated with the accused, other students, and other employees;

(18) at the request of the victim, providing students who reported sexual ~~assaults~~ misconduct to the institution and subsequently choose to transfer to another postsecondary institution with information about resources for victims of sexual ~~assault~~ misconduct at the institution to which the victim is transferring; and

(19) consistent with laws governing access to student records, providing a student who reported an incident of sexual ~~assault~~ misconduct with access to the student's description of the incident as it was reported to the institution, including if that student transfers to another postsecondary institution.

(b) None of the rights given to a student by the policy required by subdivision 1 may be made contingent upon the victim entering into a nondisclosure agreement or other contract restricting the victim's ability to disclose information in connection with a sexual misconduct complaint, investigation, or hearing.

(c) A nondisclosure agreement or other contract restricting the victim's ability to disclose information in connection with a sexual misconduct complaint, investigation, or hearing may not be used as a condition of financial aid or remedial action.

Sec. 6. Minnesota Statutes 2022, section 135A.15, is amended by adding a subdivision to read:

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

(b) Throughout any investigation or disciplinary proceeding, a postsecondary institution must treat the reporting parties, responding parties, witnesses, and other participants in the proceeding with dignity, respect, and fairness.

(c) If a postsecondary institution conducts a hearing, an advisor may provide opening and closing remarks on behalf of a party or assist with formulating questions to the other party or witnesses about related evidence or credibility.

8.1 Sec. 7. Minnesota Statutes 2022, section 135A.15, subdivision 6, is amended to read:

8.2 Subd. 6. **Data collection and reporting.** (a) Postsecondary institutions must annually
8.3 report statistics on sexual ~~assault~~ misconduct. This report must be prepared in addition to
8.4 any federally required reporting on campus security, including reports required by the Jeanne
8.5 Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act, United States
8.6 Code, title 20, section 1092(f). The report must include, but not be limited to, the number
8.7 of incidents of sexual ~~assault~~ misconduct of each offense listed under the definition in
8.8 subdivision 1a, reported to the institution in the previous calendar year, as follows:

8.9 (1) the number that were investigated by the institution;

8.10 (2) the number that were referred for a disciplinary proceeding at the institution;

8.11 (3) the number the victim chose to report to local or state law enforcement;

8.12 (4) the number for which a campus disciplinary proceeding is pending, but has not
8.13 reached a final resolution;

8.14 (5) the number in which the alleged perpetrator was found responsible by the disciplinary
8.15 proceeding at the institution;

8.16 (6) the number that resulted in any action by the institution greater than a warning issued
8.17 to the accused;

8.18 (7) the number that resulted in a disciplinary proceeding at the institution that closed
8.19 without resolution;

8.20 (8) the number that resulted in a disciplinary proceeding at the institution that closed
8.21 without resolution because the accused withdrew from the institution;

8.22 (9) the number that resulted in a disciplinary proceeding at the institution that closed
8.23 without resolution because the victim chose not to participate in the procedure; and

8.24 (10) the number of reports made through the online reporting system established in
8.25 subdivision 5, excluding reports submitted anonymously.

8.26 (b) If an institution previously submitted a report indicating that one or more disciplinary
8.27 proceedings was pending, but had not reached a final resolution, and one or more of those
8.28 disciplinary proceedings reached a final resolution within the previous calendar year, that
8.29 institution must submit updated totals from the previous year that reflect the outcome of
8.30 the pending case or cases.

(c) The reports required by this subdivision must be submitted to the Office of Higher Education by October 1 of each year. Each report must contain the data required under paragraphs (a) and (b) from the previous calendar year.

(d) The commissioner of the Office of Higher Education shall calculate statewide numbers for each data item reported by an institution under this subdivision. The statewide numbers must include data from postsecondary institutions that the commissioner could not publish due to federal laws governing access to student records.

(e) The Office of Higher Education shall publish on its website:

(1) the statewide data calculated under paragraph (d); and

(2) the data items required under paragraphs (a) and (b) for each postsecondary institution in the state.

Each postsecondary institution shall publish on the institution's website the data items required under paragraphs (a) and (b) for that institution.

(f) Reports and data required under this subdivision must be prepared and published as summary data, as defined in section 13.02, subdivision 19, and must be consistent with applicable law governing access to educational data. If an institution or the Office of Higher Education does not publish data because of applicable law, the publication must explain why data are not included.

Sec. 8. Minnesota Statutes 2022, section 135A.15, subdivision 8, is amended to read:

Subd. 8. **Comprehensive training.** (a) A postsecondary institution must provide campus security officers and campus administrators responsible for investigating or adjudicating complaints of sexual assault with comprehensive training on preventing and responding to sexual assault in collaboration with the Bureau of Criminal Apprehension or another law enforcement agency with expertise in criminal sexual conduct. The training for campus security officers shall include a presentation on the dynamics of sexual assault, neurobiological responses to trauma, and best practices for preventing, responding to, and investigating sexual assault. The training for campus administrators responsible for investigating or adjudicating complaints on sexual assault shall include presentations on preventing sexual assault, responding to incidents of sexual assault, the dynamics of sexual assault, neurobiological responses to trauma, and compliance with state and federal laws on sexual assault.

(b) The following categories of students who attend, or will attend, one or more courses on campus or will participate in on-campus activities must be provided sexual assault training:

(1) students pursuing a degree or certificate;

(2) students who are taking courses through the Postsecondary Enrollment Options Act; and

(3) any other categories of students determined by the institution.

Students must complete such training no later than ten business days after the start of a student's first semester of classes. Once a student completes the training, institutions must document the student's completion of the training and provide proof of training completion to a student at the student's request. Students enrolled at more than one institution within the same system at the same time are only required to complete the training once.

The training shall include information about topics including but not limited to sexual assault as defined in subdivision 1a; consent as defined in section 609.341, subdivision 4; preventing and reducing the prevalence of sexual assault; procedures for reporting campus sexual assault; and campus resources on sexual assault, including organizations that support victims of sexual assault.

(c) A postsecondary institution shall annually train individuals responsible for responding to reports of sexual assault. This training shall include information about best practices for interacting with victims of sexual assault, including how to reduce the emotional distress resulting from the reporting, investigatory, and disciplinary process.

(d) To the extent possible, trainings must be culturally responsive and address the unique experiences and challenges faced by students based on race, ethnicity, color, national origin, disability, socioeconomic status, religion, sex, gender identity, sexual orientation, and pregnancy or parenting status.

Sec. 9. [135A.1581] NAVIGATORS FOR PARENTING STUDENTS.

Subdivision 1. Applicability. (a) This section applies to the following postsecondary institutions:

(1) institutions governed by the Board of Trustees of the Minnesota State Colleges and Universities; and

(2) private postsecondary institutions that offer in-person courses on a campus located in Minnesota and which are eligible institutions as defined in section 136A.103.

11.1 (b) Institutions governed by the Board of Regents of the University of Minnesota are
11.2 requested to comply with this section.

11.3 Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the
11.4 meanings given.

11.5 (b) "Institutions of higher education" means an institution of higher education under
11.6 subdivision 1.

11.7 (c) "Parenting student" means a student enrolled at an institution of higher education
11.8 who is the parent or legal guardian of or can claim as a dependent a child under the age of
11.9 18.

11.10 Subd. 3. **Navigators.** An institution of higher education must designate at least one
11.11 employee of the institution to act as a college navigator for current or incoming students at
11.12 the institution who are parenting students. The navigator must provide to the students
11.13 information regarding support services and other resources available to the students at the
11.14 institution, including:

11.15 (1) medical and behavioral health coverage and services;

11.16 (2) public benefit programs, including programs related to food security, affordable
11.17 housing, and housing subsidies;

11.18 (3) parenting and child care resources;

11.19 (4) employment assistance;

11.20 (5) transportation assistance; and

11.21 (6) any other resources developed by the institution to assist the students, including
11.22 student academic success strategies.

11.23 Subd. 4. **Report.** (a) By June 30, 2026, an institution of higher education must establish
11.24 a process for collecting the parenting status of each enrolled student. By November 30,
11.25 2025, the Office of Higher Education shall establish a process for collecting this information
11.26 from institutions.

