

# Bill Summary Comparison: Higher Education Policy

Senate File 1236, the second  
engrossment  
Article 2: Reform & Pathways to  
Reform  
Article 3: Miscellaneous  
Article 4: State Grant Program

Senate File 1236, the second unofficial  
engrossment  
Article 2: Policy

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Section	Article 2: Reform and Pathways to Reform		Section	Article 2: Policy
		No comparable Senate provision.	<b>1</b>	<p><b>Reports.</b> Expands and streamlines financial reporting requirements for the University of Minnesota and MnSCU.</p> <p>As part of their biennial budget request, each system would newly be required to submit (1) a five-year history of systemwide expenditures reported by functional area and objects of expenditure; (2) a five-year history of the system’s total instructional expenditures per full-year equivalent student; and (3) a five-year history of the system’s total revenues by source.</p> <p>The systems are required to work with the commissioner of management and budget and the office of higher education to develop consistent reporting practices. The systems are also required to develop the ability to respond to legislative requests for financial analyses more detailed than that required by this section.</p>
<b>1</b>	<b>High school to college transition program grants.</b> Restructures program grants to institutions rather than students. Requires institutional match. Makes many administrative changes.	No comparable House provision.		
		No comparable Senate provision.	<b>3</b>	<b>Institution termination.</b> Codifies existing administrative rules related to termination of an institution’s eligibility to participate in state student financial aid programs. The standards for termination are as provided in the existing rules with new allowances for termination in the

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				following circumstances: <ul style="list-style-type: none"> <li>• the institution has a consistent pattern of noncompliance with Minnesota laws, rules, or administrative policies related to student aid programs, or lacks the capacity to administer the programs on campus based on a number of listed factors</li> <li>• the institution misappropriates student aid funds</li> <li>• the institution falsifies information or engages in misleading or deceptive practices related to administration of student aid programs</li> <li>• the institution no longer meets the requirements for participation in the student aid programs in current law or rule</li> <li>• the institution is terminated from participation in federal financial aid programs by the U.S. Department of Education due to noncompliance with the laws, regulations, and agreements governing participation in those programs.</li> </ul>
		No comparable Senate provision.	4	<b>Termination procedure.</b> Codifies existing administrative rules related to the procedure for terminating an institution’s participation in state

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				student aid programs.
		No comparable Senate provision.	<b>5</b>	<b>Request for hearing.</b> Codifies existing administrative rules allowing an institution to request an administrative hearing related to its termination from participation in state student aid programs.
		No comparable Senate provision.	<b>6</b>	<b>Restriction on awards during termination period.</b> Permits the Office of Higher Education to withhold further financial aid disbursements to institutions subject to termination from participation in state student programs and provides requirements for use of funds currently held by the institution for financial aid purposes.
		No comparable Senate provision.	<b>7</b>	<b>Final decision; orders.</b> Codifies existing administrative rules related to the time that a final decision is made when a termination order is appealed to an administrative law judge.
		No comparable Senate provision.	<b>8</b>	<b>Reinstatement of eligibility.</b> Codifies existing administrative rules related to the procedure for reinstatement of an institution’s eligibility to participate in state student aid programs.
		No comparable Senate provision.	<b>9</b>	<b>Reinstatement requirements.</b> Codifies existing administrative rules that establish the requirements for an institution to be reinstated into participation in the state student aid programs, with two new criteria: the institution must allow the Office of Higher Education to conduct a reinstatement audit; and the institution must be eligible to participate in

