

2005 Session High Education Budget
(Dollars in 000's)

Status: Conf. Agreement

adopted

1	Base FY 2006-07	Governor FY 2006-07	Governor FY 2008-09	Conference FY 2006	Conference FY 2007	Conference FY 2006-07	Conference FY 2008	Conference FY 2009	Conference FY 2008-09	Difference Conf v Base 2006-07
2										
3	HIGHER EDUCATION SERVICES OFFICE									
4	<u>Agency Administration</u>									
5	1,234	1,234	1,234	535	535	1,070	535	535	1,070	(164)
6	716	716	716	358	358	716	358	358	716	0
7	346	346	346	173	173	346	173	173	346	0
8	446	446	446	223	223	446	223	223	446	0
9	872	872	872	436	436	872	436	436	872	0
10	156	156	156	78	78	156	78	78	156	0
12				237	237	474	237	237	474	474
13	622	622	622	311	311	622	311	311	622	0
14										
15	4,392	4,392	4,392	2,351	2,351	4,702	2,351	2,351	4,702	310
16										
17	<u>Other Small Programs</u>									
18	200	200	200	115	115	230	115	115	230	30
19	250	250	250	125	125	250	125	125	250	0
20	368	368	368	184	184	368	184	184	368	0
21	510	510	510	496	496	992	496	496	992	482
22										
23	1,328	1,328	1,328	920	920	1,840	920	920	1,840	512
24										
25	<u>Financial Aid</u>									
26	281,000	281,000	281,000	140,500	140,500	281,000	140,500	140,500	281,000	0
27	150	150	150	75	75	150	75	75	150	0
28										
29	281,150	281,150	281,150	140,575	140,575	281,150	140,575	140,575	281,150	0
30										
31	<u>Financial Aid Change Items</u>									
32				(6,230)	(6,340)	(12,570)	(6,340)	(6,340)	(12,680)	(12,570)
33				530	580	1,110	580	580	1,160	1,110
34				0	0	0	0	0	0	0
35				0	0	0	0	0	0	0
36				(1,269)	(1,269)	(2,538)	(1,269)	(1,269)	(2,538)	(2,538)
37				(5,700)	(2,360)	(8,060)	(2,360)	(2,360)	(4,720)	(8,060)
38				7,210	12,630	19,840	12,630	12,630	25,260	19,840
39				(7,000)	(7,000)	(14,000)	(7,000)	(7,000)	(14,000)	(14,000)
40						0			0	0
41						0			0	0
42						0			0	0
43						0			0	0
44				1,460	4,870	6,330	4,870	4,870	9,740	6,330
45				(1,580)	(2,430)	(4,010)	(2,430)	(2,430)	(4,860)	(4,010)
46				8,398	5,500	13,898	5,500	5,500	11,000	13,898
47										
48				(4,181)	4,181	0	4,181	4,181	8,362	0
49										

1	Base FY 2006-07	Governor FY 2006-07	Governor FY 2008-09	Conference FY 2006	Conference FY 2007	Conference FY 2006-07	Conference FY 2008	Conference FY 2009	Conference FY 2008-09	Difference Conf v Base 2006-07
50 Change Items										
51 Accountability Measurement System		400	600	100	300	400	300	300	600	400
52 State Grant Software Rewrite		310	0	310	0	310	0	0	0	310
53 University in Rochester-Implementation		200	0	200	0	200	0	0	0	200
54 University in Rochester-Development		3,000	0	3,000	0	3,000	0	0	0	3,000
55 United Family Practice Residency Program				360	360	720	360	360	720	720
56 MHEC Dues				8	8	16	8	8	16	16
57										
58 Subtotal Change Items		3,910	600	3,978	668	4,646	668	668	1,336	4,646
59										
60 Other Programs										
61 Child Care	9,486	9,486	9,486	4,934	4,934	9,868	4,934	4,934	9,868	382
62 Work Study	24,888	24,888	24,888	12,444	12,444	24,888	12,444	12,444	24,888	0
63 Interstate Tuition Reciprocity	7,200	2,000	2,000	1,000	1,000	2,000	1,000	1,000	2,000	(5,200)
64 Minnesota College Savings Program	2,240	2,240	2,240	1,020	1,020	2,040	1,020	1,020	2,040	(200)
65 Learning Network of Minnesota	9,658	8,658	8,658	4,225	4,225	8,450	4,225	4,225	8,450	(1,208)
11 Midwest Higher Education Compact				82	82	164	82	82	164	164
66 MINITEX	8,762	8,762	8,762	4,381	4,381	8,762	4,381	4,381	8,762	0
67 MnLINK Gateway	800	800	800	400	400	800	400	400	800	0
68										
69 Subtotal Other Programs	63,034	56,834	56,834	28,486	28,486	56,972	28,486	28,486	56,972	(6,062)
70										
71 General Fund Appropriation Total HESO FY 2006-2007	349,904	347,614	344,304	172,129	177,181	349,310	177,181	177,181	354,362	(594)
72										
73 Special Revenue: Private Career School Fee Increase		26	30	11	15	26	15	15	30	26
74										
75										
76 MAYO FOUNDATION										
77										
78 Medical School	1,028	1,028	1,028	514	514	1,028	514	514	1,028	0
79 Residency Programs	1,754	1,754	1,754	877	877	1,754	877	877	1,754	0
80										
81 General Fund Appropriation Total MAYO FY 2006-2007	2,782	2,782	2,782	1,391	1,391	2,782	1,391	1,391	2,782	0
82										

1	Base FY 2006-07	Governor FY 2006-07	Governor FY 2008-09	Conference FY 2006	Conference FY 2007	Conference FY 2006-07	Conference FY 2008	Conference FY 2009	Conference FY 2008-09	Difference Conf v Base 2006-07
83 MN STATE COLLEGES & UNIVERSITIES										
84 Unadjusted Base	1,095,388	1,095,388	1,095,388	547,694	547,694	1,095,388	547,694	547,694	1,095,388	0
85 Enrollment Adjustment-Recurring	72,000	72,000	72,000	36,000	36,000	72,000	36,000	36,000	72,000	0
86 Enrollment Adjustment-Nonrecurring	58,800	58,800	0	58,800	0	58,800	0	0	0	0
87 Adjusted Base Appropriation	1,226,188	1,226,188	1,167,388	642,494	583,694	1,226,188	583,694	583,694	1,167,388	0
88										
89 <u>Change Items</u>										
90 Enrollment Adjustment-Recurring		(72,000)	(72,000)			0			0	0
91 Enrollment Adjustment-Nonrecurring		(58,800)	0	(58,800)		(58,800)			0	(58,800)
92 Invest Enrollment Adjustment		0	0			0			0	0
93 Invest Nonrecurring-Minnesota Online		0	0			0			0	0
94 Invest Nonrecurring-Leveraged Equipment		0	0			0			0	0
95 Invest Nonrecurring-Technology		0	0			0			0	0
96 Invest Nonrecurring- Facilities Repair & Replacement		0	0			0			0	0
97 Nursing		10,000	10,400	0	0	0	0	0	0	0
98 Teacher Education		0	0	0	0	0	0	0	0	0
99 Farm & Small Business Management		3,000	3,000	0	0	0	0	0	0	0
100 Minnesota Online		14,000	10,000	0	0	0	0	0	0	0
101 Competitive Salaries		5,000	5,000	6,000	6,000	12,000	6,000	6,000	12,000	12,000
102 Innovations Fund		5,500	6,000	0	0	0	0	0	0	0
103 Repair & Replacement-Facilities		0	0	0	0	0	0	0	0	0
104 Serving Underserved Populations		0	0	0	0	0	0	0	0	0
105 Allocation Framework		50,000	50,000	0	0	0	0	0	0	0
106 Centers of Excellence		20,000	20,000	5,000	5,000	10,000	5,000	5,000	10,000	10,000
107 Initiatives				6,000	7,500	13,500	7,500	7,500	15,000	13,500
108										
109 Subtotal Change Items		(23,300)	32,400	(41,800)	18,500	(23,300)	18,500	18,500	37,000	(23,300)
110										
111 Estimated Cost of Instruction	1,659,024	1,627,499	1,623,305	812,735	814,764	1,627,499	814,764	814,764	1,629,529	(31,525)
112 Instructional Appropriation (90.2% of Appropriation)	1,106,022	1,085,005	1,082,209	541,826	543,179	1,085,005	543,179	543,179	1,086,358	(21,017)
113 Noninstructional Appropriation (9.8% of Appropriation)	120,166	117,883	117,579	58,868	59,015	117,883	59,015	59,015	118,030	(2,283)
114										
115 General Fund Appropriation Total MNSCU FY 2006-2007	1,226,188	1,202,888	1,199,788	600,694	602,194	1,202,888	602,194	602,194	1,204,388	(23,300)
116										

1	Base FY 2006-07	Governor FY 2006-07	Governor FY 2008-09	Conference FY 2006	Conference FY 2007	Conference FY 2006-07	Conference FY 2008	Conference FY 2009	Conference FY 2008-09	Difference Conf v Base 2006-07	
117	UNIVERSITY OF MINNESOTA										
118											
119	Unadjusted Base	1,100,134	1,100,134	1,100,134	550,067	550,067	1,100,134	550,067	550,067	1,100,134	0
120	Enrollment Adjustment-Recurring	30,776	30,776	30,776	15,388	15,388	30,776	15,388	15,388	30,776	0
121	Enrollment Adjustment-Nonrecurring	42,974	42,974	0	42,974	0	42,974	0	0	0	0
122	Adjusted Base	1,173,884	1,173,884	1,130,910	608,429	565,455	1,173,884	565,455	565,455	1,130,910	0
123											
124	Operations and Maintenance Appropriation	1,047,150	1,078,900	1,097,400	527,824	551,212	1,079,036	551,212	551,212	1,102,424	31,886
125	Specials Appropriation	126,734	126,734	126,734	63,367	63,367	126,734	63,367	63,367	126,734	0
126	Total Base Appropriation (O/M+Specials)	1,173,884	1,205,634	1,224,134	591,191	614,579	1,205,770	614,579	614,579	1,229,158	31,886
127											
128	<u>Change Items</u>										
129	Enrollment Adjustment		(73,750)	(30,776)	(42,974)		(42,974)	0	0	0	(42,974)
130	Biosciences for a Healthy Society		36,000	48,000	0	0	0	0	0	0	0
131	Competitive Compensation		15,000	20,000	4,500	8,500	13,000	8,500	8,500	17,000	13,000
132	Research Support		35,000	30,000	0	0	0	0	0	0	0
133	Preparing Students for 21st Century Economy		19,500	26,000	0	0	0	0	0	0	0
134	21st Century Technology		0	0	0	0	0	0	0	0	0
135	Historically Underserved Students				0	0	0	0	0	0	0
136	Sustainable Agriculture				0	0	0	0	0	0	0
137	FY 08-09 Base Adjustment							0	0	0	0
138	Initiatives				21,236	40,624	61,860	40,624	40,624	81,248	61,860
139											
140	<u>Subtotal Change Items</u>		31,750	93,224	(17,238)	49,124	31,886	49,124	49,124	98,248	31,886
141											
142	Estimated Cost of Instruction	896,256	920,497	934,622	451,372	469,229	920,601	469,229	469,229	938,457	24,345
143	Instructional Appropriation (50.9% of Appropriation)	597,507	613,668	623,084	300,916	312,821	613,737	312,821	312,821	625,641	16,230
144	Non-Instruction Appropriation (49.1% of Appropriation)	576,377	591,966	601,050	290,275	301,758	592,033	301,758	301,758	603,517	15,656
145											
146	<u>Total U of M General Fund Appropriation-NO Mayo Partnership</u>	1,173,884	1,205,634	1,224,134	591,191	614,579	1,205,770	614,579	614,579	1,229,158	31,886
147	Biotechnology and Medical Genomics Partnership^	0	15,000	0	0	0	0	0	0	0	0
148	<u>Total U of M General Fund Appropriation-With Mayo Partnership</u>	1,173,884	1,220,634	1,224,134	591,191	614,579	1,205,770	614,579	614,579	1,229,158	31,886
149											
150	<u>Information Only</u>										
151	<u>Specials</u>										
152	Agriculture Base	101,250	101,250	101,250	50,625	50,625	101,250	50,625	50,625	101,250	0
153	Health Sciences	9,858	9,858	9,858	4,929	4,929	9,858	4,929	4,929	9,858	0
154	Institute of Technology	2,774	2,774	2,774	1,387	1,387	2,774	1,387	1,387	2,774	0
155	System Special	12,852	12,852	12,852	6,426	6,426	12,852	6,426	6,426	12,852	0
156											
157	<u>Total specials</u>	126,734	126,734	126,734	63,367	63,367	126,734	63,367	63,367	126,734	0
158											
159	<u>Other Appropriations</u>										
160	Health Care Access Fund (Medical Education)	4,314	4,314	4,314	2,157	2,157	4,314	2,157	2,157	4,314	0
161	Cigarette Tax (Academic Health Center)		41,364		20,890	20,474	41,364	20,474	20,474	40,948	41,364
162											
163	General Fund (w/Mayo) and Other Appropriation Total U of M FY 2006-2007	1,178,198	1,266,312	1,228,448	614,238	637,210	1,251,448	637,210	637,210	1,274,420	73,250
164											