11.27 (b) Annually, beginning January 15, 2028, the Office of Higher Education must submit
11.28 a report to the chairs and ranking minority members of the legislative committees with
11.29 jurisdiction over higher education and children, youth, and families. The report must include
11.30 the following for parenting students:

11.31 (1) summary demographic data;

12.1 (2) enrollment patterns;

12.2 (3) retention rates;

12.3 (4) completion rates;

12.4 (5) average cumulative debt at exit or graduation; and

12.5 (6) as possible, time to completion.

12.6 Data must be disaggregated by institution, academic year, race and ethnicity, gender, and

12.7 other factors determined to be relevant by the commissioner.

12.8 Sec. 10. **[135A.1582] PROTECTIONS FOR PREGNANT AND PARENTING**

12.9 **STUDENTS.**

12.10 Subdivision 1. **Definition.** (a) For the purpose of this section, the following term has

12.11 the meaning given.

12.12 (b) "Parenting student" means a student enrolled at a public college or university who

12.13 is the parent or legal guardian of or can claim as a dependent a child under the age of 18.

12.14 Subd. 2. **Rights and protections.** (a) A Minnesota state college or university may not

12.15 require and the University of Minnesota is requested not to require a pregnant or parenting

12.16 student, solely because of the student's status as a pregnant or parenting student or due to

12.17 issues related to the student's pregnancy or parenting, to:

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

12.19 (2) limit the student's studies;

12.20 (3) participate in an alternative program;

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

12.22 (5) refrain from joining or cease participating in any course, activity, or program at the

12.23 college or university.

12.24 (b) A Minnesota state college or university shall provide and the University of Minnesota

12.25 is requested to provide reasonable modifications to a pregnant student, including

12.26 modifications that:

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

12.28 (2) are related to the health and safety of the student and the student's unborn child, such

12.29 as allowing the student to maintain a safe distance from substances, areas, and activities

12.30 known to be hazardous to pregnant women or unborn children.

13.1 (c) A Minnesota state college or university must and the University of Minnesota is
13.2 requested to, for reasons related to a student's pregnancy, childbirth, or any resulting medical
13.3 status or condition:

13.4 (1) excuse the student's absence;

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

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

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

13.12 (d) A Minnesota state college or university must and the University of Minnesota is
13.13 requested to allow a pregnant or parenting student to:

13.14 (1) take a leave of absence; and

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

13.18 (e) If a public college or university provides early registration for courses or programs
13.19 at the institution for any group of students, the Minnesota state college or university must
13.20 provide and the University of Minnesota is requested to provide early registration for those
13.21 courses or programs for pregnant or parenting students in the same manner.

13.22 Subd. 3. **Policy on discrimination.** Each Minnesota state college or university must
13.23 adopt and the University of Minnesota is requested to adopt a policy for students on
13.24 pregnancy and parenting discrimination. The policy must:

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

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

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

14.1 Subd. 4. **Administration.** The commissioner of the Office of Higher Education must,
14.2 in consultation with the Board of Trustees of the Minnesota State Colleges and Universities
14.3 and the Board of Regents of the University of Minnesota, establish guidelines, as necessary,
14.4 to administer this section. The guidelines must establish minimum periods for which a
14.5 pregnant or parenting student must be given a leave of absence under subdivision 2, paragraph
14.6 (d). In establishing the minimum periods, the Office of Higher Education shall consider the
14.7 maximum amount of time a student may be absent without significantly interfering with
14.8 the student's ability to complete the student's degree or certificate program.

14.9 Sec. 11. Minnesota Statutes 2023 Supplement, section 135A.161, is amended by adding
14.10 a subdivision to read:

14.11 Subd. 5. **Reporting.** The director must evaluate the development and implementation
14.12 of the Minnesota inclusive higher education initiatives receiving a grant under section
14.13 135A.162. The director must submit an annual report by October 1 on the progress to expand
14.14 Minnesota inclusive higher education options for students with intellectual disabilities to
14.15 the commissioner and chairs and ranking minority members of the legislative committees
14.16 with jurisdiction over higher education policy and finance. The report must include statutory
14.17 and budget recommendations.

14.18 Sec. 12. Minnesota Statutes 2023 Supplement, section 135A.162, subdivision 2, is amended
14.19 to read:

14.20 Subd. 2. **Eligible grantees.** A Tribal college or public or nonprofit postsecondary
14.21 two-year or four-year institution is eligible to apply for a grant under this section if the
14.22 institution:

14.23 (1) is accredited by the Higher Learning Commission; and

14.24 (2) meets the eligibility requirements under section 136A.103.

14.25 Sec. 13. **[135A.163] STUDENTS WITH DISABILITIES; ACCOMMODATIONS;**
14.26 **GENERAL REQUIREMENTS.**

14.27 Subdivision 1. **Short title.** This act may be cited as the "Minnesota Respond, Innovate,
14.28 Succeed, and Empower (RISE) Act."

14.29 Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the
14.30 meanings given.

(b) "Institution of higher education" means a public institution of higher education, Tribal college, and private institution of higher education that receives federal funding. The Board of Regents of the University of Minnesota is requested to comply with this section.

(c) "Plain language" means communication the audience can understand the first time the audience reads or hears it.

(d) "Student with a disability" means an admitted or enrolled student who meets the definition of an individual with a disability under the Americans with Disabilities Act and includes a student with an intellectual disability as defined in Code of Federal Regulations, title 34, section 668.231, who is admitted or enrolled in a comprehensive transition and postsecondary program.

Subd. 3. **Students with disabilities policy; dissemination of policy.** Each institution of higher education shall adopt a policy making self-disclosure by a student with a disability with sufficient proof of a disability, which starts the interactive process for reasonable accommodations under subdivision 4.

Subd. 4. **Establishment of reasonable accommodation; documentation.** (a) An institution of higher education shall engage in an interactive process to document the student's accommodation needs to establish a reasonable accommodation. An institution may request documentation as part of the interactive process to establish accommodations for the student with a disability.

(b) The following documentation submitted by an admitted or enrolled student is sufficient documentation for the interactive process to establish reasonable accommodations for a student with a disability:

(1) documentation that the individual has had an individualized education program (IEP). The institution of higher education may request additional documentation from an individual who has had an IEP if the IEP was not in effect immediately before the date when the individual exited high school;

(2) documentation that the individual has received services or accommodations under a section 504 plan. The institution of higher education may request additional documentation from an individual who has received services or accommodations provided to the individual under a section 504 plan if the section 504 plan was not in effect immediately before the date when the individual exited high school;

(3) documentation of a plan or record of service for the individual from a private school, a local educational agency, a state educational agency, or an institution of higher education

16.1 provided under a section 504 plan or in accordance with the Americans with Disabilities
16.2 Act of 1990;

16.3 (4) a record or evaluation from a relevant licensed professional finding that the individual
16.4 has a disability;

16.5 (5) a plan or record of a disability from another institution of higher education;

16.6 (6) documentation of a disability due to military service; or

16.7 (7) additional information from an appropriately qualified health or other service
16.8 professional who is knowledgeable about the student's condition and can clarify the need
16.9 for a new accommodation not included in subdivision 4, paragraph (b), clauses (1) to (6).

16.10 (c) An institution of higher education may establish less burdensome criteria to determine
16.11 reasonable accommodations for an enrolled or admitted student with a disability.

16.12 (d) An institution of higher education shall include a representative list of potential
16.13 reasonable accommodations and disability resources for individuals with a disability that
16.14 is accessible to applicants, students, parents, and faculty in plain language accessible formats.
16.15 This information must be available in languages that reflect the primary languages of the
16.16 institution's student body. The information must be provided during the student application
16.17 process, at student orientation, in academic catalogs, and on the institution's public website.
16.18 The reasonable accommodations and disability resources available to students are
16.19 individualized and not limited to the list.

16.20 Subd. 5. **Higher education requirements for students with disabilities.** Institutions
16.21 of higher education shall:

16.22 (1) before the beginning of each academic term, offer an opportunity for admitted students
16.23 to self-identify as having a disability for which they may request an accommodation. The
16.24 person or office responsible for arranging accommodations at the institution must initiate
16.25 contact with any student who has self-identified under this clause. This does not preclude
16.26 a student from requesting an accommodation for a disability at any other time;

16.27 (2) not require a student to be reevaluated for or submit documentation to prove the
16.28 presence of a permanent disability if the student previously provided proof of their disability
16.29 status and is not requesting any new accommodations;

16.30 (3) if a course instructor cannot provide an accommodation because it would
16.31 fundamentally alter the nature of that course, require an instructor to provide a notification
16.32 detailing why an accommodation cannot be provided to the student and submit that

17.1 information to the student and the person or office responsible for arranging accommodations;
17.2 and

17.3 (4) provide a student with a disability who is denied accommodations the option to
17.4 include the person or office responsible for arranging accommodations in the institution's
17.5 grievance or appeal process, to resolve equitable access barriers and prevent academic or
17.6 financial penalty due to no fault of the student.

