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State of Minnesota

HOUSE OF REPRESENTATIVES

SPECIAL SESSION

H. F. No. 7

- 06/14/2021 Authored by Bernardy
- 06/15/2021 The bill was read for the first time and referred to the Committee on Ways and Means
- 06/15/2021 Adoption of Report: Placed on the General Register
- 06/17/2021 Read for the Second Time
- 06/17/2021 Calendar for the Day
- 06/18/2021 Bill was laid on the Table
- 06/18/2021 Bill was taken from the Table
- 06/19/2021 Bill was laid on the Table
- 06/19/2021 Bill was taken from the Table
- 06/19/2021 Amended
- 06/19/2021 Bill was laid on the Table as Amended
- 06/19/2021 Bill was taken from the Table
- 06/19/2021 Read Third Time as Amended
- 06/19/2021 Passed by the House as Amended and transmitted to the Senate to include Floor Amendments

1.1 A bill for an act

1.2 relating to higher education; providing funding and policy changes for the Office

1.3 of Higher Education, Minnesota State Colleges and Universities, the University

1.4 of Minnesota, and the Mayo Clinic; creating and modifying certain student aid

1.5 programs; restricting limitations on student access to transcripts; modifying certain

1.6 school accountability provisions; expanding the hunger-free campus designation;

1.7 establishing a pilot project; requiring reports; appropriating money; amending

1.8 Minnesota Statutes 2020, sections 136A.101, subdivision 5a; 136A.121,

1.9 subdivisions 2, 6, 9; 136A.123, subdivision 1; 136A.125, subdivisions 2, 4;

1.10 136A.126, subdivisions 1, 4; 136A.1275; 136A.1704; 136A.1791; 136A.246,

1.11 subdivisions 1, 2, 3, 4, 5, 6, 7, 8, by adding a subdivision; 136A.63, subdivision

1.12 2; 136A.645; 136A.653, subdivision 5; 136A.675; 136A.68; 136A.822, subdivision

1.13 12; 136A.8225; 136A.823, by adding a subdivision; 136A.827, subdivisions 4, 8;

1.14 136F.20, by adding a subdivision; 136F.245; 136F.305; 136F.38, subdivision 3;

1.15 Laws 2014, chapter 312, article 1, section 4, subdivision 2; proposing coding for

1.16 new law in Minnesota Statutes, chapters 136A; 136F; repealing Minnesota Statutes

1.17 2020, sections 136A.1703; 136A.823, subdivision 2; 136F.245, subdivision 3;

1.18 Minnesota Rules, parts 4830.9050; 4830.9060; 4830.9070; 4830.9080; 4830.9090.

1.19 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

ARTICLE 1

APPROPRIATIONS

Section 1. APPROPRIATIONS.

1.23 The sums shown in the columns marked "Appropriations" are appropriated to the agencies

1.24 and for the purposes specified in this article. The appropriations are from the general fund,

1.25 or another named fund, and are available for the fiscal years indicated for each purpose.

1.26 The figures "2022" and "2023" used in this article mean that the appropriations listed under

1.27 them are available for the fiscal year ending June 30, 2022, or June 30, 2023, respectively.

1.28 "The first year" is fiscal year 2022. "The second year" is fiscal year 2023. "The biennium"

1.29 is fiscal years 2022 and 2023.

| 2.1 | | <u>APPROPRIATIONS</u> | |
|--------------------------------------|---|--------------------------------------|------------------------------|
| 2.2 | | <u>Available for the Year</u> | |
| 2.3 | | <u>Ending June 30</u> | |
| 2.4 | | <u>2022</u> | <u>2023</u> |
| 2.5 2.6 | <u>Sec. 2. MINNESOTA OFFICE OF HIGHER EDUCATION</u> | | |
| 2.7 | <u>Subdivision 1. Total Appropriation</u> | <u>\$ 271,702,000</u> | <u>\$ 274,269,000</u> |
| 2.8 2.9 2.10 | <u>The amounts that may be spent for each purpose are specified in the following subdivisions.</u> | | |
| 2.11 | <u>Subd. 2. State Grants</u> | <u>210,037,000</u> | <u>210,037,000</u> |
| 2.12 2.13 2.14 | <u>If the appropriation in this subdivision for either year is insufficient, the appropriation for the other year is available for it.</u> | | |
| 2.15 | <u>Subd. 3. Child Care Grants</u> | <u>6,694,000</u> | <u>6,694,000</u> |
| 2.16 | <u>Subd. 4. State Work-Study</u> | <u>14,502,000</u> | <u>14,502,000</u> |
| 2.17 | <u>Subd. 5. Interstate Tuition Reciprocity</u> | <u>8,500,000</u> | <u>8,500,000</u> |
| 2.18 2.19 2.20 2.21 | <u>If the appropriation in this subdivision for either year is insufficient, the appropriation for the other year is available to meet reciprocity contract obligations.</u> | | |
| 2.22 | <u>Subd. 6. Safety Officer's Survivors</u> | <u>100,000</u> | <u>100,000</u> |
| 2.23 2.24 2.25 2.26 2.27 | <u>This appropriation is to provide educational benefits under Minnesota Statutes, section 299A.45, to eligible dependent children and to the spouses of public safety officers killed in the line of duty.</u> | | |
| 2.28 2.29 2.30 | <u>If the appropriation in this subdivision for either year is insufficient, the appropriation for the other year is available for it.</u> | | |
| 2.31 | <u>Subd. 7. American Indian Scholarships</u> | <u>3,500,000</u> | <u>3,500,000</u> |
| 2.32 2.33 | <u>The commissioner must contract with or employ at least one person with demonstrated</u> | | |

3.1 competence in American Indian culture and
 3.2 residing in or near the city of Bemidji to assist
 3.3 students with the scholarships under
 3.4 Minnesota Statutes, section 136A.126, and
 3.5 with other information about financial aid for
 3.6 which the students may be eligible. Bemidji
 3.7 State University must provide office space at
 3.8 no cost to the Office of Higher Education for
 3.9 purposes of administering the American Indian
 3.10 scholarship program under Minnesota Statutes,
 3.11 section 136A.126. This appropriation includes
 3.12 funding to administer the American Indian
 3.13 scholarship program.

3.14 **Subd. 8. Tribal College Grants** 150,000 150,000

3.15 For Tribal college assistance grants under
 3.16 Minnesota Statutes, section 136A.1796.

3.17 **Subd. 9. Intervention for College Attendance**
 3.18 **Program Grants** 1,143,000 1,142,000

3.19 For the intervention for college attendance
 3.20 program under Minnesota Statutes, section
 3.21 136A.861.

3.22 The commissioner may use no more than three
 3.23 percent of this appropriation to administer the
 3.24 intervention for college attendance program
 3.25 grants.

3.26 **Subd. 10. Student-Parent Information** 122,000 122,000

3.27 **Subd. 11. Get Ready!** 180,000 180,000

3.28 **Subd. 12. Minnesota Education Equity**
 3.29 **Partnership** 45,000 45,000

3.30 **Subd. 13. Midwest Higher Education Compact** 115,000 115,000

3.31 **Subd. 14. United Family Medicine Residency**
 3.32 **Program** 501,000 501,000

3.33 For a grant to United Family Medicine
 3.34 residency program. This appropriation shall

4.1 be used to support up to 21 resident physicians
 4.2 each year in family practice at United Family
 4.3 Medicine residency programs and shall
 4.4 prepare doctors to practice family care
 4.5 medicine in underserved rural and urban areas
 4.6 of the state. It is intended that this program
 4.7 will improve health care in underserved
 4.8 communities, provide affordable access to
 4.9 appropriate medical care, and manage the
 4.10 treatment of patients in a cost-effective
 4.11 manner.

4.12 **Subd. 15. MnLINK Gateway and Minitex** 5,905,000 5,905,000

4.13 **Subd. 16. Statewide Longitudinal Education**
 4.14 **Data System** 1,782,000 1,782,000

4.15 **Subd. 17. Hennepin Healthcare** 645,000 645,000

4.16 For transfer to Hennepin Healthcare for
 4.17 graduate family medical education programs
 4.18 at Hennepin Healthcare.

4.19 **Subd. 18. College Possible** 550,000 550,000

4.20 (a) This appropriation is for immediate transfer
 4.21 to College Possible to support programs of
 4.22 college admission and college graduation for
 4.23 low-income students through an intensive
 4.24 curriculum of coaching and support at both
 4.25 the high school and postsecondary levels.

4.26 (b) This appropriation must, to the extent
 4.27 possible, be proportionately allocated between
 4.28 students from greater Minnesota and students
 4.29 in the seven-county metropolitan area.

4.30 (c) This appropriation must be used by College
 4.31 Possible only for programs supporting students
 4.32 who are residents of Minnesota and attending
 4.33 colleges or universities within Minnesota.

5.1 (d) By February 1 of each year, College
 5.2 Possible must report to the chairs and ranking
 5.3 minority members of the legislative
 5.4 committees and divisions with jurisdiction
 5.5 over higher education and E-12 education on
 5.6 activities funded by this appropriation. The
 5.7 report must include but is not limited to
 5.8 information about the work of College
 5.9 Possible Minnesota throughout the state; the
 5.10 number of College Possible coaches hired; the
 5.11 number of existing partner high schools; the
 5.12 geographic distribution of participants; the
 5.13 number of high school and college students
 5.14 specifically supported by the appropriations
 5.15 funds; the percentages of students who applied
 5.16 to college, were admitted into college, and
 5.17 enrolled in college from the previous program
 5.18 year; the number of college graduates
 5.19 supported by the appropriation funding in the
 5.20 previous program year; and a list of all
 5.21 communities and partner institutions
 5.22 benefiting from coaching and support through
 5.23 College Possible programming.

5.24 **Subd. 19. Spinal Cord Injury and Traumatic**
 5.25 **Brain Injury Research Grant Program**

3,000,000

3,000,000

5.26 For transfer to the spinal cord and traumatic
 5.27 brain injury grant account in the special
 5.28 revenue fund under Minnesota Statutes,
 5.29 section 136A.901, subdivision 1.

5.30 The commissioner may use no more than three
 5.31 percent of the amount transferred under this
 5.32 subdivision to administer the grant program.

5.33 **Subd. 20. Summer Academic Enrichment**
 5.34 **Program**

250,000

250,000

6.1 For summer academic enrichment grants under
 6.2 Minnesota Statutes, section 136A.091.

6.3 The commissioner may use no more than three
 6.4 percent of this appropriation to administer the
 6.5 grant program under this subdivision.

6.6 **Subd. 21. Dual Training Competency Grants;**
 6.7 **Office of Higher Education** 2,000,000 2,000,000

6.8 For transfer to the Dual Training Competency
 6.9 Grants account in the special revenue fund
 6.10 under Minnesota Statutes, section 136A.246,
 6.11 subdivision 10.

6.12 **Subd. 22. Campus Sexual Assault Reporting** 25,000 25,000

6.13 For the sexual assault reporting required under
 6.14 Minnesota Statutes, section 135A.15.

6.15 **Subd. 23. Campus Sexual Violence Prevention**
 6.16 **and Response Coordinator** 150,000 150,000

6.17 For the Office of Higher Education to staff a
 6.18 campus sexual violence prevention and
 6.19 response coordinator to serve as a statewide
 6.20 resource providing professional development
 6.21 and guidance on best practices for
 6.22 postsecondary institutions. \$50,000 each year
 6.23 is for administrative funding to conduct
 6.24 trainings and provide materials to
 6.25 postsecondary institutions.

6.26 **Subd. 24. Emergency Assistance for** 269,000 269,000
 6.27 **Postsecondary Students**

6.28 (a) This appropriation is for the Office of
 6.29 Higher Education to allocate grant funds on a
 6.30 matching basis to eligible institutions as
 6.31 defined under Minnesota Statutes, section
 6.32 136A.103, located in Minnesota with a
 6.33 demonstrable homeless student population.

7.1 (b) This appropriation shall be used to meet
 7.2 immediate student needs that could result in
 7.3 a student not completing the term or their
 7.4 program including, but not limited to,
 7.5 emergency housing, food, and transportation.
 7.6 Institutions shall minimize any negative
 7.7 impact on student financial aid resulting from
 7.8 the receipt of emergency funds.

7.9 (c) The commissioner shall determine the
 7.10 application process and the grant amounts.
 7.11 The Office of Higher Education shall partner
 7.12 with interested postsecondary institutions,
 7.13 other state agencies, and student groups to
 7.14 establish the programs.

7.15 (d) The base for this appropriation is \$319,000
 7.16 in fiscal year 2024 and later.

7.17 **Subd. 25. Grants to Student Teachers in**
 7.18 **Shortage Areas** 500,000 500,000

7.19 For grants to student teachers in shortage areas
 7.20 under Minnesota Statutes, section 136A.1275.

7.21 The commissioner may use no more than three
 7.22 percent of the appropriation for administration
 7.23 of the program.

7.24 **Subd. 26. Grants to Underrepresented Student**
 7.25 **Teachers** 1,000,000 1,000,000

7.26 For grants to underrepresented student teachers
 7.27 under Minnesota Statutes, section 136A.1274.

7.28 The commissioner may use no more than three
 7.29 percent of the appropriation for administration
 7.30 of the program.

7.31 The base for this appropriation is \$1,125,000
 7.32 in fiscal year 2024 and later.

7.33 **Subd. 27. Teacher Shortage Loan Repayment** 200,000 200,000

| | | | |
|------|---|----------------|----------------|
| 8.1 | <u>For transfer to the teacher shortage loan</u> | | |
| 8.2 | <u>repayment account in the special revenue fund</u> | | |
| 8.3 | <u>under Minnesota Statutes, section 136A.1791,</u> | | |
| 8.4 | <u>subdivision 8.</u> | | |
| 8.5 | <u>The commissioner may use no more than three</u> | | |
| 8.6 | <u>percent of the amount transferred under this</u> | | |
| 8.7 | <u>subdivision to administer the program.</u> | | |
| 8.8 | <u>Subd. 28. Large Animal Veterinarian Loan</u> | | |
| 8.9 | <u>Forgiveness Program</u> | <u>375,000</u> | <u>375,000</u> |
| 8.10 | <u>For transfer to the large animal veterinarian</u> | | |
| 8.11 | <u>loan forgiveness program account in the</u> | | |
| 8.12 | <u>special revenue fund under Minnesota</u> | | |
| 8.13 | <u>Statutes, section 136A.1795, subdivision 2.</u> | | |
| 8.14 | <u>Subd. 29. Agricultural Educators Loan</u> | | |
| 8.15 | <u>Forgiveness</u> | <u>50,000</u> | <u>50,000</u> |
| 8.16 | <u>For transfer to the agricultural education loan</u> | | |
| 8.17 | <u>forgiveness account in the special revenue</u> | | |
| 8.18 | <u>fund under Minnesota Statutes, section</u> | | |
| 8.19 | <u>136A.1794, subdivision 2.</u> | | |
| 8.20 | <u>Subd. 30. Aviation Degree Loan Forgiveness</u> | | |
| 8.21 | <u>Program</u> | <u>25,000</u> | <u>25,000</u> |
| 8.22 | <u>For transfer to the aviation degree loan</u> | | |
| 8.23 | <u>forgiveness program account in the special</u> | | |
| 8.24 | <u>revenue fund under Minnesota Statutes,</u> | | |
| 8.25 | <u>section 136A.1789, subdivision 2.</u> | | |
| 8.26 | <u>Subd. 31. Grants for Students with Intellectual</u> | | |
| 8.27 | <u>and Developmental Disabilities</u> | <u>200,000</u> | <u>200,000</u> |
| 8.28 | <u>For grants for students with intellectual and</u> | | |
| 8.29 | <u>developmental disabilities under Minnesota</u> | | |
| 8.30 | <u>Statutes, section 136A.1215.</u> | | |
| 8.31 | <u>Subd. 32. Loan Repayment Assistance Program</u> | <u>25,000</u> | <u>25,000</u> |
| 8.32 | <u>For a grant to the Loan Repayment Assistance</u> | | |
| 8.33 | <u>Program of Minnesota to provide education</u> | | |
| 8.34 | <u>debt relief to attorneys with full-time</u> | | |

9.1 employment providing legal advice or
 9.2 representation to low-income clients or support
 9.3 services for this work.

9.4 **Subd. 33. Minnesota Independence College and**
 9.5 **Community**

1,250,000

1,250,000

9.6 For a grant to Minnesota Independence
 9.7 College and Community for need-based
 9.8 scholarships and tuition reduction. Beginning
 9.9 with students first enrolled in the fall of 2019,
 9.10 eligibility is limited to resident students as
 9.11 defined in Minnesota Statutes, section
 9.12 136A.101, subdivision 8.

9.13 The base for this appropriation is \$1,000,000
 9.14 in fiscal year 2024 and later.

9.15 **Subd. 34. Student Loan Debt Counseling**

200,000

200,000

9.16 For student loan debt counseling under
 9.17 Minnesota Statutes, section 136A.1788.

9.18 The Office of Higher Education may use no
 9.19 more than three percent of the appropriation
 9.20 to administer the student loan debt counseling
 9.21 program.

9.22 **Subd. 35. Hunger-Free Campus Grants**

205,000

102,000

9.23 For the Office of Higher Education to provide
 9.24 initial and sustaining grants to Minnesota
 9.25 public postsecondary institutions and Tribal
 9.26 colleges under Minnesota Statutes, section
 9.27 136F.245, subdivision 4, to meet and maintain
 9.28 the criteria in that same section to address food
 9.29 insecurity on campus.