1	Base FY 2006-07	Governor FY 2006-07	Governor FY 2008-09	Conference FY 2006	Conference FY 2007	Conference FY 2006-07	Conference FY 2008	Conference FY 2009	Conference FY 2008-09	Difference Conf v Base 2006-07
165 OTHER GENERAL FUND APPROPRIATIONS										
166 Department of Health-Nursing Education Loan Repayment Program				95	155	250	155	155	310	250
167 General Fund Appropriations Total, Higher Education Division-NO										
168 MAYO PARTNERSHIP	2,752,758	2,758,918	2,771,008	1,365,500	1,395,500	2,761,000	1,395,500	1,395,500	2,791,000	8,242
169 Total General Fund Appropriation, With MAYO Partnerhsip	2,752,758	2,773,918	2,771,008	1,365,500	1,395,500	2,761,000	1,395,500	1,395,500	2,791,000	8,242
170 All Funds Impact, All Higher Education Systems (Includes HCAF, Cig										
171 Tax & HEFA Fees)	2,757,072	2,819,622	2,775,352	1,388,463	1,417,991	2,806,454	1,417,991	1,417,991	2,835,982	49,382
172 ^Senate has funding for this initiative in the Economic Development Budget										

Conf

not adopted

1 moves to amend the higher education conference
2 report, as follows:

3 Page .., amend subdivision 2, State Grants, as follows:

4 reduce the tuition and fee maximum for four-year programs
5 to \$8,983 in the first and second years; and

6 reduce the living and miscellaneous expense allowance to
7 \$5,205 in the first and second years

8 On the document labeled ..,

9 Page .., after line .., insert:

10 "Sec. ... Minnesota Statutes 2004, section 136A.121,
11 subdivision 5, is amended to read:

12 Subd. 5. [GRANT STIPENDS.] The grant stipend shall be
13 based on a sharing of responsibility for covering the recognized
14 cost of attendance by the applicant, the applicant's family, and
15 the government. The amount of a financial stipend must not
16 exceed a grant applicant's recognized cost of attendance, as
17 defined in subdivision 6, after deducting the following:

18 (1) the assigned student responsibility of at least 46 45
19 percent of the cost of attending the institution of the
20 applicant's choosing;

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

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

- 1 The minimum financial stipend is \$100 per academic year."
- 2 Renumber the sections in sequence
- 3 Correct internal references
- 4 Amend the title accordingly

ARTICLE 2

RELATED PROVISIONS

Section 1. Minnesota Statutes 2004, section 135A.031, subdivision 3, is amended to read:

Subd. 3. [DETERMINATION OF INSTRUCTIONAL SERVICES BASE.]

The instructional services base for each public postsecondary system is the sum of: (1) the state share; and (2) the legislatively estimated tuition for the second year of the most recent biennium; and (3) ~~adjustments-for-inflation, enrollment changes-as-calculated-in-subdivision-4, and~~ performance as calculated in subdivision 5.

[EFFECTIVE DATE.] This section is effective June 30, 2007.

Sec. 2. Minnesota Statutes 2004, section 135A.031, subdivision 4, is amended to read:

Subd. 4. [~~ADJUSTMENT-FOR ENROLLMENTS FOR BUDGETING.~~] (a)

~~Each public postsecondary system's instructional services base shall be adjusted for estimated changes in enrollments. For each two-percent change in estimated full-year equivalent enrollment, an adjustment shall be made to 65 percent of the instructional services base. The remaining 35 percent of the instructional services base is not subject to the adjustment in this subdivision.~~

(b) For all purposes where student enrollment is used for budgeting purposes, student enrollment shall be measured in full-year equivalents and shall include only enrollments in courses that award credit or otherwise satisfy any of the requirements of an academic or vocational program.

~~(c) The enrollment adjustment shall be made for each year of the subsequent biennium. The base enrollment year is the 1995 fiscal year enrollment. The base enrollment shall be updated for each two-percent change in estimated full-year equivalent enrollment. If the actual enrollment differs from the estimated enrollment, an adjustment shall be made in the next biennium.~~

[EFFECTIVE DATE.] This section is effective June 30, 2007.

Sec. 3. Minnesota Statutes 2004, section 135A.052,

1 subdivision 1, is amended to read:

2 Subdivision 1. [STATEMENT OF MISSIONS.] The legislature
3 recognizes each type of public postsecondary institution to have
4 a distinctive mission within the overall provision of public
5 higher education in the state and a responsibility to cooperate
6 with each other. These missions are as follows:

7 (1) the technical colleges shall offer vocational training
8 and education to prepare students for skilled occupations that
9 do not require a baccalaureate degree;

10 (2) the community colleges shall offer lower division
11 instruction in academic programs, occupational programs in which
12 all credits earned will be accepted for transfer to a
13 baccalaureate degree in the same field of study, and remedial
14 studies, for students transferring to baccalaureate institutions
15 and for those seeking associate degrees;

16 (3) consolidated community technical colleges shall offer
17 the same types of instruction, programs, certificates, diplomas,
18 and degrees as the technical colleges and community colleges
19 offer;

20 (4) the state universities shall offer undergraduate and
21 graduate instruction through the master's degree, including
22 specialist certificates, in the liberal arts and sciences and
23 professional education, and may offer applied doctoral degrees
24 in education, business, psychology, physical therapy, audiology,
25 and nursing; and

26 (5) the University of Minnesota shall offer undergraduate,
27 graduate, and professional instruction through the doctoral
28 degree, and shall be the primary state supported academic agency
29 for research and extension services.

30 It is part of the mission of each system that within the
31 system's resources the system's governing board and chancellor
32 or president shall endeavor to:

33 (a) prevent the waste or unnecessary spending of public
34 money;

35 (b) use innovative fiscal and human resource practices to
36 manage the state's resources and operate the system as

1 efficiently as possible;

2 (c) coordinate the system's activities wherever appropriate
3 with the activities of the other system and governmental
4 agencies;

5 (d) use technology where appropriate to increase system
6 productivity, improve customer service, increase public access
7 to information about the system, and increase public
8 participation in the business of the system;

9 (e) utilize constructive and cooperative labor-management
10 practices to the extent otherwise required by chapters 43A and
11 179A; and

12 (f) recommend to the legislature appropriate changes in law
13 necessary to carry out the mission of the system.

14 Sec. 4. [135A.165] [DEAF STUDENTS; TUITION ASSISTANCE.]

15 (a) For the purpose of this section, a "deaf person" means
16 an individual with a hearing loss of such severity that the
17 individual must depend primarily on visual communication, such
18 as writing, lip reading, manual communication, and gestures.

19 (b) A deaf person, who is a resident student as defined in
20 section 136A.101, subdivision 8, is entitled to tuition
21 assistance for the tuition and fees remaining after deducting
22 any federal or state grants or other public or private grants
23 made to the person for the purpose of paying the tuition and
24 fees at a Minnesota state college or university or the
25 University of Minnesota. A deaf person must receive either a
26 federal Pell grant or a state grant under section 136A.121 for a
27 term to receive tuition assistance for that term.

28 Sec. 5. Minnesota Statutes 2004, section 135A.30,
29 subdivision 3, is amended to read:

30 Subd. 3. [SELECTION OF RECIPIENTS.] The governing board of
31 an eligible institution shall determine, in consultation with
32 its campuses, application dates and procedures, criteria to be
33 considered, and methods of selecting students to receive
34 scholarships. A campus, with the approval of its governing
35 board, may award a scholarship in any ~~of-the-specified~~
36 ~~fields~~ field of study ~~(1)-in-which-the-campus-offers-a-program~~

1 ~~that-is-of-the-quality-and-rigor-to-meet-the-needs-of-the~~
2 ~~talented-student,-and-(2)-that-is-pertinent-to-the-mission-of~~
3 ~~the-campus.~~

4 Sec. 6. Minnesota Statutes 2004, section 135A.30,
5 subdivision 4, is amended to read:

6 Subd. 4. [AMOUNT OF SCHOLARSHIP.] The amount of the
7 scholarship ~~must~~ may be (1) at public institutions, up to the
8 cost of tuition and fees for full-time attendance for one
9 academic year, or (2) at private institutions, an amount ~~equal~~
10 up to the lesser of the actual tuition and fees charged by the
11 institution or the tuition and fees in comparable public
12 institutions. Scholarships awarded under this section must not
13 be considered in determining a student's financial need as
14 provided in section 136A.101, subdivision 5.

15 Sec. 7. Minnesota Statutes 2004, section 135A.30,
16 subdivision 5, is amended to read:

17 Subd. 5. [RENEWALS.] The scholarship ~~shall~~ may be renewed
18 yearly, for up to three additional academic years, if the
19 student:

20 (1) maintains full-time enrollment with a grade point
21 average of at least 3.0 on a four point scale;

22 (2) pursues studies and continues to demonstrate
23 outstanding ability, achievement, and potential in the field for
24 which the award was made; and

25 (3) is achieving satisfactory progress toward a degree.

26 Sec. 8. Minnesota Statutes 2004, section 135A.52,
27 subdivision 1, is amended to read:

28 Subdivision 1. [FEES AND TUITION.] Except for an
29 administration fee established by the governing board at a level
30 to recover costs, to be collected only when a course is taken
31 for credit, a senior citizen who is a legal resident of
32 Minnesota is entitled without payment of tuition or activity
33 fees to attend courses offered for credit, audit any courses
34 offered for credit, or enroll in any noncredit ~~adult-veational~~
35 ~~education~~ courses in any state supported institution of higher
36 education in Minnesota when space is available after all

1 tuition-paying students have been accommodated. A senior
2 citizen enrolled under this section must pay any materials,
3 personal property, or service charges for the course. In
4 addition, a senior citizen who is enrolled in a course for
5 credit must pay an administrative fee in an amount established
6 by the governing board of the institution to recover the course
7 costs. There shall be no administrative fee charges to a senior
8 citizen auditing a course. For the purposes of this section and
9 section 135A.51, the term "noncredit ~~adult-veational-education~~
10 courses" shall not include those ~~adult-veational-education~~
11 courses designed and offered specifically and exclusively for
12 senior citizens.

13 The provisions of this section and section 135A.51 do not
14 apply to noncredit courses designed and offered by the
15 University of Minnesota, and the Minnesota State Colleges and
16 Universities specifically and exclusively for senior citizens.
17 Senior citizens enrolled under the provisions of this section
18 and section 135A.51 shall not be included by such institutions
19 in their computation of full-time equivalent students when
20 requesting staff or appropriations. ~~The-enrollee-shall-pay~~
21 ~~laboratory-or-material-fees-~~

22 Sec. 9. Minnesota Statutes 2004, section 135A.52,
23 subdivision 2, is amended to read:

24 Subd. 2. [TERM; INCOME OF SENIOR CITIZENS.] (a) Except
25 under paragraph (b), there shall be no limit to the number of
26 terms, quarters or semesters a senior citizen may attend
27 courses, nor income limitation imposed in determining
28 eligibility.

29 (b) A senior citizen enrolled in a closed enrollment
30 contract training or professional continuing education program
31 is not eligible for benefits under subdivision 1.