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				federal financial aid programs.
		No comparable Senate provision.	<b>10</b>	<b>Response to reinstatement request.</b> Codifies existing administrative rules related to an institution’s request for reinstatement into participation in the state student aid programs, with a new authorization for the Office of Higher Education to place an institution on probationary status.
		No comparable Senate provision.	<b>11</b>	<b>Probationary period.</b> Establishes standards and requirements for an institution subject to probationary reinstatement into state student aid programs.
		No comparable Senate provision.	<b>12</b>	<b>Reinstatement.</b> Requires reinstatement of an institution into participation in state student aid programs if the institution successfully completes a probationary reinstatement period and is otherwise eligible to participate in the programs.
		No comparable Senate provision.	<b>13</b>	<b>Student awards after termination.</b> Codifies existing administrative rules related to disbursement of student aid funds when an institution is terminated from participation in state student aid programs, and clarifies the application of SELF loans related to these disbursements.
<b>2</b>	<b>Institution reporting.</b> Requires the reporting of enrollment, persistence, graduation, job placement, salary, and debt data information to the Office of Higher Education by institutions participating in state grant programs.	No comparable House provision.		

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3	<b>Child care grants.</b> Increases the maximum child care grant award from \$2,600 to \$2,800 for each eligible child per academic year.	Identical language.	15	<b>Amount and length of grants.</b> Increases the maximum child care grant award from \$2,600 to \$2,800 per academic year.
4	<b>Online platform service.</b> Defines an online platform service as a nondegree granting entity that provides online access to schools to enable the schools to offer online training, courses or programs. Related to section 5.	No comparable House provision.		
5	<b>Tuition-free educational courses.</b> Exempts schools, including a school using an online platform service offering training, courses, or programs that offer tuition-free courses to students in Minnesota, from regulation by the Office of Higher Education. Specifies the circumstances under which a course is considered to be tuition free. To qualify for an exemption, a school or online platform service must prominently display a notice comparable to the following: ‘IMPORTANT: Each educational institution makes its own decision regarding whether to accept completed coursework for credit. Check with your university or college.’	Stylistic differences.  The Senate language includes additional detail related to determining whether a course is “tuition free,” and requires schools and online platforms to display a notice to participants.	19	<b>Free educational courses.</b> Exempts schools that provide exclusively free training or instructional programs or courses where no tuition, fees, or other charges are required for participation from the registration and degree and name approval requirements contained in law.
		No comparable Senate provision.	20	<b>Statewide electronic infrastructure; portfolio solutions.</b> Requires the Department of Employment and Economic Development, the Department of Education, the Office of Higher Education, the University of Minnesota, and the Minnesota State Colleges and Universities to collaborate to implement an electronic

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				<p>infrastructure to support academic and workforce success. The infrastructure would use existing tools, including efolioMinnesota and GPS LifePlan.</p> <p>At a minimum, the efolioMinnesota platform must be enhanced to allow certain portfolio-based solutions. Other details related to implementation and goals of the system are provided in this section.</p> <p>The director of the Office of Higher Education is required to submit a report to the governor and legislature by January 15 of each year detailing progress related to implementing the electronic infrastructure.</p>
6	<p><b>MnSCU reserves project. Subdivisions 1 to 4,</b> establish the MnSCU reserves project, modeled after a statutory pilot program, to transfer certain reserve deposits of selected institutions from the State Treasury to a community financial institution. Delineates participation requirements and directs MNSCU and MMB to submit a report evaluating the program.</p>	<p>No comparable House provision.</p>		
7	<p><b>Exemptions.</b> Exempts from state regulation postsecondary education providers (licensed by the state) whose courses are offered for less than \$100.</p>	<p>Similar language; House exempts schools that provide free training, programs, or courses, Senate exempts schools for which tuition, fees, and other charges do not exceed \$100.</p>	24	<p><b>Exemptions.</b> Exempts schools that provide exclusively free training or instructional programs or courses where no tuition, fees, or other charges are required for participation from the licensure requirements contained in law.</p>
8	<p><b>Timely completion of programs.</b> Directs the Office of Higher Education, in consultation with the higher education policy and finance committees</p>	<p>No comparable House provision.</p>		