9.30 **Subd. 36. Fostering Independence Higher**
 9.31 **Education Grants**

238,000

3,759,000

9.32 For grants to eligible students under Minnesota
 9.33 Statutes, section 136A.1241. Of this amount,
 9.34 \$238,000 in the first year is for administration

10.1 costs. The base for fiscal year 2024 and later
 10.2 is \$3,761,000.

10.3 **Subd. 37. Concurrent Enrollment Grants** 340,000 340,000

10.4 For concurrent enrollment grants under
 10.5 Minnesota Statutes, section 136A.91.

10.6 **Subd. 38. Aspiring Teachers of Color**
 10.7 **Scholarship Pilot Program** 1,500,000 1,500,000

10.8 (a) This appropriation is for the aspiring
 10.9 teachers of color scholarship pilot program
 10.10 under article 2, section 45.

10.11 (b) The commissioner of the Office of Higher
 10.12 Education may use no more than three percent
 10.13 of the appropriation to administer the aspiring
 10.14 teachers of color scholarship program.

10.15 (c) This is a onetime appropriation. The base
 10.16 for this appropriation is \$0 in fiscal year 2024
 10.17 and later. Notwithstanding Minnesota Statutes,
 10.18 section 16A.28, unencumbered balances under
 10.19 this subdivision do not cancel until July 1,
 10.20 2025.

10.21 **Subd. 39. Direct Admissions** 925,000 75,000

10.22 For the direct admissions pilot program in
 10.23 article 2, section 42.

10.24 **Subd. 40. Agency Administration** 4,504,000 4,504,000

10.25 **Subd. 41. Balances Forward**

10.26 A balance in the first year under this section
 10.27 does not cancel, but is available for the second
 10.28 year.

10.29 **Subd. 42. Transfers**

10.30 The commissioner of the Office of Higher
 10.31 Education may transfer unencumbered
 10.32 balances from the appropriations in this

11.1 section to the state grant appropriation, the
 11.2 interstate tuition reciprocity appropriation, the
 11.3 child care grant appropriation, the Indian
 11.4 scholarship appropriation, the state work-study
 11.5 appropriation, the get ready appropriation, the
 11.6 intervention for college attendance
 11.7 appropriation, the student-parent information
 11.8 appropriation, the summer academic
 11.9 enrichment program appropriation, the public
 11.10 safety officers' survivors appropriation, and
 11.11 the fostering independence higher education
 11.12 grant program. The commissioner may transfer
 11.13 unencumbered balances from the hunger-free
 11.14 campus appropriations to the emergency
 11.15 assistance for postsecondary students grant.
 11.16 To the extent there is a projected surplus in
 11.17 the appropriation for either the student
 11.18 teachers in shortage areas grant program or
 11.19 the underrepresented student teacher grant
 11.20 program, the commissioner may transfer
 11.21 unencumbered balances between the two
 11.22 programs as needed to meet demand. Transfers
 11.23 from the child care, state work-study, or the
 11.24 hunger-free campus appropriations may only
 11.25 be made to the extent there is a projected
 11.26 surplus in the appropriation. A transfer may
 11.27 be made only with prior written notice to the
 11.28 chairs and ranking minority members of the
 11.29 senate and house of representatives
 11.30 committees with jurisdiction over higher
 11.31 education finance.

11.32 **Sec. 3. BOARD OF TRUSTEES OF THE**
 11.33 **MINNESOTA STATE COLLEGES AND**
 11.34 **UNIVERSITIES**

11.35 **Subdivision 1. Total Appropriation** **\$** **791,992,000** **\$** **789,491,000**

12.1 The amounts that may be spent for each
 12.2 purpose are specified in the following
 12.3 subdivisions.

12.4 **Subd. 2. Central Office and Shared Services**
 12.5 **Unit**

34,082,000

34,081,000

12.6 For the Office of the Chancellor and the
 12.7 Shared Services Division.

12.8 The base for this appropriation in fiscal year
 12.9 2024 and later is \$34,401,000.

12.10 **Subd. 3. Operations and Maintenance**

753,795,000

751,295,000

12.11 (a) The Board of Trustees must establish
 12.12 tuition rates as follows:

12.13 (1) for the 2021-2022 and 2022-2023
 12.14 academic years, tuition rates for undergraduate
 12.15 students at colleges and universities must not
 12.16 be increased by more than 3.5 percent as
 12.17 compared to the previous academic year,
 12.18 except that a university may change base
 12.19 tuition to adjust for the reduction of online
 12.20 differential charges provided the change is
 12.21 revenue-neutral; and

12.22 (2) the student tuition relief may not be offset
 12.23 by increases in mandatory fees, charges, or
 12.24 other assessments to the student. Colleges and
 12.25 universities are permitted to increase
 12.26 differential tuition charges in fiscal years 2022
 12.27 and 2023 where costs for course or program
 12.28 delivery have increased due to extraordinary
 12.29 circumstances beyond the control of the
 12.30 college or university. Rates and rationale must
 12.31 be approved by the Board of Trustees.

12.32 (b) The Board of Trustees must request
 12.33 guidance from the United States Department
 12.34 of Education regarding whether it is

- 13.1 permissible to allocate federal funds received
13.2 under section 314 of the Consolidated
13.3 Appropriations Act, 2021, as provided by
13.4 Public Law 116-260, and section 2003 of the
13.5 American Rescue Plan Act, as provided by
13.6 Public Law 117-2, to provide a tuition credit
13.7 for enrolled students or refund for students
13.8 who are no longer enrolled in an amount equal
13.9 to the amount of the online differential tuition
13.10 rate charged to students for courses moved
13.11 online due to the coronavirus pandemic during
13.12 the 2020-2021 academic year that were not
13.13 offered as online courses during the previous
13.14 academic year. If the department advises that
13.15 this is a permissible use of the federal funds,
13.16 institutions must issue such tuition credits to
13.17 enrolled students and must inform students
13.18 who are no longer enrolled in the institution
13.19 of their eligibility for a refund. In order to
13.20 receive a refund, the student must apply for
13.21 the refund.
- 13.22 (c) \$5,700,000 in fiscal year 2022 and
13.23 \$5,700,000 in fiscal year 2023 are to provide
13.24 supplemental aid for operations and
13.25 maintenance to the president of each two-year
13.26 institution in the system with at least one
13.27 campus that is not located in a metropolitan
13.28 county, as defined in Minnesota Statutes,
13.29 section 473.121, subdivision 4. The board
13.30 shall transfer at least \$158,000 for each
13.31 campus not located in a metropolitan county
13.32 in each year to the president of each institution
13.33 that includes such a campus.
- 13.34 (d) The Board of Trustees is requested to help
13.35 Minnesota close the attainment gap by funding

- 14.1 activities which improve retention and
14.2 completion for students of color.
- 14.3 (e) \$4,500,000 in fiscal year 2022 and
14.4 \$4,500,000 in fiscal year 2023 are for
14.5 workforce development scholarships under
14.6 Minnesota Statutes, section 136F.38.
- 14.7 (f) \$300,000 in fiscal year 2022 and \$300,000
14.8 in fiscal year 2023 are for transfer to the Cook
14.9 County Higher Education Board to provide
14.10 educational programming, workforce
14.11 development, and academic support services
14.12 to remote regions in northeastern Minnesota.
14.13 The Cook County Higher Education Board
14.14 shall continue to provide information to the
14.15 Board of Trustees on the number of students
14.16 served, credit hours delivered, and services
14.17 provided to students.
- 14.18 (g) This appropriation includes \$40,000 in
14.19 fiscal year 2022 and \$40,000 in fiscal year
14.20 2023 to implement the sexual assault policies
14.21 required under Minnesota Statutes, section
14.22 135A.15.
- 14.23 (h) This appropriation includes \$8,000,000 in
14.24 fiscal year 2022 and \$8,000,000 in fiscal year
14.25 2023 for upgrading the Integrated Statewide
14.26 Record System.
- 14.27 (i) This appropriation includes \$250,000 in
14.28 fiscal year 2022 and \$250,000 in fiscal year
14.29 2023 to implement the Z-Degree program
14.30 under Minnesota Statutes, section 136F.305.
14.31 The base for this appropriation is \$50,000 in
14.32 fiscal year 2024 and later.
- 14.33 (j) \$1,500,000 in fiscal year 2022 is for the
14.34 mental health awareness program for students

15.1 required under Minnesota Statutes, section
 15.2 136F.20, subdivision 4. Of this amount:
 15.3 \$500,000 must be used for training
 15.4 opportunities under Minnesota Statutes,
 15.5 section 136F.20, subdivision 4, paragraph (a),
 15.6 clause (2); and \$200,000 must be used for
 15.7 grants to colleges and universities to establish
 15.8 peer support pilot programs in Minnesota
 15.9 Statutes, section 136F.20, subdivision 4,
 15.10 paragraph (c). The Board of Trustees shall
 15.11 convene a committee that includes students to
 15.12 review and approve grant applications.
 15.13 Notwithstanding Minnesota Statutes, section
 15.14 16A.28, unencumbered balances under this
 15.15 paragraph do not cancel until July 1, 2025.
 15.16 (k) \$1,000,000 in fiscal year 2022 is for
 15.17 colleges and universities to comply with the
 15.18 student basic needs requirements under
 15.19 Minnesota Statutes, section 136F.202. The
 15.20 Board of Trustees must use at least 25 percent
 15.21 of this appropriation for grants to colleges and
 15.22 universities to comply with Minnesota
 15.23 Statutes, section 136F.202, subdivision 1,
 15.24 paragraph (a). The board must use a
 15.25 consultation and committee process that
 15.26 includes students to review and approve grant
 15.27 applications. Notwithstanding Minnesota
 15.28 Statutes, section 16A.28, unencumbered
 15.29 balances under this paragraph do not cancel
 15.30 until July 1, 2025.
 15.31 (l) The total operations and maintenance base
 15.32 for fiscal year 2024 and later is \$751,095,000.

| | | | |
|-------|--|------------------|------------------|
| 15.33 | <u>Subd. 4. Learning Network of Minnesota</u> | <u>4,115,000</u> | <u>4,115,000</u> |
| 15.34 | <u>Sec. 4. BOARD OF REGENTS OF THE</u> | | |
| 15.35 | <u>UNIVERSITY OF MINNESOTA</u> | | |

16.1 Subdivision 1. Total Appropriation \$ 692,813,000 \$ 692,813,000

16.2 Appropriations by Fund

| | <u>2022</u> | <u>2023</u> |
|--------------------------------|--------------------|--------------------|
| 16.4 <u>General</u> | <u>690,656,000</u> | <u>690,656,000</u> |
| 16.5 <u>Health Care Access</u> | <u>2,157,000</u> | <u>2,157,000</u> |

16.6 The amounts that may be spent for each
 16.7 purpose are specified in the following
 16.8 subdivisions.

16.9 Subd. 2. Operations and Maintenance 621,968,000 621,968,000

16.10 (a) \$15,000,000 in fiscal year 2022 and
 16.11 \$15,000,000 in fiscal year 2023 are to: (1)
 16.12 increase the medical school's research
 16.13 capacity; (2) improve the medical school's
 16.14 ranking in National Institutes of Health
 16.15 funding; (3) ensure the medical school's
 16.16 national prominence by attracting and
 16.17 retaining world-class faculty, staff, and
 16.18 students; (4) invest in physician training
 16.19 programs in rural and underserved
 16.20 communities; and (5) translate the medical
 16.21 school's research discoveries into new
 16.22 treatments and cures to improve the health of
 16.23 Minnesotans.

16.24 (b) \$7,800,000 in fiscal year 2022 and
 16.25 \$7,800,000 in fiscal year 2023 are for health
 16.26 training restoration. This appropriation must
 16.27 be used to support all of the following: (1)
 16.28 faculty physicians who teach at eight residency
 16.29 program sites, including medical resident and
 16.30 student training programs in the Department
 16.31 of Family Medicine; (2) the Mobile Dental
 16.32 Clinic; and (3) expansion of geriatric
 16.33 education and family programs.

17.1 (c) \$4,000,000 in fiscal year 2022 and
 17.2 \$4,000,000 in fiscal year 2023 are for the
 17.3 Minnesota Discovery, Research, and
 17.4 InnoVation Economy funding program for
 17.5 cancer care research.

17.6 (d) \$500,000 in fiscal year 2022 and \$500,000
 17.7 in fiscal year 2023 are for the University of
 17.8 Minnesota, Morris branch, to cover the costs
 17.9 of tuition waivers under Minnesota Statutes,
 17.10 section 137.16.

17.11 (e) \$150,000 in fiscal year 2022 and \$150,000
 17.12 in fiscal year 2023 are for the Chloe Barnes
 17.13 Advisory Council on Rare Diseases under
 17.14 Minnesota Statutes, section 137.68. The base
 17.15 for this appropriation is \$0 in fiscal year 2024
 17.16 and later.

17.17 (f) The total operations and maintenance base
 17.18 for fiscal year 2024 and later is \$620,818,000.

| | | | |
|-------|---|------------------|------------------|
| 17.19 | <u>Subd. 3. Primary Care Education Initiatives</u> | <u>2,157,000</u> | <u>2,157,000</u> |
|-------|---|------------------|------------------|

17.20 This appropriation is from the health care
 17.21 access fund.

17.22 Subd. 4. **Special Appropriations**

| | | | |
|-------|---|-------------------|-------------------|
| 17.23 | <u>(a) Agriculture and Extension Service</u> | <u>42,922,000</u> | <u>42,922,000</u> |
|-------|---|-------------------|-------------------|

17.24 For the Agricultural Experiment Station and
 17.25 the Minnesota Extension Service:

17.26 (1) the agricultural experiment stations and
 17.27 Minnesota Extension Service must convene
 17.28 agricultural advisory groups to focus research,
 17.29 education, and extension activities on producer
 17.30 needs and implement an outreach strategy that
 17.31 more effectively and rapidly transfers research
 17.32 results and best practices to producers
 17.33 throughout the state;

- 18.1 (2) this appropriation includes funding for
18.2 research and outreach on the production of
18.3 renewable energy from Minnesota biomass
18.4 resources, including agronomic crops, plant
18.5 and animal wastes, and native plants or trees.
18.6 The following areas should be prioritized and
18.7 carried out in consultation with Minnesota
18.8 producers, renewable energy, and bioenergy
18.9 organizations:
- 18.10 (i) biofuel and other energy production from
18.11 perennial crops, small grains, row crops, and
18.12 forestry products in conjunction with the
18.13 Natural Resources Research Institute (NRRI);
- 18.14 (ii) alternative bioenergy crops and cropping
18.15 systems; and
- 18.16 (iii) biofuel coproducts used for livestock feed;
- 18.17 (3) this appropriation includes funding for the
18.18 College of Food, Agricultural, and Natural
18.19 Resources Sciences to establish and provide
18.20 leadership for organic agronomic,
18.21 horticultural, livestock, and food systems
18.22 research, education, and outreach and for the
18.23 purchase of state-of-the-art laboratory,
18.24 planting, tilling, harvesting, and processing
18.25 equipment necessary for this project;
- 18.26 (4) this appropriation includes funding for
18.27 research efforts that demonstrate a renewed
18.28 emphasis on the needs of the state's agriculture
18.29 community. The following areas should be
18.30 prioritized and carried out in consultation with
18.31 Minnesota farm organizations:
- 18.32 (i) vegetable crop research with priority for
18.33 extending the Minnesota vegetable growing
18.34 season;

- 19.1 (ii) fertilizer and soil fertility research and
19.2 development;
- 19.3 (iii) soil, groundwater, and surface water
19.4 conservation practices and contaminant
19.5 reduction research;
- 19.6 (iv) discovering and developing plant varieties
19.7 that use nutrients more efficiently;
- 19.8 (v) breeding and development of turf seed and
19.9 other biomass resources in all three Minnesota
19.10 biomes;
- 19.11 (vi) development of new disease-resistant and
19.12 pest-resistant varieties of turf and agronomic
19.13 crops;
- 19.14 (vii) utilizing plant and livestock cells to treat
19.15 and cure human diseases;
- 19.16 (viii) the development of dairy coproducts;
- 19.17 (ix) a rapid agricultural response fund for
19.18 current or emerging animal, plant, and insect
19.19 problems affecting production or food safety;
- 19.20 (x) crop pest and animal disease research;
- 19.21 (xi) developing animal agriculture that is
19.22 capable of sustainably feeding the world;
- 19.23 (xii) consumer food safety education and
19.24 outreach;
- 19.25 (xiii) programs to meet the research and
19.26 outreach needs of organic livestock and crop
19.27 farmers; and
- 19.28 (xiv) alternative bioenergy crops and cropping
19.29 systems; and growing, harvesting, and
19.30 transporting biomass plant material; and
- 19.31 (5) by February 1, 2023, the Board of Regents
19.32 must submit a report to the legislative

20.1 committees and divisions with jurisdiction
 20.2 over agriculture and higher education finance
 20.3 on the status and outcomes of research and
 20.4 initiatives funded in this paragraph.

20.5 **(b) Health Sciences** 9,204,000 9,204,000

20.6 \$346,000 each year is to support up to 12
 20.7 resident physicians in the St. Cloud Hospital
 20.8 family practice residency program. The
 20.9 program must prepare doctors to practice
 20.10 primary care medicine in rural areas of the
 20.11 state. The legislature intends this program to
 20.12 improve health care in rural communities,
 20.13 provide affordable access to appropriate
 20.14 medical care, and manage the treatment of
 20.15 patients in a more cost-effective manner. The
 20.16 remainder of this appropriation is for the rural
 20.17 physicians associates program; the Veterinary
 20.18 Diagnostic Laboratory; health sciences
 20.19 research; dental care; the Biomedical
 20.20 Engineering Center; and the collaborative
 20.21 partnership between the University of
 20.22 Minnesota and Mayo Clinic for regenerative
 20.23 medicine, research, clinical translation, and
 20.24 commercialization.