17.7 **EFFECTIVE DATE.** This section is effective January 1, 2025.

17.8 Sec. 14. **[135A.195] REQUIREMENTS RELATED TO ONLINE PROGRAM**
17.9 **MANAGEMENT COMPANIES.**

17.10 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have
17.11 the meanings given.

17.12 (b) "Contract" means an agreement entered into by an institution of higher education
17.13 with an online program management company. Contract includes any amendment or
17.14 addendum to the agreement.

17.15 (c) "Institution of higher education" means an institution governed by either the Board
17.16 of Trustees of the Minnesota State Colleges and Universities or the Board of Regents of the
17.17 University of Minnesota. The Board of Regents of the University of Minnesota is requested
17.18 to comply with this section.

17.19 (d) "Managed program" means an online course or program covered under a contract.

17.20 (e) "Online program management company" means a private, for-profit, third-party
17.21 entity that enters into a contract with an institution of higher education to provide bundled
17.22 products and services to develop, deliver, or provide managed programs when the services
17.23 include recruitment and marketing.

17.24 (f) "Tuition sharing" means compensation or payment to an online program management
17.25 company based on a percentage of revenue or fees collected from managed programs.

17.26 Subd. 2. **Contract stipulations.** A contract must not contain any provision that:

17.27 (1) includes or allows for tuition sharing;

17.28 (2) grants the online program management company ownership rights to any or all
17.29 intellectual property rights, patentable discoveries, or inventions of faculty members of an
17.30 institution of higher education; or

17.31 (3) grants the online program management company decision making authority over:

18.1 (i) curriculum development, design, or maintenance;

18.2 (ii) student assessment and grading;

18.3 (iii) course assessment;

18.4 (iv) admissions requirements;

18.5 (v) appointment of faculty;

18.6 (vi) faculty assessment;

18.7 (vii) decision to award course credit or credential; or

18.8 (viii) institutional governance.

18.9 Subd. 3. **Mandatory contract review and approval.** Prior to being executed, a contract

18.10 must be reviewed and approved by the institution of higher education's governing board.

18.11 A governing board must not approve a contract unless the contract complies with subdivision

18.12 2.

18.13 Subd. 4. **Reporting requirements.** An institution of higher education that contracts

18.14 with an online program management company shall annually submit to its governing board

18.15 a report documenting enrollment in and revenue generated by managed programs.

18.16 Subd. 5. **Marketing requirements.** (a) An institution of higher education that retains

18.17 an online program management company to provide marketing services for its academic

18.18 degree programs shall require that:

18.19 (1) the online program management company self-identifies as a third-party entity that

18.20 is separate from the institution at the beginning of any communication with a prospective

18.21 student; and

18.22 (2) any digital or print advertising provided by the online program management company

18.23 for an academic program of the institution includes a clear disclosure of the third-party

18.24 relationship between the online program management company and the institution.

18.25 (b) An institution of higher education that contracts with an online program management

18.26 company shall make publicly available on its website a list of all managed programs.

18.27 **EFFECTIVE DATE.** This section is effective July 1, 2024, and applies to contracts

18.28 entered into on or after that date.

19.1 Sec. 15. [136A.053] CONSOLIDATED STUDENT AID REPORTING.

19.2 (a) The commissioner of the Office of Higher Education shall report annually beginning
19.3 February 15, 2026, to the chairs and ranking minority members of the legislative committees
19.4 with jurisdiction over higher education, on the details of programs administered under
19.5 sections 136A.091 to 136A.1276, 136A.1465, and 136A.231 to 136A.246, including the:

19.6 (1) total funds appropriated and expended;

19.7 (2) total number of students applying for funds;

19.8 (3) total number of students receiving funds;

19.9 (4) average and total award amounts;

19.10 (5) summary demographic data on award recipients;

19.11 (6) retention rates of award recipients;

19.12 (7) completion rates of award recipients;

19.13 (8) average cumulative debt at exit or graduation; and

19.14 (9) average time to completion.

19.15 (b) Data must be disaggregated by program, institution, aid year, race and ethnicity,
19.16 gender, income, family type, dependency status, and any other factors determined to be
19.17 relevant by the commissioner. The commissioner must report any additional data and
19.18 outcomes relevant to the evaluation of programs administered under sections 136A.091 to
19.19 136A.1276, 136A.1465, and 136A.231 to 136A.246 as evidenced by activities funded under
19.20 each program.

19.21 Sec. 16. Minnesota Statutes 2022, section 136A.091, subdivision 3, is amended to read:

19.22 Subd. 3. **Financial need.** Need for financial assistance is based on student eligibility for
19.23 free or reduced-price school meals under the national school lunch program. Student
19.24 eligibility shall be verified by sponsors of approved academic programs. The office shall
19.25 award stipends for students within the limits of available appropriations for this section. If
19.26 the amount appropriated is insufficient, the office shall allocate the available appropriation
19.27 in the manner it determines. A stipend must not exceed \$1,000 per student.

20.1 Sec. 17. [136A.097] ORDER OF AID CALCULATIONS.

20.2 The commissioner must calculate aid for programs in the order of their original enactment
20.3 from oldest to most recent. The commissioner may determine the order of calculating state
20.4 financial aid if:

20.5 (1) a student is eligible for multiple state financial aid programs; and

20.6 (2) two or more of those programs calculate funding after accounting for other state aid.

20.7 If the commissioner determines that a greater amount of financial aid would be available
20.8 to students by calculating aid in a particular order, the commissioner may calculate aid in
20.9 that order.

20.10 Sec. 18. Minnesota Statutes 2022, section 136A.1241, subdivision 3, is amended to read:

20.11 Subd. 3. **Eligibility.** (a) An individual who is eligible for the Education and Training
20.12 Voucher Program is eligible for a foster grant.

20.13 (b) If the individual is not eligible for the Education and Training Voucher Program, in
20.14 order to receive a foster grant, an individual must:

20.15 (1) meet the definition of a resident student under section 136A.101, subdivision 8;

20.16 (2) be at least 13 years of age but fewer than 27 years of age;

20.17 (3) after the individual's 13th birthday, be in or have been in foster care in Minnesota
20.18 before, on, or after June 27, 2021, including any of the following:

20.19 (i) placement in foster care at any time while 13 years of age or older;

20.20 (ii) adoption from foster care at any time after reaching 13 years of age; or

20.21 (iii) placement from foster care with a permanent legal custodian at any time after
20.22 reaching 13 years of age;

20.23 (4) have graduated from high school or completed the equivalent as approved by the
20.24 Department of Education;

20.25 (5) have been accepted for admission to, or be currently attending, an eligible institution;

20.26 (6) have submitted a FAFSA; ~~and~~

20.27 (7) be meeting satisfactory academic progress as defined under section 136A.101,
20.28 subdivision 10;

20.29 (8) not be in default, as defined by the office, of any federal or state student educational
20.30 loan;

21.1 (9) not be more than 30 days in arrears in court-ordered child support that is collected
21.2 or enforced by the public authority responsible for child support enforcement or, if the
21.3 applicant is more than 30 days in arrears in court-ordered child support that is collected or
21.4 enforced by the public authority responsible for child support enforcement, be complying
21.5 with a written payment agreement under section 518A.69 or order for arrearages; and
21.6 (10) not have been convicted of or pled nolo contendere or guilty to a crime involving
21.7 fraud in obtaining federal Title IV funds within the meaning of Code of Federal Regulations,
21.8 subtitle B, chapter VI, part 668, subpart C.