32 Sec. 10. Minnesota Statutes 2004, section 136A.031,
33 subdivision 2, is amended to read:

34 Subd. 2. [HIGHER EDUCATION ADVISORY COUNCIL.] A Higher
35 Education Advisory Council (HEAC) is established. The HEAC is
36 composed of the president of the University of Minnesota or

1 designee; the chancellor of the Minnesota State Colleges and
 2 Universities or designee; the commissioner of education; the
 3 president of the Private College Council; a representative from
 4 the Minnesota ~~Association-of-Private-Postsecondary-Schools~~
 5 Career College Association; and a member appointed by the
 6 governor. The HEAC shall ~~{1}~~ bring to the attention of the
 7 Higher Education Services ~~Council~~ Office any matters that the
 8 HEAC deems necessary, ~~and-{2}-review-and-comment-upon-matters~~
 9 ~~before-the-council.--The-council-shall-refer-all-proposals-to~~
 10 ~~the-HEAC-before-submitting-recommendations-to-the-governor-and~~
 11 ~~the-legislature.--The-council-shall-provide-time-for-a-report~~
 12 ~~from-the-HEAC-at-each-meeting-of-the-council.~~

13 Sec. 11. Minnesota Statutes 2004, section 136A.031,
 14 subdivision 3, is amended to read:

15 Subd. 3. [STUDENT ADVISORY COUNCIL.] A Student Advisory
 16 Council (SAC) to the Higher Education Services ~~Council~~ Office is
 17 established. The members of SAC shall include: the chair of
 18 the University of Minnesota student senate; the state chair of
 19 the Minnesota State University Student Association; the
 20 president of the Minnesota State College Student Association and
 21 an officer of the Minnesota State College Student Association,
 22 one in a community college course of study and one in a
 23 technical college course of study; the president of the
 24 Minnesota Association of Private College Students; and a student
 25 who is enrolled in a private vocational school, to be appointed
 26 by the Minnesota ~~Association-of-Private-Postsecondary-Schools~~
 27 Career College Association. A member may be represented by a
 28 student designee who attends an institution from the same system
 29 that the absent member represents. The SAC shall select one of
 30 its members to serve as chair.

31 The Higher Education Services ~~Council~~ Office shall inform
 32 the SAC of all matters related to student issues under
 33 consideration ~~and-shall-refer-all-proposals-to-the-SAC-before~~
 34 ~~taking-action-or-sending-the-proposals-to-the-governor-or~~
 35 ~~legislature.~~ The SAC shall report to the Higher Education
 36 Services ~~Council~~ Office quarterly and at other times that the

1 SAC considers desirable. The SAC shall determine its meeting
2 times, but it shall also meet with the ~~council~~ office within 30
3 days after the director's request for a meeting.

4 The SAC shall:

5 (1) bring to the attention of the Higher Education Services
6 ~~Council~~ Office any matter that the SAC believes needs the
7 attention of the ~~council~~ office;

8 (2) make recommendations to the Higher Education Services
9 ~~Council~~ Office as it finds appropriate; and

10 (3) ~~appoint~~ approve student members-~~to~~ appointments by the
11 Higher Education Services ~~Council~~ Office for each advisory
12 ~~groups~~ group as provided in subdivision 4~~7~~-and

13 ~~(4)-provide-any-reasonable-assistance-to-the-council.~~

14 Sec. 12. Minnesota Statutes 2004, section 136A.031,
15 subdivision 4, is amended to read:

16 Subd. 4. [STUDENT REPRESENTATION.] ~~If-requested-by-the~~
17 ~~SAC,~~ The director must place at least one student from an
18 affected educational system on any task force created under
19 ~~subdivision-1.--The-student-member-or-members-shall-be-appointed~~
20 ~~by-the-SAC~~ by the office. The director must submit to the SAC,
21 the name of any student appointed to an advisory group or task
22 force. The student appointment is not approved if four SAC
23 members vote to disprove of the appointment. If an appointment
24 is disapproved, the director must submit another student
25 appointment to the SAC in a timely manner.

26 Sec. 13. Minnesota Statutes 2004, section 136A.031,
27 subdivision 5, is amended to read:

28 Subd. 5. [EXPIRATION.] Notwithstanding section 15.059,
29 subdivision 5, the advisory groups established in this section
30 expire on June 30, ~~2005~~ 2007.

31 Sec. 14. Minnesota Statutes 2004, section 136A.08, is
32 amended by adding a subdivision to read:

33 Subd. 7. [REPORTING.] The Higher Education Services Office
34 must annually, before the last day in January, submit a report
35 to the committees in the house of representatives and the senate
36 with responsibility for higher education finance on:

1 (1) participation in the tuition reciprocity program by
2 Minnesota students, and students from other states attending
3 Minnesota postsecondary institutions under a reciprocity
4 agreement;

5 (2) reciprocity and resident tuition rates at each
6 institution; and

7 (3) interstate payments and obligations for each state
8 participating in the tuition reciprocity program in the prior
9 year.

10 Sec. 15. Minnesota Statutes 2004, section 136A.08, is
11 amended by adding a subdivision to read:

12 Subd. 8. [DATA SHARING.] (a) The Higher Education Services
13 Office must consider developing data collection procedures and
14 agreements to monitor the extent to which students who attend
15 Minnesota postsecondary institutions under reciprocity
16 agreements are employed in Minnesota after graduation. These
17 procedures must include matching Social Security numbers of
18 reciprocity students for purposes of tracking the migration and
19 employment of students who receive associate, baccalaureate, or
20 graduate degrees through a tuition reciprocity program. State
21 agencies must share wage and earnings data under section 268.19
22 for the purpose of evaluating the tuition reciprocity program.

23 (b) The reciprocity application must request the use of
24 student Social Security numbers for the purposes of this
25 subdivision. Reciprocity students must be informed that Social
26 Security numbers will be used only for monitoring described in
27 paragraph (a), by sharing information with Minnesota agencies
28 and departments responsible for the administration of covered
29 wage data and revenue collections. Social Security numbers must
30 not be used for any other purpose or reported to any other
31 government entity.

32 (c) The office must include summary data on the migration
33 and earnings of reciprocity graduates in the reciprocity report
34 to the legislature. This report must include summary statistics
35 on number of graduates by institution, degree granted and year
36 of graduation, total number of reciprocity students employed in

1 the state, and total earnings of graduates.

2 Sec. 16. Minnesota Statutes 2004, section 136A.121,
3 subdivision 2, is amended to read:

4 Subd. 2. [ELIGIBILITY FOR GRANTS.] An applicant is
5 eligible to be considered for a grant, regardless of the
6 applicant's sex, creed, race, color, national origin, or
7 ancestry, under sections 136A.095 to 136A.131 if the office
8 finds that the applicant:

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

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

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

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

18 (5) is not more than 30 days in arrears ~~for any~~ in
19 court-ordered child support payments owed to a that is collected
20 or enforced by the public agency authority responsible for child
21 support enforcement or, if the applicant is more than 30 days in
22 arrears in court-ordered child support that is collected or
23 enforced by the public authority responsible for child support
24 enforcement, but is complying with a written payment
25 agreement under section 518.553 or order for arrearages. An
26 ~~agreement must provide for a repayment of arrearages at no less~~
27 ~~than 20 percent per month of the amount of the monthly child~~
28 ~~support obligation or no less than \$30 per month if there is no~~
29 ~~current monthly child support obligation.--Compliance means that~~
30 ~~payments are made by the payment date.~~

31 ~~The director and the commissioner of human services shall~~
32 ~~develop procedures to implement clause (5).~~

33 Sec. 17. Minnesota Statutes 2004, section 136A.121,
34 subdivision 6, is amended to read:

35 Subd. 6. [COST OF ATTENDANCE.] (a) The recognized cost of
36 attendance consists of allowances specified in law for living

1 and miscellaneous expenses, and an allowance for tuition and
2 fees equal to the lesser of the average tuition and fees charged
3 by the institution, or the tuition and fee maximums established
4 in law.

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

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

12 For the purpose of this subdivision, "fees" include only
13 those fees that are mandatory and charged to full-time resident
14 students attending the institution. Fees do not include charges
15 for tools, equipment, computers, or other similar materials
16 where the student retains ownership. Fees include charges for
17 these materials if the institution retains ownership. Fees do
18 not include optional or punitive fees.

19 Sec. 18. Minnesota Statutes 2004, section 136A.121, is
20 amended by adding a subdivision to read:

21 Subd. 7a. [SURPLUS APPROPRIATION.] If the amount
22 appropriated is determined by the office to be more than
23 sufficient to fund projected grant demand in the second year of
24 the biennium, the office may increase the living and
25 miscellaneous expense allowance in the second year of the
26 biennium by up to an amount that retains sufficient
27 appropriations to fund the projected grant demand. The
28 adjustment may be made one or more times. In making the
29 determination that there is more than sufficient funds, the
30 office shall balance the need for sufficient resources to meet
31 the projected demand for grants with the goal of fully
32 allocating the appropriation for state grants. An increase in
33 the living and miscellaneous expense allowance under this
34 subdivision does not carry forward into a subsequent biennium.
35 This subdivision expires June 30, 2007.

36 Sec. 19. Minnesota Statutes 2004, section 136A.121,

1 subdivision 9, is amended to read:

2 Subd. 9. [AWARDS.] An undergraduate student who meets the
3 office's requirements is eligible to apply for and receive a
4 grant in any year of undergraduate study unless the student has
5 obtained a baccalaureate degree or previously has been enrolled
6 full time or the equivalent for eight semesters or the
7 equivalent, excluding courses taken from a Minnesota school or
8 postsecondary institution which is not participating in the
9 state grant program and from which a student transferred no
10 credit. A student who withdraws from enrollment for active
11 military service is entitled to an additional semester or the
12 equivalent of grant eligibility. A student enrolled in a
13 two-year program at a four-year institution is only eligible for
14 the tuition and fee maximums established by law for two-year
15 institutions.

16 Sec. 20. Minnesota Statutes 2004, section 136A.121,
17 subdivision 13, is amended to read:

18 Subd. 13. [DEADLINE.] The deadline for the office to
19 accept applications for state grants for a term is ~~14~~ 30 days
20 after the start of that term.

21 Sec. 21. Minnesota Statutes 2004, section 136A.121, is
22 amended by adding a subdivision to read:

23 Subd. 18. [DATA.] (a) An eligible institution must provide
24 to the office data on student enrollment and federal and state
25 financial aid.

26 (b) An institution or its agent must provide to the office
27 aggregate and distributional financial or other data as
28 determined by the director that is directly related to the
29 responsibilities of the office under chapters 136A and 141. The
30 director may only request aggregate and distributional data
31 after establishing and consulting with a data advisory task
32 force under section 136A.031, subdivision 1, to determine the
33 need, content, and detail of the information. Data provided by
34 nonpublic institutions under this paragraph is considered
35 nonpublic data under chapter 13.

36 Sec. 22. Minnesota Statutes 2004, section 136A.125,

1 subdivision 2, is amended to read:

2 Subd. 2. [ELIGIBLE STUDENTS.] (a) An applicant is eligible
3 for a child care grant if the applicant:

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

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

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

12 (4) has not earned a baccalaureate degree and has been
13 enrolled full time less than eight semesters or the equivalent;

14 (5) is pursuing a nonsectarian program or course of study
15 that applies to an undergraduate degree, diploma, or
16 certificate;

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

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

21 (b) A student who withdraws from enrollment for active
22 military service is entitled to an additional semester or the
23 equivalent of grant eligibility.

24 Sec. 23. Minnesota Statutes 2004, section 136A.1701, is
25 amended by adding a subdivision to read:

26 Subd. 11. [DATA.] (a) An eligible institution must provide
27 to the office data on student enrollment and federal and state
28 financial aid.

29 (b) An institution or its agent must provide to the office
30 aggregate and distributional financial or other data as
31 determined by the director that is directly related to the
32 responsibilities of the office under chapters 136A and 141. The
33 director may only request aggregate and distributional data
34 after establishing and consulting with a data advisory task
35 force under section 136A.031, subdivision 1, to determine the
36 need, content, and detail of the information. Data provided by

1 nonpublic institutions under this paragraph is considered
2 nonpublic data under chapter 13.

3 Sec. 24. Minnesota Statutes 2004, section 136A.1701, is
4 amended by adding a subdivision to read:

5 Subd. 12. [ELIGIBLE STUDENT.] "Eligible student" means a
6 student who is a Minnesota resident who is enrolled or accepted
7 for enrollment at an eligible institution in Minnesota or in
8 another state or province. Non-Minnesota residents are eligible
9 students if they are enrolled or accepted for enrollment in a
10 minimum of one course of at least 30 days in length during the
11 academic year that requires physical attendance at an eligible
12 institution located in Minnesota. Non-Minnesota resident
13 students enrolled exclusively during the academic year in
14 correspondence courses or courses offered over the Internet are
15 not eligible students. Non-Minnesota resident students not
16 physically attending classes in Minnesota due to enrollment in a
17 study abroad program for 12 months or less are eligible students.
18 Non-Minnesota residents enrolled in study abroad programs
19 exceeding 12 months are not eligible students. For purposes of
20 this section, an "eligible student" must also meet the
21 eligibility requirements of section 136A.15, subdivision 8.

