

19.1 **ARTICLE 2**
19.2 **REFORM AND PATHWAYS TO REFORM**

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45.11 **STATE GRANT PROGRAM**

11.13 **ARTICLE 2**
11.14 **HIGHER EDUCATION POLICY**

11.15 Section 1. Minnesota Statutes 2012, section 135A.031, subdivision 7, is amended to
11.16 read:

11.17 Subd. 7. **Reports.** ~~(a) Instructional and noninstructional expenditure data and~~
11.18 ~~enrollment data must be submitted in the biennial budget document under section~~
11.19 ~~135A.034. This report must include a description of the methodology for determining~~
11.20 ~~instructional and noninstructional expenditures and estimates of inflation in higher~~
11.21 ~~education and the methodology or index used to determine the inflation rate. The~~
11.22 University of Minnesota and the Minnesota State Colleges and Universities systems shall
11.23 include in their biennial budget proposals to the legislature:

11.24 (1) a five-year history of systemwide expenditures, reported by:

11.25 (i) functional areas, including instruction, research, public service, student financial
11.26 aid, and auxiliary services, and including direct costs and indirect costs, such as
11.27 institutional support, academic support, student services, and facilities management,
11.28 associated with each functional area; and

11.29 (ii) objects of expenditure, such as salaries, benefits, supplies, and equipment;

11.30 (2) a five-year history of the system's total instructional expenditures per full-year
11.31 equivalent student, by level of instruction, including upper-division undergraduate,
11.32 lower-division undergraduate, graduate, professional, and other categories of instructional
11.33 programs offered by the system;

12.1 (3) a five-year history of the system's total revenues by funding source, including
12.2 tuition, state operations and maintenance appropriations, state special appropriations, other
12.3 restricted state funds, federal appropriations, sponsored research funds, gifts, auxiliary
12.4 revenue, indirect cost recovery, and any other revenue sources;

12.5 (b) By February 1 of each even-numbered year, the Board of Regents of the University
12.6 of Minnesota and the Board of Trustees of the Minnesota State Colleges and Universities
12.7 must submit a report to the chairs of the legislative committees with jurisdiction over
12.8 higher education policy and finance. The report must describe the following:

12.9 ~~(4)~~ (4) an explanation describing how state appropriations made to the system in
 12.10 the previous ~~odd-numbered-year~~ biennium were allocated and the methodology used to
 12.11 determine the allocation;

12.12 ~~(2)~~ (5) data describing how the institution reallocated resources to advance the
 12.13 priorities set forth in the budget submitted under section 135A.034 and the statewide
 12.14 objectives under section 135A.011. The information must indicate whether instruction
 12.15 and support programs received a reduction in or additional resources. The total amount
 12.16 reallocated must be clearly explained;

12.17 ~~(3)~~ (6) the tuition rates and fees established by the governing board in each of the
 12.18 past ten years and comparison data for peer institutions and national averages;

12.19 ~~(4)~~ (7) data on the number and proportion of students graduating within four, five,
 12.20 and six years from universities and within three years from colleges as reported in the
 12.21 integrated postsecondary education data system. These data must be provided for each
 12.22 institution by race, ethnicity, and gender. Data and information must be submitted that
 12.23 describe the system's plan and progress toward attaining the goals set forth in the plan
 12.24 to increase the number and proportion of students that graduate within four, five, or six
 12.25 years from a university or within three years from a college;

12.26 ~~(5)~~ (8) data on, and the methodology used to measure, the number of students
 12.27 traditionally underrepresented in higher education enrolled at the system's institutions.
 12.28 Data and information must be submitted that describe the system's plan and progress
 12.29 toward attaining the goals set forth in the plan to increase the recruitment, retention, and
 12.30 timely graduation of students traditionally underrepresented in higher education; and

12.31 ~~(6)~~ (9) data on the revenue received from all sources to support research or
 12.32 workforce development activities or the system's efforts to license, sell, or otherwise
 12.33 market products, ideas, technology, and related inventions created in whole or in part by
 12.34 the system. Data and information must be submitted that describe the system's plan and
 12.35 progress toward attaining the goals set forth in the plan to increase the revenue received
 13.1 to support research or workforce development activities or revenue received from the
 13.2 licensing, sale, or other marketing and technology transfer activities by the system.

13.3 ~~(e) Instructional expenditure and enrollment data~~ (b) Data required by this
 13.4 subdivision shall be submitted by the public postsecondary systems to the Minnesota
 13.5 Office of Higher Education and the Department of Management and Budget and included
 13.6 in the biennial budget document. ~~The specific data shall be submitted only after the~~
 13.7 ~~director of the Minnesota Office of Higher Education has consulted with a data advisory~~
 13.8 ~~task force to determine the need, content, and detail of the information. Representatives~~
 13.9 ~~from each system, in consultation with the commissioner of management and budget~~
 13.10 ~~and the director of the Office of Higher Education, shall develop consistent reporting~~
 13.11 ~~practices for this purpose.~~

19.3 Section 1. Minnesota Statutes 2012, section 135A.61, is amended to read:

19.4 **135A.61 HIGH SCHOOL-TO-COLLEGE DEVELOPMENTAL TRANSITION**

19.5 **PROGRAMS PROGRAM GRANTS.**

19.6 Subdivision 1. **High school-to-college developmental transition programs**

19.7 **program grants.** ~~All public higher education systems and other higher education~~

19.8 ~~institutions in Minnesota are encouraged to offer~~ (a) The director of the Minnesota Office of

19.9 Higher Education shall award competitive matching grants to Minnesota public and private

19.10 postsecondary institutions offering research-based high school-to-college developmental

19.11 transition programs to prepare students for college-level academic coursework. A program

19.12 under this section must, at a minimum, include instruction to develop the skills and

19.13 abilities necessary to be ready for college-level coursework when the student enrolls in a

19.14 degree, diploma, or certificate program and must address the academic skills identified

19.15 as needing improvement by a college readiness assessment completed by the student. A

19.16 ~~program~~ Developmental courses offered under this section must not constitute more than

19.17 the equivalent of one semester of full-time study occurring in the summer following

19.18 high school graduation. The courses completed in a program under this section must be

19.19 identified on the student's transcript with a unique identifier to distinguish ~~it~~ them from

19.20 other developmental education courses or programs. Courses attended will not count

19.21 towards the limit on postsecondary education used for state financial aid programs under

19.22 sections 136A.121, subdivision 9, and 136A.125, subdivision 2, paragraph (a), clause (4).

19.23 Grants must be awarded to programs that provide instruction and services including,

19.24 but not limited to:

19.25 (1) summer developmental courses in academic areas requiring remediation;

19.26 (2) academic advising, mentoring, and tutoring during the summer program and

19.27 throughout the student's first year of enrollment;

19.28 (3) interaction with student support services, admissions and financial aid offices; and

19.29 (4) orientation to college life, such as study skills or time management.

19.30 (b) Grants shall be awarded to eligible postsecondary institutions as defined in

19.31 section 136A.103.

19.32 (c) Grants shall be awarded for one year and may be renewed for a second year

19.33 with documentation to the Minnesota Office of Higher Education of successful program

19.34 outcomes.

13.12 (c) To the extent practicable, each system shall develop the ability to respond to

13.13 legislative requests for financial analyses that are more detailed than those required by this

13.14 subdivision, including but not limited to analyses that show expenditures or revenues by

13.15 institution or program, or in multiple categories of expenditures or revenues, and analyses

13.16 that show revenue sources for particular types of expenditures.

- 20.1 Subd. 1a. **Eligible students.** (a) Eligible students include students who earned a
20.2 high school diploma or its equivalent during the academic year immediately preceding the
20.3 summer program and who meet one or more of the following criteria:
- 20.4 (1) are counted under section 1124(c) of the Elementary and Secondary Education
20.5 Act of 1965 (Title I);
- 20.6 (2) are eligible for free or reduced-price lunch under the National School Lunch Act;
- 20.7 (3) receive assistance under the Temporary Assistance for Needy Families Law (Title
20.8 I of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996); or
- 20.9 (4) are a member of a group traditionally underrepresented in higher education.
- 20.10 (b) Eligible students include those who met the student eligibility criteria in the
20.11 student's final year of high school and plan to enroll in college the academic year following
20.12 high school graduation or its equivalency.
- 20.13 Subd. 1b. **Application process.** (a) The director of the Minnesota Office of Higher
20.14 Education shall develop a grant application process. The director shall attempt to support
20.15 projects in a manner that ensures that eligible students throughout the state have access to
20.16 program services.
- 20.17 (b) The grant application must include, at a minimum, the following information:
- 20.18 (1) a description of the characteristics of the students to be served reflective of the
20.19 need for services listed in subdivision 1;
- 20.20 (2) a description of the services to be provided and a timeline for implementation of
20.21 the activities;
- 20.22 (3) a description of how the services provided will improve postsecondary readiness
20.23 and support postsecondary retention;
- 20.24 (4) a description of how the services will be evaluated to determine whether the
20.25 program goals were met; and
- 20.26 (5) other information as identified by the director.
- 20.27 Grant recipients must specify both program and student outcome goals, and
20.28 performance measures for each goal.
- 20.29 Subd. 1c. **Match required.** Applicants are required to match the grant amount
20.30 dollar-for-dollar. The match may be in cash or an in-kind contribution.
- 20.31 Subd. 1d. **Review committee.** The director must establish and convene a grant
20.32 selection committee to review applications and award grants. The members of the
20.33 committee may include representatives of postsecondary institutions, school districts,
20.34 organizations providing college outreach services, and others deemed appropriate by the
20.35 director.

21.1 Subd. 2. **High school-to-college developmental transition programs evaluation**

21.2 **report.** (a) Institutions that offer a high school-to-college developmental transition
 21.3 program ~~and enroll students that receive a grant under section 136A.121, subdivision 9b,~~
 21.4 must annually submit data and information about the services provided and program
 21.5 outcomes to the director of the Minnesota Office of Higher Education.

21.6 (b) The director must establish and convene a data working group to develop: (1) the
 21.7 data methodology to be used in evaluating the effectiveness of the programs implemented
 21.8 to improve the academic performance of participants, including the identification of
 21.9 appropriate comparison groups; and (2) a timeline for institutions to submit data and
 21.10 information to the director. The data working group must develop procedures that
 21.11 ensure consistency in the data collected by each institution. Data group members must
 21.12 have expertise in data collection processes and the delivery of academic programs to
 21.13 students, and represent the types of institutions that offer a program under this section.
 21.14 The data group must assist the director in analyzing and synthesizing institutional data
 21.15 and information to be included in the evaluation report submitted to the legislature under
 21.16 subdivision 3.

21.17 (c) Participating institutions must specify both program and student outcome goals
 21.18 and the activities implemented to achieve the goals. The goals must be clearly stated and
 21.19 measurable, and data collected must enable the director to verify the program has met the
 21.20 outcome goals established for the program.