21.9 Sec. 19. Minnesota Statutes 2023 Supplement, section 136A.1241, subdivision 5, is
21.10 amended to read:

21.11 Subd. 5. **Foster grant amount; payment; opt-out.** (a) Each student shall be awarded
21.12 a foster grant based on the federal need analysis. Applicants are encouraged to apply for all
21.13 other sources of financial aid. The amount of the foster grant must be equal to the applicant's
21.14 recognized cost of attendance after accounting for:

- 21.15 (1) the results of the federal need analysis;
- 21.16 (2) the amount of a federal Pell Grant award for which the applicant is eligible;
- 21.17 (3) the amount of the state grant;
- 21.18 (4) the Federal Supplemental Educational Opportunity Grant;
- 21.19 (5) the sum of all Tribal scholarships;
- 21.20 (6) the amount of any other state and federal gift aid;
- 21.21 (7) the Education and Training Voucher Program;
- 21.22 (8) extended foster care benefits under section 260C.451;
- 21.23 (9) the amount of any private grants or scholarships, excluding grants and scholarships
21.24 provided by the private institution of higher education in which the eligible student is
21.25 enrolled; and
- 21.26 (10) for public institutions, the sum of all institutional grants, scholarships, tuition
21.27 waivers, and tuition remission amounts.

21.28 (b) The foster grant shall be paid directly to the eligible institution where the student is
21.29 enrolled.

21.30 (c) An eligible private institution may opt out of participating in the foster grant program
21.31 established under this section. To opt out, the institution shall provide notice to the office

22.1 by March 1 for the next academic year. An institution that opts out of participating, but
22.2 participated in the program a previous year, must hold harmless currently enrolled recipients
22.3 by continuing to provide the benefit under paragraph (d) as long as the student remains
22.4 eligible.

22.5 (d) An eligible private institution that does not opt out under paragraph (c) and accepts
22.6 the student's application to attend the institution must provide institutional grants,
22.7 scholarships, tuition waivers, or tuition remission in an amount equal to the difference
22.8 between:

22.9 (1) the institution's cost of attendance as calculated under subdivision 4, paragraph (b),
22.10 clause (1); and

22.11 (2) the sum of the foster grant under this subdivision and the sum of the amounts in
22.12 paragraph (a), clauses (1) to (9).

22.13 (e) An undergraduate student who is eligible may apply for and receive a foster grant
22.14 in any year of undergraduate study unless the student has obtained a baccalaureate degree
22.15 or received foster grant funds for a period of ten full-time semesters or the equivalent for a
22.16 four-year undergraduate degree. A foster grant student enrolled in a two-year degree,
22.17 certificate, or diploma program may apply for and receive a foster grant in any year of
22.18 undergraduate study unless the student has obtained a baccalaureate degree or received
22.19 foster grant funds for a period of six full-time semesters or the equivalent.

22.20 (f) Foster grants may be awarded to an eligible student for four quarters, three semesters,
22.21 or the equivalent during the course of a single fiscal year. In calculating the award amount,
22.22 the office must use the same calculation it would for any other term.

22.23 (g) Students who received the foster grant in the previous year must be given priority.
22.24 Awards must be made on a first-come, first-served basis in the order complete applications
22.25 are received. If there are multiple applications with identical completion dates, those
22.26 applications must be further sorted by application receipt date. Awards must be made to
22.27 eligible students until the appropriation is expended. Applicants not receiving a grant and
22.28 for whom the office has received a completed application must be placed on a waiting list
22.29 in order of application completion date.

22.30 Sec. 20. Minnesota Statutes 2023 Supplement, section 136A.1465, subdivision 1, is
22.31 amended to read:

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

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

23.4 (2) "gift aid" ~~means all~~ includes:

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

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

23.8 (iii) institutional financial aid designated for the student's educational expenses, including
23.9 a grant, scholarship, tuition waiver, fellowship stipend, or other third-party payment, unless
23.10 designated for other expenses, that is not a loan or pursuant to a work-study program; and

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

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

23.15 ~~(3) "office" means the Office of Higher Education;~~

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

23.18 (4) "public postsecondary educational institution" means an institution operated by this
23.19 state, or the Board of Regents of the University of Minnesota, ~~or a Tribal college;~~

23.20 (5) "recognized cost of attendance" has the meaning given in Code of Federal Regulations,
23.21 title 20, chapter 28, subchapter IV, part F, section 108711;

23.22 ~~(5) "scholarship" means funds to pay 100 percent of tuition and fees remaining after~~
23.23 ~~deducting grants and other scholarships;~~

23.24 (6) "Tribal college" means a college defined in section 136A.1796, subdivision 1,
23.25 paragraph (c); and

23.26 (7) "tuition and fees" means the actual tuition and mandatory fees charged by an
23.27 institution.

23.28 Sec. 21. Minnesota Statutes 2023 Supplement, section 136A.1465, subdivision 2, is
23.29 amended to read:

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

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

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

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

24.6 ~~(3)~~ (4) has not earned a baccalaureate degree at the time the scholarship is awarded;

24.7 ~~(4)~~ (5) is enrolled in at least one credit per fall, spring, or summer semester; ~~and~~

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

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

24.12 (8) is not more than 30 days in arrears in court-ordered child support that is collected or
24.13 enforced by the public authority responsible for child support enforcement or, if the applicant
24.14 is more than 30 days in arrears in court-ordered child support that is collected or enforced
24.15 by the public authority responsible for child support enforcement, but is complying with a
24.16 written payment agreement under section 518A.69 or order for arrearages;

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

24.20 ~~(5)~~ (10) is meeting satisfactory academic progress as defined in section 136A.101,
24.21 subdivision 10.

24.22 Sec. 22. Minnesota Statutes 2023 Supplement, section 136A.1465, subdivision 3, is
24.23 amended to read:

24.24 Subd. 3. **Scholarship.** (a) Beginning in the fall term of the 2024-2025 academic year,
24.25 scholarships shall be awarded to eligible students in an amount not to exceed 100 percent
24.26 of tuition and fees after ~~grants and other scholarships are~~ gift aid is deducted.

24.27 (b) For the 2024-2025, 2025-2026, and 2026-2027 academic years, if funds remain after
24.28 scholarships are awarded under paragraph (a), supplemental grants shall be awarded to
24.29 eligible students in an amount ~~equal to 100 percent of tuition and fees plus, subject to~~
24.30 ~~available funds,~~ up to 50 percent of the amount of a Pell grant the student would receive
24.31 based on household size, family adjusted gross income, and results of the federal needs
24.32 analysis ~~after other gift aid is deducted,~~ not to exceed the student's recognized cost of

25.1 attendance. The commissioner may adjust the supplemental grant amount based on the
25.2 availability of funds.

25.3 Sec. 23. Minnesota Statutes 2023 Supplement, section 136A.1465, subdivision 4, is
25.4 amended to read:

25.5 Subd. 4. **Maintain current levels of institutional assistance.** (a) Commencing with
25.6 the 2024-2025 academic year, a public postsecondary educational institution or Tribal
25.7 college shall not reduce the institutional gift aid offered or awarded to a student who is
25.8 eligible to receive funds under this program unless the student's gift aid exceeds the student's
25.9 annual recognized cost of attendance.

25.10 (b) The public postsecondary educational institution or Tribal college may reduce the
25.11 institutional gift aid offer of a student who is eligible to receive funds under this program
25.12 by no more than the amount of the student's gift aid that is in excess of the student's annual
25.13 recognized cost of attendance.

25.14 (c) The public postsecondary educational institution or Tribal college shall not consider
25.15 receipt or anticipated receipt of funds under this program when considering a student for
25.16 qualification for institutional gift aid.

25.17 (d) To ensure financial aid is maximized, a public postsecondary educational institution
25.18 or Tribal college is encouraged to implement efforts to avoid scholarship displacement
25.19 through consultation with the Office of Higher Education ~~and students to avoid situations~~
25.20 ~~where institutional gift aid can only be used for specific purposes.~~

25.21 Sec. 24. Minnesota Statutes 2023 Supplement, section 136A.1465, subdivision 5, is
25.22 amended to read:

25.23 Subd. 5. **Duration of scholarship authorized; scholarship paid to institution.** (a)
25.24 Each scholarship is for a period of one semester. A scholarship may be renewed provided
25.25 that the eligible student continues to meet the conditions of eligibility.