22 Sec. 25. [136A.1703] [INCOME-CONTINGENT LOANS.]

23 The office shall administer an income-contingent loan
24 repayment program to assist graduates of Minnesota schools in
25 medicine, dentistry, pharmacy, chiropractic medicine, public
26 health, and veterinary medicine, and Minnesota residents
27 graduating from optometry and osteopathy programs. Applicant
28 data collected by the office for this program may be disclosed
29 to a consumer credit reporting agency under the same conditions
30 as those that apply to the supplemental loan program under
31 section 136A.162. No new applicants may be accepted after June
32 30, 1995.

33 Sec. 26. [136A.1785] [LOAN CAPITAL FUND.]

34 The office may deposit and hold assets derived from the
35 operation of its student loan programs authorized by this
36 chapter in a fund known as the loan capital fund. Assets in the

1 loan capital fund are available to the office solely for
2 carrying out the purposes and terms of sections 136A.15 to
3 136A.1703, including, but not limited to, making student loans
4 authorized by this chapter, paying administrative expenses
5 associated with the operation of its student loan programs,
6 repurchasing defaulted student loans, and paying expenses in
7 connection with the issuance of revenue bonds authorized under
8 this chapter. Assets in the loan capital fund may be invested
9 as provided in sections 11A.24 and 136A.16, subdivision 8. All
10 interest and earnings from the investment of the loan capital
11 fund inure to the benefit of the fund and are deposited into the
12 fund.

13 Sec. 27. [136A.861] [INTERVENTION FOR COLLEGE ATTENDANCE
14 PROGRAM GRANTS.]

15 Subdivision 1. [GRANTS.] The director of the Higher
16 Education Services Office shall award grants to foster
17 postsecondary attendance by providing outreach services to
18 historically underserved groups of elementary and secondary
19 students. Grants must be awarded to programs that provide
20 precollege services, including, but not limited to:

- 21 (1) academic counseling;
- 22 (2) mentoring;
- 23 (3) fostering and improving parental involvement in
24 planning for and facilitating a college education;
- 25 (4) services for students with English as a second
26 language;
- 27 (5) academic enrichment activities;
- 28 (6) tutoring;
- 29 (7) career awareness and exploration;
- 30 (8) orientation to college life;
- 31 (9) assistance with high school course selection and
32 information about college admission requirements;
- 33 (10) financial aid counseling; and
- 34 (11) summer academic enrichment programs.

35 Services may be provided by postsecondary institutions, school
36 districts, businesses, foundations, professional organizations,

1 community-based organizations, or others deemed appropriate by
2 the director.

3 Subd. 2. [ELIGIBLE STUDENTS.] Eligible students include
4 elementary and secondary students who meet one or more of the
5 following criteria:

6 (1) are counted under section 1124(c) of the Elementary and
7 Secondary Education Act of 1965 (Title I);

8 (2) are eligible for free or reduced-price lunch under the
9 National School Lunch Act;

10 (3) receive assistance under the Temporary Assistance for
11 Needy Families Law (Title I of the Personal Responsibility and
12 Work Opportunity Reconciliation Act of 1996); or

13 (4) are a member of a group traditionally underrepresented
14 in higher education.

15 Subd. 3. [APPLICATION PROCESS.] The director of the Higher
16 Education Services Office shall develop a grant application
17 process. The director shall attempt to distribute grants in a
18 manner that ensures that eligible students throughout the state
19 have access to precollege services.

20 The grant application must include, at a minimum, the
21 following information:

22 (1) a description of the characteristics of the students to
23 be served;

24 (2) a description of the services to be provided and a
25 timeline for implementation of the activities;

26 (3) a description of how the services provided will foster
27 postsecondary attendance;

28 (4) a description of how the services will be evaluated to
29 determine whether the program goals were met; and

30 (5) other information as identified by the director.

31 Grant recipients must specify both program and student outcome
32 goals, and performance measures for each goal.

33 Priority shall be given to collaborative efforts between two or
34 more organizations.

35 Subd. 4. [MATCH REQUIRED.] Applicants are required to
36 match the grant amount dollar-for-dollar. The match may be in

1 cash or an in-kind contribution.

2 Subd. 5. [REVIEW COMMITTEE.] The director must establish
3 and convene a grant selection committee to review applications
4 and award grants. The members of the committee may include
5 representatives of postsecondary institutions, elementary and
6 secondary education, organizations providing precollege outreach
7 services, and others deemed appropriate by the director.

8 Subd. 6. [PROGRAM EVALUATION.] Each grant recipient must
9 annually submit a report to the Higher Education Services Office
10 delineating its program and student outcome goals, and
11 activities implemented to achieve the stated outcomes. The
12 goals must be clearly stated and measurable. Grant recipients
13 are required to collect, analyze, and report on participation
14 and outcome data that enable the office to verify that the
15 program goals were met. The office shall maintain:

16 (1) information about successful precollege program
17 activities for dissemination to individuals throughout the state
18 interested in adopting or replicating successful program
19 practices; and

20 (2) data on the success of the funded projects in
21 increasing the high school graduation and college participation
22 rates of students served by the grant recipients. The office
23 may convene meetings of the grant recipients, as needed, to
24 discuss issues pertaining to the implementation of precollege
25 services.

26 Subd. 7. [REPORT.] By January 15 of each odd-numbered
27 year, the office shall submit a report to the committees in the
28 legislature with jurisdiction over higher education finance
29 regarding the grant recipients and their activities. The report
30 shall include information about the students served, the
31 organizations providing services, program activities, program
32 goals and outcomes, and program revenue sources and funding
33 levels.

34 Sec. 28. Minnesota Statutes 2004, section 136F.04,
35 subdivision 4, is amended to read:

36 Subd. 4. [RECOMMENDATIONS.] Each student association shall

1 recommend at least two and not more than four candidates for its
2 student member. By ~~January-2~~ April 15 of the year in which its
3 members' term expires, each student association shall submit its
4 recommendations to the governor. The governor is not bound by
5 these recommendations.

6 Sec. 29. Minnesota Statutes 2004, section 136F.32,
7 subdivision 2, is amended to read:

8 Subd. 2. [TECHNICAL AND CONSOLIDATED TECHNICAL COLLEGES.]

9 (a) A technical college or consolidated technical community
10 college shall offer students the option of pursuing diplomas and
11 or certificates in each technical education program, unless the
12 board determines that a degree is the only acceptable credential
13 for career entry in a specific field. All vocational and
14 technical credits earned for a diploma or certificate shall be
15 applicable toward any available degree in the same program.

16 (b) Certificates and diplomas are credentials that
17 demonstrate competence in a vocational or technical area and,
18 therefore, may include a general education component only as
19 part of an articulation agreement or to meet occupational
20 requirements as established by the trade or profession, or by
21 the program advisory committee. Students shall be provided with
22 applied training in general studies as necessary for competence
23 in the program area. Students who have earned a certificate or
24 diploma may earn a degree in the same field if they complete the
25 general education and other degree requirements.

26 Sec. 30. Minnesota Statutes 2004, section 136G.03,
27 subdivision 3, is amended to read:

28 Subd. 3. [ACCOUNT OWNER.] "Account owner" means a person
29 who enters into a participation agreement and is entitled
30 to ~~select-or-change~~ conduct transactions on the account,
31 including selecting and changing the beneficiary of an account
32 ~~or-to-reeeive~~ and receiving distributions from the account ~~for~~
33 ~~other-than-payment-of-qualified-higher-education-expenses.~~

34 Sec. 31. Minnesota Statutes 2004, section 136G.03,
35 subdivision 21a, is amended to read:

36 Subd. 21a. [MINOR TRUST ACCOUNT.] "Minor trust account"

1 means a Uniform Gift to Minors Act account, or a Uniform
2 Transfers to Minors Act account, ~~or a trust instrument naming a~~
3 ~~minor person as beneficiary~~, created and operating under the
4 laws of Minnesota or another state.

5 Sec. 32. Minnesota Statutes 2004, section 136G.03,
6 subdivision 22, is amended to read:

7 Subd. 22. [NONQUALIFIED DISTRIBUTION.] "Nonqualified
8 distribution" means a distribution made from an account other
9 than (1) a qualified distribution; or (2) a distribution due to
10 the death or disability of, or scholarship to, or attendance at
11 a United States military academy by, a beneficiary.

12 Sec. 33. Minnesota Statutes 2004, section 136G.03,
13 subdivision 32, is amended to read:

14 Subd. 32. [SCHOLARSHIP.] "Scholarship" means a
15 scholarship, or educational assistance allowance, ~~or payment~~
16 ~~under section 529(b)(3)(C) of the Internal Revenue Code.~~

17 Sec. 34. Minnesota Statutes 2004, section 136G.05,
18 subdivision 8, is amended to read:

19 Subd. 8. [ADMINISTRATION.] The director shall administer
20 the program, including accepting and processing applications,
21 maintaining account records, making payments, making matching
22 grants under section 136G.11, and undertaking any other
23 necessary tasks to administer the program. The office may
24 contract with one or more third parties to carry out some or all
25 of these administrative duties, including ~~promotion~~ providing
26 incentives and marketing ~~of~~ the program. The office and the
27 board may jointly contract with third-party providers, if the
28 office and board determine that it is desirable to contract with
29 the same entity or entities for administration and investment
30 management.

31 Sec. 35. Minnesota Statutes 2004, section 136G.09,
32 subdivision 11, is amended to read:

33 Subd. 11. [EFFECT OF PLAN CHANGES ON PARTICIPATION
34 AGREEMENT.] Amendments to sections 136G.01 to 136G.13
35 automatically amend the participation agreement. Any amendments
36 to the operating procedures and policies of the plan shall

1 automatically amend the participation agreement ~~30-days~~ after
2 adoption by the office or the board.

3 Sec. 36. Minnesota Statutes 2004, section 136G.09,
4 subdivision 12, is amended to read:

5 Subd. 12. [SPECIAL ACCOUNT TO HOLD PLAN ASSETS IN TRUST.]
6 All assets of the plan, including contributions to accounts and
7 matching grant accounts and earnings, are held in trust for the
8 exclusive benefit of account owners and beneficiaries. Assets
9 must be held in a separate account in the state treasury to be
10 known as the Minnesota college savings plan account or in
11 accounts with the third party provider selected pursuant to
12 section 136G.05, subdivision 8. Plan assets are not subject to
13 claims by creditors of the state, are not part of the general
14 fund, and are not subject to appropriation by the state.
15 Payments from the Minnesota college savings plan account shall
16 be made under sections 136G.01 to 136G.13.

17 Sec. 37. Minnesota Statutes 2004, section 136G.11,
18 subdivision 1, is amended to read:

19 Subdivision 1. [MATCHING GRANT QUALIFICATION.] By June 30
20 of each year, a state matching grant must be added to each
21 account established under the program if the following
22 conditions are met:

23 (1) the contributor applies, in writing in a form
24 prescribed by the director, for a matching grant;

25 (2) a minimum contribution of \$200 was made during the
26 preceding calendar year; and

27 (3) the beneficiary's family meets Minnesota college
28 savings plan residency requirements; and

29 (4) the family income of the beneficiary did not exceed
30 \$80,000.

31 Sec. 38. Minnesota Statutes 2004, section 136G.11,
32 subdivision 2, is amended to read:

33 Subd. 2. [FAMILY INCOME.] (a) For purposes of this
34 section, "family income" means:

35 (1) if the beneficiary is under age 25, the combined
36 adjusted gross income of the beneficiary's parents or legal

1 guardians as reported on the federal tax return or returns for
2 the calendar year in which contributions were made. If the
3 beneficiary's parents or legal guardians are divorced, the
4 income of the parent claiming the beneficiary as a dependent on
5 the federal individual income tax return and the income of that
6 parent's spouse, if any, is used to determine family income; or

7 (2) if the beneficiary is age 25 or older, the combined
8 adjusted gross income of the beneficiary and spouse, if any.