21.21 (d) The data and information submitted must include, at a minimum, the following:

21.22 (1) demographic information about program participants;

21.23 (2) names of the high schools from which the students graduated;

21.24 (3) the college readiness test used to determine the student was not ready for
 21.25 college-level academic coursework;

21.26 (4) the academic content areas assessed and the scores received by the students on
 21.27 the college readiness test;

21.28 (5) a description of the services, including any supplemental noncredit academic
 21.29 support services, provided to students;

21.30 (6) data on the registration load, courses completed, and grades received by students;

21.31 (7) the retention of students from the term they participated in the program to the fall
 21.32 term immediately following graduation from high school;

21.33 (8) information about the student's enrollment in subsequent terms; and

21.34 (9) other information specified by the director or the data group that facilitates the
 21.35 evaluation process.

22.1 Subd. 3. **Report to legislature.** By March 15 of each year, ~~beginning in 2011,~~
 22.2 the director shall submit a report to the committees of the legislature with jurisdiction
 22.3 over higher education finance and policy that evaluates the effectiveness of programs
 22.4 in improving the academic performance of students who participated in the transition
 22.5 programs.

22.6 **EFFECTIVE DATE.** The amendments in this section are effective for programs
 22.7 offered in the summer of 2014 and thereafter.

13.21 Sec. 3. **[136A.104] INSTITUTION TERMINATION.**

13.22 (a) The office shall have the authority to terminate a postsecondary institution's
 13.23 eligibility to participate in state student aid programs if the institution meets one of the
 13.24 following criteria:

13.25 (1) violates a provision of Minnesota Statutes, Minnesota Rules, or administrative
 13.26 policies governing student aid programs and fails to correct the violation and reimburse
 13.27 the office for audit findings within the time frame specified in the audit report or other
 13.28 notice furnished by the office;

13.29 (2) has a consistent pattern of noncompliance with Minnesota Statutes, Minnesota
 13.30 Rules, or administrative policies governing student aid programs as documented by the
 13.31 office or lacks administrative capability to successfully administer student financial aid
 13.32 programs on campus based on factors including, but not limited to:

13.33 (i) adequacy of financial aid staffing levels, experience, training, and turnover of key
 13.34 financial aid staff;

14.1 (ii) adequate checks and balances in its system of internal controls;

14.2 (iii) maintenance of records required for programs; or

14.3 (iv) the ability to participate in the electronic processes used for program
 14.4 administration;

14.5 (3) refuses to allow inspection of or provide information relating to financial aid
 14.6 records, after written request by the office;

14.7 (4) misappropriates student aid program funds;

14.8 (5) falsifies information or engages in misleading or deceptive practices involving
 14.9 the administration of student financial aid programs;

14.10 (6) no longer meets institutional eligibility criteria in section 136A.103 or 136A.155,
 14.11 or additional criteria for state grant participation in Minnesota Rules, part 4830.0300,
 14.12 subparts 1 and 2; or

14.13 (7) is terminated from participating in federal financial aid programs by the United
14.14 States Department of Education, if such termination was based on violation of laws,
14.15 regulations, or participation agreements governing federal financial aid programs.

14.16 Sec. 4. **[136A.1041] TERMINATION PROCEDURE.**

14.17 The office shall provide written notice of its intent to terminate an institution's
14.18 eligibility to participate in student financial aid programs if the institution meets any of
14.19 the criteria for termination in section 136A.104. The office shall send the institution
14.20 written notification of the termination which is effective 90 days from the date of the
14.21 written notification. The office shall also provide an institution an opportunity for a
14.22 hearing pursuant to chapter 14.

14.23 Sec. 5. **[136A.1042] REQUEST FOR HEARING.**

14.24 An institution may request a hearing pursuant to chapter 14 regarding its termination
14.25 of eligibility to participate in a student aid program. The request must be in writing and
14.26 must be received by the director within 30 days of the date on the written notification of
14.27 termination sent by the office. Within ten days of receipt of the request for hearing, the
14.28 office shall contact the Office of Administrative Hearings to arrange a hearing date.

14.29 Sec. 6. **[136A.1043] RESTRICTION ON AWARDS DURING TERMINATION**
14.30 **PERIOD.**

14.31 After the notice of termination and until such time as the termination becomes
14.32 effective, the office reserves the right to withhold further financial aid disbursements to the
14.33 institution. During this period, the institution may not make any new awards to students
15.1 but may use any remaining student aid program funds on campus to make disbursements
15.2 to any students awarded funds prior to the notice of termination.

15.3 Sec. 7. **[136A.1044] FINAL DECISION; ORDERS.**

15.4 The director shall render a decision and order in writing following receipt of the
15.5 report issued by the administrative law judge after the hearing. The final decision of the
15.6 director shall take into consideration the hearing record and the report of the administrative
15.7 law judge. The order of the director is the final decision in the termination of the
15.8 institution's eligibility to participate in a student aid program administered by the office.

15.9 Sec. 8. **[136A.1045] REINSTATEMENT OF ELIGIBILITY.**

15.10 An institution terminated from participating in student financial aid programs
15.11 may submit a request for reinstatement of eligibility. The institution must wait at least
15.12 12 consecutive months from the effective date of the termination to submit a request
15.13 for reinstatement. A request for reinstatement must be in writing and submitted to the
15.14 director. If the institution is initially denied reinstatement, the institution must wait at
15.15 least 90 days from the date of denial of reinstatement to resubmit a subsequent request
15.16 for reinstatement. If an institution's eligibility is reinstated after the start of the academic
15.17 term, eligible students shall receive payment retroactively to the beginning of the term
15.18 during which the institution was reinstated.

15.19 Sec. 9. **[136A.1046] REINSTATEMENT REQUIREMENTS.**

15.20 An institution's reinstatement request must include:

15.21 (1) written documentation specifying changes the institution has made to
15.22 successfully address the reasons for termination, as outlined in the termination notice;

15.23 (2) permission for the office's staff to conduct a reinstatement audit and to evaluate
15.24 systems put in place to address the reasons for termination;

15.25 (3) evidence of full repayment to the office of student aid program funds the
15.26 institution improperly received, withheld, disbursed, or caused to be disbursed;

15.27 (4) new participation agreements with the office for all student aid programs in
15.28 which the institution wishes to participate; and

15.29 (5) if applicable, documentation of the institution's eligibility to participate in
15.30 federal financial aid programs.

15.31 Sec. 10. **[136A.1047] RESPONSE TO REINSTATEMENT REQUEST.**

16.1 Within 60 days of receiving the institution's reinstatement request, the office shall
16.2 conduct a reinstatement audit and either:

16.3 (1) place the institution on probationary status for a period of one year; or

16.4 (2) deny the request based on the institution meeting one or more of the termination
16.5 criteria in section 136A.104.

16.6 Sec. 11. **[136A.1048] PROBATIONARY PERIOD.**

16.7 During the probationary period, the office may audit the institution's records without
16.8 notice. If, while on probation, the institution violates a condition under section 136A.104,
16.9 as documented by the office's audit staff, the office must remove the institution from
16.10 probationary status and deny the request for reinstatement. If the institution fails to
16.11 successfully complete the probationary period, termination is final and effective within 30
16.12 days of written notice of the denial of the reinstatement request.

16.13 Sec. 12. **[136A.1049] REINSTATEMENT.**

22.8 Sec. 2. Minnesota Statutes 2012, section 136A.121, is amended by adding a
22.9 subdivision to read:

22.10 Subd. 20. **Institution reporting.** (a) Each institution receiving financial aid under
22.11 this section must annually report by December 31 to the office the following for its
22.12 undergraduate programs:

22.13 (1) enrollment, persistence, and graduation data for all students, including aggregate
22.14 information on state and federal Pell grant recipients;

22.15 (2) the job placement rate and salary and wage information for graduates of each
22.16 program that is either designed or advertised to lead to a particular type of job or advertised
22.17 or promoted with a claim regarding job placement; and

22.18 (3) the student debt to earnings ratio of graduates.

22.19 (b) The office shall provide the following on its Internet Web site:

22.20 (1) the information submitted by an institution pursuant to paragraph (a), which shall
22.21 be made available in a searchable database; and

22.22 (2) other information and links that are useful to students and parents who are in
22.23 the process of selecting a college or university. This information may include, but is
22.24 not limited to, local occupational profiles.

22.25 (c) The office shall provide a standard format and instructions for supplying the
22.26 information required under paragraph (a).

22.27 Sec. 3. Minnesota Statutes 2012, section 136A.125, subdivision 4, is amended to read:

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

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

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

16.14 If an institution no longer violates a condition under section 136A.104 and
16.15 successfully completes the probationary period, the office must reinstate the institution's
16.16 eligibility to participate in student financial aid programs effective the last date of the
16.17 probationary period.

16.18 Sec. 13. **[136A.105] STUDENT AWARDS AFTER TERMINATION.**

16.19 If an institution is terminated from participating in student financial aid programs
16.20 during a payment period, and a student at the institution was eligible for an award other
16.21 than a Student Educational Loan Fund loan before the effective date of the institution's
16.22 termination, the office must issue a payment for that payment period, as long as the student
16.23 will not receive a payment for the same payment period from another institution and the
16.24 student continues to meet the program's eligibility requirements.

17.13 Sec. 15. Minnesota Statutes 2012, section 136A.125, subdivision 4, is amended to read:

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

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

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

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

22.33 (b) The maximum award to the applicant shall be ~~\$2,600~~ \$2,800 for each eligible
 22.34 child per academic year, except that the campus financial aid officer may apply to the
 23.1 office for approval to increase grants by up to ten percent to compensate for higher market
 23.2 charges for infant care in a community. The office shall develop policies to determine
 23.3 community market costs and review institutional requests for compensatory grant
 23.4 increases to ensure need and equal treatment. The office shall prepare a chart to show the
 23.5 amount of a grant that will be awarded per child based on the factors in this subdivision.
 23.6 The chart shall include a range of income and family size.

23.7 Sec. 4. Minnesota Statutes 2012, section 136A.62, is amended by adding a subdivision
 23.8 to read:

23.9 Subd. 6. **Online platform service.** An online platform service is a nondegree
 23.10 granting entity that provides online access to schools as defined in subdivision 3, to enable
 23.11 the schools to offer online training, courses, or programs.

23.12 Sec. 5. Minnesota Statutes 2012, section 136A.653, is amended by adding a
 23.13 subdivision to read:

23.14 Subd. 3a. **Tuition-free educational courses.** A school, including a school using an
 23.15 online platform service, offering training, courses, or programs is exempt from sections
 23.16 136A.61 to 136A.71, to the extent it offers tuition-free courses to students in Minnesota.
 23.17 A course will be considered tuition-free if the school charges no tuition and the required
 23.18 fees and other required charges paid by the student for the course do not exceed two
 23.19 percent of the most recent average undergraduate tuition and required fees as of January
 23.20 1 of the current year charged for full-time students at all degree-granting institutions as
 23.21 published annually by the United States Department of Education as of January 1 of each
 23.22 year. To qualify for an exemption a school or online platform service must prominently
 23.23 display a notice comparable to the following: "IMPORTANT: Each educational institution
 23.24 makes its own decision regarding whether to accept completed coursework for credit.
 23.25 Check with your university or college."

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

17.19 (b) The maximum award to the applicant shall be ~~\$2,600~~ \$2,800 for each eligible
 17.20 child per academic year, except that the campus financial aid officer may apply to the
 17.21 office for approval to increase grants by up to ten percent to compensate for higher market
 17.22 charges for infant care in a community. The office shall develop policies to determine
 17.23 community market costs and review institutional requests for compensatory grant
 17.24 increases to ensure need and equal treatment. The office shall prepare a chart to show the
 17.25 amount of a grant that will be awarded per child based on the factors in this subdivision.
 17.26 The chart shall include a range of income and family size.