25.26 (b) Scholarships may be provided to an eligible student ~~for up to 60 credits for pursuing~~
25.27 ~~the completion of a certificate or an associate degree and up to 120 credits for the completion~~
25.28 ~~of a bachelor's degree who has not previously received the scholarship for four full-time~~
25.29 semesters or the equivalent. Scholarships may be provided to an eligible student pursuing
25.30 the completion of a bachelor's degree who has not previously received the scholarship for
25.31 eight full-time semesters or the equivalent. The maximum credits for which a student is
25.32 eligible is a total of 120 credits eight full-time semesters or the equivalent. Courses taken

26.1 that qualify as developmental education or below college-level shall be excluded from the
26.2 limit.

26.3 (c) A student is entitled to an additional semester or the equivalent of grant eligibility
26.4 if the student withdraws from enrollment:

26.5 (1) for active military service because the student was ordered to active military service
26.6 as defined in section 190.05, subdivision 5b or 5c;

26.7 (2) for a serious health condition, while under the care of a medical professional, that
26.8 substantially limits the student's ability to complete the term; or

26.9 (3) while providing care that substantially limits the student's ability to complete the
26.10 term to the student's spouse, child, or parent who has a serious health condition.

26.11 ~~(e) The commissioner shall determine a time frame by which the eligible student must~~
26.12 ~~complete the credential.~~

26.13 (d) The scholarship must be paid directly to the eligible institution where the student is
26.14 enrolled.

26.15 Sec. 25. Minnesota Statutes 2022, section 136A.1701, subdivision 4, is amended to read:

26.16 Subd. 4. **Terms and conditions of loans.** (a) The office may loan money upon such
26.17 terms and conditions as the office may prescribe.

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

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

27.1 Sec. 26. Minnesota Statutes 2022, section 136A.1701, subdivision 7, is amended to read:

27.2 Subd. 7. **Repayment of loans.** The office shall establish repayment procedures for loans
27.3 made under this section in accordance with the policies, rules, and conditions authorized
27.4 under section 136A.16, subdivision 2. The office will take into consideration the loan limits
27.5 and current financial market conditions when establishing repayment terms. The office shall
27.6 not require a minimum annual payment, though the office may require minimum monthly
27.7 payments.

27.8 Sec. 27. Minnesota Statutes 2023 Supplement, section 136A.62, subdivision 3, is amended
27.9 to read:

27.10 Subd. 3. **School.** "School" means:

27.11 (1) a Tribal college that has a physical presence in Minnesota;

27.12 (2) any partnership, company, firm, society, trust, association, corporation, or any
27.13 combination thereof, with a physical presence in Minnesota, which: (i) is, owns, or operates
27.14 a private, nonprofit postsecondary education institution; (ii) is, owns, or operates a private,
27.15 for-profit postsecondary education institution; or (iii) provides a postsecondary instructional
27.16 program or course leading to a degree whether or not for profit; or

27.17 (3) any public or private postsecondary educational institution located in another state
27.18 or country ~~which offers or makes available to a Minnesota resident any course, program or~~
27.19 ~~educational activity which does not require the leaving of the state for its completion; or~~
27.20 with a physical presence in Minnesota.

27.21 ~~(4) any individual, entity, or postsecondary institution located in another state that~~
27.22 ~~contracts with any school located within the state of Minnesota for the purpose of providing~~
27.23 ~~educational programs, training programs, or awarding postsecondary credits or continuing~~
27.24 ~~education credits to Minnesota residents that may be applied to a degree program.~~

27.25 Sec. 28. Minnesota Statutes 2022, section 136A.62, is amended by adding a subdivision
27.26 to read:

27.27 Subd. 8. **Postsecondary education.** "Postsecondary education" means the range of
27.28 formal learning opportunities beyond high school, including those aimed at learning an
27.29 occupation or earning an academic credential.

28.1 Sec. 29. Minnesota Statutes 2022, section 136A.62, is amended by adding a subdivision
28.2 to read:

28.3 Subd. 9. **Physical presence.** "Physical presence" means a presence within the state of
28.4 Minnesota for the purpose of conducting activity related to any program at the degree level
28.5 or courses that may be applied to a degree program. Physical presence includes:

28.6 (1) operating a location within the state;

28.7 (2) offering instruction within or originating from Minnesota designed to impart
28.8 knowledge with response utilizing teachers, trainers, counselors or computer resources,
28.9 computer linking, or any form of electronic means; and

28.10 (3) granting an educational credential from a location within the state or to a student
28.11 within the state.

28.12 Physical presence does not include field trips, sanctioned sports recruiting activities, or
28.13 college fairs or other assemblies of schools in Minnesota. No school may enroll an individual,
28.14 allow an individual to sign any agreement obligating the person to the school, accept any
28.15 moneys from the individual, or follow up with an individual by means of an in-person
28.16 meeting in Minnesota at a college fair or assembly.

28.17 Sec. 30. Minnesota Statutes 2022, section 136A.63, subdivision 1, is amended to read:

28.18 Subdivision 1. **Annual registration.** ~~All schools located within Minnesota and all schools~~
28.19 ~~located outside Minnesota~~ with a physical presence in Minnesota which offer degree
28.20 programs or courses within Minnesota shall register annually with the office.

28.21 Sec. 31. Minnesota Statutes 2022, section 136A.646, is amended to read:

28.22 **136A.646 ADDITIONAL SECURITY.**

28.23 (a) New institutions that have been granted conditional approval for degrees or names
28.24 to allow them the opportunity to apply for and receive accreditation under section 136A.65,
28.25 subdivision 7, shall provide a surety bond in a sum equal to ten percent of the net revenue
28.26 from tuition and fees in the registered institution's prior fiscal year, but in no case shall the
28.27 bond be less than \$10,000.

28.28 (b) Any registered institution that is notified by the United States Department of Education
28.29 that it has fallen below minimum financial standards and that its continued participation in
28.30 Title IV will be conditioned upon its satisfying ~~either the Zone Alternative, an alternative~~
28.31 standard set forth in Code of Federal Regulations, title 34, section 668.175, paragraph (f),

~~or a Letter of Credit Alternative, Code of Federal Regulations, title 34, section 668.175, paragraph (e);~~ shall provide a surety bond in a sum equal to the "letter of credit" required by the United States Department of Education in the Letter of Credit Alternative, but in no event shall such bond be less than \$10,000 nor more than \$250,000. If the letter of credit required by the United States Department of Education is higher than ten percent of the Title IV, Higher Education Act program funds received by the institution during its most recently completed fiscal year, the office shall reduce the office's surety requirement to represent ten percent of the Title IV, Higher Education Act program funds received by the institution during its most recently completed fiscal year, subject to the minimum and maximum in this paragraph.

(c) In lieu of a bond, the applicant may deposit with the commissioner of management and budget:

(1) a sum equal to the amount of the required surety bond in cash;

(2) securities, as may be legally purchased by savings banks or for trust funds, in an aggregate market value equal to the amount of the required surety bond; or

(3) an irrevocable letter of credit issued by a financial institution to the amount of the required surety bond.

(d) The surety of any bond may cancel it upon giving 60 days' notice in writing to the office and shall be relieved of liability for any breach of condition occurring after the effective date of cancellation.

(e) In the event of a school closure, the additional security must first be used to destroy any private educational data under section 13.32 left at a physical campus in Minnesota after all other governmental agencies have recovered or retrieved records under their record retention policies. Any remaining funds must then be used to reimburse tuition and fee costs to students that were enrolled at the time of the closure or had withdrawn in the previous ~~120~~ 180 calendar days but did not graduate. Priority for refunds will be given to students in the following order:

(1) cash payments made by the student or on behalf of a student;

(2) private student loans; and

(3) Veteran Administration education benefits that are not restored by the Veteran Administration. If there are additional security funds remaining, the additional security funds may be used to cover any administrative costs incurred by the office related to the closure of the school.

30.1 Sec. 32. Minnesota Statutes 2022, section 136A.65, subdivision 4, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

31.9 (12) the school includes a joint and several liability for torts and compliance with the
31.10 requirements of sections 136A.61 to 136A.71 in any contract effective after July 1, 2026,
31.11 with any individual, entity, or postsecondary school located in another state for the purpose
31.12 of providing educational programs, training programs, or awarding postsecondary credits
31.13 or continuing education credits to Minnesota residents that may be applied to a degree
31.14 program.

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

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

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

31.18 (iii) proposed implementation date of the degree;

31.19 (iv) admissions requirements for the degree;

31.20 (v) length of the degree;

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

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

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

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

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

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

32.1 Sec. 33. Minnesota Statutes 2022, section 136A.675, subdivision 2, is amended to read:

32.2 Subd. 2. **Additional reporting.** (a) In addition to the information required for the
32.3 indicators in subdivision 1, an institution must notify the office within ten business days if
32.4 any of the events in paragraphs (b) to (e) occur.