20.25 **(c) College of Science and Engineering** 1,140,000 1,140,000

20.26 For the geological survey and the talented
 20.27 youth mathematics program.

20.28 **(d) System Special** 7,431,000 7,431,000

20.29 For general research, the Labor Education
 20.30 Service, Natural Resources Research Institute,
 20.31 Center for Urban and Regional Affairs, Bell
 20.32 Museum of Natural History, and the
 20.33 Humphrey exhibit.

21.1 \$2,250,000 in fiscal year 2022 and \$2,250,000
 21.2 in fiscal year 2023 are for the Natural
 21.3 Resources Research Institute to invest in
 21.4 applied research for economic development.

21.5 The base for this appropriation is \$7,181,000
 21.6 in fiscal year 2024 and later and, of this
 21.7 amount, \$2,000,000 per fiscal year is for the
 21.8 Natural Resources Research Institute to invest
 21.9 in applied research for economic development.

| | | | |
|-------|--|------------------|------------------|
| 21.10 | <u>(e) University of Minnesota and Mayo</u> | | |
| 21.11 | <u>Foundation Partnership</u> | <u>7,991,000</u> | <u>7,991,000</u> |

21.12 This appropriation is for the following
 21.13 activities:
 21.14 (1) \$7,491,000 in fiscal year 2022 and
 21.15 \$7,491,000 in fiscal year 2023 are for the
 21.16 direct and indirect expenses of the
 21.17 collaborative research partnership between the
 21.18 University of Minnesota and the Mayo
 21.19 Foundation for research in biotechnology and
 21.20 medical genomics. An annual report on the
 21.21 expenditure of these funds must be submitted
 21.22 to the governor and the chairs of the legislative
 21.23 committees responsible for higher education
 21.24 finance by June 30 of each fiscal year.

21.25 (2) \$500,000 in fiscal year 2022 and \$500,000
 21.26 in fiscal year 2023 are to award competitive
 21.27 grants to conduct research into the prevention,
 21.28 treatment, causes, and cures of Alzheimer's
 21.29 disease and other dementias.

21.30 **Subd. 5. Academic Health Center**
 21.31 The appropriation for Academic Health Center
 21.32 funding under Minnesota Statutes, section
 21.33 297F.10, is estimated to be \$22,250,000 each
 21.34 year.

22.1 **Sec. 5. MAYO CLINIC**

22.2 **Subdivision 1. Total Appropriation** \$ 1,351,000 \$ 1,351,000

22.3 The amounts that may be spent are specified
 22.4 in the following subdivisions.

22.5 **Subd. 2. Medical School** 665,000 665,000

22.6 The state must pay a capitation each year for
 22.7 each student who is a resident of Minnesota.

22.8 The appropriation may be transferred between
 22.9 each year of the biennium to accommodate
 22.10 enrollment fluctuations. It is intended that
 22.11 during the biennium the Mayo Clinic use the
 22.12 capitation money to increase the number of
 22.13 doctors practicing in rural areas in need of
 22.14 doctors.

22.15 **Subd. 3. Family Practice and Graduate**
 22.16 **Residency Program** 686,000 686,000

22.17 The state must pay stipend support for up to
 22.18 27 residents each year.

22.19 **Sec. 6. CANCELLATIONS; FISCAL YEAR 2021.**

22.20 (a) \$340,000 of the fiscal year 2021 general fund appropriation under Laws 2019, chapter
 22.21 64, article 1, section 2, subdivisions 11, 25, and 26, is canceled.

22.22 (b) \$5,000,000 of the fiscal year 2021 general fund appropriation under Laws 2019,
 22.23 chapter 64, article 1, section 2, subdivision 2, is canceled.

22.24 (c) This section is effective the day following final enactment.

22.25 **Sec. 7. Laws 2014, chapter 312, article 1, section 4, subdivision 2, is amended to read:**

22.26 **Subd. 2. Health Sciences Special** 4,500,000

22.27 (a) This appropriation is from the general fund
 22.28 for the direct and indirect expenses of the
 22.29 collaborative partnership between the
 22.30 ~~University~~ University of Minnesota and the
 22.31 Mayo Clinic for regenerative medicine

23.1 research, clinical translation, and
23.2 commercialization. In addition to
23.3 representatives from the University of
23.4 Minnesota and the Mayo Clinic, the
23.5 collaborative partnership must include
23.6 representatives of private industry and others
23.7 with expertise in regenerative medicine
23.8 research, clinical translation,
23.9 commercialization, and medical venture
23.10 financing who are not affiliated with either
23.11 the University of Minnesota or the Mayo
23.12 Clinic.

23.13 (b) By January 15 of each odd-numbered year
23.14 beginning in 2017, the partnership must
23.15 submit an independent financial audit to the
23.16 chairs and ranking minority members of the
23.17 committees of the house of representatives
23.18 and senate having jurisdiction over higher
23.19 education and economic development. The
23.20 audit must include the names of all recipients
23.21 of grants awarded by the partnership and their
23.22 affiliation, if any, with the University of
23.23 Minnesota or the Mayo Clinic.

23.24 (c) The full amount of this appropriation is for
23.25 the partnership and may not be used by the
23.26 University of Minnesota for administrative or
23.27 monitoring expenses.

23.28 (d) For fiscal year 2016 and thereafter, the
23.29 base for this program is \$4,350,000.

23.30 (e) All grants awarded with funding provided
23.31 by an appropriation to this program must be
23.32 for a regenerative medicine development
23.33 project, defined as any research, product
23.34 development, or commercial venture relating
23.35 to basic, preclinical, or clinical work to

24.1 produce a drug, biological or chemical
 24.2 material, compound, or medical device
 24.3 designed to augment, repair, replace, or
 24.4 regenerate organs and tissue that have been
 24.5 damaged by disease, injury, aging, or other
 24.6 biological processes.

24.7 **ARTICLE 2**

24.8 **HIGHER EDUCATION PROVISIONS**

24.9 Section 1. **[136A.057] STUDENT TRANSFER REPORTING.**

24.10 (a) The commissioner must report on the office's website summary data on students
 24.11 who, within the most recent academic year, withdrew from enrollment without completing
 24.12 a degree or credential program at a public postsecondary institution in Minnesota. The
 24.13 summary data must include whether the students who withdrew transferred to another
 24.14 institution and the institutions transferred to and from.

24.15 (b) Summary data must be aggregated by postsecondary institution and degree or
 24.16 credential program. Summary data must be disaggregated by race, ethnicity, Pell eligibility,
 24.17 and age.

24.18 (c) The commissioner must post the initial data on the office's website on or before
 24.19 February 15, 2022, and must update the data at least annually thereafter.

24.20 Sec. 2. Minnesota Statutes 2020, section 136A.101, subdivision 5a, is amended to read:

24.21 Subd. 5a. **Assigned family responsibility.** "Assigned family responsibility" means the
 24.22 amount of a family's contribution to a student's cost of attendance, as determined by a federal
 24.23 need analysis. For dependent students, the assigned family responsibility is ~~82~~ 79 percent
 24.24 of the parental contribution. For independent students with dependents other than a spouse,
 24.25 the assigned family responsibility is ~~74~~ 71 percent of the student contribution. For
 24.26 independent students without dependents other than a spouse, the assigned family
 24.27 responsibility is ~~38~~ 35 percent of the student contribution.

24.28 Sec. 3. Minnesota Statutes 2020, section 136A.121, subdivision 2, is amended to read:

24.29 Subd. 2. **Eligibility for grants.** (a) An applicant is eligible to be considered for a grant,
 24.30 regardless of the applicant's sex, creed, race, color, national origin, or ancestry, under sections
 24.31 136A.095 to 136A.131 if the office finds that the applicant:

25.1 (1) is a resident of the state of Minnesota;

25.2 (2) is a graduate of a secondary school or its equivalent, or is 17 years of age or over,
25.3 and has met all requirements for admission as a student to an eligible college or technical
25.4 college of choice as defined in sections 136A.095 to 136A.131;

25.5 (3) has met the financial need criteria established in Minnesota Rules;

25.6 (4) is not in default, as defined by the office, of any federal or state student educational
25.7 loan; and

25.8 (5) is not more than 30 days in arrears in court-ordered child support that is collected or
25.9 enforced by the public authority responsible for child support enforcement or, if the applicant
25.10 is more than 30 days in arrears in court-ordered child support that is collected or enforced
25.11 by the public authority responsible for child support enforcement, but is complying with a
25.12 written payment agreement under section 518A.69 or order for arrearages.

25.13 (b) A student ~~who~~ is entitled to an additional semester or the equivalent of grant eligibility
25.14 if the student withdraws from enrollment:

25.15 (1) for active military service after December 31, 2002, because the student was ordered
25.16 to active military service as defined in section 190.05, subdivision 5b or 5c, ~~or who withdraws~~
25.17 ~~from enrollment;~~

25.18 (2) for a ~~major illness~~ serious health condition, while under the care of a medical
25.19 professional, that substantially limits the student's ability to complete the term ~~is entitled to~~
25.20 ~~an additional semester or the equivalent of grant eligibility;~~ or

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

25.23 Sec. 4. Minnesota Statutes 2020, section 136A.121, subdivision 6, is amended to read:

25.24 Subd. 6. **Cost of attendance.** (a) The recognized cost of attendance consists of: (1) an
25.25 allowance specified in law for living and miscellaneous expenses, and (2) an allowance for
25.26 tuition and fees equal to the lesser of the average tuition and fees charged by the institution,
25.27 or a tuition and fee maximum if one is established in law. If no living and miscellaneous
25.28 expense allowance is established in law, the allowance is equal to ~~406~~ 109 percent of the
25.29 federal poverty guidelines for a one person household in Minnesota for nine months. If no
25.30 tuition and fee maximum is established in law, the allowance for tuition and fees is equal
25.31 to the lesser of: (1) the average tuition and fees charged by the institution, and (2) for
25.32 two-year programs, an amount equal to the highest tuition and fees charged at a public

26.1 two-year institution, or for four-year programs, an amount equal to the highest tuition and
26.2 fees charged at a public university.

26.3 (b) For a student registering for less than full time, the office shall prorate the cost of
26.4 attendance to the actual number of credits for which the student is enrolled.

26.5 (c) The recognized cost of attendance for a student who is confined to a Minnesota
26.6 correctional institution shall consist of the tuition and fee component in paragraph (a), with
26.7 no allowance for living and miscellaneous expenses.

26.8 (d) For the purpose of this subdivision, "fees" include only those fees that are mandatory
26.9 and charged to full-time resident students attending the institution. Fees do not include
26.10 charges for tools, equipment, computers, or other similar materials where the student retains
26.11 ownership. Fees include charges for these materials if the institution retains ownership. Fees
26.12 do not include optional or punitive fees.

26.13 Sec. 5. Minnesota Statutes 2020, section 136A.121, subdivision 9, is amended to read:

26.14 Subd. 9. **Awards.** An undergraduate student who meets the office's requirements is
26.15 eligible to apply for and receive a grant in any year of undergraduate study unless the student
26.16 has obtained a baccalaureate degree or previously has been enrolled full time or the equivalent
26.17 for eight semesters or the equivalent, excluding (1) courses taken from a Minnesota school
26.18 or postsecondary institution which is not participating in the state grant program and from
26.19 which a student transferred no credit, and (2) courses taken that qualify as developmental
26.20 education or below college-level. A student enrolled in a two-year program at a four-year
26.21 institution is only eligible for the tuition and fee maximums established by law for two-year
26.22 institutions.

26.23 Sec. 6. Minnesota Statutes 2020, section 136A.123, subdivision 1, is amended to read:

26.24 Subdivision 1. **Program administration.** The commissioner of the Office of Higher
26.25 Education must, to the extent funds are available, administer a credential completion program
26.26 for adult learners consistent with this section.

26.27 Sec. 7. **[136A.1241] FOSTERING INDEPENDENCE HIGHER EDUCATION**
26.28 **GRANTS.**

26.29 Subdivision 1. **Establishment.** The office must establish a grant program for individuals
26.30 who satisfy the eligibility requirements under subdivision 3. Using available FAFSA or
26.31 other state aid data, the office shall identify and inform eligible individuals, and the
26.32 institutions for which the individuals have been accepted or are attending, of their eligibility

27.1 for the foster grant. This program is established to provide an individual who is currently
27.2 or was formerly in foster care with foster grants for up to five years for higher education
27.3 costs.

27.4 Subd. 2. **Definitions.** (a) For purposes of this section, the terms in this subdivision have
27.5 the meanings given.

27.6 (b) "Adoption" means adoption of an individual who has been in the care and custody
27.7 of a responsible social services agency or Tribal social services agency and in foster care.

27.8 (c) "Eligible institution" means an eligible public institution or an eligible private
27.9 institution.

27.10 (d) "Eligible private institution" or "private institution" means an institution eligible for
27.11 state student aid under section 136A.103, paragraph (a), clause (2).

27.12 (e) "Eligible public institution" or "public institution" means an institution operated by
27.13 the Board of Trustees of the Minnesota State Colleges and Universities or the Board of
27.14 Regents of the University of Minnesota.

27.15 (f) "Foster care" has the meaning given in section 260C.007, subdivision 18.

27.16 (g) "Foster grant" means a grant under this section.

27.17 (h) "Office" means the Office of Higher Education.

27.18 (i) "Recognized cost of attendance" means the amount calculated under subdivision 4.

27.19 (j) "Responsible social services agency" has the meaning given in section 260C.007,
27.20 subdivision 27a.

27.21 (k) "Tribal social services agency" has the meaning given in section 260.755, subdivision
27.22 21.

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

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

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

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

27.29 (3) after the individual's 13th birthday, be in or have been in foster care in Minnesota
27.30 before, on, or after the effective date of this section, including any of the following:

- 28.1 (i) placement in foster care at any time while 13 years of age or older;
- 28.2 (ii) adoption from foster care at any time after reaching 13 years of age; or
- 28.3 (iii) placement from foster care with a permanent legal custodian at any time after
- 28.4 reaching 13 years of age;
- 28.5 (4) have graduated from high school or completed the equivalent as approved by the
- 28.6 Department of Education;
- 28.7 (5) have been accepted for admission to, or be currently attending, an eligible institution;
- 28.8 (6) have submitted a FAFSA; and
- 28.9 (7) be meeting satisfactory academic progress as defined under section 136A.101,
- 28.10 subdivision 10.
- 28.11 Subd. 4. **Cost of attendance.** (a) The recognized cost of attendance for a public institution
- 28.12 has the meaning in Code of Federal Regulations, title 20, chapter 28, subchapter IV, part
- 28.13 F, section 10871l.
- 28.14 (b) The recognized cost of attendance for a private institution equals the lesser of:
- 28.15 (1) the cost of attendance for the institution as calculated under Code of Federal
- 28.16 Regulations, title 20, chapter 28, subchapter IV, part F, section 10871l; or
- 28.17 (2) for two-year programs, an amount equal to the highest recognized cost of attendance
- 28.18 charged at a public two-year institution, or for four-year programs, an amount equal to the
- 28.19 highest recognized cost of attendance at a public university.
- 28.20 Subd. 5. **Foster grant amount; payment; opt-out.** (a) Each student shall be awarded
- 28.21 a foster grant based on the federal need analysis. Applicants are encouraged to apply for all
- 28.22 other sources of financial aid. The amount of the foster grant must be equal to the applicant's
- 28.23 recognized cost of attendance after deducting:
- 28.24 (1) the student aid index as calculated by the federal need analysis;
- 28.25 (2) the amount of a federal Pell Grant award for which the applicant is eligible;
- 28.26 (3) the amount of the state grant;
- 28.27 (4) the Federal Supplemental Educational Opportunity Grant;
- 28.28 (5) the sum of all Tribal scholarships;
- 28.29 (6) the amount of any other state and federal gift aid;
- 28.30 (7) the Education and Training Voucher Program;

29.1 (8) extended foster care benefits under section 260C.451;

29.2 (9) the amount of any private grants or scholarships, excluding grants and scholarships
29.3 provided by the private institution of higher education in which the eligible student is
29.4 enrolled; and

29.5 (10) for public institutions, the sum of all institutional grants, scholarships, tuition
29.6 waivers, and tuition remission amounts.

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

29.9 (c) An eligible private institution may opt out of participating in the foster grant program
29.10 established under this section. To opt out, the institution shall provide notice to the office
29.11 by September 1 for the next academic year.

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

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

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

29.20 (e) An undergraduate student who is eligible may apply for and receive a foster grant
29.21 in any year of undergraduate study unless the student has obtained a baccalaureate degree
29.22 or previously has been enrolled full time as defined in section 136A.101, subdivision 7a,
29.23 or the equivalent for eight semesters or the equivalent, or received a foster grant for five
29.24 years, whichever occurs first. A foster grant must not be awarded to a student for more than
29.25 three years for a two-year degree, certificate, or diploma, or five years for a four-year
29.26 undergraduate degree.

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

29.30 Subd. 6. Dissemination of information. (a) The office shall, by September 1, 2022,
29.31 and September 1 each year thereafter, prepare and provide the information to be disseminated
29.32 by responsible social services agencies, Tribal social services agencies, the office, the
29.33 Department of Human Services, and eligible state and private institutions that:

30.1 (1) describes the availability of the program established under this section;

30.2 (2) explains how to participate in the program; and

30.3 (3) includes information on all available federal and state grants identified under
30.4 subdivision 5.