19.27 Sec. 19. Minnesota Statutes 2012, section 136A.653, is amended by adding a
 19.28 subdivision to read:

19.29 Subd. 5. **Free educational courses.** A school providing exclusively free training or
 19.30 instructional programs or courses where no tuition, fees, or any other charges are required
 19.31 for a student to participate is exempt from the provisions of sections 136A.61 to 136A.71.

19.32 Sec. 20. **[136A.89] STATEWIDE ELECTRONIC INFRASTRUCTURE;**
19.33 **PORTFOLIO SOLUTIONS.**

20.1 Subdivision 1. **Collaborative infrastructure.** (a) The Department of Employment
20.2 and Economic Development, the Department of Education, the Office of Higher
20.3 Education, the University of Minnesota, and the Minnesota State Colleges and Universities
20.4 shall collaborate to implement an electronic infrastructure, maintained under the direction
20.5 and control of the Office of Higher Education, to support academic and workforce success
20.6 statewide. The infrastructure shall first utilize existing assets, tools, and services, including
20.7 but not limited to efolioMinnesota and GPS LifePlan. To facilitate implementation of this
20.8 section, the Minnesota State Colleges and Universities shall transfer hosting, support, help
20.9 desk responsibilities, software maintenance, and its intellectual property rights associated
20.10 with efolioMinnesota and GPS LifePlan to the Office of Higher Education.

20.11 (b) To the extent possible, the basic electronic infrastructure shall be available at no
20.12 charge to all state residents and to all students attending Minnesota educational institutions.

20.13 Subd. 2. **Goals; programs.** The office may enhance the efolioMinnesota platform
20.14 to allow, at a minimum, implementation of:

20.15 (1) a portfolio-based individual learning plan solution that includes comprehensive
20.16 academic and life planning instruments, to support student transitions to postsecondary
20.17 school or to work; and

20.18 (2) a student-owned proficiency portfolio solution to support student transitions to
20.19 the workplace and employers seeking first-day-work-ready employees.

20.20 Subd. 3. **Resources; accountability reports.** (a) The office may seek and accept
20.21 contributions from individuals, businesses, and other organizations to support the goals
20.22 required by this section. The parties listed in subdivision 1 are not required to contribute.
20.23 All contributions received are appropriated to the office and shall be administered as
20.24 directed by the office.

20.25 (b) The director of the Office of Higher Education shall submit, no later than January
20.26 15 of each year, a report to the governor and legislature on the progress of the office's
20.27 activities related to implementation of this section.

23.26 Sec. 6. **[136F.791] MNSCU RESERVES PROJECT.**

23.27 Subdivision 1. **Establishment.** To increase the distribution of potential economic
23.28 benefit of deposits of reserve funds of the institutions of the Minnesota State Colleges and
23.29 Universities (MnSCU), the MnSCU reserves project is established to transfer certain
23.30 reserve deposits of selected institutions from the state treasury to a community financial
23.31 institution. Notwithstanding section 16A.27, by January 2 of every other year beginning
23.32 January 2, 2014, the commissioner of management and budget shall transfer the specified
23.33 amount of board-required reserve funds of colleges and universities selected by the Board
24.1 of Trustees under subdivision 2 to a community financial institution designated for each of
24.2 the participating colleges and universities.

24.3 Subd. 2. **Participating colleges and universities.** By August 15 of every other year
24.4 beginning August 15, 2013, colleges and universities may apply to the Board of Trustees
24.5 of the Minnesota State Colleges and Universities for participation in the MnSCU reserves
24.6 project. Each applicant must designate one or more community financial institutions for
24.7 the deposit of a specified amount of board-required reserves with the terms of the deposit
24.8 for each designated community financial institution. The designated community financial
24.9 institution must be located in the geographic area of a participating campus. From the
24.10 applicants, the board may select up to eight postsecondary institutions to participate in
24.11 the MnSCU reserves project. In making its selection, the board must consider the size
24.12 of the institution's reserves and the terms offered by the designated community financial
24.13 institutions. Unless there are not sufficient applicants, two-year and four-year institutions
24.14 may be selected to participate in the MnSCU reserves project and the majority of the
24.15 selected institutions must be located in greater Minnesota. By December 1 of every other
24.16 year beginning December 1, 2013, the board must notify the commissioner of management
24.17 and budget and the chair and ranking minority members of the legislative committees and
24.18 divisions with jurisdiction over higher education finance of the participating colleges
24.19 and universities, the deposit amount for each institution, and the associated community
24.20 financial institutions. The MnSCU reserves project shall provide for the transfer of
24.21 deposits for up to a five-year period.

24.22 Subd. 3. **Community financial institution.** As used in this section, "community
24.23 financial institution" means a federally insured bank or credit union, chartered as a bank or
24.24 credit union by the state of Minnesota or the United States.

24.25 Subd. 4. **Evaluation and report.** The commissioner of management and budget
 24.26 and the Board of Trustees shall independently evaluate the effectiveness or harm of the
 24.27 MnSCU reserves project in increasing the use of community financial institutions and
 24.28 providing wider distribution of the economic benefit of the deposit of postsecondary
 24.29 reserves. Each evaluation must include the participating colleges, universities, and
 24.30 community financial institutions. The commissioner of management and budget and
 24.31 the Board of Trustees shall report on the MnSCU reserves project evaluation to the
 24.32 committees and divisions of the legislature with primary jurisdiction over higher education
 24.33 finance by February 1 every four years beginning on February 1, 2016.

24.34 Sec. 7. Minnesota Statutes 2012, section 141.35, is amended to read:
 24.35 **141.35 EXEMPTIONS.**

25.1 Sections 141.21 to 141.32 shall not apply to the following:

25.2 (1) public postsecondary institutions;

25.3 (2) postsecondary institutions registered under sections 136A.61 to 136A.71;

25.4 (3) schools of nursing accredited by the state Board of Nursing or an equivalent

25.5 public board of another state or foreign country;

25.6 (4) private schools complying with the requirements of section 120A.22, subdivision

25.7 4;

25.8 (5) courses taught to students in a valid apprenticeship program taught by or

25.9 required by a trade union;

25.10 (6) schools exclusively engaged in training physically or mentally disabled persons

25.11 for the state of Minnesota;

25.12 (7) schools licensed by boards authorized under Minnesota law to issue licenses

25.13 except schools required to obtain a private career school license due to the use of

25.14 "academy," "institute," "college," or "university" in their names;

25.15 (8) schools and educational programs, or training programs, contracted for by

25.16 persons, firms, corporations, government agencies, or associations, for the training of their

25.17 own employees, for which no fee is charged the employee;

25.18 (9) schools engaged exclusively in the teaching of purely avocational, recreational,

25.19 or remedial subjects as determined by the office except schools required to obtain a private

25.20 career school license due to the use of "academy," "institute," "college," or "university" in

25.21 their names unless the school used "academy" or "institute" in its name prior to August

25.22 1, 2008;

25.23 (10) classes, courses, or programs conducted by a bona fide trade, professional, or

25.24 fraternal organization, solely for that organization's membership;

22.27 Sec. 24. Minnesota Statutes 2012, section 141.35, is amended to read:

22.28 **141.35 EXEMPTIONS.**

22.29 Sections 141.21 to 141.32 shall not apply to the following:

22.30 (1) public postsecondary institutions;

22.31 (2) postsecondary institutions registered under sections 136A.61 to 136A.71;

22.32 (3) schools of nursing accredited by the state Board of Nursing or an equivalent

22.33 public board of another state or foreign country;

23.1 (4) private schools complying with the requirements of section 120A.22, subdivision

23.2 4;

23.3 (5) courses taught to students in a valid apprenticeship program taught by or

23.4 required by a trade union;

23.5 (6) schools exclusively engaged in training physically or mentally disabled persons

23.6 for the state of Minnesota;

23.7 (7) schools licensed by boards authorized under Minnesota law to issue licenses

23.8 except schools required to obtain a private career school license due to the use of

23.9 "academy," "institute," "college," or "university" in their names;

23.10 (8) schools and educational programs, or training programs, contracted for by

23.11 persons, firms, corporations, government agencies, or associations, for the training of their

23.12 own employees, for which no fee is charged the employee;

23.13 (9) schools engaged exclusively in the teaching of purely avocational, recreational,

23.14 or remedial subjects as determined by the office except schools required to obtain a private

23.15 career school license due to the use of "academy," "institute," "college," or "university" in

23.16 their names unless the school used "academy" or "institute" in its name prior to August

23.17 1, 2008;

23.18 (10) classes, courses, or programs conducted by a bona fide trade, professional, or

23.19 fraternal organization, solely for that organization's membership;

25.25 (11) programs in the fine arts provided by organizations exempt from taxation
 25.26 under section 290.05 and registered with the attorney general under chapter 309. For
 25.27 the purposes of this clause, "fine arts" means activities resulting in artistic creation or
 25.28 artistic performance of works of the imagination which are engaged in for the primary
 25.29 purpose of creative expression rather than commercial sale or employment. In making
 25.30 this determination the office may seek the advice and recommendation of the Minnesota
 25.31 Board of the Arts;

25.32 (12) classes, courses, or programs intended to fulfill the continuing education
 25.33 requirements for licensure or certification in a profession, that have been approved by a
 25.34 legislatively or judicially established board or agency responsible for regulating the practice
 25.35 of the profession, and that are offered exclusively to an individual practicing the profession;

26.1 (13) classes, courses, or programs intended to prepare students to sit for
 26.2 undergraduate, graduate, postgraduate, or occupational licensing and occupational
 26.3 entrance examinations;

26.4 (14) classes, courses, or programs providing 16 or fewer clock hours of instruction
 26.5 that are not part of the curriculum for an occupation or entry level employment except
 26.6 schools required to obtain a private career school license due to the use of "academy,"
 26.7 "institute," "college," or "university" in their names;

26.8 (15) classes, courses, or programs providing instruction in personal development,
 26.9 modeling, or acting;

26.10 (16) training or instructional programs, in which one instructor teaches an individual
 26.11 student, that are not part of the curriculum for an occupation or are not intended to prepare
 26.12 a person for entry level employment; ~~and~~

26.13 (17) schools with no physical presence in Minnesota, as determined by the office,
 26.14 engaged exclusively in offering distance instruction that are located in and regulated by
 26.15 other states or jurisdictions; and

26.16 (18) schools providing exclusively training, instructional programs, or courses
 26.17 where tuition, fees, and any other charges for a student to participate do not exceed \$100.