32.5 (b) Related to revenue, debt, and cash flow, notice is required if:

32.6 (1) the institution defaulted on a debt payment or covenant and has not received a waiver
32.7 of the violation from the financial institution within 60 days;

32.8 (2) for institutions with a federal composite score of less than 1.5, the institution's owner
32.9 withdraws equity that directly results in a composite score of less than 1.0, unless the
32.10 withdrawal is a transfer between affiliated entities included in a common composite score;

32.11 (3) the United States Department of Education requires a 25 percent or greater Letter of
32.12 Credit, except when the Letter of Credit is imposed due to a change of ownership;

32.13 (4) the United States Department of Education requires Heightened Cash Monitoring 2;

32.14 (5) the institution receives written notification that it violated the United States
32.15 Department of Education's revenue requirement under United States Code, title 20, section
32.16 1094(a)(24), as amended; or

32.17 (6) the institution receives written notification by the United States Department of
32.18 Education that it has fallen below minimum financial standards and that its continued
32.19 participation in Title IV is conditioned upon satisfying ~~either the Zone Alternative, an~~
32.20 alternative standard set forth in Code of Federal Regulations, title 34, section 668.175,
32.21 ~~paragraph (f), or a Letter of Credit Alternative, Code of Federal Regulations, title 34, section~~
32.22 ~~668.175, paragraph (e).~~

32.23 (c) Related to accreditation and licensing, notice is required if:

32.24 (1) the institution receives written notification of probation, warning, show-cause, or
32.25 loss of institutional accreditation;

32.26 (2) the institution receives written notification that its institutional accreditor lost federal
32.27 recognition; or

32.28 (3) the institution receives written notification that it has materially violated state
32.29 authorization or institution licensing requirements in a different state that may lead to or
32.30 has led to the termination of the institution's ability to continue to provide educational
32.31 programs or otherwise continue to operate in that state.

32.32 (d) Related to securities, notice is required if:

33.1 (1) the Securities and Exchange Commission (i) issues an order suspending or revoking
33.2 the registration of the institution's securities, or (ii) suspends trading of the institution's
33.3 securities on any national securities exchange;

33.4 (2) the national securities exchange on which the institution's securities are traded notifies
33.5 the institution that it is not in compliance with the exchange's listing requirements and the
33.6 institution's securities are delisted; or

33.7 (3) the Securities and Exchange Commission is not in timely receipt of a required report
33.8 and did not issue an extension to file the report.

33.9 (e) Related to criminal and civil investigations, notice is required if:

33.10 (1) the institution receives written notification of a felony criminal indictment or charges
33.11 of the institution's owner;

33.12 (2) the institution receives written notification of criminal indictment or charges of the
33.13 institution's officers related to operations of the institution; or

33.14 (3) there has been a criminal, civil, or administrative adjudication of fraud or
33.15 misrepresentation in Minnesota or in another state or jurisdiction against the institution or
33.16 its owner, officers, agents, or sponsoring organization.

33.17 Sec. 34. Minnesota Statutes 2022, section 136A.821, subdivision 5, is amended to read:

33.18 Subd. 5. **Private career school.** "Private career school" means a person who maintains;
33.19 ~~advertises, administers, solicits for, or conducts~~ a physical presence for any program at less
33.20 than an associate degree level; is not registered as a private institution under sections 136A.61
33.21 to 136A.71; and is not specifically exempted by section 136A.833.

33.22 Sec. 35. Minnesota Statutes 2022, section 136A.821, is amended by adding a subdivision
33.23 to read:

33.24 Subd. 20. **Physical presence.** "Physical presence" means presence within the state of
33.25 Minnesota for the purpose of conducting activity related to any program at less than an
33.26 associate degree level. Physical presence includes:

33.27 (1) operating a location within the state;

33.28 (2) offering instruction within or originating from Minnesota designed to impart
33.29 knowledge with response utilizing teachers, trainers, counselors or computer resources,
33.30 computer linking, or any form of electronic means;

34.1 (3) granting an educational credential from a location within the state or to a student
34.2 within the state; and

34.3 (4) using an agent, recruiter, institution, or business that solicits for enrollment or credits
34.4 or for the award of an educational credential.

34.5 Physical presence does not include field trips, sanctioned sports recruiting activities, or
34.6 college fairs or other assemblies of schools in Minnesota. No school may enroll an individual,
34.7 allow an individual to sign any agreement obligating the person to the school, accept any
34.8 moneys from the individual, or follow up with an individual by means of an in-person
34.9 meeting in Minnesota at a college fair or assembly.

34.10 Sec. 36. Minnesota Statutes 2022, section 136A.822, subdivision 1, is amended to read:

34.11 Subdivision 1. **Required.** A private career school must not maintain, ~~advertise, solicit~~
34.12 ~~for, administer, or conduct~~ a physical presence for any program in Minnesota without first
34.13 obtaining a license from the office.

34.14 Sec. 37. Minnesota Statutes 2022, section 136A.822, subdivision 2, is amended to read:

34.15 Subd. 2. **Contract unenforceable.** A contract entered into with a person for a program
34.16 by or on behalf of a person operating a private career school with a physical presence in
34.17 Minnesota to which a license has not been issued under sections 136A.821 to 136A.833, is
34.18 unenforceable in any action.

34.19 Sec. 38. Minnesota Statutes 2022, section 136A.822, subdivision 6, is amended to read:

34.20 Subd. 6. **Bond.** (a) No license shall be issued to any private career school ~~which~~
34.21 ~~maintains, conducts, solicits for, or advertises~~ with a physical presence within the state of
34.22 Minnesota for any program, unless the applicant files with the office a continuous corporate
34.23 surety bond written by a company authorized to do business in Minnesota conditioned upon
34.24 the faithful performance of all contracts and agreements with students made by the applicant.

34.25 (b)(1) The amount of the surety bond shall be ten percent of the preceding year's net
34.26 revenue from student tuition, fees, and other required institutional charges collected, but in
34.27 no event less than \$10,000, except that a private career school may deposit a greater amount
34.28 at its own discretion. A private career school in each annual application for licensure must
34.29 compute the amount of the surety bond and verify that the amount of the surety bond complies
34.30 with this subdivision. A private career school that operates at two or more locations may
34.31 combine net revenue from student tuition, fees, and other required institutional charges
34.32 collected for all locations for the purpose of determining the annual surety bond requirement.

The net revenue from tuition and fees used to determine the amount of the surety bond required for a private career school having a license for the sole purpose of recruiting students in Minnesota shall be only that paid to the private career school by the students recruited from Minnesota.

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

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

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

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

Sec. 39. Minnesota Statutes 2022, section 136A.822, subdivision 7, is amended to read:

Subd. 7. **Resident agent.** Private career schools located outside the state of Minnesota ~~that offer, advertise, solicit for, or conduct any program~~ have a physical presence within the state of Minnesota shall first file with the secretary of state a sworn statement designating a resident agent authorized to receive service of process. The statement shall designate the secretary of state as resident agent for service of process in the absence of a designated agent. If a private career school fails to file the statement, the secretary of state is designated as the resident agent authorized to receive service of process. The authorization shall be

36.1 irrevocable as to causes of action arising out of transactions occurring prior to the filing of
36.2 written notice of withdrawal from the state of Minnesota filed with the secretary of state.

36.3 Sec. 40. Minnesota Statutes 2022, section 136A.822, subdivision 8, is amended to read:

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

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

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

36.8 (ii) refund all tuition and other charges, within a reasonable period of time, in the event
36.9 of dissolution of the private career school or in the event of any justifiable claims for refund
36.10 against the private career school by the student body;

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 41. Minnesota Statutes 2022, section 136A.828, subdivision 3, is amended to read:

Subd. 3. **False statements.** (a) A private career school, agent, or solicitor shall not make, or cause to be made, any statement or representation, oral, written or visual, in connection with the offering or publicizing of a program, if the private career school, agent, or solicitor knows or reasonably should have known the statement or representation to be false, fraudulent, deceptive, substantially inaccurate, or misleading.

(b) Other than opinion-based statements or puffery, a school shall only make claims that are evidence-based, can be validated, and are based on current conditions and not on conditions that are no longer relevant.