30.5 (b) The office shall maintain and annually update the list of eligible private institutions
30.6 that opt out under subdivision 5, paragraph (c), and post the list of the institutions on the
30.7 office's website.

30.8 Subd. 7. **Assistance from the Office of Higher Education.** The office shall assist foster
30.9 grant applicants eligible under subdivision 3 by providing assistance in:

30.10 (1) completing the foster grant application; and

30.11 (2) accessing and applying for available federal and state financial aid resources under
30.12 subdivision 5.

30.13 Subd. 8. **Report.** (a) The office shall prepare an anonymized report to be submitted
30.14 annually to the chairperson and minority chairperson of the legislative committees with
30.15 jurisdiction over higher education that contains:

30.16 (1) the number of students receiving foster grants and the institutions attended; and

30.17 (2) annual retention and graduation data on students receiving foster grants.

30.18 (b) The report required under this subdivision may be combined with other legislatively
30.19 required reporting. If submitted as a separate report, the report must be submitted by January
30.20 15.

30.21 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following
30.22 final enactment and applies to foster grants awarded beginning the 2022-2023 academic
30.23 year. The first report under subdivision 8 must be submitted by January 15, 2024, unless
30.24 included in other legislatively required reporting.

30.25 Sec. 8. Minnesota Statutes 2020, section 136A.125, subdivision 2, is amended to read:

30.26 Subd. 2. **Eligible students.** (a) An applicant is eligible for a child care grant if the
30.27 applicant:

30.28 (1) is a resident of the state of Minnesota or the applicant's spouse is a resident of the
30.29 state of Minnesota;

31.1 (2) has a child 12 years of age or younger, or 14 years of age or younger who is disabled
 31.2 as defined in section 125A.02, and who is receiving or will receive care on a regular basis
 31.3 from a licensed or legal, nonlicensed caregiver;

31.4 (3) is income eligible as determined by the office's policies and rules, but is not a recipient
 31.5 of assistance from the Minnesota family investment program;

31.6 (4) ~~either has not earned a baccalaureate degree and has been enrolled full time less than~~
 31.7 received child care grant funds for a period of ten semesters or the equivalent, or has earned
 31.8 ~~a baccalaureate degree and has been enrolled full time less than ten semesters or the~~
 31.9 equivalent in a graduate or professional degree program;

31.10 (5) is pursuing a nonsectarian program or course of study that applies to an undergraduate,
 31.11 graduate, or professional degree, diploma, or certificate;

31.12 (6) is enrolled in at least ~~six credits~~ one credit in an undergraduate program or one credit
 31.13 in a graduate or professional program in an eligible institution; and

31.14 (7) is in good academic standing and making satisfactory academic progress.

31.15 (b) A student ~~who~~ is entitled to an additional semester or equivalent of grant eligibility
 31.16 and will be considered to be in continuing enrollment status upon return if the student
 31.17 withdraws from enrollment;

31.18 (1) for active military service after December 31, 2002, because the student was ordered
 31.19 to active military service as defined in section 190.05, subdivision 5b or 5c, or;

31.20 (2) for a ~~major illness~~ serious health condition, while under the care of a medical
 31.21 professional, that substantially limits the student's ability to complete the term ~~is entitled to~~
 31.22 ~~an additional semester or the equivalent of grant eligibility and will be considered to be in~~
 31.23 continuing enrollment status upon return; or

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

31.26 Sec. 9. Minnesota Statutes 2020, section 136A.125, subdivision 4, is amended to read:

31.27 Subd. 4. **Amount and length of grants.** ~~(a) The amount of a child care grant must be~~
 31.28 ~~based on:~~

31.29 ~~(1) the income of the applicant and the applicant's spouse;~~

31.30 ~~(2) the number in the applicant's family, as defined by the office; and~~

31.31 ~~(3) the number of eligible children in the applicant's family.~~

32.1 ~~(b)~~ (a) The maximum award to the applicant shall be ~~\$3,000~~ \$6,500 for each eligible
 32.2 child per academic year, except that the campus financial aid officer may apply to the office
 32.3 for approval to increase grants by up to ten percent to compensate for higher market charges
 32.4 for infant care in a community. ~~The office shall develop policies to determine community~~
 32.5 ~~market costs and review institutional requests for compensatory grant increases to ensure~~
 32.6 ~~need and equal treatment. The office shall prepare a chart to show the amount of a grant~~
 32.7 ~~that will be awarded per child based on the factors in this subdivision. The chart shall include~~
 32.8 ~~a range of income and family size.~~

32.9 ~~(e)~~ (b) Applicants with ~~family incomes~~ expected family contributions at or below a
 32.10 ~~percentage of the federal poverty level~~ the qualifying expected family contribution for the
 32.11 federal Pell Grant, as determined by the commissioner, ~~will~~ qualify for the maximum award.
 32.12 ~~The commissioner shall attempt to set the percentage at a level estimated to fully expend~~
 32.13 ~~the available appropriation for child care grants. Applicants with family incomes~~ expected
 32.14 family contributions exceeding that threshold ~~will~~ but less than 200 percent of the qualifying
 32.15 expected family contribution receive ~~the maximum award minus ten percent of their income~~
 32.16 ~~exceeding that threshold~~ an amount proportional to their expected family contribution as
 32.17 determined by the commissioner. If the result is less than zero, the grant is zero.

32.18 ~~(d)~~ (c) The academic year award amount must be disbursed by academic term using the
 32.19 following formula:

32.20 (1) the academic year amount described in paragraph ~~(b)~~ (a);

32.21 (2) divided by the number of terms in the academic year; and

32.22 ~~(3) divided by 15 for undergraduate students and six for graduate and professional~~
 32.23 ~~students; and~~

32.24 ~~(4)~~ (3) multiplied by the ~~number of credits for which the student is enrolled that academic~~
 32.25 ~~term, up to 15 credits for undergraduate students and six for graduate and professional~~
 32.26 ~~students. applicable enrollment factor:~~

32.27 (i) 1.00 for undergraduate students enrolled in 12 or more semester credits or the
 32.28 equivalent or for graduate students enrolled in six or more semester credits or the equivalent;

32.29 (ii) 0.75 for undergraduate students enrolled in nine, ten, or 11 semester credits or the
 32.30 equivalent or for graduate students enrolled in five semester credits or the equivalent;

32.31 (iii) 0.50 for undergraduate students enrolled in six, seven, or eight semester credits or
 32.32 the equivalent or for graduate students enrolled in three or four semester credits or the
 32.33 equivalent; and

33.1 (iv) 0.25 for undergraduate students enrolled in at least one but less than six semester
33.2 credits or the equivalent or for graduate students enrolled in one or two semester credits or
33.3 the equivalent.

33.4 ~~(e)~~ (d) Payments shall be made each academic term to the student or to the child care
33.5 provider, as determined by the institution. Institutions may make payments more than once
33.6 within the academic term.

33.7 Sec. 10. Minnesota Statutes 2020, section 136A.126, subdivision 1, is amended to read:

33.8 Subdivision 1. **Student eligibility.** The commissioner shall establish procedures for the
33.9 distribution of scholarships to a Minnesota resident student as defined under section
33.10 136A.101, subdivision 8, who:

33.11 (1) is of one-fourth or more Indian ancestry or is an enrolled member or citizen of a
33.12 federally recognized American Indian or Canadian First Nations tribe;

33.13 (2) has applied for other existing state and federal scholarship and grant programs;

33.14 (3) is meeting satisfactory academic progress as defined under section 136A.101,
33.15 subdivision 10;

33.16 (4) is not in default, as defined by the office, of a federal or state student educational
33.17 loan;

33.18 (5) if enrolled in an undergraduate program, is eligible or would be eligible to receive
33.19 a federal Pell Grant or a state grant based on the federal needs analysis and is enrolled for
33.20 nine semester credits per term or more, or the equivalent; and

33.21 (6) if enrolled in a graduate program, demonstrates a remaining financial need in the
33.22 award amount calculation and is enrolled, per term, on a half-time basis or more as defined
33.23 by the postsecondary institution.

33.24 Sec. 11. Minnesota Statutes 2020, section 136A.126, subdivision 4, is amended to read:

33.25 Subd. 4. **Award amount.** (a) Each student shall be awarded a scholarship based on the
33.26 federal need analysis. Applicants are encouraged to apply for all other sources of financial
33.27 aid. The amount of the award must not exceed the applicant's cost of attendance, as defined
33.28 in subdivision 3, after deducting:

33.29 (1) the expected family contribution as calculated by the federal need analysis;

33.30 (2) the amount of a federal Pell Grant award for which the applicant is eligible;

- 34.1 (3) the amount of the state grant;
- 34.2 (4) the federal Supplemental Educational Opportunity Grant;
- 34.3 (5) the sum of all institutional grants, scholarships, tuition waivers, and tuition remission
- 34.4 amounts;
- 34.5 (6) the sum of all Tribal scholarships;
- 34.6 (7) the amount of any other state and federal gift aid; and
- 34.7 (8) the amount of any private grants or scholarships.

34.8 (b) The award shall be paid directly to the postsecondary institution where the student

34.9 receives federal financial aid.

34.10 (c) Awards are limited as follows:

34.11 (1) the maximum award for an undergraduate is \$4,000 per ~~award~~ academic year;

34.12 (2) the maximum award for a graduate student is \$6,000 per ~~award~~ academic year; and

34.13 (3) the minimum award for all students is \$100 per ~~award~~ academic year.

34.14 (d) Scholarships may not be given to any Indian student for more than three years of

34.15 study for a two-year degree, certificate, or diploma program or five years of study for a

34.16 four-year degree program at the undergraduate level and for more than five years at the

34.17 graduate level. Students may acquire only one degree per level and one terminal graduate

34.18 degree. Scholarships may not be given to any student for more than ten years including five

34.19 years of undergraduate study and five years of graduate study.

34.20 (e) Scholarships may be given to an eligible student for four quarters, three semesters,

34.21 or the equivalent during the course of a single fiscal year. In calculating the award amount,

34.22 the office must use the same calculation it would for any other term.

34.23 Sec. 12. **[136A.1274] UNDERREPRESENTED STUDENT TEACHER GRANTS.**

34.24 Subdivision 1. **Establishment.** The commissioner of the Office of Higher Education

34.25 must establish a grant program for student teaching stipends for low-income students who

34.26 belong to an underrepresented racial or ethnic group.

34.27 Subd. 2. **Eligibility.** To be eligible for a grant under this section, a student teacher must:

34.28 (1) be enrolled in a Professional Educator Licensing and Standards Board-approved

34.29 teacher preparation program that requires at least 12 weeks of student teaching in order to

34.30 be recommended for any Tier 3 teaching license;

35.1 (2) demonstrate financial need based on criteria established by the commissioner under
35.2 subdivision 3;

35.3 (3) be meeting satisfactory academic progress as defined under section 136A.101,
35.4 subdivision 10; and

35.5 (4) belong to a racial or ethnic group underrepresented in the Minnesota teacher
35.6 workforce.

35.7 Subd. 3. **Administration.** (a) The commissioner must establish an application process
35.8 and other guidelines for implementing this program. The commissioner must notify grant
35.9 recipients of their award amounts by the following dates:

35.10 (1) for fall student teaching placements, recipients must be notified by August 15;

35.11 (2) for spring student teaching placements, recipients must be notified by December 1;
35.12 and

35.13 (3) for summer student teaching placements, recipients must be notified by May 1.

35.14 These notification deadlines do not apply in cases where grants are awarded to student
35.15 teachers who applied after application deadlines and funds remained after the initial round
35.16 of grants were awarded.

35.17 (b) The commissioner must determine each academic year the stipend amount up to
35.18 \$7,500 based on the amount of available funding, the number of eligible applicants, and the
35.19 financial need of the applicants.

35.20 (c) The commissioner must give equal consideration to all eligible applicants regardless
35.21 of the order the application was received before the application deadline.

35.22 (d) If there are insufficient funds to provide an award to all eligible applicants, the
35.23 commissioner shall prioritize the awards to eligible applicants based on:

35.24 (1) the financial need of an applicant; and

35.25 (2) the statewide distribution of funds.

35.26 Subd. 4. **Reporting.** (a) By February 15 of each year, the commissioner must submit a
35.27 report on the details of the program under this section to the legislative committees with
35.28 jurisdiction over E-12 and higher education finance and policy. The report must include the
35.29 following information:

35.30 (1) the number of eligible applicants and the number of teacher candidates receiving an
35.31 award, each broken down by postsecondary institution;

36.1 (2) the total number of awards, the total dollar amount of all awards, and the average
 36.2 award amount; and

36.3 (3) and other summary data identified by the commissioner as outcome indicators.

36.4 **EFFECTIVE DATE.** This section is effective July 1, 2021, except that the commissioner
 36.5 may delay notification to student teachers receiving grants for the fall 2021 term until
 36.6 September 1, 2021.

36.7 Sec. 13. Minnesota Statutes 2020, section 136A.1275, is amended to read:

36.8 **136A.1275 STUDENT TEACHER CANDIDATE GRANTS IN SHORTAGE**
 36.9 **AREAS.**

36.10 Subdivision 1. **Establishment.** (a) The commissioner of the Office of Higher Education
 36.11 must establish a grant program for student teaching stipends for low-income students ~~enrolled~~
 36.12 ~~in a Professional Educator Licensing and Standards Board-approved teacher preparation~~
 36.13 ~~program~~ who intend to teach in a license shortage area or rural school district after graduating
 36.14 and receiving their teaching license ~~or belong to an underrepresented racial or ethnic group.~~

36.15 (b) ~~"Shortage area" means a license field or economic development region within~~
 36.16 ~~Minnesota defined as a shortage area by the Professional Educator Licensing and Standards~~
 36.17 ~~Board in coordination with the commissioner using data collected for the teacher supply~~
 36.18 ~~and demand report under section 122A.091, subdivision 5. "License shortage area" means~~
 36.19 a licensure area that is identified as a shortage area by the Professional Educator Licensing
 36.20 and Standards Board in coordination with the commissioner using data collected for the
 36.21 teacher supply and demand report under section 122A.091, subdivision 5, provided that
 36.22 only licensure areas within the following fields may be identified as a license shortage area
 36.23 for purposes of this section:

36.24 (1) English as a second language;

36.25 (2) early childhood;

36.26 (3) special education;

36.27 (4) career and technical education;

36.28 (5) science, technology, engineering, arts, and math; and

36.29 (6) world languages.

36.30 (c) "Rural school district" means a school district with fewer than 30 resident pupil units
 36.31 under section 126C.05, subdivision 6, per square mile.

37.1 Subd. 2. **Eligibility.** To be eligible for a grant under this section, a student teacher
 37.2 ~~candidate~~ must:

37.3 (1) be enrolled in a Professional Educator Licensing and Standards Board-approved
 37.4 teacher preparation program that requires at least 12 weeks of student teaching ~~in order to~~
 37.5 ~~be recommended for any Tier 3 teaching license;~~

37.6 (2) demonstrate financial need based on criteria established by the commissioner under
 37.7 subdivision 3;

37.8 (3) be meeting satisfactory academic progress as defined under section 136A.101,
 37.9 subdivision 10; and

37.10 (4) ~~intend to teach in a shortage area or belong to a racial or ethnic group underrepresented~~
 37.11 ~~in the Minnesota teacher workforce~~ intend to teach in a rural school district or intend to
 37.12 teach in a license shortage area. Intent ~~can~~ to teach in a license shortage area must be
 37.13 documented verified based on the teacher license field the student is pursuing ~~or a statement~~
 37.14 ~~of. To verify~~ intent to teach in an economic development region defined as a shortage area
 37.15 ~~in the year the student receives a grant~~ a rural school district, the student must submit to the
 37.16 commissioner a completed affidavit, prescribed by the commissioner, affirming the student's
 37.17 intent to teach in a rural district following graduation. Upon obtaining employment after
 37.18 graduating, the teacher shall report to the office the name of the school district in which the
 37.19 teacher is teaching.

37.20 Subd. 3. **Administration; repayment.** (a) The commissioner must establish an
 37.21 application process and other guidelines for implementing this program. The commissioner
 37.22 must notify grant recipients of their award amounts by the following dates:

37.23 (1) for fall student teaching placements, recipients must be notified by August 15;

37.24 (2) for spring student teaching placements, recipients must be notified by December 1;
 37.25 and

37.26 (3) for summer student teaching placements, recipients must be notified by May 1.

37.27 These notification deadlines do not apply in cases where grants are awarded to student
 37.28 teachers who applied after application deadlines and funds remained after the initial round
 37.29 of grants were awarded.

37.30 (b) The commissioner must determine each academic year the stipend amount up to
 37.31 \$7,500 based on the amount of available funding, the number of eligible applicants, and the
 37.32 financial need of the applicants.

38.1 ~~(e) The percentage of the total award funds available at the beginning of the fiscal year~~
38.2 ~~reserved for teacher candidates who identify as belonging to a racial or ethnic group~~
38.3 ~~underrepresented in the Minnesota teacher workforce must be equal to or greater than the~~
38.4 ~~total percentage of students of racial or ethnic groups underrepresented in the Minnesota~~
38.5 ~~teacher workforce as measured under section 120B.35, subdivision 3. If this percentage~~
38.6 ~~cannot be met because of a lack of qualifying candidates, the remaining amount may be~~
38.7 ~~awarded to teacher candidates who intend to teach in a shortage area.~~

38.8 (c) The commissioner must give equal consideration to all eligible applicants regardless
38.9 of the order the application was received before the application deadline.