26.18 **Sec. 8. DEVELOPMENT OF FINANCIAL STRATEGIES FOR TIMELY**
 26.19 **COMPLETION OF POSTSECONDARY PROGRAMS.**

26.20 The director of the Minnesota Office of Higher Education, in consultation with the
 26.21 higher education policy and finance committees of the legislature, shall analyze strategies
 26.22 to financially assist students in the timely completion of their higher education program.
 26.23 The director shall seek the advice of stakeholders in the higher education community
 26.24 about the analysis. In addition to other issues, the analysis must include consideration of
 26.25 the following:

23.20 (11) programs in the fine arts provided by organizations exempt from taxation
 23.21 under section 290.05 and registered with the attorney general under chapter 309. For
 23.22 the purposes of this clause, "fine arts" means activities resulting in artistic creation or
 23.23 artistic performance of works of the imagination which are engaged in for the primary
 23.24 purpose of creative expression rather than commercial sale or employment. In making
 23.25 this determination the office may seek the advice and recommendation of the Minnesota
 23.26 Board of the Arts;

23.27 (12) classes, courses, or programs intended to fulfill the continuing education
 23.28 requirements for licensure or certification in a profession, that have been approved by a
 23.29 legislatively or judicially established board or agency responsible for regulating the practice
 23.30 of the profession, and that are offered exclusively to an individual practicing the profession;

23.31 (13) classes, courses, or programs intended to prepare students to sit for
 23.32 undergraduate, graduate, postgraduate, or occupational licensing and occupational
 23.33 entrance examinations;

23.34 (14) classes, courses, or programs providing 16 or fewer clock hours of instruction
 23.35 that are not part of the curriculum for an occupation or entry level employment except
 24.1 schools required to obtain a private career school license due to the use of "academy,"
 24.2 "institute," "college," or "university" in their names;

24.3 (15) classes, courses, or programs providing instruction in personal development,
 24.4 modeling, or acting;

24.5 (16) training or instructional programs, in which one instructor teaches an individual
 24.6 student, that are not part of the curriculum for an occupation or are not intended to prepare
 24.7 a person for entry level employment; ~~and~~

24.8 (17) schools with no physical presence in Minnesota, as determined by the office,
 24.9 engaged exclusively in offering distance instruction that are located in and regulated by
 24.10 other states or jurisdictions; and

24.11 (18) schools providing exclusively free training or instructional programs or courses
 24.12 where no tuition, fees, or any other charges are required for a student to participate.

- 26.26 (1) tuition policies such as tuition guarantees, tuition rebates, declining tuition,
26.27 and other tuition strategies that provide a financial incentive to complete a program in a
26.28 timely fashion;
- 26.29 (2) financial aid policies, including state grant awards and loan interest rate
26.30 adjustments, that make completing a program less of a financial burden than the costs
26.31 at the beginning of a program;
- 26.32 (3) a system for identifying, counseling, and assisting students who are considering
26.33 leaving a program due to financial reasons;
- 26.34 (4) increased state grant awards for enrollment in programs for which there is a
26.35 demonstrated employment need within the state for program graduates; and
- 27.1 (5) a strategy to connect students to employers prior to completion of a program and
27.2 combining a work experience with program completion.
- 27.3 The director shall report the results of the analysis along with any recommendations
27.4 to the committees and divisions of the legislature with jurisdiction over higher education
27.5 finance and policy by January 15, 2014.
- 27.6 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 27.7 **Sec. 9. DIRECTOR OF THE OFFICE OF MINNESOTA HIGHER EDUCATION**
27.8 **STUDENT LOAN REFINANCING ANALYSIS.**
- 27.9 The director of the Minnesota Office of Higher Education, in consultation with
27.10 the higher education finance and policy committees of the legislature, shall analyze the
27.11 feasibility and appropriate components of a program that would assist Minnesota residents
27.12 in refinancing student loans for higher education. Without limitation, the outlines of the
27.13 program could include the issuance of bonds by the Minnesota Office of Higher Education
27.14 to provide a pool of money that could be lent at a lower rate to student loan debtors than is
27.15 charged on their existing student loan debt, thereby reducing borrowing costs.
- 27.16 In addition to any other issues the director determines necessary to analyze, the
27.17 director shall analyze:
- 27.18 (1) whether there would be a sufficient spread between interest that could be charged
27.19 by the office on its refinancing loans and the current interest on existing student loans to
27.20 make the loans from the office attractive and sufficiently beneficial to student loan debtors;
- 27.21 (2) the amount of bonds that need to be issued to make them marketable;
- 27.22 (3) the eligibility requirements for student loan debtors seeking to refinance,
27.23 including whether a debtor must be employed, the sort of education received, and whether
27.24 the education received was completed; and

- 27.25 (4) the appropriate cap on the amount of a refinancing loan and other loan program
27.26 specifics.
- 27.27 The director shall report on the analysis under this section and make
27.28 recommendations to the higher education finance and policy committees of the legislature
27.29 by January 15, 2014.
- 27.30 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 27.31 **Sec. 10. PILOT PROGRAM OF INTENSIVE GUIDANCE; MENTORING AND**
27.32 **JOB PLACEMENT.**
- 28.1 The Board of Trustees of the Minnesota State Colleges and Universities must
28.2 operate at least one pilot program at a college and one at a university that provides a high
28.3 level of course advising and guidance, personal financial counseling, and job placement
28.4 for students who are at risk of not completing their studies. The objectives of the pilot
28.5 program are as follows:
- 28.6 (1) to increase the likelihood that students will complete their higher education
28.7 programs of study by identifying programs of study that interest the students and
28.8 connecting those interests to appropriate programs within the college or university;
- 28.9 (2) to provide mentoring to students;
- 28.10 (3) to monitor and advise students concerning higher education finance and financial
28.11 assistance;
- 28.12 (4) to connect students to employers while enrolled at the college or university; and
- 28.13 (5) to connect graduates of the college or university with postgraduation employment
28.14 options.
- 28.15 The board must report by November 1, 2015, on the results of the pilot program to
28.16 the chairs and ranking minority members of the legislative committees and divisions with
28.17 jurisdiction over higher education finance. The report must identify for each pilot program
28.18 its success in achieving program objectives specified in clauses (1) to (5), and the cost and
28.19 cost-effectiveness of meeting each objective. The report must include recommendations
28.20 on whether to make the program permanent and on appropriate cost-effective program
28.21 components.

28.22 Sec. 11. **HIGHER EDUCATION INSTITUTIONAL PARTICIPATION IN STATE**
28.23 **STUDENT AID PROGRAMS; REPORT.**

28.24 The Minnesota Office of Higher Education must report by February 1, 2014, to the
28.25 chairs and ranking minority members of the legislative committees and divisions with
28.26 the primary jurisdiction over higher education finance on the available and appropriate
28.27 data that should be used as statutory criteria to determine whether a higher education
28.28 institution should be allowed to participate in state financial aid programs. Among other
28.29 data, the data could include an institution's completion/graduation rates, student debt to
28.30 income ratios, and employment rates related to field of study. The office must consult
28.31 regularly with the higher education finance committees or divisions about the purpose
28.32 and content of the report.

28.33 Sec. 12. **UNIVERSITY OF MINNESOTA REPORTS.**

29.1 Subdivision 1. **Medical school capacity.** The Board of Regents of the University
29.2 of Minnesota must report, by November 1, 2013, to the legislative committees and
29.3 divisions with primary jurisdiction over higher education finance and policy the following
29.4 information with respect to its Twin Cities campus medical school:

29.5 (1) the number of applicants seeking admission to the school for the academic term
29.6 commencing in the fall of 2013 and the number admitted;

29.7 (2) the number of applicants admitted to the school for each of the fall academic
29.8 terms commencing between 2000 and 2012;

29.9 (3) the number of school graduates projected for each of the next ten years;

29.10 (4) the number of school graduates projected to remain and practice in Minnesota
29.11 after graduation for each of the next ten years; and

29.12 (5) plans of the university to increase the capacity of the school.

29.13 The report must include the most recent and accepted analysis concerning the need
29.14 for physicians in Minnesota in the future, including time frames of the next five, ten, 15,
29.15 and 20 years. The need must be stated in aggregate and in specialty practice areas.

29.16 Subd. 2. **STEM programs.** The Board of Regents of the University of Minnesota
29.17 must report, by November 1, 2013, to the legislative committees and divisions with
29.18 primary jurisdiction over higher education finance and policy with respect to its
29.19 undergraduate science, technology, engineering, and mathematics programs on the Twin
29.20 Cities campus the following information:

29.21 (1) the number of applicants seeking admission to those programs for the academic
29.22 term commencing in the fall of 2013 and the number admitted;

- 29.23 (2) the percentage of students that graduate from the programs who remain in
29.24 Minnesota both historically and projected into the future; and
- 29.25 (3) plans to expand the capacity of the programs.
- 29.26 The report must include the most recent and accepted analysis of the projected
29.27 need of employers within the state for graduates of science, technology, engineering, and
29.28 mathematics programs in the future, including times frames of five, ten, 15, and 20 years.
- 29.29 **Subd. 3. University administrative costs.** (a) The Board of Regents of the
29.30 University of Minnesota must, within 30 days of its receipt of the report or study, provide
29.31 to the chairs and ranking minority members of the legislative committees and divisions
29.32 with jurisdiction over higher education finance, a report currently expected to be received
29.33 by the university in July 2013, concerning what is commonly known as a spans and
29.34 layers analysis by Sibson Consulting and an administrative services benchmarking and
29.35 diagnostic study expected to be done in May 2013, by Huron Consulting.
- 30.1 (b) The Board of Regents of the University of Minnesota must provide to the
30.2 chairs and ranking minority members of the legislative committees with jurisdiction over
30.3 higher education finance a plan to lower its overall costs based on its work with Huron
30.4 Consulting concerning administrative services benchmarking and diagnostic study within
30.5 90 days of its receipt of the final report from Huron Consulting. The board must update
30.6 the committees and minority members every 30 days on the progress of the analysis and
30.7 any preliminary findings or recommendations.
- 30.8 **Sec. 13. MENTAL HEALTH ISSUES SUMMIT.**
- 30.9 The Board of Trustees of the Minnesota State Colleges and Universities, in
30.10 cooperation with the commissioner of human services, shall convene a summit of
30.11 representatives of the Minnesota State Colleges and Universities, the University of
30.12 Minnesota, private colleges, mental health professionals, special education representatives,
30.13 children and adult mental health advocates and providers, and community mental health
30.14 centers. The summit shall develop a comprehensive workforce development plan to:
- 30.15 (1) increase the number of mental health professionals and practitioners;
- 30.16 (2) ensure appropriate course work and training experience; and
- 30.17 (3) increase the number of culturally diverse mental health professionals and
30.18 practitioners.
- 30.19 The plan required by this section shall be submitted to the chairs and ranking minority
30.20 members of the legislative committees responsible for health and human services policy
30.21 and higher education policy no later than January 15, 2015.
- 30.22 **EFFECTIVE DATE.** This section is effective the day following final enactment.

30.23 Sec. 14. **SALARY STUDY.**

30.24 The Board of Trustees of the Minnesota State Colleges and Universities and the
 30.25 Board of Regents of the University of Minnesota must each conduct a study comparing
 30.26 the number of faculty and administrative staff employed and the salary and benefit of
 30.27 its faculty and staff to the number of faculty and administrative staff employed and the
 30.28 salary and benefits of faculty and staff in comparable non-Minnesota institutions. Each
 30.29 board must report the results of its study to the legislative committees and divisions with
 30.30 jurisdiction over higher education finance by February 1, 2014.

30.31 Sec. 15. **REPEALER.**

30.32 Minnesota Statutes 2012, section 136A.121, subdivision 9b, is repealed.

24.21 Sec. 26. **REPEALER.**

24.22 (a) Minnesota Statutes 2012, section 136A.031, subdivision 2, is repealed.