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	of the legislature, to analyze strategies to financially assist students in the timely completion of their program. Specifies issues to be examined, and requires a report.			
9	<b>Student loan refinancing analysis.</b> Directs the Office of Higher Education, in consultation with the higher education policy and finance committees of the legislature, to examine the feasibility and potential components of a program to assist Minnesota residents in refinancing student loans for higher education. Specifies the issues to be examined, and requires a report.	No comparable House provision.		
10	<b>Pilot program of intensive guidance.</b> Directs the MnSCU Board of Trustees to operate at least one pilot program at a college and one at a university that provides a high level of course advising and guidance, personal financial counseling, and job placement for students who are at risk of not completing their studies. Specifies program objectives, and requires a report.	No comparable House provision.		
11	<b>Higher Ed institutional participation in state aid programs report.</b> Directs the Office of Higher Education to report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over higher education policy and finance on the available and appropriate data that should be used as statutory criteria to determine whether a higher education institution should be allowed to participate in state financial	No comparable House provision.		



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	aid programs.			
12	<b>University of Minnesota reports.</b> Directs the Board of Regents to report to the legislative committees and divisions with primary jurisdiction over higher education finance and policy on the following: (1) specified information about the Twin Cities campus medical school; (2) specified information about the undergraduate science, technology, engineering, and mathematics programs on the Twin Cities campus; and (3) specified information obtained from the analyses and reports the board will receive from Sibson Consulting and Huron Consulting on the university's administrative costs.	No comparable House provision.		
13	<b>Mental Health Issues summit.</b> Directs the MnSCU Board of Trustees, in cooperation with the Commissioner of Human Services, to convene a summit to develop a comprehensive workforce plan to: (1) increase the number of mental health professionals and practitioners; (2) ensure appropriate course work and training experience; and (3) increase the number of culturally diverse mental health professionals and practitioners.	No comparable House provision.		
14	<b>Salary study.</b> Directs the MnSCU Board of Trustees and the Board of Regents of the University of Minnesota to conduct a study on assorted issues pertaining to faculty and administrative staff compensation.	No comparable House provision.		

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15	<b>Repealer.</b> Repeals obsolete high school-to-college transition program language.	No comparable House provision.		
		No comparable Senate provision.	<b>26, para. (b)</b>	<b>Repealer.</b> Repeals a number of administrative rules related to termination of an institution from state aid eligibility. These rules are largely recodified into statute in earlier sections of this bill.
Art. 3 1	<b>Dissemination (SLEDS).</b> Authorizes the Commissioner of DEED to release employment and training data to the Office of Higher Education.	No comparable House provision.		
2	<b>SLEDS powers and duties.</b> Directs the Office of Higher Education and DEED, under the direction of the P-20 Education Partnership SLEDS governance committee, to improve and expand the statewide longitudinal education data system (SLEDS) to provide data and information to assorted constituencies.	No comparable House provision.		
3	<b>Terrorist relationship prohibited.</b> Directs the Board of Regents of the University of Minnesota and the Board of Trustees of MnSCU to develop policies concerning hosting, expending money on, facilitating travel for, or conferring an academic honor on behalf of any person who has either been convicted of an act of terrorism or who has publicly acknowledged committing or participating in terrorism.	No comparable House provision.		
4	<b>Higher Ed advisory council.</b> Makes the Higher Education Advisory Council (HEAC) an advisory council to the Governor and Legislature on higher	Senate modifies HEAC structure and membership; House repeals HEAC.	<b>26, para. (a)</b>	<b>Higher Ed advisory council.</b> See section 26, above. The House language repeals the Higher