38.10 (d) If there are insufficient funds to provide an award to all eligible applicants, the
38.11 commissioner shall prioritize the awards to eligible participants based on:

38.12 (1) the financial need of an applicant; and

38.13 (2) whether the applicant intends to teach in both a rural school district and a license
38.14 shortage area.

38.15 Subd. 4. **Reporting.** (a) By February 1 of each year, the commissioner must submit a
38.16 report to the chairs and ranking minority members of the legislative committees with
38.17 jurisdiction over E-12 and higher education finance and policy. The report must include the
38.18 following information:

38.19 (1) the total number of awards, the total dollar amount of all awards, and the average
38.20 award amount;

38.21 (2) the number of eligible applicants and the number of student teachers receiving an
38.22 award, each broken down by postsecondary institution;

38.23 (3) the licensure areas and school districts in which the student teachers taught; and

38.24 (4) other summary data identified by the commissioner as outcome indicators, including
38.25 how many student teachers awarded a rural teacher grant were employed in a rural district
38.26 after graduation.

38.27 (b) By July 1 of each odd numbered year, the commissioner must update and post on
38.28 the office's website a list of licensure shortage areas eligible for a grant under this section.

38.29 **EFFECTIVE DATE.** This section is effective July 1, 2021, except that the commissioner
38.30 may delay notification to student teachers receiving grants for the fall 2021 term until
38.31 September 1, 2021.

39.1 Sec. 14. Minnesota Statutes 2020, section 136A.1704, is amended to read:

39.2 **136A.1704 STUDENT LOAN REFINANCING.**

39.3 The office may refinance student and parent loans as provided by this section and on
 39.4 other terms and conditions the office prescribes. The office may establish credit requirements
 39.5 for borrowers and determine what types of student and parent loans will be eligible for
 39.6 refinancing. The refinanced loan need not have been made through a loan program
 39.7 administered by the office. Loans shall be made with available funds in the loan capital
 39.8 fund under section 136A.1785. The maximum amount of outstanding loans refinanced under
 39.9 this section may not exceed ~~\$100,000,000~~ \$300,000,000. The maximum loan under this
 39.10 section may not exceed ~~\$70,000~~ \$200,000.

39.11 Sec. 15. Minnesota Statutes 2020, section 136A.1791, is amended to read:

39.12 **136A.1791 TEACHER SHORTAGE LOAN ~~FORGIVENESS~~ REPAYMENT**
 39.13 **PROGRAM.**

39.14 Subdivision 1. **Definitions.** (a) The terms used in this section have the meanings given
 39.15 them in this subdivision.

39.16 (b) "Qualified educational loan" means a government, commercial, or foundation loan
 39.17 for actual costs paid for tuition and reasonable educational and living expenses related to a
 39.18 teacher's preparation or further education, only if the further education will result in the
 39.19 teacher decreasing the gap in a new shortage area.

39.20 (c) "School district" means an independent school district, special school district,
 39.21 intermediate district, education district, special education cooperative, service cooperative,
 39.22 a cooperative center for vocational education, or a charter school located in Minnesota.

39.23 (d) "Teacher" means an individual holding a teaching license issued by the Professional
 39.24 Educator Licensing and Standards Board who is employed by a school district to provide
 39.25 classroom instruction.

39.26 (e) ~~"Teacher shortage area" means:~~

39.27 ~~(1) the licensure fields and economic development regions reported by the Professional~~
 39.28 ~~Educator Licensing and Standards Board in coordination with the commissioner as~~
 39.29 ~~experiencing a teacher shortage; and~~

39.30 ~~(2) economic development regions where there is a shortage of licensed teachers who~~
 39.31 ~~reflect the racial or ethnic diversity of students in the region as reported by the Professional~~
 39.32 ~~Educator Licensing and Standards Board in coordination with the commissioner.~~

40.1 ~~(f)~~ (e) "Commissioner" means the commissioner of the Office of Higher Education
40.2 unless indicated otherwise.

40.3 (f) "License shortage area" has the meaning given in section 136A.1275, subdivision 1,
40.4 paragraph (b).

40.5 (g) "Racial or ethnic group underrepresented in the teacher workforce" means a racial
40.6 or ethnic group for which the aggregate percentage of Minnesota teachers of that racial or
40.7 ethnic group is lower than the aggregate percentage of Minnesota kindergarten through
40.8 grade 12 students of that racial or ethnic group.

40.9 (h) "Rural school district" means a school district with fewer than 30 resident pupil units
40.10 under section 126C.05, subdivision 6, per square mile.

40.11 Subd. 2. **Program established; administration.** The commissioner shall establish and
40.12 administer a teacher shortage loan ~~forgiveness~~ repayment program. ~~A teacher is eligible for~~
40.13 ~~the program if the teacher is teaching in an identified teacher shortage area under subdivision~~
40.14 ~~3 and complies with the requirements of this section.~~

40.15 ~~Subd. 3. **Report on teacher shortage areas.** Using data collected for the teacher supply~~
40.16 ~~and demand report to the legislature under section 122A.091, subdivision 5, the Professional~~
40.17 ~~Educator Licensing and Standards Board shall identify the licensure fields and economic~~
40.18 ~~development regions in Minnesota experiencing a teacher shortage.~~

40.19 Subd. 3a. **Eligibility.** To be eligible for a disbursement under this section, a teacher must
40.20 belong to a racial or ethnic group underrepresented in the Minnesota teacher workforce,
40.21 teach in a rural school district, or teach in a license shortage area.

40.22 Subd. 4. **Application for loan ~~forgiveness~~ repayment.** Each applicant for loan
40.23 ~~forgiveness~~ repayment, according to rules adopted by the commissioner, shall:

40.24 (1) apply for teacher shortage loan ~~forgiveness~~ repayment and promptly submit any
40.25 additional information required by the commissioner; and

40.26 (2) submit to the commissioner a completed affidavit, prescribed by the commissioner,
40.27 affirming the teacher is teaching in: (i) a ~~licensure field identified by the commissioner as~~
40.28 ~~experiencing a teacher~~ license shortage area; or (ii) ~~an economic development region~~
40.29 ~~identified by the commissioner as experiencing a teacher shortage~~ a rural school district.

40.30 Subd. 5. **Amount of loan ~~forgiveness~~ repayment.** (a) To the extent funding is available,
40.31 the annual amount of teacher shortage loan ~~forgiveness~~ repayment for an approved applicant
40.32 shall not exceed \$1,000 or the cumulative balance of the applicant's qualified educational
40.33 loans, including principal and interest, whichever amount is less.

41.1 (b) Recipients must secure their own qualified educational loans. Teachers who graduate
41.2 from an approved teacher preparation program or teachers who add a licensure field,
41.3 consistent with the teacher shortage requirements of this section, are eligible to apply for
41.4 the loan ~~forgiveness~~ repayment program.

41.5 (c) No teacher shall receive more than five annual awards.

41.6 Subd. 6. **Disbursement.** (a) The commissioner must make annual disbursements directly
41.7 to the participant of the amount for which a participant is eligible, for each year that a
41.8 participant is eligible.

41.9 (b) Within 60 days of the disbursement date, the participant must provide the
41.10 commissioner with verification that the full amount of loan repayment disbursement has
41.11 been applied toward the designated loans. A participant that previously received funds under
41.12 this section but has not provided the commissioner with such verification is not eligible to
41.13 receive additional funds.

41.14 Subd. 7. **Penalties.** (a) A teacher who submits a false or misleading application or other
41.15 false or misleading information to the commissioner may:

41.16 (1) have his or her teaching license suspended or revoked under section 122A.20;

41.17 (2) be disciplined by the teacher's employing school district; or

41.18 (3) be required by the commissioner to repay the total amount of the loan ~~forgiveness~~
41.19 repayment he or she received under this program, plus interest at a rate established under
41.20 section 270C.40.

41.21 (b) The commissioner must deposit any repayments received under paragraph (a) in the
41.22 fund established in subdivision 8.

41.23 Subd. 8. **Account established.** A teacher shortage loan ~~forgiveness~~ repayment account
41.24 is created in the special revenue fund for depositing money appropriated to or received by
41.25 the commissioner for the program. Money deposited in the account is appropriated to the
41.26 commissioner, does not cancel, and is continuously available for loan ~~forgiveness~~ repayment
41.27 under this section.

41.28 Subd. 9. **Annual reporting.** By February 1 of each year, the commissioner must report
41.29 to the chairs of the kindergarten through grade 12 and higher education committees of the
41.30 legislature on the number of individuals who received loan ~~forgiveness~~ repayment under
41.31 this section, the race or ethnicity of the teachers participating in the program, the licensure
41.32 areas and ~~economic development regions~~ school districts in which the teachers taught, the

42.1 average amount paid to a teacher participating in the program, and other summary data
42.2 identified by the commissioner as outcome indicators.

42.3 Subd. 10. **Rulemaking.** The commissioner shall adopt rules under chapter 14 to
42.4 administer this section.

42.5 Sec. 16. Minnesota Statutes 2020, section 136A.246, subdivision 1, is amended to read:

42.6 Subdivision 1. **Program created.** The commissioner shall make grants for the training
42.7 of employees to achieve the competency standard for an occupation identified by the
42.8 commissioner of labor and industry under section 175.45 and Laws 2014, chapter 312,
42.9 article 3, section 21. "~~Competency standard~~" has the meaning given in section 175.45,
42.10 ~~subdivision 2~~. An individual must, no later than the commencement of the training, be an
42.11 employee of the employer seeking a grant to train that individual.

42.12 Sec. 17. Minnesota Statutes 2020, section 136A.246, is amended by adding a subdivision
42.13 to read:

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

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

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

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

42.18 (2) is instructor-led for a majority of the training; and

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

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

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

42.24 (2) licensed or registered as a postsecondary institution by the office; or

42.25 (3) exempt from the provisions of section 136A.822 to 136A.834 or 136A.61 to 136A.71
42.26 as approved by the office.

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

42.28 (1) certificates, diplomas, or degrees issued by a postsecondary institution;

42.29 (2) registered apprenticeship certifications or certificates;

- 43.1 (3) occupational licenses or registrations;
 43.2 (4) certifications issued by, or recognized by, industry or professional associations; and
 43.3 (5) other certifications as approved by the commissioner.

43.4 Sec. 18. Minnesota Statutes 2020, section 136A.246, subdivision 2, is amended to read:

43.5 Subd. 2. **Eligible grantees.** An employer or an organization representing the employer
 43.6 is eligible to apply for a grant to train employees if the employer has an employee who is
 43.7 in or is to be trained to be in an occupation for which a competency standard has been
 43.8 identified and the employee has not attained the competency standard prior to the
 43.9 commencement of the planned training. ~~Training need not address all aspects of a competency~~
 43.10 ~~standard but may address only the competencies of a standard that an employee is lacking.~~
 43.11 ~~An employee must receive an industry-recognized degree, certificate, or credential upon~~
 43.12 ~~successful completion of the training. A grantee must have an agreement with an eligible~~
 43.13 ~~training provider to provide eligible training prior to payment of grant.~~

43.14 Sec. 19. Minnesota Statutes 2020, section 136A.246, subdivision 3, is amended to read:

43.15 Subd. 3. **Eligible training institution or program provider.** ~~The employer must have~~
 43.16 ~~an agreement with a training institution or program to provide the employee competency~~
 43.17 ~~standard training prior to the grant award. The training may be provided by any institution~~
 43.18 ~~or program having trainers qualified to instruct on the competency standard.~~

43.19 The Office of Higher Education and the Department of Labor and Industry must cooperate
 43.20 in maintaining an inventory of degree, certificate, and credential programs that provide
 43.21 training to meet competency standards. The inventory must be posted on each agency's
 43.22 website with contact information for each program ~~by September 1, 2016~~. The postings
 43.23 must be updated periodically.

43.24 Sec. 20. Minnesota Statutes 2020, section 136A.246, subdivision 4, is amended to read:

43.25 Subd. 4. **Application.** Applications must be made to the commissioner on a form provided
 43.26 by the commissioner. The commissioner must, to the extent possible, make the application
 43.27 form as short and simple to complete as is reasonably possible. The commissioner shall
 43.28 establish a schedule for applications and grants. The application must include, without
 43.29 limitation:

- 43.30 (1) the projected number of employee trainees;

44.1 ~~(2) the number of projected employee trainees who graduated from high school or passed~~
 44.2 ~~the commissioner of education-selected high school equivalency test in the current or~~
 44.3 ~~immediately preceding calendar year;~~

44.4 ~~(3)~~ (2) the competency standard for which training will be provided;

44.5 ~~(4)~~ (3) the credential the employee will receive upon completion of training;

44.6 ~~(5)~~ (4) the name and address of the eligible training institution or program and a signed
 44.7 ~~statement by the institution or program that it is able and agrees to provide the training~~
 44.8 provider;

44.9 ~~(6)~~ (5) the period of the training; and

44.10 ~~(7)~~ (6) the cost of the training charged by the eligible training institution or program and
 44.11 ~~certified by the institution or program provider.~~ The cost of training includes tuition, fees,
 44.12 and required books and materials.

44.13 An application may be made for training of employees of multiple employers either by
 44.14 the employers or by an organization on their behalf.

44.15 Sec. 21. Minnesota Statutes 2020, section 136A.246, subdivision 5, is amended to read:

44.16 Subd. 5. **Grant criteria.** ~~(a) Except as provided in this subdivision, the commissioner~~
 44.17 ~~shall award grants to employers solely for training employees who graduated from high~~
 44.18 ~~school or passed commissioner of education-selected high school equivalency tests in the~~
 44.19 ~~current or immediately preceding calendar year.~~

44.20 ~~(b) If there are not sufficient eligible applications satisfying paragraph (a), the~~
 44.21 ~~commissioner may award grants to applicants to train employees who do not meet the~~
 44.22 ~~requirements of paragraph (a).~~

44.23 ~~(c)~~ (a) The commissioner shall, ~~to the extent possible after complying with paragraph~~
 44.24 ~~(a),~~ make at least an approximately equal dollar amount of grants for training for employees
 44.25 whose work site is projected to be outside the metropolitan area as defined in section 473.121,
 44.26 subdivision 2, as for employees whose work site is projected to be within the metropolitan
 44.27 area.

44.28 ~~(d)~~ (b) In determining the award of grants, the commissioner must consider, among other
 44.29 factors:

44.30 (1) the aggregate state and regional need for employees with the competency to be
 44.31 trained;

45.1 (2) the competency standards developed by the commissioner of labor and industry as
45.2 part of the Minnesota PIPELINE Project;

45.3 (3) the per employee cost of training;

45.4 (4) the additional employment opportunities for employees because of the training;

45.5 (5) the on-the-job training the employee receives;

45.6 (6) the employer's demonstrated ability to recruit, train, and retain employees who are
45.7 recent high school graduates or who recently passed high school equivalency tests;

45.8 ~~(6)~~ (7) projected increases in compensation for employees receiving the training; and

45.9 ~~(7)~~ (8) the amount of employer training cost match, if required, on both a per employee
45.10 and aggregate basis.

45.11 Sec. 22. Minnesota Statutes 2020, section 136A.246, subdivision 6, is amended to read:

45.12 Subd. 6. **Employer match.** A large employer must pay for at least 25 percent of the
45.13 eligible training institution's or program's provider's charge for the eligible training to the
45.14 training institution or program provider. For the purpose of this subdivision, a "large
45.15 employer" means a business with more than \$25,000,000 in annual gross revenue in the
45.16 previous calendar year.

45.17 Sec. 23. Minnesota Statutes 2020, section 136A.246, subdivision 7, is amended to read:

45.18 Subd. 7. **Payment of grant.** (a) The commissioner shall pay the grant to the employer
45.19 after the employer presents satisfactory evidence to the commissioner that the employer
45.20 has paid the eligible training institution or program provider.

45.21 (b) If an employer demonstrates that it is not able to pay for the training in advance, the
45.22 commissioner shall make grant payments directly to the eligible training institution or
45.23 program provider.

45.24 Sec. 24. Minnesota Statutes 2020, section 136A.246, subdivision 8, is amended to read:

45.25 Subd. 8. **Grant amounts.** (a) The maximum grant for an application is \$150,000. A
45.26 grant may not exceed \$6,000 per year for a maximum of four years per employee.

45.27 (b) An employee who is attending an eligible training provider that is an institution under
45.28 section 136A.103 must apply for Pell and state grants as a condition of payment for training
45.29 that employee under this section.

46.1 Sec. 25. Minnesota Statutes 2020, section 136A.63, subdivision 2, is amended to read:

46.2 Subd. 2. **Sale of an institution.** Within 30 days of a change of its ownership a school
46.3 must submit a registration renewal application, all usual and ordinary information and
46.4 materials for an initial registration, and applicable registration fees for a new institution.
46.5 For purposes of this subdivision, "change of ownership" means a merger or consolidation
46.6 with a corporation; a sale, lease, exchange, or other disposition of all or substantially all of
46.7 the assets of a school; the transfer of a controlling interest of at least 51 percent of the
46.8 school's stock; the school enters receivership; or a change in the nonprofit or for-profit status
46.9 of a school.