9 (b) For a parent or legal guardian of beneficiaries under
10 age 25 and for beneficiaries age 25 or older who resided in
11 Minnesota and filed a federal individual income tax return, the
12 matching grant must be based on family income from the calendar
13 year in which contributions were made.

14 Sec. 39. Minnesota Statutes 2004, section 136G.11,
15 subdivision 3, is amended to read:

16 Subd. 3. [RESIDENCY REQUIREMENT.] (a) If the beneficiary
17 is under age 25, the beneficiary's parents or legal guardians
18 must be Minnesota residents to qualify for a matching grant. If
19 the beneficiary is age 25 or older, the beneficiary must be a
20 Minnesota resident to qualify for a matching grant.

21 (b) To meet the residency requirements, the parent or legal
22 guardian of beneficiaries under age 25 must have filed a
23 Minnesota individual income tax return as a Minnesota resident
24 and claimed the beneficiary as a dependent on the parent or
25 legal guardian's federal tax return for the calendar year in
26 which contributions were made. If the beneficiary's parents are
27 divorced, the parent or legal guardian claiming the beneficiary
28 as a dependent on the federal individual income tax return must
29 be a Minnesota resident. For beneficiaries age 25 or older, the
30 beneficiary, and a spouse, if any, must have filed a Minnesota
31 and a federal individual income tax return as a Minnesota
32 resident for the calendar year in which contributions were made.

33 (c) A parent of beneficiaries under age 25 and
34 beneficiaries age 25 or older who did not reside in Minnesota in
35 the calendar year in which contributions were made are not
36 eligible for a matching grant.

1 Sec. 40. Minnesota Statutes 2004, section 136G.11,
2 subdivision 13, is amended to read:

3 Subd. 13. [FORFEITURE OF MATCHING GRANTS.] (a) Matching
4 grants are forfeited if:

5 (1) the account owner transfers the total account balance
6 of an account to another account or to another qualified tuition
7 program;

8 (2) the beneficiary receives a full tuition scholarship or
9 ~~admission-to~~ is attending a United States service academy;

10 (3) the beneficiary dies or becomes disabled;

11 (4) the account owner changes the beneficiary of the
12 account; or

13 (5) the account owner closes the account with a
14 nonqualified withdrawal.

15 (b) Matching grants must be proportionally forfeited if:

16 (1) the account owner transfers a portion of an account to
17 another account or to another qualified tuition program;

18 (2) the beneficiary receives a scholarship covering a
19 portion of qualified higher education expenses; or

20 (3) the account owner makes a partial nonqualified
21 withdrawal.

22 (c) If the account owner makes a misrepresentation in a
23 participation agreement or an application for a matching grant
24 that results in a matching grant, the matching grant associated
25 with the misrepresentation is forfeited. The office and the
26 board must instruct the plan administrator as to the amount to
27 be forfeited from the matching grant account. The office and
28 the board must withdraw the matching grant or the proportion of
29 the matching grant that is related to the misrepresentation.

30 Sec. 41. Minnesota Statutes 2004, section 136G.13,
31 subdivision 1, is amended to read:

32 Subdivision 1. [QUALIFIED DISTRIBUTION METHODS.] (a)
33 Qualified distributions may be made:

34 (1) directly to participating eligible educational
35 institutions on behalf of the beneficiary; ~~or~~

36 (2) in the form of a check payable to both the beneficiary

1 and the eligible educational institution; or

2 (3) directly to the account owner or beneficiary if the
3 account owner or beneficiary has already paid qualified higher
4 education expenses.

5 (b) Qualified distributions must be withdrawn
6 proportionally from contributions and earnings in an account
7 owner's account on the date of distribution as provided in
8 section 529 of the Internal Revenue Code.

9 Sec. 42. Minnesota Statutes 2004, section 136G.13,
10 subdivision 5, is amended to read:

11 Subd. 5. [DISTRIBUTIONS DUE TO DEATH OR DISABILITY OF, OR
12 SCHOLARSHIP TO, OR ATTENDANCE AT A UNITED STATES MILITARY
13 ACADEMY BY, A BENEFICIARY.] An account owner may request a
14 distribution due to the death or disability of, or scholarship
15 to, or attendance at a United States military academy by, a
16 beneficiary from an account by submitting a completed request to
17 the plan. Prior to distribution, the account owner shall
18 certify the reason for the distribution and provide written
19 confirmation from a third party that the beneficiary has died,
20 become disabled, or received a scholarship for attendance at an
21 eligible educational institution, or is attending a United
22 States military academy. The plan must not consider a request
23 to make a distribution until a third-party written confirmation
24 is received by the plan. For purposes of this subdivision, a
25 third-party written confirmation consists of the following:

26 (1) for death of the beneficiary, a certified copy of the
27 beneficiary's death record;

28 (2) for disability of the beneficiary, a certification by a
29 physician who is a doctor of medicine or osteopathy stating that
30 the doctor is legally authorized to practice in a state of the
31 United States and that the beneficiary is unable to attend any
32 eligible educational institution because of an injury or illness
33 that is expected to continue indefinitely or result in death.
34 Certification must be on a form approved by the plan; ~~or~~

35 (3) for a scholarship award to the beneficiary, a letter
36 from the grantor of the scholarship or from the eligible

1 educational institution receiving or administering the
2 scholarship, that identifies the beneficiary by name and Social
3 Security number or taxpayer identification number as the
4 recipient of the scholarship and states the amount of the
5 scholarship, the period of time or number of credits or units to
6 which it applies, the date of the scholarship, and, if
7 applicable, the eligible educational institution to which the
8 scholarship is to be applied; or

9 (4) for attendance by the beneficiary at a United States
10 military academy, a letter from the military academy indicating
11 the beneficiary's enrollment and attendance.

12 Sec. 43. Minnesota Statutes 2004, section 136G.14, is
13 amended to read:

14 136G.14 [MINOR TRUST ACCOUNTS.]

15 (a) This section applies to a plan account in which funds
16 of a minor trust account are invested.

17 (b) The account owner may not be changed to any person
18 other than a successor custodian or the beneficiary unless a
19 court order directing the change of ownership is provided to the
20 plan administrator. The custodian must sign all forms and
21 requests submitted to the plan administrator in the custodian's
22 representative capacity. The custodian must notify the plan
23 administrator in writing when the beneficiary becomes legally
24 entitled to be the account owner. An account owner under this
25 section may not select a contingent account owner.

26 (c) The beneficiary of an account under this section may
27 not be changed. If the beneficiary dies, assets in a plan
28 account become the property of the beneficiary's estate. Funds
29 in an account must not be transferred or rolled over to another
30 account owner or to an account for another beneficiary. A
31 nonqualified distribution from an account, or a distribution due
32 to the disability or scholarship award to the beneficiary, or
33 made on account of the beneficiary's attendance at a United
34 States military academy, must be used for the benefit of the
35 beneficiary.

36 Sec. 44. Minnesota Statutes 2004, section 137.0245,

1 subdivision 1, is amended to read:

2 Subdivision 1. [ESTABLISHMENT.] A Regent Candidate
3 Advisory Council is established to assist ~~the legislature~~ in
4 determining criteria for, and identifying and recruiting
5 qualified candidates for membership on the Board of Regents and
6 making recommendations to the governor.

7 Sec. 45. Minnesota Statutes 2004, section 137.0245,
8 subdivision 3, is amended to read:

9 Subd. 3. [DUTIES.] (a) The advisory council shall:

10 (1) develop, in consultation with current and former
11 regents and the administration of the University of Minnesota, a
12 statement of the selection criteria to be applied and a
13 description of the responsibilities and duties of a regent, and
14 shall distribute this to potential candidates; and

15 (2) for each position on the board, identify and recruit
16 qualified candidates for the Board of Regents, based on the
17 background and experience of the candidates, ~~and~~ their potential
18 for discharging the responsibilities of a member of the Board of
19 Regents, and the needs of the board. The selection criteria
20 must not include a limitation on the number of terms an
21 individual may serve on the Board of Regents.

22 (b) The selection criteria developed under paragraph (a),
23 clause (1), must include a criterion that regents represent
24 diversity in geography; gender; race; occupation, including
25 business and labor; and experience.

26 (c) The selection criterion must include an identification
27 of the membership needs of the board for individual skills
28 relevant to the governance of the University and the needs for
29 certain individual characteristics. Individual characteristics
30 relate to qualities such as gender, race, and geographic
31 location of residence.

32 Sec. 46. Minnesota Statutes 2004, section 137.0245,
33 subdivision 4, is amended to read:

34 Subd. 4. [RECOMMENDATIONS.] (a) The advisory council shall
35 recommend at least two and not more than four candidates. By
36 ~~March 15~~ January 15 of each odd-numbered year, the advisory

1 council shall submit its recommendations to the ~~president-of-the~~
2 ~~senate-and-the-speaker-of-the-house-of-representatives---~~The
3 ~~legislature-shall-not-be-bound-by-these-recommendations~~ governor.

4 (b) The advisory council must submit a report to the
5 governor on the needs criterion identified under subdivision 3,
6 paragraph (c), at the same time it submits its recommendations.

7 Sec. 47. [137.0246] [REGENT NOMINATION AND ELECTION.]

8 Subdivision 1. [GOVERNOR NOMINATION.] By February 15
9 following the receipt of recommendations from the advisory
10 council, the governor must submit to the joint committee
11 established under subdivision 2, a slate of regent nominations
12 that complies with sections 137.023 and 137.024. The slate must
13 name one nominee for each vacancy. In selecting nominees, the
14 governor must consider the needs of the Board of Regents and the
15 balance of the board membership with respect to gender, racial,
16 and ethnic composition. The governor must inform the joint
17 committee how each candidate and the slate meets the needs
18 identified in the report under section 137.0245, subdivision 4,
19 paragraph (b).

20 Subd. 2. [JOINT COMMITTEE.] (a) The joint legislative
21 committee consists of 20 legislator members. Ten members shall
22 be appointed by the speaker of the house. Ten members shall be
23 appointed by the Subcommittee on Committees of the Committee on
24 Rules and Administration from the senate. An equal number of
25 members from the majority and minority party shall be appointed
26 from each house. The members appointed from the minority party
27 must be appointed from among those recommended by the minority
28 leader. The chairs of the education policy committees and of
29 the higher education budget divisions and the ranking minority
30 member of those committees and divisions must be appointed. A
31 majority of the members from each house is a quorum of the joint
32 committee.

33 (b) By February 28 of each odd-numbered year, or at a date
34 agreed to by concurrent resolution, the joint legislative
35 committee shall meet to consider the governor's nominees for
36 regent of the University of Minnesota for possible presentation

1 to a joint convention of the legislature.

2 (c) The joint committee may only recommend to the joint
3 convention nominees recommended by the governor. If the joint
4 committee does not recommend a nominee of the governor's, the
5 governor must submit a different nominee for the same vacancy. *If*

6 *the joint committee does not recommend a nominee of the governor's*
7 *then the joint committee may make a recommendation other*
8 *than the governor's nominee.*
9 Sec. 48. Minnesota Statutes 2004, section 192.502,
10 subdivision 1, is amended to read:

11 Subdivision 1. [POSTSECONDARY STUDENTS.] (a) A-member-of
12 the-Minnesota-National-Guard-or-any-other-military-reserve
13 component-who-is-a As used in this subdivision, the terms
14 "qualified person" and "qualified student" have the same meaning
15 and include:

16 (1) any student at a postsecondary education educational
17 institution and who is called-or ordered to-state into active
18 military service in-the-Minnesota-National-Guard, as defined in
19 section 190.05, subdivision 5,-or-who-is-called-or-ordered-to
20 federal-active-military-service; and

21 (2) a veteran, as defined in section 197.447, who has a
22 service connected disability as certified by the United States
23 Department of Veterans Affairs, who is a student at a
24 postsecondary educational institution, and whose service
25 connected medical condition or medical treatment requirements
26 reasonably prevent the person's attendance at or progress in
27 part or all of the person's higher educational training or
28 studies at any given time. The terms "medical condition" and
29 "medical treatment requirements" must be broadly construed and
30 without regard for whether or not they relate directly to the
31 person's service-connected disability.