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	education and workforce needs in the state. Adds the director of the Office of Higher Education and the Commissioner of DEED to the council’s membership and provides the option of having a representative of nonprofit private colleges on the council.			Education Advisory Council in its entirety.
5	<b>Commissioner.</b> Changes <i>Director</i> of the Minnesota Office of Higher Education to <i>Commissioner</i> .	No comparable House provision.		
6	<b>Independent student.</b> Makes a technical change.	Identical language.	2	<b>Independent student.</b> Clarifies an existing citation to federal law in the definition of “independent student” for purposes of state grant and scholarship programs.
7	<b>Eligible students.</b> Make conforming changes. Allows an additional term of eligibility for the receipt of a child care grant and Safety Officer’s Survivor grant if a student has to withdraw due to a major illness. This policy already applies to state grant recipients.	Identical language.	14	<b>Eligible student.</b> Provides that a student who withdraws from enrollment due to a major illness is entitled to an additional semester of eligibility for a child care grant.  This section only applies to withdrawals where the student is under the care of a medical professional and the illness substantially limits the student’s ability to complete the academic term.
8	<b>Research dogs and cats.</b> Requires certain facilities that use dogs and cats for research to offer these animals to animal rescue organizations in certain circumstances.	No comparable House provision.		
9	<b>Definitions.</b> Makes a technical change.	Identical language.	16	<b>Definitions.</b> Clarifies an existing citation to federal

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				law in the definition of “independent student” for purposes of state work-study programs.
10	<b>Tribal College supplemental grant assistance. Subdivisions 1 through 4,</b> establish a program to provide grants to tribally controlled colleges. The colleges must use the grant money to support the education of students enrolled at the college who are a resident of Minnesota, but are not an enrolled member of a federally recognized Indian tribe.	No comparable House provision.		
11	<b>Additional security.</b> Makes a technical change pertaining to the surety bond a private college must hold; lets surety companies know how the bond can be cancelled.	Identical language.	17	<b>Additional security.</b> Establishes procedures for cancellation of a required surety bond in cases where a bond is required because a registered institution has fallen below specified financial standards required for participation in federal financial aid programs.  To operate within the state, all private institutions, and in some circumstances out-of-state public institutions operating within the state, are required to register with the Office of Higher Education.
12	<b>Criteria for approval.</b> Require registered private colleges and universities to inform certain faculty and staff on the institution’s source information and advice to students regarding the transfer of credits and students financial aid.	No comparable House provision.		
13	<b>Disapproval of registration appeal.</b> Requires the Office of Higher Education to notify any school against which the office may take action that the school has the right to an administrative hearing.	Identical language.	18	<b>Disapproval of registration appeal.</b> Clarifies the right of a school to appeal an order of the Office of Higher Education related to a school’s registration, approved degrees, or use of a term in the school’s

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				<p>name. Appeals of these orders are permitted as provided in the Administrative Procedures Act.</p> <p>If an operating school has its registration revoked, it may continue to operate until a final determination is made in the appeal, unless otherwise ordered by the court.</p>
14	<p><b>Contracts.</b> Prohibits the inclusion of provisions that authorize the payment of bonus in contracts the MnSCU Board of Trustees enters into with the chancellor, a vice-chancellor, or a president.</p>	<p>House prohibits “bonus or other performance-based incentive payment.” Senate prohibits “bonus payment.”</p>	21	<p><b>Contracts.</b> Prohibits a MnSCU contract with an employee from including a provision that authorizes or provides for a discretionary or mandatory bonus or other performance-based incentive payment.</p> <p>This section would apply to contracts entered into on or after the day following final enactment.</p>
15	<p><b>Appropriation; fringe benefits.</b> Prohibits the use of direct appropriations to the University of Minnesota from begin used to pay any mandatory or discretionary bonus payment provided for in an employment contract with the president, vice-presidents, chancellors, provosts, vice provosts, deans, or directors of individual programs.</p>	<p>House prohibits state appropriations from being used for a “bonus or other performance-based incentive payment.” Senate prohibits state appropriations for a “bonus payment.”</p>	22	<p><b>Appropriation; fringe benefits.</b> Provides that direct appropriations to the University of Minnesota do not include, and may not be used to pay, any mandatory or discretionary bonus or other performance-based incentive payment provided for in an employment contract with certain specified administrators.</p>
16	<p><b>MnDRIVE. Subdivisions 1 through 3,</b> establish the Minnesota Discovery, Research, and Innovation Economy Funding (MnDRIVE) program at the University of Minnesota. Specifies the program’s activities, provides for the submission of budget requests to the Legislature, and requires a report of the program’s investments and accomplishments related to funds received from the state.</p>	<p>Identical language.</p>	23	<p><b>Minnesota Discovery, Research, and Innovation Economy (MnDRIVE) funding program.</b> Establishes the MnDRIVE scientific research funding program in statute and provides a mechanism for funding requests.</p> <p>The Board of Regents is requested to submit investment proposals consistent with the goals and</p>