46.10 Sec. 26. Minnesota Statutes 2020, section 136A.645, is amended to read:

46.11 **136A.645 SCHOOL CLOSURE.**

46.12 (a) When a school intends to cease postsecondary education operations, announces its
46.13 closure, or is informed by the office that the office anticipates the school's closure due to
46.14 its registration status or ability to meet criteria for approval under section 136A.65, the
46.15 school must provide the office:

46.16 (1) a notice of closure, including the name of the school, the name of the school owner,
46.17 an active mailing address and telephone number that the school owner may be reached at
46.18 after the school physically closes, the name of the school director, and the planned date for
46.19 termination of postsecondary operations;

46.20 (2) a report of all students currently enrolled and all students enrolled within the prior
46.21 120 days, including the following information for each student: name, address, school e-mail
46.22 address, alternate e-mail address, program of study, number of credits completed, number
46.23 of credits remaining, and enrollment status at closure;

46.24 (3) a report of refunds due to any student and the amount due;

46.25 (4) a written statement from the school's owner or designee affirming that all recruitment
46.26 efforts, school marketing, advertisement, solicitation, and enrollment of new students has
46.27 ceased;

46.28 (5) a copy of any communication between the school's accreditors about the school
46.29 closure;

46.30 (6) confirmation that the requirements for student records under section 136A.68 have
46.31 been satisfied, including:

46.32 (i) the planned date for the transfer of the student records;

47.1 (ii) confirmation of the name and address of the organization to receive and hold the
47.2 student records; and

47.3 (iii) the official at the organization receiving the student records who is designated to
47.4 provide official copies of records or transcripts upon request;

47.5 (7) academic information, including the school's most recent catalog, all course syllabi,
47.6 and faculty credential information; and

47.7 (8) copies of any teach-out, transfer, or train-out agreement between the school and a
47.8 new school for students to be able to complete their studies. A teach-out fulfills the original
47.9 contract or agreement between the closing school and the student. If a teach-out is arranged
47.10 for another approved school to do the remaining occupational training, that other school
47.11 must (i) provide comparable education and training and (ii) agree that students transferring
47.12 from the closing school pay only what the cost of tuition and fees remain unpaid according
47.13 to the terms and conditions in the enrollment agreement entered into between the student
47.14 and the closing school.

47.15 (b) Without limitation as to other circumstance, a school shall be deemed to have ceased
47.16 operations when the school:

47.17 (1) has an unscheduled nonemergency closure or cancellation of classes for more than
47.18 24 hours without prior notice to the office;

47.19 (2) announces it is closed or closing; ~~or~~

47.20 (3) files for bankruptcy; or

47.21 (4) fails to complete a renewal application when required under section 136A.63,
47.22 subdivision 2.

47.23 (c) When a school is deemed to have ceased operations, the office shall provide the
47.24 school a reasonable time to correct student records and grant credentials. After that time,
47.25 the office must revoke the school's registration. This revocation is not appealable under
47.26 section 136A.65, subdivision 8.

47.27 Sec. 27. Minnesota Statutes 2020, section 136A.653, subdivision 5, is amended to read:

47.28 Subd. 5. **Regionally Higher Learning Commission accredited institutions in**
47.29 **Minnesota.** (a) A ~~regionally accredited~~ postsecondary institution accredited by the Higher
47.30 Learning Commission or its successor with its primary physical location in Minnesota is
47.31 exempt from the provisions of sections 136A.61 to 136A.71, including related fees, when
47.32 it creates new or modifies existing:

48.1 (1) majors, minors, concentrations, specializations, and areas of emphasis within approved
48.2 degrees;

48.3 (2) nondegree programs within approved degrees;

48.4 (3) underlying curriculum or courses;

48.5 (4) modes of delivery; and

48.6 (5) locations.

48.7 (b) The institution must annually notify the commissioner of the exempt actions listed
48.8 in paragraph (a) and, upon the commissioner's request, must provide additional information
48.9 about the action.

48.10 (c) The institution must notify the commissioner within 60 days of a program closing.

48.11 (d) Nothing in this subdivision exempts an institution from the annual registration and
48.12 degree approval requirements of sections 136A.61 to 136A.71.

48.13 Sec. 28. Minnesota Statutes 2020, section 136A.675, is amended to read:

48.14 **136A.675 RISK ANALYSIS.**

48.15 Subdivision 1. Standard development and usage. (a) To screen and detect whether an
48.16 institution may not be financially or administratively responsible, the office shall develop
48.17 ~~a set of financial and programmatic evaluation metrics to aid in the detection of the failure~~
48.18 ~~or potential failure of a school to meet the standards established under sections 136A.61 to~~
48.19 ~~136A.71~~ nonfinancial indicators. ~~These metrics shall include indicators of financial stability,~~
48.20 ~~changes in the senior management or the financial aid and senior administrative staff of an~~
48.21 ~~institution, changes in enrollment, changes in program offerings, and changes in faculty~~
48.22 ~~staffing patterns.~~ The development of financial standards and nonfinancial indicators shall
48.23 use industry standards as benchmarks guidance. ~~The development of the nonfinancial~~
48.24 ~~standards shall include a measure of trends and dramatic changes in trends or practice.~~

48.25 (b) Annually, the agency office must specify the metrics and standards for each area and
48.26 provide a copy of the financial and nonfinancial indicators to each registered institution and
48.27 post them a list of reviewed indicators on the agency office website.

48.28 (c) The agency office shall use regularly reported data submitted to the federal
48.29 government or other regulatory or accreditation agencies wherever possible. ~~The agency~~
48.30 ~~may require more frequent data reporting by an institution to ascertain whether the standards~~
48.31 ~~are being met.~~

49.1 (d) The office must use the indicators in this subdivision to identify institutions at
49.2 potential risk of being unable to meet the standards established under sections 136A.646;
49.3 136A.64, subdivision 3; 136A.65, subdivisions 1a and 4, paragraph (a), clauses (1), (2), (3),
49.4 and (7); and 136A.685 and thus unlikely to meet its financial obligations or complete its
49.5 academic terms for the next 18 months.

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

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

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

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

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

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

49.18 (5) the institution receives written notification that it violated the United States
49.19 Department of Education's revenue requirement under United States Code, title 20, section
49.20 1094(a)(24), as amended; or

49.21 (6) the institution receives written notification by the United States Department of
49.22 Education that it has fallen below minimum financial standards and that its continued
49.23 participation in Title IV is conditioned upon satisfying either the Zone Alternative, Code
49.24 of Federal Regulations, title 34, section 668.175, paragraph (f), or a Letter of Credit
49.25 Alternative, Code of Federal Regulations, title 34, section 668.175, paragraph (c).

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

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

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

49.31 (3) the institution receives written notification that it has materially violated state
49.32 authorization or institution licensing requirements in a different state that may lead to or

50.1 has led to the termination of the institution's ability to continue to provide educational
50.2 programs or otherwise continue to operate in that state.

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

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

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

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

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

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

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

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

50.20 Subd. 3. **Determination procedures.** (a) The office shall conduct a systematic evaluation
50.21 under this paragraph and make a preliminary determination as to whether action under
50.22 paragraph (e) is necessary, if the office: (1) identifies a potential risk under subdivision 1,
50.23 paragraph (d); (2) receives notification from an institution under subdivision 2; or (3)
50.24 identifies other exigent circumstances impacting the institution that may deny students a
50.25 reasonable opportunity to complete their education program at the institution or through an
50.26 alternate institution with minimal disruption. The systematic evaluation must, to the extent
50.27 practicable, be a collaboration between the office and the institution. The office must request
50.28 additional context and information from the institution that demonstrates the administrative
50.29 and financial responsibility of the institution. If the institution is not financially or
50.30 administratively responsible, a contingency plan must be implemented either collaboratively
50.31 or as part of a final determination under paragraph (e), clause (4).

50.32 (b) The office shall provide notice in writing to the institution of the preliminary
50.33 determination. The notice shall provide the analysis used by the office to make the

51.1 determination, a request for the institution to provide additional context and information
51.2 that demonstrates the administrative and financial responsibility of the institution not provided
51.3 under paragraph (a), any potential action the office may take under paragraph (e), and a
51.4 deadline for responding to the notice. The institution shall have no fewer than ten business
51.5 days to respond to the preliminary determination.

51.6 (c) The response from the institution to provide additional context and information must
51.7 be written and may include a collaborative consultation with the office. In its response, the
51.8 institution shall provide additional context, financial data, and other information, including
51.9 but not limited to evidence of sound business practices, institutional financial health,
51.10 compliance with the requirements of sections 136A.61 to 136A.71, or sufficient and timely
51.11 plans to cure any noncompliance or to manage financial health and risk.

51.12 (d) If the institution does not respond to the office's notice and request for additional
51.13 context and information within the time required, the office's preliminary determination
51.14 shall become final and the office may take any of the actions specified in the notice required
51.15 by paragraph (e). If the institution responds to the office's notice, the office must reevaluate
51.16 the preliminary determination. The office shall use the additional context and information
51.17 provided by the institution to make a final determination and determine which actions under
51.18 paragraph (e), if any, are necessary to mitigate risk to students and state financial aid under
51.19 this chapter.

51.20 (e) The office may use a final determination to:

51.21 (1) revoke, suspend, or refuse to renew registration, approval of an institution's degree,
51.22 or use of a regulated term in its name under section 136A.65, subdivision 8;

51.23 (2) require periodic monitoring and submission of reports on the institution's
51.24 administrative and financial responsibility to ascertain whether compliance and financial
51.25 risk improves;

51.26 (3) require periodic collaborative consultations with the institution on noncompliance
51.27 with sections 136A.61 to 136A.71, or how the institution is managing financial health and
51.28 risk;

51.29 (4) require the institution to submit contingency plans such as teach-out plans or transfer
51.30 pathways for students;

51.31 (5) prohibit the institution from accepting tuition and fee payments made through cash,
51.32 alternative loans, or the equivalent, prior to the add/drop period of the current period of
51.33 instruction;

52.1 (6) prohibit the institution from enrolling new students;

52.2 (7) initiate alternative processes and communications with students enrolled at the
52.3 institution;

52.4 (8) require a surety bond under section 136A.646; or

52.5 (9) submit institution closure information under section 136A.645.

52.6 (f) The office shall provide to the institution written notice of the final determination
52.7 and the actions taken under paragraph (e).

52.8 Subd. 4. **Data classification.** Data under this section shall be classified as financial
52.9 records under section 136A.64, subdivision 2, except for the following data, which shall be
52.10 public:

52.11 (1) a final determination that is subject to action under subdivision 3, paragraph (e),
52.12 clauses (1), (5), (6), and (7), and a summary of the reasons for the determination; and

52.13 (2) data received by the office under subdivision 2, paragraph (b), clauses (2), (4), and
52.14 (6); paragraph (c), clauses (1) and (2); and paragraphs (d) and (e).

52.15 Sec. 29. Minnesota Statutes 2020, section 136A.68, is amended to read:

52.16 **136A.68 RECORDS.**

52.17 (a) A registered school shall maintain a permanent record for each student for 50 years
52.18 from the last date of the student's attendance. A registered school offering distance instruction
52.19 to a student located in Minnesota shall maintain a permanent record for each Minnesota
52.20 student for 50 years from the last date of the student's attendance. Records include a student's
52.21 academic transcript, documents, and files containing student data about academic credits
52.22 earned, courses completed, grades awarded, degrees awarded, and periods of attendance.

52.23 (b) A registered school shall maintain records required for professional licensure in
52.24 Minnesota that are not included in paragraph (a) for ten years from the last date of the
52.25 student's attendance or the number of years required by an institutional or programmatic
52.26 accreditor, whichever is greater.

52.27 (c) To preserve permanent records, a school shall submit a plan that meets the following
52.28 requirements:

52.29 (1) at least one copy of the records must be held in a secure, fireproof depository or
52.30 duplicate records must be maintained off site in a secure location and in a manner approved
52.31 by the office;

53.1 (2) an appropriate official must be designated to provide a student with copies of records
53.2 or a transcript upon request;

53.3 (3) an alternative method approved by the office of complying with clauses (1) and (2)
53.4 must be established if the school ceases to exist; and

53.5 (4) if the school has no binding agreement approved by the office for preserving student
53.6 records, a continuous surety bond or an irrevocable letter of credit issued by a financial
53.7 institution must be filed with the office in an amount not to exceed \$20,000. The bond or
53.8 irrevocable letter of credit shall run to the state of Minnesota. In the event of a school closure,
53.9 the surety bond or irrevocable letter of credit must be used by the office to retrieve, recover,
53.10 maintain, digitize, and destroy academic records.

53.11 Sec. 30. Minnesota Statutes 2020, section 136A.822, subdivision 12, is amended to read:

53.12 Subd. 12. **Permanent student records.** (a) A private career school licensed under
53.13 sections 136A.82 to 136A.834 and located in Minnesota shall maintain a permanent student
53.14 record for each student for 50 years from the last date of the student's attendance. A private
53.15 career school licensed under this chapter and offering distance instruction to a student located
53.16 in Minnesota shall maintain a permanent record for each Minnesota student for 50 years
53.17 from the last date of the student's attendance. Records include school transcripts, documents,
53.18 and files containing student data about academic credits earned, courses completed, grades
53.19 awarded, degrees awarded, and periods of attendance.

53.20 (b) A private career school licensed under sections 136A.82 to 136A.834 and located
53.21 in Minnesota shall maintain a permanent student record required for professional licensure
53.22 in Minnesota for each student for ten years from the last date of the student's attendance or
53.23 the number of years required by an institutional or programmatic accreditor, whichever is
53.24 greater. A private career school licensed under this chapter and offering distance instruction
53.25 to a student located in Minnesota shall maintain records required for professional licensure
53.26 in Minnesota that are not included in paragraph (a) for each Minnesota student for ten years
53.27 from the last date of the student's attendance or the number of years required by an
53.28 institutional or programmatic accreditor, whichever is greater.

53.29 To preserve permanent student records, a private career school shall submit a plan that
53.30 meets the following requirements:

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

53.32 (2) an appropriate official must be designated to provide a student with copies of records
53.33 or a transcript upon request;

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

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

54.9 Sec. 31. Minnesota Statutes 2020, section 136A.8225, is amended to read:

54.10 **136A.8225 SCHOOL CLOSURE.**

54.11 (a) When a school intends to cease postsecondary education operations, announces its
54.12 closure, or is informed by the office that the office anticipates the school's closure due to
54.13 its licensure status or ability to meet criteria for approval under section 136A.822, subdivision
54.14 8, the school must provide the office:

54.15 (1) a notice of closure, including the name of the school, the name of the school owner,
54.16 an active mailing address and telephone number that the school owner may be reached at
54.17 after the school physically closes, the name of the school director, and the planned date for
54.18 termination of postsecondary operations;

54.19 (2) a report of all students currently enrolled and all students enrolled within the prior
54.20 120 days, including the following information for each student: name, address, school e-mail
54.21 address, alternate e-mail address, program of study, number of credits completed, number
54.22 of credits remaining, and enrollment status at closure;

54.23 (3) a report of refunds due to any student and the amount due;

54.24 (4) a written statement from the school's owner or designee affirming that all recruitment
54.25 efforts, school marketing, advertisement, solicitation, and enrollment of new students has
54.26 ceased;

54.27 (5) a copy of any communication between the school's accreditors about the school
54.28 closure;

54.29 (6) confirmation that the requirements for student records under section 136A.822,
54.30 subdivision 12, have been satisfied, including:

54.31 (i) the planned date for the transfer of the student records;

55.1 (ii) confirmation of the name and address of the organization to receive and hold the
55.2 student records; and

55.3 (iii) the official at the organization receiving the student records who is designated to
55.4 provide official copies of records or transcripts upon request;

55.5 (7) academic information, including the school's most recent catalog, all course syllabi,
55.6 and faculty credential information; and

55.7 (8) copies of any teach-out, transfer, or train-out agreement between the school and a
55.8 new school for students to be able to complete their studies. A teach-out fulfills the original
55.9 contract or agreement between the closing school and the student. If a teach-out is arranged
55.10 for another approved school to do the remaining occupational training, that other school
55.11 must (i) provide comparable education and training and (ii) agree that students transferring
55.12 from the closing school pay only what the cost of tuition and fees remain unpaid according
55.13 to the terms and conditions in the enrollment agreement entered into between the student
55.14 and the closing school.

55.15 (b) Without limitation as to other circumstance, a school shall be deemed to have ceased
55.16 operations when the school:

55.17 (1) has an unscheduled nonemergency closure or cancellation of classes for more than
55.18 24 hours without prior notice to the office;

55.19 (2) announces it is closed or closing; ~~or~~

55.20 (3) files for bankruptcy; or

55.21 (4) fails to complete a renewal application when required under section 136A.823,
55.22 subdivision 3.

55.23 (c) When a school is deemed to have ceased operations, the office shall provide the
55.24 school a reasonable time to correct student records and grant credentials. After that time,
55.25 the office must revoke the school's license. This revocation is not appealable under section
55.26 136A.829, subdivision 2.

55.27 Sec. 32. Minnesota Statutes 2020, section 136A.823, is amended by adding a subdivision
55.28 to read:

55.29 Subd. 3. **Change of ownership.** Within 30 days of a change of ownership, a school must
55.30 submit a registration renewal application, the information and materials for an initial
55.31 registration under section 136A.822, subdivision 4, and the applicable registration fees for
55.32 a new institution under section 136A.824, subdivision 1. For purposes of this subdivision,

56.1 "change of ownership" means: a merger or consolidation with a corporation; a sale, lease,
56.2 exchange, or other disposition of all or substantially all of the assets of a school; the transfer
56.3 of a controlling interest of at least 51 percent of the school's stock; entering into receivership;
56.4 or a change in the nonprofit or for-profit status of a school.