32 (b) A qualified person or qualified student has the
33 following rights:

34 (1) with regard to courses in which the person is enrolled,
35 the person may:

36 (i) withdraw from one or more courses for which tuition and
fees have been paid that are attributable to the courses. The
tuition and fees must be credited to the person's account at the
postsecondary institution. Any refunds are subject to the

1 requirements of the state or federal financial aid programs of
2 origination. In such a case, the student must not receive
3 credit for the courses and must not receive a failing grade, an
4 incomplete, or other negative annotation on the student's
5 record, and the student's grade point average must not be
6 altered or affected in any manner because of action under this
7 item;

8 (ii) be given a grade of incomplete and be allowed to
9 complete the course upon release from active duty service, upon
10 completion of medical treatment, or upon sufficient medical
11 recovery under the postsecondary institution's standard practice
12 for completion of incompletes; or

13 (iii) continue and complete the course for full credit.
14 Class sessions the student misses due to performance of ~~state-or~~
15 ~~federal~~ active military service or due to the person's medical
16 treatment or medical condition must be counted as excused
17 absences and must not be used in any way to adversely impact the
18 student's grade or standing in the class. Any student who
19 selects this option is not, however, automatically excused from
20 completing assignments due during the period the student is
21 performing ~~state-or-federal~~ active military service or receiving
22 medical treatment or recovering from a medical condition. A
23 letter grade or a grade of pass must ~~only~~ be awarded only if, in
24 the opinion of the faculty member teaching the course, the
25 student has completed sufficient work and has demonstrated
26 sufficient progress toward meeting course requirements to
27 justify the grade;

28 (2) to receive a refund of amounts paid for room, board,
29 and fees attributable to the time period during which the
30 student was serving in ~~state-or-federal~~ active military service
31 or receiving medical treatment or dealing with the person's
32 medical condition and did not use the facilities or services for
33 which the amounts were paid. Any refund of room, board, and
34 fees is subject to the requirements of the state or federal
35 financial aid programs of origination; and

36 (3) if the student chooses to withdraw, the student has the

1 right to be readmitted and reenrolled as a student at the
2 postsecondary education institution, without penalty or
3 redetermination of admission eligibility, within ~~one-year~~ two
4 years following release from the state or federal active
5 military service or following completion of medical treatment or
6 sufficient recovery from the person's medical condition.

7 ~~(b)~~ (c) The protections in this section may be invoked as
8 follows:

9 (1) the qualified person or qualified student, or an
10 appropriate officer from the military organization in which the
11 person will be serving, or an appropriate medical authority or
12 the person's authorized caregiver or family member, must give
13 advance verbal or written notice that the person is being called
14 ~~or~~ ordered to qualifying active military service or will be
15 undertaking medical treatment or a period of recovery for a
16 medical condition;

17 (2) advance notice is not required if the giving of notice
18 is precluded by military or medical necessity or, under all the
19 relevant circumstances, the giving of notice is impossible or
20 unreasonable; and

21 (3) upon written request from the postsecondary
22 institution, the person must provide written verification of the
23 order to active service or of the existence of the medical
24 condition or medical treatment.

25 ~~(e)~~ (d) This section provides minimum protections for
26 qualified students. Nothing in this section prevents
27 postsecondary institutions from providing additional options or
28 protections to students who are ~~called-or~~ ordered to state-or
29 ~~federal~~ active military service or are undertaking medical
30 treatment or a period of recovery from a medical condition.

31 **[EFFECTIVE DATE.]** This section is effective the day
32 following final enactment.

33 Sec. 49. Minnesota Statutes 2004, section 299A.45,
34 subdivision 1, is amended to read:

35 Subdivision 1. **[ELIGIBILITY.]** Following certification
36 under section 299A.44 and compliance with this section and rules

1 of the commissioner of public safety and the higher education
2 services office, dependent children less than 23 years of age
3 and the surviving spouse of a public safety officer killed in
4 the line of duty on or after January 1, 1973, are eligible to
5 receive educational benefits under this section. To qualify for
6 an award, they must be enrolled in undergraduate degree or
7 certificate programs after June 30, 1990, at an eligible
8 Minnesota institution as provided in section 136A.101,
9 subdivision 4. A student who withdraws from enrollment for
10 active military service is entitled to an additional semester or
11 the equivalent of grant eligibility. Persons who have received
12 a baccalaureate degree or have been enrolled full time or the
13 equivalent of ten semesters or the equivalent, whichever occurs
14 first, are no longer eligible.

15 Sec. 50. Minnesota Statutes 2004, section 299A.45,
16 subdivision 4, is amended to read:

17 Subd. 4. [RENEWAL.] Each award must be given for one
18 academic year and is renewable for a maximum of eight semesters
19 or the equivalent. A student who withdraws from enrollment for
20 active military service is entitled to an additional semester or
21 the equivalent of grant eligibility. An award must not be given
22 to a dependent child who is 23 years of age or older on the
23 first day of the academic year.

24 Sec. 51. [583.215] [EXPIRATION.]

25 (a) Sections 336.9-601, subsections (h) and (i); 550.365;
26 559.209; 582.039; and 583.20 to 583.32, expire June 30, 2009.

27 (b) Laws 1986, chapter 398, article 1, section 18, as
28 amended, is repealed.

29 [EFFECTIVE DATE.] This section is effective the day
30 following final enactment.

31 Sec. 52. [RECIPROCITY NEGOTIATIONS.]

32 Subdivision 1. [SOUTH DAKOTA.] The Higher Education
33 Services Office must examine reinstating interstate payments in
34 the Minnesota-South Dakota reciprocity program while maintaining
35 the tuition reciprocity agreement. The office must examine the
36 advantages and disadvantages of computing interstate payments

1 under the reciprocity agreement and the impact of interstate
2 payments on participating students, institutions, and the
3 general fund of the two states. The office must report on the
4 impacts of reinstating reciprocity payments to the committees of
5 the legislature with responsibility for higher education by
6 January 10, 2006.

7 Subd. 2. [WISCONSIN.] The Higher Education Services Office
8 must, as soon as possible, commence negotiations with the state
9 of Wisconsin on the tuition reciprocity agreement. The
10 negotiations must include the issue of the disparity between the
11 tuition paid by Wisconsin residents and Minnesota residents at
12 campuses of the University of Minnesota with a goal of reducing
13 or eliminating the disparity.

14 This section does not mandate the inclusion of any
15 particular term in a tuition reciprocity agreement.

16 Sec. 53. [ADVISORY TASK FORCE ON PUBLIC POSTSECONDARY
17 FUNDING.]

18 The Higher Education Services Office shall convene an
19 advisory task force to study the current postsecondary funding
20 policy under Minnesota Statutes, sections 135A.01 to 135A.034.
21 The task force must include the chief financial officers of the
22 University of Minnesota and the Minnesota State Colleges and
23 Universities, and the commissioner of finance, or their
24 designees. The task force may include other members as selected
25 by the Higher Education Services Office. The task force must
26 study and make specific recommendations on alternatives to the
27 methods currently used by the postsecondary systems to implement
28 the provisions of Minnesota Statutes, section 135A.031,
29 subdivision 4. The task force must submit its recommendations
30 to the legislature and the governor by January 15, 2006. The
31 task force expires on June 30, 2007.

32 Sec. 54. [ALTERNATIVE FORMAT INSTRUCTIONAL MATERIAL
33 NETWORK.]

34 The Higher Education Services Office must convene a group
35 with representatives from publishers of postsecondary
36 instructional materials, the Association of American Publishers

1 (AAP), the Minnesota State Colleges and Universities, the
2 University of Minnesota, all sectors of private postsecondary
3 education, and Minnesota State Services for the Blind to develop
4 a network to make available postsecondary instructional material
5 in an electronic format or to identify other solutions, such as
6 a national system, to address the specialized format needs of
7 postsecondary students with disabilities. The material
8 available through the network must be made available to
9 Minnesota postsecondary institutions and to postsecondary
10 students with disabilities that require a reading
11 accommodation. The group must establish standards for the
12 instructional material that is available through the network.
13 Instructional material must be in a format that is compatible
14 with assistive technology used by students who require a reading
15 accommodation. Instructional material includes, but is not
16 limited to, commercially printed materials published or produced
17 primarily for use by students in postsecondary educational
18 courses. Instructional materials also include materials
19 produced by postsecondary institutions, as defined by the group,
20 for use in conjunction with a course of study. The Higher
21 Education Services Office must report to the committees in the
22 house of representatives and senate with responsibility for
23 higher education finance by January 15, 2006, on progress in
24 developing the network and with recommendations on methods to
25 meet the needs of students for instructional materials in
26 alternative formats.

27 Sec. 55. [APPLICATION OF ELIGIBILITY.]

28 The additional semester or the equivalent of grant
29 eligibility under sections 19, 22, 49, and 50 applies to any
30 student who withdrew from enrollment in a postsecondary
31 institution after December 31, 2002, because the student was
32 ordered to active military service as defined in Minnesota
33 Statutes, section 190.05, subdivision 5b or 5c.

34 Sec. 56. [REVISOR INSTRUCTION.]

35 The revisor of statutes shall change the terms "HESO" and
36 "Higher Education Services Office" to "Minnesota Office of

1 Higher Education" wherever in Minnesota Statutes and Minnesota
2 Rules the terms appear.

3 Sec. 57. [REPEALER.]

4 (a) Minnesota Statutes 2004, sections 136A.011, and
5 136A.031, subdivision 1, are repealed.

6 (b) Minnesota Rules, parts 4815.0100; 4815.0110; 4815.0120;
7 4815.0130; 4815.0140; 4815.0150; 4815.0160; 4830.8100;
8 4830.8110; 4830.8120; 4830.8130; 4830.8140; and 4830.8150, are
9 repealed.

10 ARTICLE 3

11 PRIVATE CAREER SCHOOLS

12 Section 1. Minnesota Statutes 2004, section 141.21, is
13 amended by adding a subdivision to read:

14 Subd. 6a. [MULTIPLE LOCATION.] "Multiple location" means
15 any site where classes or administrative services are provided
16 to students and which has a street address that is different
17 than the street address found on the school's private career
18 school license.

19 Sec. 2. Minnesota Statutes 2004, section 141.25,
20 subdivision 3, is amended to read:

21 Subd. 3. [APPLICATION.] Application for a license shall be
22 on forms prepared and furnished by the office, and shall include
23 the following and other information as the office may require:

24 (1) the title or name of the school, ownership and
25 controlling officers, members, managing employees, and director;

26 (2) the specific programs which will be offered and the
27 specific purposes of the instruction;

28 (3) the place or places where the instruction will be
29 given;

30 (4) a listing of the equipment available for instruction in
31 each program;

32 (5) the maximum enrollment to be accommodated with
33 equipment available in each specified program;

34 (6) the qualifications of instructors and supervisors in
35 each specified program;

36 (7) a current balance sheet, income statement, and adequate

1 supporting documentation, prepared and certified by an
2 independent public accountant or CPA;

3 (8) copies of all media advertising and promotional
4 literature and brochures or electronic display currently used or
5 reasonably expected to be used by the school;

6 (9) copies of all Minnesota enrollment agreement forms and
7 contract forms and all enrollment agreement forms and contract
8 forms used in Minnesota; and

9 (10) gross income earned in the preceding year from student
10 tuition, fees, and other required institutional charges, unless
11 the school files with the office a surety bond equal to at least
12 ~~\$50,000~~ \$250,000 as described in subdivision 5.

13 Sec. 3. Minnesota Statutes 2004, section 141.25,
14 subdivision 5, is amended to read:

15 Subd. 5. [BOND.] (a) No license shall be issued to any
16 school which maintains, conducts, solicits for, or advertises
17 within the state of Minnesota any program, unless the applicant
18 files with the office a continuous corporate surety bond written
19 by a company authorized to do business in Minnesota conditioned
20 upon the faithful performance of all contracts and agreements
21 with students made by the applicant.

22 (b) The amount of the surety bond shall be ten percent of
23 the preceding year's gross income from student tuition, fees,
24 and other required institutional charges, but in no event less
25 than \$10,000 nor greater than ~~\$50,000~~ \$250,000, except that a
26 school may deposit a greater amount at its own discretion. A
27 school in each annual application for licensure must compute the
28 amount of the surety bond and verify that the amount of the
29 surety bond complies with this subdivision, unless the school
30 maintains a surety bond equal to at least ~~\$50,000~~ \$250,000. A
31 school that operates at two or more locations may combine gross
32 income from student tuition, fees, and other required
33 institutional charges for all locations for the purpose of
34 determining the annual surety bond requirement. The gross
35 tuition and fees used to determine the amount of the surety bond
36 required for a school having a license for the sole purpose of

1 recruiting students in Minnesota shall be only that paid to the
2 school by the students recruited from Minnesota.