24.23 (b) Minnesota Rules, parts 4830.0120; 4830.0130; 4830.0140; 4830.0150;
 24.24 4830.0160; 4830.0170; 4830.0180; 4830.0190; and 4830.0195, are repealed.

31.3 Section 1. Minnesota Statutes 2012, section 13.47, subdivision 3, is amended to read:

31.4 Subd. 3. **Dissemination.** Employment and training data may be disseminated by
 31.5 employment and training service providers:

31.6 (a) to other employment and training service providers to coordinate the employment
 31.7 and training services for the data subject or to determine eligibility or suitability for
 31.8 services from other programs;

31.9 (b) to local and state welfare agencies for monitoring the eligibility of the participant
 31.10 for assistance programs, or for any employment or training program administered by
 31.11 those agencies; and

31.12 (c) to the commissioner of employment and economic development; and

31.13 (d) by the commissioner of employment and economic development to the Office of
 31.14 Higher Education for purposes of supporting program improvement, system evaluation,
 31.15 and research initiatives including the Statewide Longitudinal Education Data System.

- 31.16 Sec. 2. Minnesota Statutes 2012, section 127A.70, subdivision 2, is amended to read:
- 31.17 Subd. 2. **Powers and duties; report.** (a) The partnership shall develop
- 31.18 recommendations to the governor and the legislature designed to maximize the achievement
- 31.19 of all P-20 students while promoting the efficient use of state resources, thereby helping
- 31.20 the state realize the maximum value for its investment. These recommendations may
- 31.21 include, but are not limited to, strategies, policies, or other actions focused on:
- 31.22 (1) improving the quality of and access to education at all points from preschool
- 31.23 through graduate education;
- 31.24 (2) improving preparation for, and transitions to, postsecondary education and
- 31.25 work; and
- 31.26 (3) ensuring educator quality by creating rigorous standards for teacher recruitment,
- 31.27 teacher preparation, induction and mentoring of beginning teachers, and continuous
- 31.28 professional development for career teachers.
- 31.29 (b) Under the direction of the P-20 Education Partnership Statewide Longitudinal
- 31.30 Education Data System Governance Committee, the Office of Higher Education, and the
- 31.31 Departments of Education and Employment and Economic Development shall improve
- 31.32 and expand the statewide longitudinal education data system (SLEDS) to:
- 31.33 (1) provide authorized officials of early learning programs, schools, school districts,
- 31.34 institutions of higher education, and workforce programs with access to individual-level
- 32.1 data, summary reports, and access to data in a manner that can be integrated with additional
- 32.2 data maintained outside of the SLEDS system to inform education decision-making;
- 32.3 (2) provide policymakers, education and workforce leaders, researchers, and
- 32.4 members of the public with data, research, and reports to:
- 32.5 (i) expand reporting on students' educational outcomes;
- 32.6 (ii) support instruction and collaboration among faculty, teachers, and instructors;
- 32.7 (iii) evaluate the effectiveness of educational and workforce programs;
- 32.8 (iv) evaluate the relationship between education and workforce outcomes; and
- 32.9 (v) evaluate the efficacy of teacher preparation programs.
- 32.10 To the extent possible under federal and state law, research and reports should
- 32.11 be accessible to the public on the Internet, and disaggregated by student and worker
- 32.12 demographic characteristics, organization and organization characteristics, and geography,
- 32.13 including legislative district.

32.14 It is the intent of the legislature that the statewide longitudinal education data system
 32.15 inform public policy and decision-making. The SLEDS governance committee, with
 32.16 assistance from staff of the Office of Higher Education, the Department of Education, and
 32.17 the Department of Employment and Economic Development, shall respond to legislative
 32.18 committee and agency requests on topics utilizing data made available through the
 32.19 statewide longitudinal education data system as resources permit. Any analysis of or
 32.20 report on the data must contain only summary data.

32.21 (c) By January 15 of each year, the partnership shall submit a report to the governor
 32.22 and to the chairs and ranking minority members of the legislative committees and
 32.23 divisions with jurisdiction over P-20 education policy and finance that summarizes the
 32.24 partnership's progress in meeting its goals and identifies the need for any draft legislation
 32.25 when necessary to further the goals of the partnership to maximize student achievement
 32.26 while promoting efficient use of resources.

32.27 Sec. 3. **[135A.63] TERRORIST RELATIONSHIP PROHIBITED.**

32.28 The board of regents of the University of Minnesota and the board of trustees of
 32.29 the Minnesota State Colleges and Universities must each develop a policy concerning the
 32.30 hosting, expending money on, facilitating travel for, or conferring an academic honor on
 32.31 behalf of any person who has either been convicted of an act of terrorism or who has
 32.32 publicly acknowledged committing or participating in terrorism.

32.33 Sec. 4. Minnesota Statutes 2012, section 136A.031, subdivision 2, is amended to read:

33.1 Subd. 2. **Higher Education Advisory Council.** A Higher Education Advisory
 33.2 Council (HEAC) is established. The HEAC is composed of the Director of the Office of
 33.3 Higher Education; the president of the University of Minnesota or designee; the chancellor
 33.4 of the Minnesota State Colleges and Universities or designee; the commissioner of
 33.5 education; the commissioner of employment and economic development; the president
 33.6 of the Private College Council or a nonprofit private college; and a representative from
 33.7 the Minnesota Career College Association; and a member appointed by the governor.
 33.8 The chair shall be designated by the governor. The HEAC shall bring to the attention of
 33.9 the Minnesota Office of Higher Education governor and the legislature any matters that
 33.10 the HEAC deems important and necessary.

33.11 Sec. 5. Minnesota Statutes 2012, section 136A.101, subdivision 3, is amended to read:

33.12 Subd. 3. **Director Commissioner.** "~~Director~~" "Commissioner" means the ~~director~~
 33.13 commissioner of the Minnesota Office of Higher Education.

33.14 Sec. 6. Minnesota Statutes 2012, section 136A.101, subdivision 9, is amended to read:

33.15 Subd. 9. **Independent student.** "Independent student" has the meaning given ~~it in~~
 33.16 under Title IV of the Higher Education Act of 1965, United States Code, title 20, section
 33.17 1070a-6 as amended, and applicable regulations.

13.17 Sec. 2. Minnesota Statutes 2012, section 136A.101, subdivision 9, is amended to read:

13.18 Subd. 9. **Independent student.** "Independent student" has the meaning given ~~it in~~
 13.19 under Title IV of the Higher Education Act of 1965, United States Code, title 20, section
 13.20 1070a-6 as amended, and applicable regulations.

33.18 Sec. 7. Minnesota Statutes 2012, section 136A.125, subdivision 2, is amended to read:

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

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

33.22 (2) has a child 12 years of age or younger, or 14 years of age or younger who is

33.23 disabled as defined in section 125A.02, and who is receiving or will receive care on a

33.24 regular basis from a licensed or legal, nonlicensed caregiver;

33.25 (3) is income eligible as determined by the office's policies and rules, but is not a

33.26 recipient of assistance from the Minnesota family investment program;

33.27 (4) has not earned a baccalaureate degree and has been enrolled full time less than

33.28 eight semesters or the equivalent;

33.29 (5) is pursuing a nonsectarian program or course of study that applies to an

33.30 undergraduate degree, diploma, or certificate;

33.31 (6) is enrolled at least half time in an eligible institution; and

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

34.1 (b) A student who withdraws from enrollment for active military service or for a

34.2 major illness, while under the care of a medical professional, that substantially limits the

34.3 student's ability to complete the term is entitled to an additional semester or the equivalent

34.4 of grant eligibility and will be considered to be in continuing enrollment status upon return.

34.5 Sec. 8. **[136A.221] RESEARCH DOGS AND CATS.**

34.6 (a) A higher education research facility that receives public money or a facility

34.7 that provides research in collaboration with a higher education facility that confines

34.8 dogs or cats for science or research purposes and plans on destroying a dog or cat for

34.9 other than science or research purposes, must first offer the dog or cat to an animal

34.10 rescue organization. A facility that is required to offer dogs or cats to an animal rescue

34.11 organization under this section may enter into an agreement with the animal rescue

34.12 organization to protect the facility. A facility that provides a dog or cat to a rescue

34.13 organization under this section is immune from any civil liability that otherwise might

34.14 result from their actions, provided that the facility is acting in good faith.

34.15 (b) For the purposes of this section, "animal rescue organization" means any

34.16 nonprofit organization incorporated for the purpose of rescuing animals in need and

34.17 finding permanent, adoptive homes for the animals.

34.18 Sec. 9. Minnesota Statutes 2012, section 136A.233, subdivision 2, is amended to read:

34.19 Subd. 2. **Definitions.** For purposes of sections 136A.231 to 136A.233, the words

34.20 defined in this subdivision have the meanings ascribed to them.

16.25 Sec. 14. Minnesota Statutes 2012, section 136A.125, subdivision 2, is amended to read:

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

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

16.29 (2) has a child 12 years of age or younger, or 14 years of age or younger who is

16.30 disabled as defined in section 125A.02, and who is receiving or will receive care on a

16.31 regular basis from a licensed or legal, nonlicensed caregiver;

17.1 (3) is income eligible as determined by the office's policies and rules, but is not a

17.2 recipient of assistance from the Minnesota family investment program;

17.3 (4) has not earned a baccalaureate degree and has been enrolled full time less than

17.4 eight semesters or the equivalent;

17.5 (5) is pursuing a nonsectarian program or course of study that applies to an

17.6 undergraduate degree, diploma, or certificate;

17.7 (6) is enrolled at least half time in an eligible institution; and

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

17.9 (b) A student who withdraws from enrollment for active military service or for a

17.10 major illness, while under the care of a medical professional, that substantially limits the

17.11 student's ability to complete the term is entitled to an additional semester or the equivalent

17.12 of grant eligibility and will be considered to be in continuing enrollment status upon return.

17.27 Sec. 16. Minnesota Statutes 2012, section 136A.233, subdivision 2, is amended to read:

17.28 Subd. 2. **Definitions.** For purposes of sections 136A.231 to 136A.233, the words

17.29 defined in this subdivision have the meanings ascribed to them.

34.21 (a) "Eligible student" means a Minnesota resident enrolled or intending to enroll at
 34.22 least half time in a degree, diploma, or certificate program in a Minnesota postsecondary
 34.23 institution.

34.24 (b) "Minnesota resident" means a student who meets the conditions in section
 34.25 136A.101, subdivision 8.

34.26 (c) "Financial need" means the need for financial assistance in order to attend a
 34.27 postsecondary institution as determined by a postsecondary institution according to
 34.28 guidelines established by the Minnesota Office of Higher Education.

34.29 (d) "Eligible employer" means any eligible postsecondary institution, any nonprofit,
 34.30 nonsectarian agency or state institution located in the state of Minnesota, a disabled person
 34.31 or a person over 65 who employs a student to provide personal services in or about the
 34.32 person's residence, or a private, for-profit employer employing a student as an intern in a
 34.33 position directly related to the student's field of study that will enhance the student's
 34.34 knowledge and skills in that field.