56.5 Sec. 33. Minnesota Statutes 2020, section 136A.827, subdivision 4, is amended to read:

56.6 Subd. 4. **Proration.** (a) When a student has been accepted by a private career school
56.7 and gives notice of cancellation after the program of instruction has begun, but before
56.8 completion of 75 percent of the program, the amount charged for tuition, fees and all other
56.9 charges shall be prorated based on the number of days in the term as a portion of the total
56.10 charges for tuition, fees and all other charges. An additional 25 percent of the total cost of
56.11 the program may be added but shall not exceed \$100. After completion of 75 percent of the
56.12 program, no refunds are required. the student is entitled to a refund if, at the last documented
56.13 date of attendance, the student has not completed at least 75 percent of the entire program
56.14 of instruction. For purposes of this subdivision, program of instruction is calculated under
56.15 paragraph (c) or (d). Program of instruction does not mean one term, a payment period, a
56.16 module, or any other portion of the entire instructional program.

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

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

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

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

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

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

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

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

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

57.11 Sec. 34. Minnesota Statutes 2020, section 136A.827, subdivision 8, is amended to read:

57.12 Subd. 8. **Cancellation occurrence.** ~~Written notice of cancellation shall take place on~~
 57.13 ~~the date the letter of cancellation is postmarked or, in the cases where the notice is hand~~
 57.14 ~~carried, it shall occur on the date the notice is delivered to the private career school. Notice~~
 57.15 of cancellation shall be the date a student notifies a private career school of the student's
 57.16 intention to withdraw or otherwise leave the program of study. The student is not required
 57.17 to provide a written notice. The private career school may require a student to provide the
 57.18 student's notification only to specific offices or personnel at the school as long as this
 57.19 requirement is documented as part of the "Student's Right to Cancel" in all places that the
 57.20 information appears, including on the private career school's website. The date of the notice
 57.21 of cancellation may or may not be the same date as the student's last documented date of
 57.22 attendance. If a student has not attended class for a period of ~~21~~ 14 consecutive days without
 57.23 contacting the private career school to ~~indicate an intent to continue in the private career~~
 57.24 ~~school~~ provide notice of cancellation or otherwise ~~making~~ make arrangements concerning
 57.25 the absence, the student is considered to have withdrawn from the private career school for
 57.26 all purposes as of the student's last documented date of attendance.

57.27 Sec. 35. [136A.91] CONCURRENT ENROLLMENT GRANTS.

57.28 Subdivision 1. Grants. (a) The Office of Higher Education must establish a competitive
 57.29 grant program for postsecondary institutions to expand concurrent enrollment opportunities.
 57.30 To the extent that there are qualified applicants, the commissioner of the Office of Higher
 57.31 Education shall distribute grant funds to ensure:

- 58.1 (1) eligible students throughout the state have access to concurrent enrollment programs;
58.2 and
- 58.3 (2) preference for grants that expand programs is given to programs already at capacity.
- 58.4 (b) The commissioner may award grants under this section to postsecondary institutions
58.5 for any of the following purposes:
- 58.6 (1) to develop new concurrent enrollment courses under section 124D.09, subdivision
58.7 10, that satisfy the elective standard for career and technical education; or
- 58.8 (2) to expand the existing concurrent enrollment programs already offered by the
58.9 postsecondary institution by:
- 58.10 (i) creating new sections within the same high school;
58.11 (ii) offering the existing course in new high schools; or
- 58.12 (iii) supporting the preparation, recruitment, and success of students who are
58.13 underrepresented in concurrent enrollment classrooms.
- 58.14 Subd. 2. **Application.** (a) The commissioner shall develop a grant application process.
58.15 A grant applicant must:
- 58.16 (1) specify the purpose under subdivision 1, paragraph (b), for which the institution is
58.17 applying;
- 58.18 (2) specify both program and student outcome goals;
- 58.19 (3) include student feedback in the development of new programs or the expansion of
58.20 existing programs; and
- 58.21 (4) demonstrate a commitment to equitable access to concurrent enrollment coursework
58.22 for all eligible high school students.
- 58.23 (b) A postsecondary institution applying for a grant under subdivision 1, paragraph (b),
58.24 clause (3), must provide a 50 percent match for the grant funds.
- 58.25 Subd. 3. **Report.** By December 1 of each year, the office shall submit a report to the
58.26 chairs and ranking minority members of the legislative committees with jurisdiction over
58.27 higher education regarding:
- 58.28 (1) the amount of funds granted under each clause of subdivision 1, paragraph (b);
58.29 (2) the courses developed by grant recipients and the number of students who enrolled
58.30 in the courses under subdivision 1, paragraph (b), clause (1); and

59.1 (3) the programs expanded and the number of students who enrolled in programs under
59.2 subdivision 1, paragraph (b), clause (2).

59.3 Sec. 36. Minnesota Statutes 2020, section 136F.20, is amended by adding a subdivision
59.4 to read:

59.5 Subd. 4. **Mental health awareness program.** (a) The board shall implement a mental
59.6 health awareness program at each Minnesota state college and university by the start of the
59.7 2022-2023 academic year. A mental health awareness program shall include:

59.8 (1) a web page at each institution that includes links to existing self-assessment resources,
59.9 resources connecting students to campus and community-based resources, and emergency
59.10 contact information and resources;

59.11 (2) mandatory mental health first aid training, evidence-based suicide prevention training,
59.12 or other similar mental health training for faculty, staff, and students, giving priority to those
59.13 who serve in roles that include increased direct contact with students who are experiencing
59.14 mental health concerns, such as student housing and campus safety employees. Each college
59.15 and university shall identify the appropriate faculty, staff, and students to receive training
59.16 based on college or university structure and available funding;

59.17 (3) a session at each student orientation program that includes information about
59.18 maintaining good mental health, the symptoms of mental health conditions common among
59.19 college students, and mental health resources and services available to students;

59.20 (4) a messaging strategy to send students information on available mental health resources
59.21 and services at least once per term, and during periods of high academic stress; and

59.22 (5) distributing the suicide prevention helpline and text line contact information in a
59.23 way that increases accessibility and awareness of that information to students.

59.24 (b) The board shall create and maintain a mental health community of practice including
59.25 faculty and staff with subject matter expertise in mental health to identify resources and
59.26 best practices to inform campus-based strategies to raise awareness of local and state
59.27 resources and implement appropriate training experiences.

59.28 (c) The board shall make grants to Minnesota State Colleges and Universities to establish
59.29 a peer support pilot program designed to assist students with a mental health condition. The
59.30 program shall utilize student peers to support students living with mental health conditions
59.31 on campus. The peer support program may be housed within the counseling center, wellness
59.32 center, or resident assistance programs on campus. The peer support program leaders must

60.1 be trained to facilitate discussions on mental health, identify students who may be in crisis,
60.2 and refer students to programs for mental health support.

60.3 **Sec. 37. [136F.202] STUDENT SUCCESS BASIC NEEDS BARRIER REDUCTION.**

60.4 Subdivision 1. **Basic needs resources.** (a) Each college and university shall create and
60.5 maintain a web page that clearly identifies basic needs resources available at the college or
60.6 university. This web page shall clearly identify at least one staff member, faculty member,
60.7 or department as a point of contact to whom students may direct questions. Each college
60.8 and university shall also make the information under this paragraph available on the college
60.9 or university mobile application, if possible.

60.10 (b) The board shall pursue the creation of a centralized basic needs online resource web
60.11 page that will raise awareness of campus-based resources available at colleges and
60.12 universities and local, state, and national resources that can assist in addressing basic needs
60.13 insecurity.

60.14 Subd. 2. **Basic needs support trigger.** (a) The board shall develop and implement, at
60.15 each college and university, initiatives or campaigns to raise awareness among all students
60.16 of potential Supplemental Nutrition Assistance Program (SNAP) eligibility including targeted
60.17 communications to students who are likely eligible.

60.18 (b) The board shall develop a financial aid resource trigger that utilizes data from the
60.19 Free Application for Federal Student Aid (FAFSA), applications for state financial aid, or
60.20 other applicable data to identify students who are likely eligible for assistance or programs
60.21 that reduce basic needs insecurity such as SNAP. The board shall utilize this resource trigger
60.22 to provide information and support to students on how to access assistance or programs that
60.23 reduce basic needs insecurity.

60.24 Sec. 38. Minnesota Statutes 2020, section 136F.245, is amended to read:

60.25 **136F.245 HUNGER-FREE CAMPUS DESIGNATION.**

60.26 Subdivision 1. **Establishment.** (a) A Hunger-Free Campus designation ~~for Minnesota~~
60.27 ~~State community and technical colleges~~ is established for public postsecondary institutions
60.28 and for nonprofit degree-granting institutions physically located in Minnesota and registered
60.29 with the Office of Higher Education under section 136A.63. In order to be awarded the
60.30 designation, ~~a campus~~ an institution must meet the following minimum criteria:

60.31 (1) have an established on-campus food pantry or partnership with a local food bank to
60.32 provide regular, on-campus food distributions;

61.1 (2) provide information to students on SNAP, MFIP, and other programs that reduce
 61.2 food insecurity. The institution shall notify students in work-study employment of their
 61.3 potential eligibility for SNAP benefits and provide information to those students that includes
 61.4 eligibility criteria and how to apply for benefits;

61.5 (3) hold or participate in one hunger awareness event per academic year;

61.6 (4) have an established emergency assistance grant that is available to students; and

61.7 (5) establish a hunger task force that meets a minimum of three times per academic year.
 61.8 The task force must include at least two students currently enrolled at the ~~college~~ institution.

61.9 (b) Each institution must reapply at least every four years to maintain the designation.

61.10 Subd. 2. **Designation approval.** (a) The statewide student association associations
 61.11 representing the state community and technical colleges and the state universities shall
 61.12 create an application process and a nonmonetary award; and provide final approval for
 61.13 the designation at each state college and university, respectively.

61.14 (b) The University of Minnesota Student Association at each institution shall create an
 61.15 application process and an award and provide final approval for the designation at each
 61.16 University of Minnesota institution.

61.17 (c) The Minnesota Association of Private College Students and the Student Advisory
 61.18 Council member representing Tribal colleges pursuant to section 136A.031, subdivision 3,
 61.19 shall create an application process and an award and provide final approval for the designation
 61.20 at each nonprofit degree-granting institution.

61.21 ~~Subd. 3. **Expiration.** This section expires July 1, 2023.~~

61.22 Subd. 4. **Competitive grant.** (a) Institutions eligible for a grant under this subdivision
 61.23 include public postsecondary institutions and Tribal colleges.

61.24 (b) The commissioner shall establish a competitive grant program to distribute grants
 61.25 to eligible institutions to meet and maintain the requirements under subdivision 1, paragraph

61.26 (a). Initial grants shall be made to institutions that have not earned the designation and
 61.27 demonstrate a need for funding to meet the hunger-free campus designation requirements.

61.28 Sustaining grants shall be made to institutions that have earned the designation and
 61.29 demonstrate both a partnership with a local food bank or organization that provides regular,

61.30 on-campus food distributions and a need for funds to maintain the requirements under
 61.31 subdivision 1, paragraph (a).

62.1 (c) The commissioner shall give preference to applications for initial grants and to
 62.2 applications from institutions with the highest number of federal Pell Grant eligible students
 62.3 enrolled. The commissioner shall consider the head count at the institution when awarding
 62.4 grants. The maximum grant award for an initial institution designation is \$8,000. The
 62.5 maximum grant award for sustaining an institution designation is \$5,000.

62.6 (d) The commissioner, in collaboration with student associations representing eligible
 62.7 institutions, shall create an application process and establish selection criteria for awarding
 62.8 the grants.

62.9 Subd. 5. **Grant requirements.** (a) An eligible institution that receives a grant under
 62.10 subdivision 4 must:

62.11 (1) use the grant funds to meet or maintain the minimum criteria of a hunger-free campus
 62.12 designation under subdivision 1; and

62.13 (2) match at least 50 percent of the grant amount awarded with funds or in-kind resources.

62.14 (b) In addition to the requirements of paragraph (a), in order to receive a sustaining grant,
 62.15 an institution must demonstrate a partnership with a local food bank or organization or other
 62.16 source of funding that ensures regular, on-campus distributions.

62.17 Sec. 39. Minnesota Statutes 2020, section 136F.305, is amended to read:

62.18 **136F.305 Z-DEGREES.**

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

62.21 ~~(b) "Custom textbook" means course materials that are compiled by a publisher at the~~
 62.22 ~~direction of a faculty member or, if applicable, the other adopting entity in charge of selecting~~
 62.23 ~~course materials for courses taught at a state college or university. Custom textbooks may~~
 62.24 ~~include items such as selections from original instructor materials, previously copyrighted~~
 62.25 ~~publisher materials, copyrighted third-party works, or elements unique to a specific state~~
 62.26 ~~college or university.~~

62.27 (b) "Course" means a single unit of teaching in one subject area led by one or more
 62.28 instructors with a definite start and end date and a fixed roster of students.

62.29 (c) "Course materials" means a hard-copy or digital book, printed pages of instructional
 62.30 material, including consumable workbooks, lab manuals, subscriptions, online homework
 62.31 and quizzing platforms, and other required physical and digital content.

62.32 (d) "Course section" means an instance of a course.

63.1 ~~(e)~~ (e) "Incentive" means anything provided to faculty to identify, review, adapt, author,
63.2 or adopt open ~~textbooks~~ educational resources.

63.3 ~~(d)~~ (f) "Open educational resources" means ~~high-quality~~ teaching, learning, and research
63.4 ~~resources~~ materials that ~~reside~~ are in the public domain or have been released under an
63.5 intellectual property license that permits their free use and repurposing by others, ~~and may~~
63.6 ~~include other resources that are legally available and free of cost to students~~. Open
63.7 educational resources include ~~course materials, modules, custom and open textbooks, articles,~~
63.8 ~~faculty-created content, streaming videos, tests, software, and any other tools, materials, or~~
63.9 ~~techniques used to support access to knowledge~~ textbooks and curricula, syllabi, lecture
63.10 notes, assignments, tests, projects, audio, video, and animation.

63.11 ~~(e)~~ (g) "Open textbook" means ~~a textbook that is distributed using an open copyright a~~
63.12 type of open educational resource released under an intellectual property license that at a
63.13 minimum allows a student to obtain, retain, reuse, and redistribute the material at no cost.

63.14 (h) "Library-curated materials" means diverse resources purchases by the library at no
63.15 additional cost to the student for the supplementation or replacement of course materials.

63.16 ~~(f)~~ (i) "System office" means the Minnesota State Colleges and Universities system
63.17 office.

63.18 ~~(g)~~ (j) "Z-Degree" means a ~~zero-textbook-cost~~ complete associate's or bachelor's degree
63.19 program that exclusively uses course materials that are no cost to students such as open
63.20 educational resources, open textbooks, and library-curated materials. Students may still
63.21 incur costs for printing digital materials or for the following: art supplies, calculators,
63.22 equipment, fees in statute or policy mandated to be charged by all colleges and universities,
63.23 campus discretionary fees established by the board and adopted by the college, personal
63.24 property, and service charges or course activities having value outside of the classroom.

63.25 Subd. 2. **Requirement.** (a) Three additional colleges must offer the opportunity to earn
63.26 a Z-Degree by academic year 2020-2021. A college's Four additional colleges or universities
63.27 must offer the opportunity to earn a Z-Degree by academic year 2023-2024. Course offerings
63.28 for its in a Z-Degree program must include at least two distinct courses in each transfer
63.29 curriculum goal area and at least enough credits in each transfer curriculum goal area to
63.30 complete the transfer curriculum package.

63.31 (b) The Minnesota State Colleges and Universities shall support a continuous process
63.32 for colleges and universities to implement Z-Degrees, expand Z-Degree courses and sections,
63.33 and sustain existing Z-Degrees.

64.1 Subd. 3. **Open educational resource development.** (a) ~~The Minnesota State Colleges~~
 64.2 ~~and Universities must develop a program to offer a Z-degree at three additional colleges by~~
 64.3 ~~expanding the use of open educational resources, including custom and open textbooks.~~
 64.4 The system office must provide opportunities for faculty to identify, review, adapt, ~~author,~~
 64.5 create, share, and adopt open educational resources. The system office must develop
 64.6 incentives to academic departments to identify, review, adapt, author, or adopt open
 64.7 educational resources within their academic programs.

64.8 (b) The programs and incentives developed under this subdivision must be implemented
 64.9 pursuant to faculty collective bargaining agreements.

64.10 Subd. 4. **Report.** Annually by January 15, the board must submit reports ~~by January 13,~~
 64.11 ~~2021, and January 12, 2022,~~ to the chairs and ranking minority members of the legislative
 64.12 committees with jurisdiction over higher education. Each report must include (1) the number
 64.13 of courses and course sections transitioned ~~to using an open textbook resulting from the~~
 64.14 ~~programs in this section~~ into a new Z-Degree, and (2) the total amount of student textbook
 64.15 savings resulting from the transitions, and (3) information on the types of incentives
 64.16 developed and offered to faculty and the corresponding funding for those incentives.

64.17 Sec. 40. Minnesota Statutes 2020, section 136F.38, subdivision 3, is amended to read:

64.18 Subd. 3. **Program eligibility.** (a) Scholarships shall be awarded only to a student eligible
 64.19 for resident tuition, as defined in section 135A.043, who is enrolled in any of the following
 64.20 programs of study or certification: (1) advanced manufacturing; (2) agriculture; (3) health
 64.21 care services; (4) information technology; (5) early childhood; ~~or~~ (6) transportation or (7)
 64.22 a program of study under paragraph (b).

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

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

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

65.4 Sec. 41. **CREDIT FOR PRIOR LEARNING.**

65.5 (a) Minnesota State Colleges and Universities must expand credit for prior learning to
65.6 include as many forms of work-based experiences as possible, working with faculty to
65.7 properly credit experiences for students, as appropriate. Minnesota State Colleges and
65.8 Universities shall proactively make students aware of the credit for prior learning program
65.9 and take steps to ensure gaining credit is easily accessible to students.