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

14 (d) In lieu of bond, the applicant may deposit with the
15 commissioner of finance a sum equal to the amount of the
16 required surety bond in cash, or securities as may be legally
17 purchased by savings banks or for trust funds in an aggregate
18 market value equal to the amount of the required surety bond.

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

22 Sec. 4. Minnesota Statutes 2004, section 141.25,
23 subdivision 8, is amended to read:

24 Subd. 8. [FEES AND TERMS OF LICENSE.] An application for
25 an initial license under sections 141.21 to 141.35 shall be
26 accompanied by a nonrefundable application fee ~~established by~~
27 ~~the office~~ as provided in section 141.255 that is sufficient to
28 recover, but not exceed, ~~its~~ the administrative costs of the
29 office.

30 All licenses shall expire one year from the date issued by
31 the office, except as provided in section 141.251.

32 Sec. 5. Minnesota Statutes 2004, section 141.25,
33 subdivision 9, is amended to read:

34 Subd. 9. [CATALOG, BROCHURE, OR ELECTRONIC DISPLAY.]
35 Before a license is issued to a school, the school shall furnish
36 to the office a catalog, brochure, or electronic display

1 including:

2 (1) identifying data, such as volume number and date of
3 publication;

4 (2) name and address of the school and its governing body
5 and officials;

6 (3) a calendar of the school showing legal holidays,
7 beginning and ending dates of each course quarter, term, or
8 semester, and other important dates;

9 (4) the school policy and regulations on enrollment
10 including dates and specific entrance requirements for each
11 program;

12 (5) the school policy and regulations about leave,
13 absences, class cuts, make-up work, tardiness, and interruptions
14 for unsatisfactory attendance;

15 (6) the school policy and regulations about standards of
16 progress for the student including the grading system of the
17 school, the minimum grades considered satisfactory, conditions
18 for interruption for unsatisfactory grades or progress, a
19 description of any probationary period allowed by the school,
20 and conditions of reentrance for those dismissed for
21 unsatisfactory progress;

22 (7) the school policy and regulations about student conduct
23 and conditions for dismissal for unsatisfactory conduct;

24 (8) a detailed schedule of fees, charges for tuition,
25 books, supplies, tools, student activities, laboratory fees,
26 service charges, rentals, deposits, and all other charges;

27 (9) the school policy and regulations, including an
28 explanation of section 141.271, about refunding tuition, fees,
29 and other charges if the student does not enter the program,
30 withdraws from the program, or the program is discontinued;

31 (10) a description of the available facilities and
32 equipment;

33 (11) a course outline syllabus for each course offered
34 showing course objectives, subjects or units in the course, type
35 of work or skill to be learned, and approximate time, hours, or
36 credits to be spent on each subject or unit;

1 (12) the school policy and regulations about granting
2 credit for previous education and preparation;

3 (13) a procedure for investigating and resolving student
4 complaints; and

5 (14) the name and address of the Minnesota Higher Education
6 Services Office.

7 A school that is exclusively a distance education school is
8 exempt from clauses (3) and (5).

9 Sec. 6. Minnesota Statutes 2004, section 141.25,
10 subdivision 12, is amended to read:

11 Subd. 12. [PERMANENT RECORDS.] A school licensed under
12 this chapter and located in Minnesota shall maintain a permanent
13 record for each student for 50 years from the last date of the
14 student's attendance. A school licensed under this chapter and
15 offering distance instruction to a student located in Minnesota
16 shall maintain a permanent record for each Minnesota student for
17 50 years from the last date of the student's attendance.

18 Records include school transcripts, documents, and files
19 containing student data about academic credits earned, courses
20 completed, grades awarded, degrees awarded, and periods of
21 attendance. To preserve permanent records, a school shall
22 submit a plan that meets the following requirements:

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

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

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

30 (4) a continuous surety bond must be filed with the office
31 in an amount not to exceed \$20,000 if the school has no binding
32 agreement for preserving student records or a trust must be
33 arranged if the school ceases to exist.

34 Sec. 7. Minnesota Statutes 2004, section 141.251, is
35 amended to read:

36 141.251 [LICENSE RENEWAL.]

1 Subdivision 1. [APPLICATION.] Application for renewal of a
2 license must be made at least ~~30~~ 60 days before expiration of
3 the current license on a form provided by the office. A renewal
4 application shall be accompanied by a nonrefundable fee
5 ~~established-by-the-office~~ as provided in section 141.255 that is
6 sufficient to recover, but does not exceed, ~~its~~ the
7 administrative costs of the office.

8 Subd. 2. [CONDITIONS.] The office shall adopt rules
9 establishing the conditions for renewal of a license. The
10 conditions shall permit two levels of renewal based on the
11 record of the school. A school that has demonstrated the
12 quality of its program and operation through longevity and
13 performance in the state may renew its license based on a
14 relaxed standard of scrutiny. A school that has been in
15 operation in Minnesota for a limited period of time or that has
16 not performed adequately on performance indicators shall renew
17 its license based on a strict standard of scrutiny. The office
18 shall specify minimum longevity standards and performance
19 indicators that must be met before a school may be permitted to
20 operate under the relaxed standard of scrutiny. The performance
21 indicators used in this determination shall include, but not be
22 limited to: degree granting status, regional or national
23 accreditation, loan default rates, placement rate of graduates,
24 student withdrawal rates, audit results, student complaints, and
25 school status with the United States Department of Education.
26 Schools that meet the requirements established in rule shall be
27 required to submit a full relicensure report once every four
28 years, and in the interim years will be exempt from the
29 requirements of section 141.25, subdivision 3, clauses (4), (5),
30 and (8), and Minnesota Rules, parts 4880.1700, subpart 6; and
31 4880.2100, subpart 4.

32 Sec. 8. [141.255] [FEES.]

33 Subdivision 1. [INITIAL LICENSURE FEE.] The office
34 processing fee for an initial licensure application is:

35 (1) \$1,500 for a school that will offer no more than one
36 program during its first year of operation;

1 (2) \$2,000 for a school that will offer two or more
2 nondegree level programs during its first year of operation; and
3 (3) \$2,500 for a school that will offer two or more degree
4 level programs during its first year of operation.

5 Subd. 2. [RENEWAL LICENSURE FEE; LATE FEE.] (a) The office
6 processing fee for a renewal licensure application is:

7 (1) for a category A school, as determined by the office,
8 the fee is \$865 if the school offers one program or \$1,150 if
9 the school offers two or more programs; and

10 (2) for a category B or C school, as determined by the
11 office, the fee is \$430 if the school offers one program or \$575
12 if the school offers two or more programs.

13 (b) If a license renewal application is not received by the
14 office by the close of business at least 60 days before the
15 expiration of the current license, a late fee of \$100 per
16 business day shall be assessed.

17 Subd. 3. [DEGREE LEVEL ADDITION FEE.] The office
18 processing fee for adding a degree level to an existing program
19 is \$2,000 per program.

20 Subd. 4. [PROGRAM ADDITION FEE.] The office processing fee
21 for adding a program that represents a significant departure in
22 the objectives, content, or method of delivery of programs that
23 are currently offered by the school is \$500 per program.

24 Subd. 5. [VISIT OR CONSULTING FEE.] If the office
25 determines that a fact-finding visit or outside consultant is
26 necessary to review or evaluate any new or revised program, the
27 office shall be reimbursed for the expenses incurred related to
28 the review as follows:

29 (1) \$300 for the team base fee or for a paper review
30 conducted by a consultant if the office determines that a
31 fact-finding visit is not required;

32 (2) \$300 for each day or part thereof on site per team
33 member; and

34 (3) the actual cost of customary meals, lodging, and
35 related travel expenses incurred by team members.

36 Subd. 6. [MODIFICATION FEE.] The fee for modification of

1 any existing program is \$100 and is due if there is:

2 (1) an increase or decrease of 25 percent or more, from the
3 original date of program approval, in clock hours, credit hours,
4 or calendar length of an existing program;

5 (2) a change in academic measurement from clock hours to
6 credit hours or vice versa; or

7 (3) an addition or alteration of courses that represent a
8 25 percent change or more in the objectives, content, or methods
9 of delivery.

10 Subd. 7. [SOLICITOR PERMIT FEE.] The solicitor permit fee
11 is \$350 and must be paid annually.

12 Subd. 8. [MULTIPLE LOCATION FEE.] Schools wishing to
13 operate at multiple locations must pay:

14 (1) \$250 per location, for two to five locations; and

15 (2) an additional \$50 for each location over five.

16 Subd. 9. [STUDENT TRANSCRIPT FEE.] The fee for a student
17 transcript requested from a closed school whose records are held
18 by the office is \$10, with a maximum of five transcripts per
19 request.

20 Subd. 10. [PUBLIC OFFICE DOCUMENTS; COPIES.] The office
21 shall establish rates for copies of any public office document.

22 Sec. 9. Minnesota Statutes 2004, section 141.26,
23 subdivision 5, is amended to read:

24 Subd. 5. [FEE.] The initial and renewal application for
25 each permit shall be accompanied by a nonrefundable fee as
26 ~~established by the office~~ under section 141.255.

27 Sec. 10. Minnesota Statutes 2004, section 141.271, is
28 amended by adding a subdivision to read:

29 Subd. 1b. [SHORT-TERM PROGRAMS.] Licensed schools
30 conducting programs not exceeding 40 hours in length shall not
31 be required to make a full refund once a program has commenced
32 and shall be allowed to prorate any refund based on the actual
33 length of the program as stated in the school catalog or
34 advertisements and the number of hours attended by the student.

35 Sec. 11. Minnesota Statutes 2004, section 141.271,
36 subdivision 4, is amended to read:

1 Subd. 4. [RESIDENT SCHOOLS.] When a student has been
2 accepted by a school offering a resident program and gives
3 written notice of cancellation, or the school has actual notice
4 of a student's nonattendance after the start of the period of
5 instruction for which the student has been charged, but before
6 completion of 75 percent of the period of instruction, the
7 amount charged for tuition, fees, and all other charges shall be
8 prorated based on number of days in the term as a portion of the
9 total charges for tuition, fees, and all other charges. An
10 additional 25 percent of the total cost of the period of
11 instruction may be added, but shall not exceed \$100. After
12 completion of 75 percent of the period of instruction for which
13 the student has been charged, no refunds are required.

14 Sec. 12. Minnesota Statutes 2004, section 141.271,
15 subdivision 7, is amended to read:

16 Subd. 7. [EQUIPMENT AND SUPPLIES.] The fair market retail
17 price, if separately stated in the catalog and contract or
18 enrollment agreement, of equipment or supplies furnished to the
19 student, which the student fails to return in condition suitable
20 for resale, and which may reasonably be resold, within ten
21 business days following cancellation may be retained by the
22 school and may be deducted from the total cost for tuition, fees
23 and all other charges when computing refunds.

24 An overstatement of the fair market retail price of any
25 equipment or supplies furnished the student shall be considered
26 inconsistent with this provision.

27 Sec. 13. Minnesota Statutes 2004, section 141.271,
28 subdivision 10, is amended to read:

29 Subd. 10. [CANCELLATION OCCURRENCE.] Written notice of
30 cancellation shall take place on the date the letter of
31 cancellation is postmarked or, in the cases where the notice is
32 hand carried, it shall occur on the date the notice is delivered
33 to the school. If a student has not attended classes for a
34 period of 21 consecutive days, the student is considered to have
35 withdrawn from school for all purposes as of the student's last
36 documented date of attendance.

1 Sec. 14. Minnesota Statutes 2004, section 141.271, is
2 amended by adding a subdivision to read:

3 Subd. 14. [CLOSED SCHOOL.] In the event a school closes
4 for any reason during a term and interrupts and terminates
5 classes during that term, all tuition for the term shall be
6 refunded to the students or the appropriate state or federal
7 agency or private lender that provided any funding for the term
8 and any outstanding obligation of the student for the term is
9 canceled.

10 Sec. 15. Minnesota Statutes 2004, section 141.28,
11 subdivision 1, is amended to read:

12 Subdivision 1. [NOT TO ADVERTISE STATE APPROVAL.] Schools,
13 agents of schools, and solicitors may not advertise or represent
14 in writing or orally that such school is approved or accredited
15 by the state of Minnesota, except that any school, agent, or
16 solicitor may advertise that the school and solicitor have been
17 duly licensed by the state; using the following language:
18 "(Name of school) is licensed as a private career school with
19 the Minnesota Higher Education Services Office. Licensure is
20 not an endorsement of the institution. Credits earned at the
21 institution may not transfer to all other institutions. The
22 educational programs may not meet the needs of every student or
23 employer."