(c) A school shall not guarantee or imply the guarantee of employment.

(d) A school shall not guarantee or advertise any certain wage or imply earnings greater than the prevailing wage for entry-level wages in the field of study for the geographic area unless advertised wages are based on verifiable wage information from graduates.

(e) If placement statistics are used in advertising or other promotional materials, the school must be able to substantiate the statistics with school records. These records must be made available to the office upon request. A school is prohibited from reporting the following in placement statistics:

(1) a student required to receive a job offer or start a job to be classified as a graduate;

(2) a graduate if the graduate held a position before enrolling in the program, unless graduating enabled the graduate to maintain the position or the graduate received a promotion or raise upon graduation;

(3) a graduate who works less than 20 hours per week; and

(4) a graduate who is not expected to maintain the position for at least 180 days.

(f) A school shall not use endorsements, commendations, or recommendations by a student in favor of a school except with the consent of the student and without any offer of financial or other material compensation. Endorsements may be used only when they portray current conditions.

(g) A school may advertise that the school or its programs have been accredited by an accrediting agency recognized by the United States Department of Education or the Council for Higher Education Accreditation, but shall not advertise any other accreditation unless approved by the office. The office may approve an institution's advertising of accreditation that is not recognized by the United States Department of Education or the Council for Higher Education if that accreditation is industry specific. Clear distinction must be made when the school is in candidacy or application status versus full accreditation.

(h) A school may advertise that financial aid is available, including a listing of the financial aid programs in which the school participates, but federal or state financial aid shall not be used as a primary incentive in advertisement, promotion, or recruitment.

(i) A school may advertise placement or career assistance, if offered, but shall not use the words "wanted," "help wanted," or "trainee," either in the headline or the body of the advertisement.

(j) A school shall not be advertised under any "help wanted," "employment," or similar classification.

(k) A school shall not falsely claim that it is conducting a talent hunt, contest, or similar test.

(l) A school shall not make a claim that its program qualifies for a national certification if that national certification entity is not accepted or recognized by Minnesota employers. A school may validate that a national certification is accepted or recognized by Minnesota employers by providing three certified letters from employers that the national certification entity is recognized in Minnesota by employers.

39.1 ~~(H)~~ (m) The commissioner, at any time, may require a retraction of a false, misleading,
39.2 or deceptive claim. To the extent reasonable, the retraction must be published in the same
39.3 manner as the original claim.

39.4 Sec. 42. Minnesota Statutes 2022, section 136A.829, subdivision 3, is amended to read:

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

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

39.10 (b) To grant conditional private career school license for periods of less than one year
39.11 if in the judgment of the office correctable deficiencies exist at the time of application and
39.12 when refusal to issue private career school license would adversely affect currently enrolled
39.13 students;

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

39.24 (d) To grant a private career school a probationary license for periods of less than three
39.25 years if, in the judgment of the office, correctable deficiencies exist at the time of application
39.26 that need more than one year to correct and when the risk of harm to students can be
39.27 minimized through the use of restrictions and requirements as conditions of the license.
39.28 Probationary licenses may include requirements and restrictions for:

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

39.31 (2) periodic collaborative consultations with the school on noncompliance with sections
39.32 136A.82 to 136A.834 or how the institution is managing compliance;

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

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

40.6 (5) a prohibition from enrolling new students;

40.7 (6) enrollment caps;

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

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

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

40.14 Sec. 43. Minnesota Statutes 2022, section 136A.829, is amended by adding a subdivision
40.15 to read:

40.16 Subd. 4. **Effect.** A private career school or its owners, officers, or sponsoring organization
40.17 is prohibited from applying for licensure under section 136A.822 within two years of the
40.18 effective date of a revocation or within two years from the last date of instruction if the
40.19 school closed prior to all students completing their courses and programs. A school applying
40.20 for licensure must:

40.21 (1) meet the requirements for licensure under section 136A.822;

40.22 (2) pay the licensure fees as a new school under section 136A.824, subdivision 1;

40.23 (3) correct any deficiencies that were identified in the revocation order or closed school
40.24 requests under section 136A.8225;

40.25 (4) pay any outstanding fines or penalties under section 136A.832; and

40.26 (5) pay any outstanding student refunds under section 136A.827.

40.27 Sec. 44. Minnesota Statutes 2023 Supplement, section 136A.833, subdivision 2, is amended
40.28 to read:

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

- 41.1 (1) public postsecondary institutions;
- 41.2 (2) postsecondary institutions registered under sections 136A.61 to 136A.71;
- 41.3 (3) postsecondary institutions exempt from registration under sections 136A.653,
- 41.4 subdivisions 1b, 2, 3, and 3a; 136A.657; and 136A.658;
- 41.5 ~~(4) private career schools of nursing accredited by the state Board of Nursing or an~~
- 41.6 ~~equivalent public board of another state or foreign country;~~
- 41.7 ~~(5)~~ (4) private schools complying with the requirements of section 120A.22, subdivision
- 41.8 4;
- 41.9 ~~(6)~~ (5) courses taught to students in an apprenticeship program registered by the United
- 41.10 States Department of Labor or Minnesota Department of Labor and taught by or required
- 41.11 by a trade union. A trade union is an organization of workers in the same skilled occupation
- 41.12 or related skilled occupations who act together to secure all members favorable wages,
- 41.13 hours, and other working conditions;
- 41.14 ~~(7)~~ (6) private career schools exclusively engaged in training physically or mentally
- 41.15 disabled persons ~~for the state of Minnesota;~~
- 41.16 ~~(8)~~ (7) private career schools licensed or approved by boards authorized under Minnesota
- 41.17 law to issue licenses for training programs except private career schools required to obtain
- 41.18 a private career school license due to the use of "academy," "institute," "college," or
- 41.19 "university" in their names;
- 41.20 ~~(9)~~ (8) private career schools and educational programs, or training programs, contracted
- 41.21 for by persons, firms, corporations, government agencies, or associations, for the training
- 41.22 of their own employees, for which no fee is charged the employee, regardless of whether
- 41.23 that fee is reimbursed by the employer or third party after the employee successfully
- 41.24 completes the training;
- 41.25 ~~(10)~~ (9) private career schools engaged exclusively in the teaching of purely avocational,
- 41.26 recreational, or remedial subjects that are not advertised or maintained for vocational or
- 41.27 career advancement, including adult basic education, as determined by the office except
- 41.28 private career schools required to obtain a private career school license due to the use of
- 41.29 "academy," "institute," "college," or "university" in their names ~~unless the private career~~
- 41.30 ~~school used "academy" or "institute" in its name prior to August 1, 2008;~~
- 41.31 ~~(11)~~ (10) classes, courses, or programs conducted by a bona fide trade, professional, or
- 41.32 fraternal organization, solely for that organization's membership and not available to the
- 41.33 public. In making the determination that the organization is bona fide, the office may request

42.1 the school provide three certified letters from persons that qualify as evaluators under section
42.2 136A.828, subdivision 3, paragraph (1), that the organization is recognized in Minnesota;

42.3 ~~(12)~~ (11) programs in the fine arts provided by organizations exempt from taxation under
42.4 section 290.05 and registered with the attorney general under chapter 309. For the purposes
42.5 of this clause, "fine arts" means activities resulting in artistic creation or artistic performance
42.6 of works of the imagination which are engaged in for the primary purpose of creative
42.7 expression rather than commercial sale, vocational or career advancement, or employment.
42.8 In making this determination the office may seek the advice and recommendation of the
42.9 Minnesota Board of the Arts;

42.10 ~~(13)~~ (12) classes, courses, or programs intended to fulfill the continuing education
42.11 requirements for a bona fide licensure or certification in a profession, that have been approved
42.12 by a legislatively or judicially established board or agency responsible for regulating the
42.13 practice of the profession or by an industry-specific certification entity, and that are offered
42.14 exclusively to individuals with the professional licensure or certification. In making the
42.15 determination that the licensure or certification is bona fide, the office may request the
42.16 school provide three certified letters from persons that qualify as evaluators under section
42.17 136A.828, subdivision 3, paragraph (1), that the licensure and certification is recognized in
42.18 Minnesota;

42.19 ~~(14)~~ (13) review classes, courses, or programs intended to prepare students to sit for
42.20 undergraduate, graduate, postgraduate, or occupational licensing, certification, or entrance
42.21 examinations and does not include the instruction to prepare students for that license,
42.22 occupation, certification, or exam;

42.23 ~~(15)~~ (14) classes, courses, or programs providing 16 or fewer clock hours of instruction;

42.24 ~~(16)~~ (15) classes, courses, or programs providing instruction in personal development
42.25 that is not advertised or maintained for vocational or career advancement, modeling, or
42.26 acting;

42.27 ~~(17)~~ (16) private career schools with no physical presence in Minnesota, ~~as determined~~
42.28 ~~by the office~~, engaged exclusively in offering distance instruction that are located in and
42.29 regulated by other states or jurisdictions if the distance education instruction does not include
42.30 internships, externships, field placements, or clinical placements for residents of Minnesota;
42.31 and

42.32 ~~(18)~~ (17) private career schools providing exclusively training, instructional programs,
42.33 or courses where tuition, fees, and any other charges, regardless of payment or reimbursement
42.34 method, for a student to participate do not exceed \$100.