65.10 (b) By February 1, 2022, Minnesota State Colleges and Universities must report to the
65.11 chairs and ranking minority members of the legislative committees and divisions with
65.12 jurisdiction over higher education on the success of credit for prior learning in granting
65.13 credits and its continued development as required under this subdivision.

65.14 Sec. 42. **DIRECT ADMISSIONS PILOT PROGRAM.**

65.15 Subdivision 1. **Authorization.** The commissioner of the Office of Higher Education
65.16 shall develop a pilot program in consultation with stakeholders including Minnesota State
65.17 Colleges and Universities, the University of Minnesota, the Student Advisory Council under
65.18 Minnesota Statutes, section 136A.031, Minnesota Department of Education, the Minnesota
65.19 Association of Secondary School Principals, and the Minnesota School Board Association
65.20 to automatically offer conditional admission into Minnesota public colleges and universities
65.21 to Minnesota public high school seniors based on a student's high school grade point average,
65.22 high school and college transcript information, standardized tests, statewide assessments,
65.23 and other measures as determined by stakeholders.

65.24 Subd. 2. **Pilot design and goals.** The pilot program shall establish and, to the extent
65.25 feasible, implement a process for leveraging existing kindergarten through grade 12 and
65.26 higher education student information systems to automate the admissions process for students.
65.27 The pilot program will specifically evaluate the impact this process has on outcomes for
65.28 students with lower levels of college knowledge, low-income students, and students from
65.29 populations underserved in higher education. Initial pilot program participants must include
65.30 high schools with a significant number of students of color, low-income students, or both,
65.31 and must achieve statewide representation.

65.32 Subd. 3. **Evaluation and report.** By February 1, 2022, the Office of Higher Education
65.33 shall report to the chairs and ranking minority members of the legislative committees with

66.1 jurisdiction over kindergarten through grade 12 education finance and policy and higher
66.2 education on activities occurring under this section. The report must include but is not
66.3 limited to information about the pilot program design, implementation challenges and
66.4 recommendations, outcomes, and the feasibility of scaling the program to all public high
66.5 schools.

66.6 Sec. 43. **REPORT ON THE EXPENSE PATTERNS OF PUBLIC HIGHER**
66.7 **EDUCATION INSTITUTIONS.**

66.8 (a) The Board of Trustees of the Minnesota State Colleges and Universities shall perform
66.9 an internal audit of expenditures to determine the extent to which administrative costs have
66.10 increased based on uniform, historical data, and provide a report to the chairs and ranking
66.11 minority members of the house of representatives and senate higher education committees,
66.12 and the chairs and ranking minority members of the senate Finance Committee, and the
66.13 house of representatives Ways and Means Committee by January 1, 2022.

66.14 (b) The Board of Trustees shall provide the following information for each institution
66.15 under its jurisdiction. The Board of Trustees shall use the Integrated Postsecondary Education
66.16 Data System (IPEDS) data submitted to the National Center for Education Statistics (NCES)
66.17 to ensure uniformity, as institutions that receive federal financial aid funding report their
66.18 financial data annually to NCES, and expense classifications are generally consistent
66.19 year-to-year and apply to institutions uniformly. The report shall include for each Minnesota
66.20 State College and University the following information:

66.21 (1) the amount and description of expenses included in the following terms as reported
66.22 in the integrated postsecondary education data system:

66.23 (i) instruction;

66.24 (ii) research;

66.25 (iii) public service;

66.26 (iv) academic support;

66.27 (v) student services;

66.28 (vi) institutional support; and

66.29 (vii) other core expenses;

66.30 (2) historical data on the amount of expenses listed in clause (1) over the previous ten
66.31 years, accompanied by a graph reflecting the figures;

67.1 (3) the current ratio of the institution's spending on institutional support versus instruction,
67.2 and the ratio over the previous ten fiscal years, accompanied by a graph reflecting the figures;
67.3 and

67.4 (4) an analysis as to whether the institution's administrative operations are growing
67.5 disproportionately in relation to its core academic functions, which may place upward
67.6 pressure on the cost of tuition and required fees, if such institution has any ratio under clause
67.7 (3) that is greater than the respective median ratio for institutions of its Carnegie classification
67.8 and of similar undergraduate enrollments. The variables in clause (3) must be used when
67.9 comparing and calculating ratios for institutions of the same Carnegie classification and
67.10 similar undergraduate enrollments.

67.11 (c) The Board of Trustees shall also provide in the report an analysis of administrative
67.12 costs at the central office and the increase in staffing over the previous ten years.

67.13 (d) The Board of Regents of the University of Minnesota is requested to perform an
67.14 audit and provide the reports as specified under this section.

67.15 Sec. 44. **TRANSCRIPT ACCESS.**

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

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

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

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

67.30 Subd. 2. **Prohibited practices.** A school must not:

67.31 (1) refuse to provide a transcript for a current or former student because the student owes
67.32 a debt to the school if:

68.1 (i) the debt owed is less than \$250;

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

68.4 (iii) the transcript request is made by a prospective employer for the student; or

68.5 (iv) the school has sent the debt for repayment to the Department of Revenue or to a
68.6 collection agency, as defined in section 332.31, subdivision 3, external to the institution;
68.7 or

68.8 (2) charge an additional or a higher fee for obtaining a transcript or provide less favorable
68.9 treatment of a transcript request because a student owes a debt to the originating school.

68.10 Subd. 3. **Institutional policy.** (a) Institutions that use transcript issuance as a tool for
68.11 debt collection must have a policy accessible to students that outlines how the institution
68.12 collects on debts owed to the institution.

68.13 (b) Institutions shall seek to use transcript issuance as a tool for debt collection for the
68.14 fewest number of cases possible.

68.15 Subd. 4. **Report required.** (a) By April 15, 2022, and April 15, 2023, a school subject
68.16 to this section must provide the Office of Higher Education a report that includes the
68.17 following information for the most recently completed academic year:

68.18 (1) the school's current policy on transcript holds due to debt owed to the school and the
68.19 school's same policy prior to the enactment of this section;

68.20 (2) the number of students who owe a debt of less than \$250 to the school;

68.21 (3) the number of students who owe a debt of more than \$250 to the school;

68.22 (4) the number of students who have had their transcripts withheld for nonpayment of
68.23 a debt;

68.24 (5) the number of students who entered a payment plan after the hold is placed;

68.25 (6) what percentage of funds owed by students are collected; and

68.26 (7) the number of students with debt who were able to obtain transcripts due to this
68.27 provision, whether the debt was paid, and whether the students whose transcript hold was
68.28 waived reenrolled. The information under this clause is required only to the extent the office
68.29 is able to obtain the information.

69.1 Reports submitted for the first year should include the most recently completed academic
69.2 year and the two prior years. The report must also include information on any state,
69.3 institutional, or federal COVID funds used to pay for transcript holds.

69.4 (b) By October 15, 2022, and October 15, 2023, the commissioner shall compile the
69.5 data submitted under paragraph (a) and report to the legislature as provided in Minnesota
69.6 Statutes, section 3.195, and to the chairs and ranking minority members of the legislative
69.7 committees with jurisdiction over higher education on the impact of this section.

69.8 Subd. 5. **Expiration.** This section expires June 30, 2024.

69.9 Sec. 45. **ASPIRING MINNESOTA TEACHERS OF COLOR SCHOLARSHIP**
69.10 **PILOT PROGRAM.**

69.11 Subdivision 1. **Scholarship pilot program established.** The commissioner must establish
69.12 a scholarship pilot program to support undergraduate and graduate students who are preparing
69.13 to become teachers, have demonstrated financial need, and belong to racial or ethnic groups
69.14 underrepresented in the state's teacher workforce.

69.15 Subd. 2. **Eligibility.** (a) To be eligible for a scholarship under this section, an applicant
69.16 must:

69.17 (1) be admitted and enrolled in a teacher preparation program approved by the
69.18 Professional Educator Licensing and Standards Board and be seeking initial licensure, or
69.19 be enrolled in an eligible institution under section 136A.103 and be completing a two-year
69.20 program specifically designed to prepare early childhood educators;

69.21 (2) affirm to the teacher preparation program or the Office of Higher Education that the
69.22 applicant is a person of color or American Indian;

69.23 (3) be meeting satisfactory academic progress as defined under section 136A.101,
69.24 subdivision 10; and

69.25 (4) demonstrate financial need based on criteria developed by the commissioner.

69.26 (b) An eligible applicant may receive a scholarship award more than once, but may
69.27 receive a total of no more than \$25,000 in scholarship awards from the program.

69.28 Subd. 3. **Scholarship award amount.** (a) The commissioner must establish a priority
69.29 application deadline and must give equal consideration to all eligible applicants regardless
69.30 of the order the application was received before the priority application deadline. If the
69.31 funds available for the program are insufficient to make full awards to all eligible applicants
69.32 who apply on or before the deadline, the commissioner must make awards based on the

70.1 expected family contribution of an applicant, prioritizing applicants with the lowest expected
70.2 family contributions. If there are multiple complete applications with identical expected
70.3 family contributions, those applications may be prioritized by application completion date.

70.4 (b) The maximum award amount is \$10,000 per year for full-time study. For
70.5 undergraduate students, full-time study means enrollment in a minimum of 15 or more
70.6 credits per term. For graduate students, full-time study means enrollment in a minimum of
70.7 six graduate credits or the equivalent.

70.8 (c) If an eligible applicant is enrolled in a program for one term during the academic
70.9 year, the maximum award amount is \$5,000. If an eligible applicant is enrolled part time,
70.10 the award amount must be prorated on a per-credit basis.

70.11 (d) Subject to the funds available for the program, and subject to the limitation in
70.12 paragraph (e), the minimum award amount established under this section for full-time study
70.13 must be no less than \$1,000 per year.

70.14 (e) An eligible applicant's individual award amount must not exceed the applicant's cost
70.15 of attendance after deducting: (1) the student's expected family contribution; (2) the sum
70.16 of all state or federal grants and gift aid received, including a Pell Grant and state grant; (3)
70.17 the sum of all institutional grants, scholarships, tuition waivers, and tuition remission
70.18 amounts; and (4) the amount of any private grants or scholarships.

70.19 (f) Awards are made until available funds are expended. Eligible applicants who
70.20 completed their applications on or before the priority application deadline but who did not
70.21 receive an award due to insufficient funds, and eligible applicants who completed their
70.22 applications after the priority application deadline, shall be placed on an award waiting list
70.23 by order of application completion date.

70.24 Subd. 4. **Administration.** (a) The commissioner must establish an application process
70.25 for individual students and institutions on behalf of all eligible students at the institution
70.26 and other guidelines for implementing the scholarship program.

70.27 (b) A scholarship award must be paid to the eligible applicant's teacher preparation
70.28 institution on behalf of the eligible applicant. Awards may be paid only when the institution
70.29 has confirmed to the commissioner the applicant's name, racial or ethnic identity, gender,
70.30 licensure area sought, and enrollment status.

70.31 Subd. 5. **Service expectation.** An applicant who receives a scholarship under this section
70.32 is expected to serve as a full-time teacher in Minnesota after completing the program for
70.33 which the scholarship was awarded.

71.1 Subd. 6. Report. By December 15 of each year, the commissioner must submit a full
71.2 report on the details of the scholarship program for the previous fiscal year to the legislative
71.3 committees with jurisdiction over E-12 and higher education finance and policy. The reports
71.4 must also be made available on the Office of Higher Education's website. The reports must
71.5 include the following information:

71.6 (1) the number of applicants and the number of award recipients, each broken down by
71.7 postsecondary institution with ten or more recipients;

71.8 (2) the total number of awards, the total dollar amount of all awards, and the average
71.9 award amount;

71.10 (3) summary data on the racial or ethnic identity, gender, licensure area sought, and
71.11 enrollment status of all applicants and award recipients; and

71.12 (4) other summary data identified by the commissioner as outcome indicators.

71.13 **EFFECTIVE DATE.** This section is effective July 1, 2021.

71.14 Sec. 46. **REVISOR INSTRUCTION.**

71.15 In Minnesota Statutes, the revisor of statutes shall renumber section 136F.245, as amended
71.16 by this act, as 135A.137.

71.17 Sec. 47. **REPEALER.**

71.18 (a) Minnesota Statutes 2020, sections 136A.1703; 136A.823, subdivision 2; and 136F.245,
71.19 subdivision 3, are repealed.

71.20 (b) Minnesota Rules, parts 4830.9050; 4830.9060; 4830.9070; 4830.9080; and 4830.9090,
71.21 are repealed.

136A.1703 INCOME-CONTINGENT LOANS.

The office shall administer an income-contingent loan repayment program to assist graduates of Minnesota schools in medicine, dentistry, pharmacy, chiropractic medicine, public health, and veterinary medicine, and Minnesota residents graduating from optometry and osteopathic medicine programs. Applicant data collected by the office for this program may be disclosed to a consumer credit reporting agency under the same conditions as those that apply to the supplemental loan program under section 136A.162. No new applicants may be accepted after June 30, 1995.

136A.823 LICENSE RENEWAL.

Subd. 2. **Conditions.** The office shall adopt rules establishing the conditions for renewal of a license. The conditions shall permit two levels of renewal based on the record of the private career school. A private career school that has demonstrated the quality of its program and operation through longevity and performance in the state may renew its license based on a relaxed standard of scrutiny. A private career school that has been in operation in Minnesota for a limited period of time or that has not performed adequately on performance indicators shall renew its license based on a strict standard of scrutiny. The office shall specify minimum longevity standards and performance indicators that must be met before a private career school may be permitted to operate under the relaxed standard of scrutiny. The performance indicators used in this determination shall include, but not be limited to: regional or national accreditation, loan default rates, placement rate of graduates, student withdrawal rates, audit results, student complaints, and school status with the United States Department of Education. Private career schools that meet the requirements established in rule shall be required to submit a full relicensure report once every four years, and in the interim years will be exempt from the requirements of section 136A.822, subdivision 4, clauses (4), (5), and (8), and Minnesota Rules, parts 4880.1700, subpart 6; and 4880.2100, subpart 4.

136F.245 HUNGER-FREE CAMPUS DESIGNATION.

Subd. 3. **Expiration.** This section expires July 1, 2023.

4830.9050 SCOPE.

Parts 4830.9050 to 4830.9090 govern state grants used as a match to the National Service Scholars Program of the Corporation for National Service.

4830.9060 DEFINITIONS.

Subpart 1. **Scope.** For the purposes of parts 4830.9050 to 4830.9090, the terms defined in this part have the meanings given them.

Subp. 2. **Certificate of eligibility.** "Certificate of eligibility" means the certificate issued by the Minnesota Office of Higher Education to a student for proof of eligibility for a Minnesota National Service Scholars Matching Grant after the office receives written notification from the National Service Scholars Program that the student has been awarded a National Service Scholarship.

Subp. 3. **Commissioner.** "Commissioner" means the commissioner of the Minnesota Office of Higher Education.

Subp. 4. **Eligible institution.** "Eligible institution" means a postsecondary institution that is an eligible institution as defined in part 4830.0300, subparts 1 and 2, and Minnesota Statutes, section 136A.101, subdivision 4.

Subp. 5. **Minnesota National Service Scholars Matching Grant.** "Minnesota National Service Scholars Matching Grant" means the award amount under Laws 1997, chapter 183, article 2, section 19.

4830.9070 ELIGIBLE RECIPIENT.

To be eligible for a Minnesota National Service Scholars Matching Grant, a student must:

- A. be enrolled in an eligible institution;
 - B. receive a national service scholarship from the Corporation for National Service;
- and
- C. provide a copy of the certificate of eligibility to the eligible institution.

4830.9080 INSTITUTIONAL REQUEST AND DISBURSEMENT OF FUNDS FOR GRANTS.

Subpart 1. **Institutional request.** After verifying a student's eligibility, the eligible institution must submit a written request to the commissioner for payment of the Minnesota National Service Scholars Matching Grant for the student. A copy of the student's certificate of eligibility must accompany the institution's request for payment. The request for payment must verify that the student has received a national service scholarship, indicate the name and address of the postsecondary institution enrolled in by the student, and the academic term for which the award will be used.

Subp. 2. **Deadline.** The request for grant money must be received by the commissioner no later than the last day of classes for the fiscal year for which grant money is requested.

Subp. 3. **Disbursement of funds.** An institution must not disburse matching grant money unless the student is attending or has completed an academic term during the fiscal year for which the student received a national service scholarship.

Subp. 4. **Refunds.** A matching grant award is made for a student's attendance at a specific institution for a term or terms within the state fiscal year. If a recipient fails to attend, the institution must refund the entire award to the commissioner. If a recipient withdraws before completing the term, the institution must determine if a refund is due to the commissioner. Refunds to the office are determined by:

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A. calculating the percentage that the matching grant represents of the student's total financial aid package for the applicable term, excluding funds received from federal Title IV programs, United States Code, title 20, sections 1070-1099;

B. calculating the total tuition refund amount using the refund calculation required of schools participating in federal Title IV programs;

C. subtracting the federal aid programs' refund amount from item B to determine the remaining tuition refund amount; and

D. multiplying the percentage in item A by the amount calculated in item C to determine the amount to be refunded to the matching grant program.

Refunded money is available to the commissioner for awards to other eligible students.

4830.9090 PAYMENTS TO INSTITUTIONS.

Subpart 1. **Time of payment.** The commissioner shall send a Minnesota National Service Scholars Matching Grant for an eligible student to the eligible institution within 30 days of receipt of a request for payment.

Subp. 2. **Withholding payment.** The commissioner shall withhold payment for a student until the eligible institution's request for payment is complete and the student's eligibility is verified.