35.1 (e) "Eligible postsecondary institution" means any postsecondary institution eligible
 35.2 for participation in the Minnesota state grant program as specified in section 136A.101,
 35.3 subdivision 4.

35.4 (f) "Independent student" has the meaning given ~~it in~~ under Title IV of the Higher
 35.5 Education Act of 1965, United States Code, title 20, section 1070a-6 as amended, and
 35.6 applicable regulations.

35.7 (g) "Half time" for undergraduates has the meaning given in section 136A.101,
 35.8 subdivision 7b, and for graduate students is defined by the institution.

35.9 Sec. 10. **[136A.50] TRIBAL COLLEGE SUPPLEMENTAL GRANT**
 35.10 **ASSISTANCE.**

35.11 Subdivision 1. Definitions. (a) As used in this section, the following terms have
 35.12 the meanings given them.

35.13 (b) "Nonbeneficiary student" means a resident of Minnesota who is enrolled in a
 35.14 tribally controlled college but is not an enrolled member of a federally recognized Indian
 35.15 tribe.

35.16 (c) "Tribally controlled college" means an accredited institution of higher education
 35.17 located in this state that is formally controlled by or has been formally sanctioned or
 35.18 chartered by the governing body of a federally recognized Indian tribe, or a combination
 35.19 of federally recognized Indian tribes. Tribally controlled college does not include any
 35.20 institution or campus subject to the jurisdiction of the Board of Trustees of the Minnesota
 35.21 State Colleges and Universities or the Board of Regents of the University of Minnesota.

17.30 (a) "Eligible student" means a Minnesota resident enrolled or intending to enroll at
 17.31 least half time in a degree, diploma, or certificate program in a Minnesota postsecondary
 17.32 institution.

17.33 (b) "Minnesota resident" means a student who meets the conditions in section
 17.34 136A.101, subdivision 8.

18.1 (c) "Financial need" means the need for financial assistance in order to attend a
 18.2 postsecondary institution as determined by a postsecondary institution according to
 18.3 guidelines established by the Minnesota Office of Higher Education.

18.4 (d) "Eligible employer" means any eligible postsecondary institution, any nonprofit,
 18.5 nonsectarian agency or state institution located in the state of Minnesota, a disabled person
 18.6 or a person over 65 who employs a student to provide personal services in or about the
 18.7 person's residence, or a private, for-profit employer employing a student as an intern in a
 18.8 position directly related to the student's field of study that will enhance the student's
 18.9 knowledge and skills in that field.

18.10 (e) "Eligible postsecondary institution" means any postsecondary institution eligible
 18.11 for participation in the Minnesota state grant program as specified in section 136A.101,
 18.12 subdivision 4.

18.13 (f) "Independent student" has the meaning given ~~it in~~ under Title IV of the Higher
 18.14 Education Act of 1965, United States Code, title 20, section 1070a-6 as amended, and
 18.15 applicable regulations.

18.16 (g) "Half time" for undergraduates has the meaning given in section 136A.101,
 18.17 subdivision 7b, and for graduate students is defined by the institution.

35.22 Subd. 2. **Eligibility; grant assistance.** (a) A tribally controlled college is eligible to
 35.23 receive supplemental grant assistance from the Office of Higher Education, as provided in
 35.24 this section, for nonbeneficiary student enrollment if the college is not otherwise eligible
 35.25 to receive federal grant funding for those students under United States Code, title 25,
 35.26 section 1808.

35.27 (b) The office shall make grants to tribally controlled colleges to defray the costs
 35.28 of education associated with the enrollment of nonbeneficiary students. Grants made
 35.29 pursuant to this section must be provided directly to the recipient college.

35.30 Subd. 3. **Grant application.** To receive a grant under this section, a tribally
 35.31 controlled college must submit an application in the manner required by the Office of
 35.32 Higher Education. Upon submission of a completed application indicating that the tribally
 35.33 controlled college is eligible, the office shall distribute to the college, during each year of
 35.34 the biennium, a grant of \$5,300 for each nonbeneficiary student on a full-time equivalent
 35.35 basis. If the amount appropriated for grants under this section is insufficient to cover
 36.1 the total amount of grant eligibility, the office shall distribute a prorated amount per
 36.2 nonbeneficiary student on a full-time equivalent basis.

36.3 Subd. 4. **Reporting by recipient institutions.** Each tribally controlled college
 36.4 receiving a grant under this section shall provide to the Office of Higher Education,
 36.5 on an annual basis, an accurate and detailed account of the expenditures of the grant
 36.6 funds received by the college, and a copy of the college's most recent audit report and
 36.7 documentation of the enrollment status and ethnic status of each nonbeneficiary student
 36.8 for which grant assistance is sought under this section.

36.9 Sec. 11. Minnesota Statutes 2012, section 136A.646, is amended to read:
 36.10 **136A.646 ADDITIONAL SECURITY.**

36.11 (a) In the event any registered institution is notified by the United States Department
 36.12 of Education that it has fallen below minimum financial standards and that its continued
 36.13 participation in Title IV will be conditioned upon its satisfying either the Zone Alternative,
 36.14 Code of Federal Regulations, title 34, section 668.175, paragraph (f), or a Letter of Credit
 36.15 Alternative, Code of Federal Regulations, title 34, section 668.175, paragraph (c), the
 36.16 institution shall provide a surety bond conditioned upon the faithful performance of all
 36.17 contracts and agreements with students in a sum equal to the "letter of credit" required by
 36.18 the United States Department of Education in the Letter of Credit Alternative, but in no
 36.19 event shall such bond be less than \$10,000 nor more than \$250,000.

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

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

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

18.18 Sec. 17. Minnesota Statutes 2012, section 136A.646, is amended to read:
 18.19 **136A.646 ADDITIONAL SECURITY.**

18.20 (a) In the event any registered institution is notified by the United States Department
 18.21 of Education that it has fallen below minimum financial standards and that its continued
 18.22 participation in Title IV will be conditioned upon its satisfying either the Zone Alternative,
 18.23 Code of Federal Regulations, title 34, section 668.175, paragraph (f), or a Letter of Credit
 18.24 Alternative, Code of Federal Regulations, title 34, section 668.175, paragraph (c), the
 18.25 institution shall provide a surety bond conditioned upon the faithful performance of all
 18.26 contracts and agreements with students in a sum equal to the "letter of credit" required by
 18.27 the United States Department of Education in the Letter of Credit Alternative, but in no
 18.28 event shall such bond be less than \$10,000 nor more than \$250,000.

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

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

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

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

36.28 Sec. 12. Minnesota Statutes 2012, section 136A.65, subdivision 4, is amended to read:

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

36.31 (1) the school has an organizational framework with administrative and teaching
 36.32 personnel to provide the educational programs offered, and the school has made available
 36.33 to the school's admission staff, financial aid staff, administrative or office staff, and faculty,
 37.1 information on the authoritative source of information within the institution on financial
 37.2 aid and transfer of credits for students and prospective students;

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

37.7 (3) the school operates in conformity with generally accepted budgeting and
 37.8 accounting principles;

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

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

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

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

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

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

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

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

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

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

37.27

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

37.29

37.30 (v) procedures and standards used for selection of recipients and the terms of payment and repayment for any financial aid program.

37.31

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

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

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

37.35 (iii) proposed implementation date of the degree;

37.36 (iv) admissions requirements for the degree;

38.1 (v) length of the degree;

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

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

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

38.5

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

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

38.8

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

38.10

38.11 Sec. 13. Minnesota Statutes 2012, section 136A.65, subdivision 8, is amended to read:

38.12 Subd. 8. **Disapproval of registration appeal.** (a) If a school's degree or use of a term in its name is disapproved by the office, the school may request a hearing under chapter 14. The request must be in writing and made to the office within 30 days of the date the school is notified of the disapproval.

38.13

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38.16 (b) (a) The office may refuse to renew, revoke, or suspend registration, approval of a school's degree, or use of a regulated term in its name by giving written notice and reasons to the school. The school may request a hearing under chapter 14. If a hearing is requested, no revocation or suspension shall take effect until after the hearing.

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38.20 (e) (b) Reasons for revocation or suspension of registration or approval may be for one or more of the following reasons:

38.21

38.22 (1) violating the provisions of sections 136A.61 to 136A.71;

19.4 Sec. 18. Minnesota Statutes 2012, section 136A.65, subdivision 8, is amended to read:

19.5 Subd. 8. **Disapproval of registration appeal.** (a) If a school's degree or use of a term in its name is disapproved by the office, the school may request a hearing under chapter 14. The request must be in writing and made to the office within 30 days of the date the school is notified of the disapproval.

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19.9 (b) (a) The office may refuse to renew, revoke, or suspend registration, approval of a school's degree, or use of a regulated term in its name by giving written notice and reasons to the school. The school may request a hearing under chapter 14. If a hearing is requested, no revocation or suspension shall take effect until after the hearing.

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19.13 (e) (b) Reasons for revocation or suspension of registration or approval may be for one or more of the following reasons:

19.14

19.15 (1) violating the provisions of sections 136A.61 to 136A.71;

38.23 (2) providing false, misleading, or incomplete information to the office;

38.24 (3) presenting information about the school which is false, fraudulent, misleading,

38.25 deceptive, or inaccurate in a material respect to students or prospective students; or

38.26 (4) refusing to allow reasonable inspection or to supply reasonable information after

38.27 a written request by the office has been received.

38.28 (c) Any order refusing, revoking, or suspending a school's registration, approval of a

38.29 school's degree, or use of a regulated term in the school's name is appealable in accordance

38.30 with chapter 14. The request must be in writing and made to the office within 30 days of the

38.31 date the school is notified of the action of the office. If a school has been operating and its

38.32 registration has been revoked, suspended, or refused by the office, the order is not effective

38.33 until the final determination of the appeal, unless immediate effect is ordered by the court.

38.34 Sec. 14. Minnesota Statutes 2012, section 136F.40, subdivision 2, is amended to read:

39.1 Subd. 2. **Contracts.** (a) The board may enter into a contract with the chancellor,

39.2 a vice-chancellor, or a president, containing terms and conditions of employment. The

39.3 terms of the contract must be authorized under a plan approved under section 43A.18,

39.4 subdivision 3a.

39.5 (b) Notwithstanding section 43A.17, subdivision 11, or other law to the contrary, a

39.6 contract under this section may provide a liquidated salary amount or other compensation

39.7 if a contract is terminated by the board prior to its expiration.

39.8 (c) Notwithstanding section 356.24 or other law to the contrary, a contract under

39.9 this section may contain a deferred compensation plan made in conformance with section

39.10 457(f) of the Internal Revenue Code.

39.11 (d) Notwithstanding any provision of the plan approved under section 43A.18,

39.12 subdivision 3a, a contract under this section must not authorize or otherwise provide for a

39.13 discretionary or mandatory bonus payment.

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

39.15 and applies to contracts entered into on or after that date.

39.16 Sec. 15. Minnesota Statutes 2012, section 137.027, is amended to read:

39.17 **137.027 APPROPRIATION; FRINGE BENEFITS.**

39.18 (a) Direct appropriations to the University of Minnesota include money to pay

39.19 the employer's share of Social Security, state retirement, and health insurance. Money

39.20 provided for these purposes shall be expended only for these purposes and any amounts in

39.21 excess of the employer's share shall be returned to the state treasury.