43.1 Sec. 45. Minnesota Statutes 2023 Supplement, section 136F.38, subdivision 3, is amended
43.2 to read:

43.3 Subd. 3. **Program eligibility.** (a) Scholarships shall be awarded only to a student eligible
43.4 for resident tuition, as defined in section 135A.043, who is enrolled in any of the following
43.5 programs of study or certification: (1) advanced manufacturing; (2) agriculture; (3) health
43.6 care services; (4) information technology; (5) early childhood; (6) transportation; (7)
43.7 construction; (8) education; (9) public safety; (10) energy; or ~~(10)~~ (11) a program of study
43.8 under paragraph (b).

43.9 (b) Each institution may add one additional area of study or certification, based on a
43.10 workforce shortage for full-time employment requiring postsecondary education that is
43.11 unique to the institution's specific region, as reported in the most recent Department of
43.12 Employment and Economic Development job vacancy survey data for the economic
43.13 development region in which the institution is located. A workforce shortage area is one in
43.14 which the job vacancy rate for full-time employment in a specific occupation in a region is
43.15 higher than the state average vacancy rate for that same occupation. The institution may
43.16 change the area of study or certification based on new data once every two years.

43.17 (c) The student must be enrolled for at least nine credits in a two-year college in the
43.18 Minnesota State Colleges and Universities system to be eligible for first- and second-year
43.19 scholarships.

43.20 (d) The student is eligible for a one-year transfer scholarship if the student transfers from
43.21 a two-year college after two or more terms, and the student is enrolled for at least nine
43.22 credits in a four-year university in the Minnesota State Colleges and Universities system.

43.23 Sec. 46. Laws 2023, chapter 41, article 1, section 4, subdivision 2, is amended to read:

43.24	Subd. 2. Operations and Maintenance	686,558,000	676,294,000
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43.25 (a) \$15,000,000 in fiscal year 2024 and
43.26 \$15,000,000 in fiscal year 2025 are to: (1)
43.27 increase the medical school's research
43.28 capacity; (2) improve the medical school's
43.29 ranking in National Institutes of Health
43.30 funding; (3) ensure the medical school's
43.31 national prominence by attracting and
43.32 retaining world-class faculty, staff, and
43.33 students; (4) invest in physician training

44.1 programs in rural and underserved
44.2 communities; and (5) translate the medical
44.3 school's research discoveries into new
44.4 treatments and cures to improve the health of
44.5 Minnesotans.

44.6 (b) \$7,800,000 in fiscal year 2024 and
44.7 \$7,800,000 in fiscal year 2025 are for health
44.8 training restoration. This appropriation must
44.9 be used to support all of the following: (1)
44.10 faculty physicians who teach at eight residency
44.11 program sites, including medical resident and
44.12 student training programs in the Department
44.13 of Family Medicine; (2) the Mobile Dental
44.14 Clinic; and (3) expansion of geriatric
44.15 education and family programs.

44.16 (c) \$4,000,000 in fiscal year 2024 and
44.17 \$4,000,000 in fiscal year 2025 are for the
44.18 Minnesota Discovery, Research, and
44.19 InnoVation Economy funding program for
44.20 cancer care research.

44.21 (d) \$500,000 in fiscal year 2024 and \$500,000
44.22 in fiscal year 2025 are for the University of
44.23 Minnesota, Morris branch, to cover the costs
44.24 of tuition waivers under Minnesota Statutes,
44.25 section 137.16.

44.26 (e) \$5,000,000 in fiscal year 2024 and
44.27 \$5,000,000 in fiscal year 2025 are for
44.28 systemwide safety and security measures on
44.29 University of Minnesota campuses. The base
44.30 amount for this appropriation is \$1,000,000
44.31 in fiscal year 2026 and later.

44.32 (f) \$366,000 in fiscal year 2024 and \$366,000
44.33 in fiscal year 2025 are for unemployment

45.1 insurance aid under Minnesota Statutes,
45.2 section 268.193.

45.3 (g) \$10,000,000 the first year is for programs
45.4 at the University of Minnesota Medical School
45.5 Campus on the CentraCare Health System
45.6 Campus in St. Cloud. This appropriation may
45.7 be used for tuition support, ~~a residency~~
45.8 ~~program, a rural health research program, a~~
45.9 ~~program to target scholarships to students from~~
45.10 ~~diverse backgrounds, and a scholarship~~
45.11 ~~program targeted at students who will practice~~
45.12 ~~in rural areas including a scholarship~~
45.13 endowment fund targeted at students who will
45.14 practice in rural areas and targeted at students
45.15 from diverse backgrounds; costs associated
45.16 with opening and operating a new regional
45.17 campus; costs associated with the expansion
45.18 of a residency program; and costs associated
45.19 with starting and operating a rural health
45.20 research program. This appropriation is
45.21 available until June 30, 2027, and must be
45.22 spent on for activities on or associated with
45.23 the CentraCare Health System Campus in the
45.24 greater St. Cloud area. This is a onetime
45.25 appropriation.

45.26 (h) \$374,000 the first year and \$110,000 the
45.27 second year are to pay the cost of supplies and
45.28 equipment necessary to provide access to
45.29 menstrual products for purposes of article 2,
45.30 section 2.

45.31 (i) The total operations and maintenance base
45.32 for fiscal year 2026 and later is \$672,294,000.

45.33 **EFFECTIVE DATE.** This section is effective the day following final enactment.

- 46.1 Sec. 47. **REPEALER.**
- 46.2 (a) Minnesota Statutes 2022, section 135A.16, is repealed.
- 46.3 (b) Minnesota Statutes 2023 Supplement, section 135A.162, subdivision 7, is repealed.
- 46.4 **EFFECTIVE DATE.** Paragraph (a) is effective January 1, 2025.

135A.16 POLICY FOR STUDENTS WITH DISABILITIES.

Subdivision 1. **Development.** Each public postsecondary governing board shall have a policy to provide for the needs of enrolled or admitted students on its campuses who have disabilities under section 504 of the Rehabilitation Act of 1973, Public Law 93-112. Governing boards of private postsecondary institutions are requested to develop similar policies.

Subd. 2. **Content.** Each policy shall include a list of services each campus must make available to any student who, through a recent assessment, can document a disability. The following three services must be included in the policy:

(1) support, counseling, and information that may include support groups, individual counseling, career counseling and assessment, and referral services;

(2) academic assistance services that may include early registration services, early syllabus availability, course selection and program advising, coursework and testing assistance and modification, and tutoring; and

(3) advocacy services that may include a designated ombudsman serving as the primary contact and coordinator for students needing services, assistance in working individually with faculty and administrators, intervention procedures, and grievance procedures.

Subd. 3. **Availability.** The policy and related information must be readily available to enrolled students and applicants for admission. At a minimum, information on services, including a contact person and location, must be included in the campus catalog and in the schedule of course offerings each term.

135A.162 INCLUSIVE HIGHER EDUCATION GRANTS.

Subd. 7. **Reporting.** The director must evaluate the development and implementation of the Minnesota inclusive higher education initiatives receiving a grant under this section. The director must submit an annual report by October 1 on the progress to expand Minnesota inclusive higher education options for students with intellectual disabilities to the commissioner and chairs and ranking minority members of the legislative committees with jurisdiction over higher education policy and finance. The report must include statutory and budget recommendations.