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				<p>objectives of the program to the legislature for consideration. The governor is required to submit a recommendation regarding MnDRIVE funding requests to the legislature.</p> <p>An accountability report must be submitted to the chairs and ranking minority members of the legislative committees with oversight over higher education policy and finance by March 1 of each odd-numbered year.</p>
17	<p><b>Minimum standards.</b> Require licensed private colleges and universities to make information available to certain faculty and staff on the appropriation source of institutional information and advice to students regarding the transfer of credits and students financial aid.</p>	No comparable House provision.		
18	<p><b>Definitions.</b> Add a definition of “veteran” related to certain education benefits.</p>	No comparable House provision.		
19	<p><b>Recognition of veterans and training courses.</b> Add a definition and specify that “in recognizing courses and awarding educational credits, consideration must be given to academic skills developed in all aspects of the training or service course curriculum, and may not be limited solely to the physical fitness or activity components of the course.”</p>	No comparable House provision.		
20	<p><b>Recognition of veteran status.</b> Directs MnSCU and the University of Minnesota to adopt policies recognizing an applicant’s veteran’s status as a</p>	No comparable House provision.		

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	positive factor in determining whether to grant admission to a graduate or professional degree program or in the case of the University of Minnesota—an undergraduate program.			
21	<b>Use of data.</b> Authorizes the release of unemployment data to the Office of Higher Education.	No comparable House provision.		
22	<b>Safety Officer Survivors.</b> Allows an additional term of eligibility for the receipt of Safety Officer’s Survivor grant if a student has to withdraw due to a major illness. This policy already applies to state grant recipients.	Identical language.	25	<p><b>Renewal (Public Safety Officer Survivor Benefit).</b> Provides that a student who withdraws from enrollment due to a major illness is entitled to an additional semester of eligibility for a public safety officer survivor benefit.</p> <p>This section only applies to withdrawals where the student is under the care of a medical professional and the illness substantially limits the student’s ability to complete the academic term.</p>
23	<b>Revisor’s instruction.</b> Contains instructions to the revisor regarding title change of “director” of the Office of Higher Education to “commissioner.”	No comparable House provision.		
Art. 4 1	<b>Assigned family responsibility.</b> Changes the state grant program assigned family responsibility for independent students without dependents other than a spouse, from 68 percent to 50 percent of the student contribution.	No comparable House provision.		
2	<b>Grant stipends.</b> Changes the state grant program assigned student responsibility from 46 percent to 50 percent.	No comparable House provision.		

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3	<p><b>State grant tuition max.</b> States that, for the purposes of the state grant program, for the biennium ending June 30, 2015, the tuition and fee maximum for students in four-year programs is \$13,000 in each fiscal year, for students enrolled in two-year programs \$5,808 in each fiscal year; sets the LME at \$7,940 in each fiscal year.</p>	<p>House language does not increase the tuition maximum or living expense allowance.</p>		<p><b>Tuition maximum and living expenses.</b> Establishes the tuition maximum and living expenses allowances for the biennium, for purposes of calculating a state grant award.</p>
4	<p><b>State grant/part time students.</b> Specifies the methodology to be used in calculating the state grant award for part-time students at MnSCU institutions.</p>	<p>For the biennium, the Senate language requires the AFR to be prorated by the percent of full-time enrollment; the House language sets new specific AFR amounts for independent students, based on whether the student has dependents.</p>		<p><b>Assigned family responsibility.</b> Modifies the calculation of the assigned family responsibility amount for independent students, for the biennium, for purposes of calculating a state grant award.</p>