19.16 (2) providing false, misleading, or incomplete information to the office;

19.17 (3) presenting information about the school which is false, fraudulent, misleading,

19.18 deceptive, or inaccurate in a material respect to students or prospective students; or

19.19 (4) refusing to allow reasonable inspection or to supply reasonable information after

19.20 a written request by the office has been received.

19.21 (c) Any order refusing, revoking, or suspending a school's registration, approval of a

19.22 school's degree, or use of a regulated term in the school's name is appealable in accordance

19.23 with chapter 14. The request must be in writing and made to the office within 30 days of the

19.24 date the school is notified of the action of the office. If a school has been operating and its

19.25 registration has been revoked, suspended, or refused by the office, the order is not effective

19.26 until the final determination of the appeal, unless immediate effect is ordered by the court.

20.28 Sec. 21. Minnesota Statutes 2012, section 136F.40, subdivision 2, is amended to read:

20.29 Subd. 2. **Contracts.** (a) The board may enter into a contract with the chancellor,

20.30 a vice-chancellor, or a president, containing terms and conditions of employment. The

20.31 terms of the contract must be authorized under a plan approved under section 43A.18,

20.32 subdivision 3a.

20.33 (b) Notwithstanding section 43A.17, subdivision 11, or other law to the contrary, a

20.34 contract under this section may provide a liquidated salary amount or other compensation

20.35 if a contract is terminated by the board prior to its expiration.

21.1 (c) Notwithstanding section 356.24 or other law to the contrary, a contract under

21.2 this section may contain a deferred compensation plan made in conformance with section

21.3 457(f) of the Internal Revenue Code.

21.4 (d) Notwithstanding any provision of the plan approved under section 43A.18,

21.5 subdivision 3a, a contract under this section must not authorize or otherwise provide for a

21.6 discretionary or mandatory bonus or other performance-based incentive payment.

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

21.8 and applies to contracts entered into on or after that date.

21.9 Sec. 22. Minnesota Statutes 2012, section 137.027, is amended to read:

21.10 **137.027 APPROPRIATION; FRINGE BENEFITS.**

21.11 (a) Direct appropriations to the University of Minnesota include money to pay

21.12 the employer's share of Social Security, state retirement, and health insurance. Money

21.13 provided for these purposes shall be expended only for these purposes and any amounts in

21.14 excess of the employer's share shall be returned to the state treasury.

39.22 (b) Unless otherwise explicitly provided for in law, direct appropriations to the
 39.23 University of Minnesota do not include, and may not be used to pay, any mandatory or
 39.24 discretionary bonus payment provided for in an employment contract with the president
 39.25 or vice-presidents, chancellors, provosts, vice provosts, deans, or directors of individual
 39.26 programs.

39.27 Sec. 16. **[137.71] MINNESOTA DISCOVERY, RESEARCH, AND INNOVATION**
 39.28 **ECONOMY FUNDING PROGRAM.**

39.29 Subdivision 1. **Establishment.** (a) The Minnesota Discovery, Research, and
 39.30 InnoVation Economy (MnDRIVE) funding program is established to discover new
 39.31 knowledge through scientific research that will:

39.32 (1) advance the state's economy;

40.1 (2) leverage opportunities and establish priorities in sectors of state strength and
 40.2 comparative advantage;

40.3 (3) improve the health and wellbeing of Minnesota's citizens;

40.4 (4) advance the capacity and competitiveness of existing and emerging food- and
 40.5 manufacturing-related science and technology industries; and

40.6 (5) build a better Minnesota by driving progress and advancing the common good.

40.7 (b) The MnDRIVE funding program shall establish priorities by investing in
 40.8 scientific research that promotes:

40.9 (1) programs that can position Minnesota as a leader in engineering, science,
 40.10 technology, and food-related solutions;

40.11 (2) initiatives that support the growth of targeted industry clusters and the
 40.12 competitiveness of existing Minnesota engineering, science, technology, and food
 40.13 companies in developing new products and services;

40.14 (3) initiatives that can result in creating new Minnesota-based companies;

40.15 (4) initiatives that can improve the quality of life of Minnesota's citizens, decrease
 40.16 the incidence of disease, and transform how we prevent, treat, and cure diseases; and

40.17 (5) initiatives that can secure a safer environment, seek sustainable energy solutions,
 40.18 and prevent, diagnose, and treat environmental problems associated with Minnesota
 40.19 industry.

21.15 (b) Unless otherwise explicitly provided for in law, direct appropriations to the
 21.16 University of Minnesota do not include, and may not be used to pay, any mandatory or
 21.17 discretionary bonus or other performance-based incentive payment provided for in an
 21.18 employment contract with the president or vice-presidents, chancellors, provosts, vice
 21.19 provosts, deans, or directors of individual programs.

21.20 Sec. 23. **[137.71] MINNESOTA DISCOVERY, RESEARCH, AND INNOVATION**
 21.21 **ECONOMY FUNDING PROGRAM.**

21.22 Subdivision 1. **Establishment.** (a) The Minnesota Discovery, Research, and
 21.23 InnoVation Economy (MnDRIVE) funding program is established to discover new
 21.24 knowledge through scientific research that will:

21.25 (1) advance the state's economy;

21.26 (2) leverage opportunities and establish priorities in sectors of state strength and
 21.27 comparative advantage;

21.28 (3) improve the health and wellbeing of Minnesota's citizens;

21.29 (4) advance the capacity and competitiveness of existing and emerging food- and
 21.30 manufacturing-related science and technology industries; and

21.31 (5) build a better Minnesota by driving progress and advancing the common good.

21.32 (b) The MnDRIVE funding program shall establish priorities by investing in
 21.33 scientific research that promotes:

22.1 (1) programs that can position Minnesota as a leader in engineering, science,
 22.2 technology, and food-related solutions;

22.3 (2) initiatives that support the growth of targeted industry clusters and the
 22.4 competitiveness of existing Minnesota engineering, science, technology, and food
 22.5 companies in developing new products and services;

22.6 (3) initiatives that can result in creating new Minnesota-based companies;

22.7 (4) initiatives that can improve the quality of life of Minnesota's citizens, decrease
 22.8 the incidence of disease, and transform how we prevent, treat, and cure diseases; and

22.9 (5) initiatives that can secure a safer environment, seek sustainable energy solutions,
 22.10 and prevent, diagnose, and treat environmental problems associated with Minnesota
 22.11 industry.

40.20 Subd. 2. **Funding requests.** The Board of Regents of the University of Minnesota,
 40.21 acting alone or in partnership with other public or private entities, is requested to submit
 40.22 investment proposals consistent with the goals and objectives of the MnDRIVE funding
 40.23 program as part of the Board of Regents biennial budget request to the legislature. The
 40.24 Board of Regents must give consideration to investments in existing scientific research
 40.25 programs that meet these guidelines but may require additional resources in order to
 40.26 preserve or accelerate Minnesota into a national or global leadership position. The
 40.27 governor shall submit a recommendation to the legislature regarding funding requests
 40.28 submitted by the Board of Regents.

40.29 Subd. 3. **Reporting.** By March 1 of each odd-numbered year, the Board of Regents
 40.30 of the University of Minnesota must provide to the chairs and ranking minority members
 40.31 of the legislative committees with primary jurisdiction over higher education policy and
 40.32 finance a summary report of investments and accomplishments related to funds received
 40.33 from the state under subdivision 2 from the prior biennium.

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

40.35 Sec. 17. Minnesota Statutes 2012, section 141.25, subdivision 7, is amended to read:

41.1 Subd. 7. **Minimum standards.** A license shall be issued if the office first determines:

41.2 (1) that the applicant has a sound financial condition with sufficient resources

41.3 available to:

41.4 (i) meet the school's financial obligations;

41.5 (ii) refund all tuition and other charges, within a reasonable period of time, in the

41.6 event of dissolution of the school or in the event of any justifiable claims for refund against

41.7 the school by the student body;

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

41.9 (iv) maintain and support the school;

41.10 (2) that the applicant has satisfactory facilities with sufficient tools and equipment

41.11 and the necessary number of work stations to prepare adequately the students currently

41.12 enrolled, and those proposed to be enrolled;

41.13 (3) that the applicant employs a sufficient number of qualified teaching personnel to

41.14 provide the educational programs contemplated;

41.15 (4) that the school has an organizational framework with administrative and

41.16 instructional personnel to provide the programs and services it intends to offer;

41.17 (5) that the premises and conditions under which the students work and study are

41.18 sanitary, healthful, and safe;

22.12 Subd. 2. **Funding requests.** The Board of Regents of the University of Minnesota,
 22.13 acting alone or in partnership with other public or private entities, is requested to submit
 22.14 investment proposals consistent with the goals and objectives of the MnDRIVE funding
 22.15 program as part of the Board of Regents biennial budget request to the legislature. The
 22.16 Board of Regents must give consideration to investments in existing scientific research
 22.17 programs that meet these guidelines but may require additional resources in order to
 22.18 preserve or accelerate Minnesota into a national or global leadership position. The
 22.19 governor shall submit a recommendation to the legislature regarding funding requests
 22.20 submitted by the Board of Regents.

22.21 Subd. 3. **Reporting.** By March 1 of each odd-numbered year, the Board of Regents
 22.22 of the University of Minnesota must provide to the chairs and ranking minority members
 22.23 of the legislative committees with primary jurisdiction over higher education policy and
 22.24 finance a summary report of investments and accomplishments related to funds received
 22.25 from the state under subdivision 2 from the prior biennium.

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

- 41.19 (6) that the quality and content of each occupational course or program of study
41.20 provides education and adequate preparation to enrolled students for entry level positions
41.21 in the occupation for which prepared;
- 41.22 (7) that the living quarters which are owned, maintained, recommended, or approved
41.23 by the applicant for students are sanitary and safe;
- 41.24 (8) that the contract or enrollment agreement used by the school complies with
41.25 the provisions in section 141.265;
- 41.26 (9) that contracts and agreements do not contain a wage assignment provision or a
41.27 confession of judgment clause; ~~and~~
- 41.28 (10) that there has been no adjudication of fraud or misrepresentation in any
41.29 criminal, civil, or administrative proceeding in any jurisdiction against the school or its
41.30 owner, officers, agents, or sponsoring organization; ~~and~~
- 41.31 (11) that the applicant has made available to the applicant's admissions staff, financial
41.32 aid staff, administrative or office staff, and faculty, information on the authoritative
41.33 sources of information within the institution on financial aid and transfer of credits for
41.34 students or prospective students.
- 41.35 Sec. 18. Minnesota Statutes 2012, section 197.775, subdivision 1, is amended to read:
- 42.1 Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this
42.2 section.
- 42.3 (b) "Commissioner" means the commissioner of veterans affairs.
- 42.4 (c) "State college or university" means a unit of the University of Minnesota or
42.5 Minnesota State Colleges and Universities.
- 42.6 (d) "Veteran" includes the definition provided in section 197.447, and also includes
42.7 any person serving in active service, as defined in section 190.05, subdivision 5.
- 42.8 Sec. 19. Minnesota Statutes 2012, section 197.775, subdivision 2, is amended to read:
- 42.9 Subd. 2. **Recognition of courses.** (a) Minnesota State Colleges and Universities
42.10 must recognize courses and award educational credits for courses that were part of a
42.11 veteran's military training or service if the courses meet the standards of the American
42.12 Council on Education or equivalent standards for awarding academic credits. In
42.13 recognizing courses and awarding educational credits, consideration must be given to
42.14 academic skills developed in all aspects of the training or service course curriculum, and
42.15 may not be limited solely to the physical fitness or activity components of the course.

42.16 (b) The University of Minnesota and private colleges and universities in Minnesota
42.17 are encouraged to recognize courses and award educational credits for courses that were
42.18 part of a veteran's military training or service if the courses meet the standards of the
42.19 American Council on Education or equivalent standards for awarding academic credits.
42.20 In recognizing courses and awarding educational credits, the University of Minnesota
42.21 and private colleges and universities in Minnesota are encouraged to consider academic
42.22 skills developed in all aspects of the training or service course curriculum, and not limit
42.23 consideration solely to the physical fitness or activity components of the course.

42.24 Sec. 20. Minnesota Statutes 2012, section 197.775, is amended by adding a subdivision
42.25 to read:

42.26 Subd. 2a. **Recognition of veteran status.** (a) With the policy in this subdivision,
42.27 the state recognizes veterans' selfless sacrifices in service to our nation, and their varied
42.28 and specialized military education and training, as well as the need for their timely and
42.29 meaningful reintegration into civilian society. The state also recognizes the special value
42.30 of veterans in furthering the goal of creating a diverse student population in the state's
42.31 postsecondary institutions.

42.32 (b) Minnesota State Colleges and Universities must adopt a policy recognizing,
42.33 for applicants who are veterans, the applicant's veteran status as a positive factor in
42.34 determining whether to grant admission to a graduate or professional academic degree
43.1 program. The Board of Trustees must report to the chairs and ranking minority members
43.2 of the legislative committees and divisions with jurisdiction over higher education policy
43.3 and finance annually by February 15 on the number of veterans who apply for a graduate
43.4 or professional academic degree program and the number accepted.

43.5 (c) The University of Minnesota, and private colleges and universities in Minnesota,
43.6 are encouraged to adopt a policy recognizing, for applicants who are veterans, the
43.7 applicant's veteran status as a positive factor in determining whether to grant admission to
43.8 an undergraduate, graduate, or professional academic degree program.

43.9 Sec. 21. Minnesota Statutes 2012, section 268.19, subdivision 1, is amended to read:

43.10 Subdivision 1. **Use of data.** (a) Except as provided by this section, data gathered
43.11 from any person under the administration of the Minnesota Unemployment Insurance Law
43.12 are private data on individuals or nonpublic data not on individuals as defined in section
43.13 13.02, subdivisions 9 and 12, and may not be disclosed except according to a district court
43.14 order or section 13.05. A subpoena is not considered a district court order. These data
43.15 may be disseminated to and used by the following agencies without the consent of the
43.16 subject of the data:

43.17 (1) state and federal agencies specifically authorized access to the data by state
43.18 or federal law;

43.19 (2) any agency of any other state or any federal agency charged with the
43.20 administration of an unemployment insurance program;

43.21 (3) any agency responsible for the maintenance of a system of public employment
43.22 offices for the purpose of assisting individuals in obtaining employment;

43.23 (4) the public authority responsible for child support in Minnesota or any other
43.24 state in accordance with section 256.978;

43.25 (5) human rights agencies within Minnesota that have enforcement powers;

43.26 (6) the Department of Revenue to the extent necessary for its duties under Minnesota
43.27 laws;

43.28 (7) public and private agencies responsible for administering publicly financed
43.29 assistance programs for the purpose of monitoring the eligibility of the program's recipients;

43.30 (8) the Department of Labor and Industry and the Division of Insurance Fraud
43.31 Prevention in the Department of Commerce for uses consistent with the administration of
43.32 their duties under Minnesota law;

43.33 (9) local and state welfare agencies for monitoring the eligibility of the data subject
43.34 for assistance programs, or for any employment or training program administered by those
43.35 agencies, whether alone, in combination with another welfare agency, or in conjunction
44.1 with the department or to monitor and evaluate the statewide Minnesota family investment
44.2 program by providing data on recipients and former recipients of food stamps or food
44.3 support, cash assistance under chapter 256, 256D, 256J, or 256K, child care assistance
44.4 under chapter 119B, or medical programs under chapter 256B, 256D, or 256L;

44.5 (10) local and state welfare agencies for the purpose of identifying employment,
44.6 wages, and other information to assist in the collection of an overpayment debt in an
44.7 assistance program;

44.8 (11) local, state, and federal law enforcement agencies for the purpose of ascertaining
44.9 the last known address and employment location of an individual who is the subject of
44.10 a criminal investigation;

44.11 (12) the United States Immigration and Customs Enforcement has access to data on
44.12 specific individuals and specific employers provided the specific individual or specific
44.13 employer is the subject of an investigation by that agency;

44.14 (13) the Department of Health for the purposes of epidemiologic investigations;

44.15 (14) the Department of Corrections for the purpose of preconfinement and
44.16 postconfinement employment tracking of committed offenders for the purpose of case
44.17 planning; ~~and~~

44.18 (15) the state auditor to the extent necessary to conduct audits of job opportunity
44.19 building zones as required under section 469.3201; and

44.20 (16) the Office of Higher Education for purposes of supporting program

44.21 improvement, system evaluation, and research initiatives including the Statewide

44.22 Longitudinal Education Data System.

44.23 (b) Data on individuals and employers that are collected, maintained, or used by

44.24 the department in an investigation under section 268.182 are confidential as to data

44.25 on individuals and protected nonpublic data not on individuals as defined in section

44.26 13.02, subdivisions 3 and 13, and must not be disclosed except under statute or district

44.27 court order or to a party named in a criminal proceeding, administrative or judicial, for

44.28 preparation of a defense.

44.29 (c) Data gathered by the department in the administration of the Minnesota

44.30 unemployment insurance program must not be made the subject or the basis for any

44.31 suit in any civil proceedings, administrative or judicial, unless the action is initiated by

44.32 the department.

44.33 Sec. 22. Minnesota Statutes 2012, section 299A.45, subdivision 4, is amended to read:

44.34 Subd. 4. **Renewal.** Each award must be given for one academic year and is

44.35 renewable for a maximum of eight semesters or the equivalent. A student who withdraws

45.1 from enrollment for active military service or for a major illness, while under the care

45.2 of a medical professional, that substantially limits the student's ability to complete the

45.3 term is entitled to an additional semester or the equivalent of grant eligibility. An award

45.4 must not be given to a dependent child who is 23 years of age or older on the first day of

45.5 the academic year.

45.6 Sec. 23. **REVISOR'S INSTRUCTION.**

45.7 The revisor of statutes shall change the term "director" as it relates to the director

45.8 of the Minnesota Office of Higher Education to "commissioner" wherever in Minnesota

45.9 Statutes or Minnesota Rules the term appears.

45.12 Section 1. Minnesota Statutes 2012, section 136A.101, subdivision 5a, is amended to

45.13 read:

45.14 Subd. 5a. **Assigned family responsibility.** "Assigned family responsibility" means

45.15 the amount of a family's contribution to a student's cost of attendance, as determined by a

45.16 federal need analysis. For dependent students, the assigned family responsibility is 96

45.17 percent of the parental contribution. For independent students with dependents other than

45.18 a spouse, the assigned family responsibility is 86 percent of the student contribution.

45.19 For independent students without dependents other than a spouse, the assigned family

45.20 responsibility is ~~68~~ 50 percent of the student contribution.

24.13 Sec. 25. Minnesota Statutes 2012, section 299A.45, subdivision 4, is amended to read:

24.14 Subd. 4. **Renewal.** Each award must be given for one academic year and is

24.15 renewable for a maximum of eight semesters or the equivalent. A student who withdraws

24.16 from enrollment for active military service or for a major illness, while under the care

24.17 of a medical professional, that substantially limits the student's ability to complete the

24.18 term is entitled to an additional semester or the equivalent of grant eligibility. An award

24.19 must not be given to a dependent child who is 23 years of age or older on the first day of

24.20 the academic year.

45.21 Sec. 2. Minnesota Statutes 2012, section 136A.121, subdivision 5, is amended to read:

45.22 Subd. 5. **Grant stipends.** The grant stipend shall be based on a sharing of
 45.23 responsibility for covering the recognized cost of attendance by the applicant, the
 45.24 applicant's family, and the government. The amount of a financial stipend must not
 45.25 exceed a grant applicant's recognized cost of attendance, as defined in subdivision 6, after
 45.26 deducting the following:

45.27 (1) the assigned student responsibility of at least ~~46~~ 50 percent of the cost of
 45.28 attending the institution of the applicant's choosing;

45.29 (2) the assigned family responsibility as defined in section 136A.101; and

45.30 (3) the amount of a federal Pell grant award for which the grant applicant is eligible.

45.31 The minimum financial stipend is \$100 per academic year.

46.1 Sec. 3. **STATE GRANT TUITION CAPS; LIVING AND MISCELLANEOUS**

46.2 **EXPENSE ALLOWANCE.**

46.3 (a) For the purposes of the state grant program under Minnesota Statutes, section
 46.4 136A.121, for the biennium ending June 30, 2015, the tuition maximum is \$13,000 each
 46.5 fiscal year of the biennium for students in four-year programs, and \$5,808 in each fiscal
 46.6 year of the biennium for students in two-year programs.

46.7 (b) The living and miscellaneous expense allowance for the state grant program
 46.8 under Minnesota Statutes, section 136A.121, for the biennium ending June 30, 2015, is set
 46.9 at \$7,940 for each fiscal year of the biennium.

46.10 Sec. 4. **STATE GRANT AWARD CALCULATION; MNSCU PART-TIME**

46.11 **STUDENTS.**

46.12 (a) State grant awards under Minnesota Statutes, section 136A.121, for the biennium
 46.13 ending June 30, 2015, made from appropriations for that biennium for part-time students
 46.14 attending a Minnesota state college and university system institution shall be modified
 46.15 as provided by this section. All other provisions of law and rule applying to state grant
 46.16 awards not inconsistent with this section shall apply to awards to those part-time students.

46.17 (b) For a student registering for less than full-time, the assigned family responsibility
 46.18 is the amount determined for a full-time student under Minnesota Statutes, section
 46.19 136A.101, subdivision 5a, prorated by the percent of full-time for which a student is
 46.20 enrolled.

3.4 For the biennium, the tuition maximum is
 3.5 \$10,488 in each year for students in four-year
 3.6 programs, and \$5,808 in fiscal year 2014
 3.7 and \$5,808 in fiscal year 2015 for students
 3.8 in two-year programs.

3.9 This appropriation sets the living and
 3.10 miscellaneous expense allowance at \$7,000
 3.11 each year.

3.12 Notwithstanding section 136A.101,
 3.13 subdivision 5a, for the biennium ending June
 3.14 30, 2015, the assigned family responsibility
 3.15 for independent students without dependents
 3.16 other than a spouse is 53 percent of the
 3.17 student contribution, and the assigned family
 3.18 responsibility for independent students with
 3.19 dependents other than a spouse is 80 percent
 3.20 of the student contribution.