24 Sec. 16. Minnesota Statutes 2004, section 141.28, is
25 amended by adding a subdivision to read:

26 Subd. 6. [FINANCIAL AID PAYMENTS.] (a) All schools must
27 collect, assess, and distribute funds received from loans or
28 other financial aid as provided in this subdivision.

29 (b) Student loans or other financial aid funds received
30 from federal, state, or local governments or administered in
31 accordance with federal student financial assistance programs
32 under title IV of the Higher Education Act of 1965, as amended,
33 United States Code, title 20, chapter 28, must be collected and
34 applied as provided by applicable federal, state, or local law
35 or regulation.

36 (c) Student loans or other financial aid assistance

1 received from a bank, finance or credit card company, or other
2 private lender must be collected or disbursed as provided in
3 paragraphs (d) and (e).

4 (d) Loans or other financial aid payments for amounts
5 greater than \$3,000 must be disbursed:

6 (1) in two equal disbursements, if the term length is more
7 than four months. The loan or payment amounts may be disbursed
8 no earlier than the first day the student attends class with the
9 remainder to be disbursed halfway through the term; or

10 (2) in three equal disbursements, if the term length is
11 more than six months. The loan or payment amounts may be
12 disbursed no earlier than the first day the student attends
13 class, one-third of the way through the term, and two-thirds of
14 the way through the term.

15 (e) Loans or other financial aid payments for amounts less
16 than \$3,000 may be disbursed as a single disbursement on the
17 first day a student attends class, regardless of term length.

18 (f) No school may enter into a contract or agreement with,
19 or receive any money from, a bank, finance or credit card
20 company, or other private lender, unless the private lender
21 follows the requirements for disbursements provided in
22 paragraphs (d) and (e).

23 Sec. 17. Minnesota Statutes 2004, section 141.29,
24 subdivision 3, is amended to read:

25 Subd. 3. [POWERS AND DUTIES.] The office shall have (in
26 addition to the powers and duties now vested therein by law) the
27 following powers and duties:

28 (a) To negotiate and enter into interstate reciprocity
29 agreements with similar agencies in other states, if in the
30 judgment of the office such agreements are or will be helpful in
31 effectuating the purposes of Laws 1973, Chapter 714;

32 (b) To grant conditional school license for periods of less
33 than one year if in the judgment of the office correctable
34 deficiencies exist at the time of application and when refusal
35 to issue school license would adversely affect currently
36 enrolled students;

1 (c) The office may upon its own motion, and shall upon the
2 verified complaint in writing of any person setting forth fact
3 which, if proved, would constitute grounds for refusal or
4 revocation under Laws 1973, Chapter 714, investigate the actions
5 of any applicant or any person or persons holding or claiming to
6 hold a license or permit. However, before proceeding to a
7 hearing on the question of whether a license or permit shall be
8 refused, revoked or suspended for any cause enumerated in
9 subdivision 1, the office ~~may~~ shall grant a reasonable time to
10 the holder of or applicant for a license or permit to correct
11 the situation. If within such time the situation is corrected
12 and the school is in compliance with the provisions of this
13 chapter, no further action leading to refusal, revocation, or
14 suspension shall be taken.

15 Sec. 18. Minnesota Statutes 2004, section 141.30, is
16 amended to read:

17 141.30 [INSPECTION.]

18 (a) The office or a delegate may inspect the instructional
19 books and records, classrooms, dormitories, tools, equipment and
20 classes of any school or applicant for license at any reasonable
21 time. The office may require the submission of a certified
22 public audit, or if there is no such audit available the office
23 or a delegate may inspect the financial books and records of the
24 school. In no event shall such financial information be used by
25 the office to regulate or set the tuition or fees charged by the
26 school.

27 (b) Data obtained from an inspection of the financial
28 records of a school or submitted to the office as part of a
29 license application or renewal are nonpublic data as defined in
30 section 13.02, subdivision 9. Data obtained from inspections
31 may be disclosed to other members of the office, to law
32 enforcement officials, or in connection with a legal or
33 administrative proceeding commenced to enforce a requirement of
34 law.

35 Sec. 19. Minnesota Statutes 2004, section 141.35, is
36 amended to read:

1 141.35 [EXEMPTIONS.]

2 Sections 141.21 to 141.35 shall not apply to the following:

3 (1) public postsecondary institutions;

4 (2) private postsecondary institutions registered under

5 sections 136A.61 to 136A.71 that are nonprofit, or that are for

6 profit and registered under sections 136A.61 to 136A.71 as of

7 December 31, 1998, or are approved to offer exclusively

8 baccalaureate or postbaccalaureate programs;

9 (3) schools of nursing accredited by the state Board of

10 Nursing or an equivalent public board of another state or

11 foreign country;

12 (4) private schools complying with the requirements of

13 section 120A.22, subdivision 4;

14 (5) courses taught to students in a valid apprenticeship

15 program taught by or required by a trade union;

16 (6) schools exclusively engaged in training physically or

17 mentally handicapped persons for the state of Minnesota;

18 (7) schools licensed by boards authorized under Minnesota

19 law to issue licenses;

20 (8) schools and educational programs, or training programs,

21 contracted for by persons, firms, corporations, government

22 agencies, or associations, for the training of their own

23 employees, for which no fee is charged the employee;

24 (9) schools engaged exclusively in the teaching of purely

25 avocational, recreational, or remedial subjects as determined by

26 the office;

27 (10) driver training schools and instructors as defined in

28 section 171.33, subdivisions 1 and 2;

29 (11) classes, courses, or programs conducted by a bona fide

30 trade, professional, or fraternal organization, solely for that

31 organization's membership;

32 (12) programs in the fine arts provided by organizations

33 exempt from taxation under section 290.05 and registered with

34 the attorney general under chapter 309. For the purposes of

35 this clause, "fine arts" means activities resulting in artistic

36 creation or artistic performance of works of the imagination

1 which are engaged in for the primary purpose of creative
2 expression rather than commercial sale or employment. In making
3 this determination the office may seek the advice and
4 recommendation of the Minnesota Board of the Arts;

5 (13) classes, courses, or programs intended to fulfill the
6 continuing education requirements for licensure or certification
7 in a profession, that have been approved by a legislatively or
8 judicially established board or agency responsible for
9 regulating the practice of the profession, and that are offered
10 ~~primarily~~ exclusively to an individual practicing the
11 profession;

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

15 (15) classes, courses, or programs providing 16 or fewer
16 clock hours of instruction that are not part of the curriculum
17 for an occupation or entry level employment;

18 (16) classes, courses, or programs providing instruction in
19 personal development, modeling, or acting;

20 (17) training or instructional programs, in which one
21 instructor teaches an individual student, that are not part of
22 the curriculum for an occupation or are not intended to prepare
23 a person for entry level employment; and

24 (18) schools with no physical presence in Minnesota, as
25 determined by the office, engaged exclusively in offering
26 distance instruction that are located in and regulated by other
27 states or jurisdictions.

28 Sec. 20. [REGULATION OF PRIVATE AND OUT-OF-STATE
29 POSTSECONDARY INSTITUTIONS.]

30 The Higher Education Services Office must convene a working
31 group to develop recommendations to revise the regulation, under
32 Minnesota Statutes, sections 136A.61 to 136A.71, and chapter
33 141, of private and out-of-state postsecondary institutions that
34 offer instruction in Minnesota or to Minnesota residents who are
35 not required to leave the state. Members of the working group
36 are appointed by the director of the Higher Education Services

1 Office and must include one or more representatives of the
2 Minnesota Private College Council, the Minnesota Career College
3 Association, and other interested institutions that are
4 registered or licensed under state law.

5 In developing recommendations, the working group must
6 consider the office's mission to protect both consumers of
7 postsecondary education and the state's interests. The
8 recommendations must address the provision of degrees,
9 certificates, diplomas, and training offered by for-profit and
10 nonprofit institutions in Minnesota and outside of Minnesota, in
11 classrooms or online and regulatory issues under federal law.
12 The recommendations may include other relevant issues as
13 determined by the working group.

14 The office must provide preliminary recommendations to the
15 committees of the legislature with jurisdiction over higher
16 education policy and higher education finance by November 15,
17 2005, and must provide final recommendations by January 15, 2006.

18 ARTICLE 4

19 ROCHESTER

20 Section 1. [ROCHESTER HIGHER EDUCATION DEVELOPMENT
21 COMMITTEE.]

22 Subdivision 1. [ESTABLISHMENT.] The Rochester Higher
23 Education Development Committee is established to research and
24 make recommendations to the governor and legislature on the
25 creation of mission-driven postsecondary educational programs or
26 institutions in the Rochester area that meet the educational
27 needs of the region and the state and that capitalize on the
28 unique opportunities for educational partnerships presented in
29 the Rochester area.

30 Subd. 2. [MEMBERSHIP.] The committee is composed of 11
31 members, to be appointed by the governor, as follows:

32 (1) a trustee of the Minnesota State Colleges and
33 Universities, or the trustee's designee;

34 (2) a regent of the University of Minnesota, or the
35 regent's designee;

36 (3) six persons from the Rochester area representing

1 business, health and medical sciences, and technology;

2 (4) the commissioner of finance as a nonvoting member, or
3 the commissioner's designee;

4 (5) one person who by training or experience has special
5 expertise in postsecondary finance and planning; and

6 (6) one person who by training or experience has special
7 expertise in postsecondary academic planning and programming.

8 Before the first meeting of the committee, the governor
9 shall select one person from the committee who shall serve as
10 chair.

11 Subd. 3. [COMPENSATION AND REMOVAL.] Appointments to the
12 committee are not subject to Minnesota Statutes, section 15.0597.
13 Members of the committee are not entitled to reimbursement under
14 Minnesota Statutes, section 15.059, subdivision 6. Members may
15 be removed and vacancies filled pursuant to Minnesota Statutes,
16 section 15.059, subdivision 4. The director of the Higher
17 Education Services Office may provide administrative support to
18 the committee.

19 Subd. 4. [DUTIES.] (a) The committee shall develop a
20 proposal for establishment and implementation of expanded higher
21 education programs or institutions in Rochester. The
22 committee's report must include recommendations on:

23 (1) the mission and focus of the programs or institutions;

24 (2) the nature of undergraduate and graduate programs to be
25 offered;

26 (3) site and facility needs;

27 (4) funding sources and opportunities;

28 (5) operational needs;

29 (6) alliances or other types of cooperative arrangements
30 with public and private institutions;

31 (7) governance structures; and

32 (8) mechanisms to ensure that the expanded programs are
33 aligned with the unique needs and opportunities of the Rochester
34 area and that programs take advantage of opportunities presented
35 by regional business and industry.

36 (b) If the committee recommends any programmatic changes

1 that result in institutional realignments, the committee must
2 consult with the representatives of affected employees and
3 address the continuation of collective bargaining and
4 contractual rights and benefits, including accumulated sick
5 leave, vacation time, seniority, time to tenure, separation or
6 retirement benefits, and pension plan coverage.

7 (c) The committee must consider specifically whether
8 expansion of the University of Minnesota in Rochester is the
9 most appropriate method of meeting the region's needs.

10 (d) The committee may also research and provide
11 recommendations on sites for the facilities and programs. The
12 committee shall recommend any changes to Minnesota law required
13 to implement recommendations of the committee.

14 Subd. 5. [REPORT.] The committee must issue a report with
15 recommendations to the governor and the legislature by January
16 15, 2006.

17 Subd. 6. [SUNSET.] The committee expires on December 31,
18 2007.

19 Sec. 2. [ROCHESTER HIGHER EDUCATION DEVELOPMENT ACCOUNT.]

20 A Rochester higher education development account is created
21 in the state treasury in the special revenue fund. Money in
22 this account is appropriated to the Higher Education Services
23 Office for allocation to the committee established in section 1,
24 subdivision 1, and the implementation activities outlined in
25 article 1, section 2, subdivision 6, paragraph (b). The office
26 shall serve as fiscal agent for the committee established in
27 section 1.

28 Sec. 3. [EFFECTIVE DATE.]

29 This article is effective the day following final enactment.



o part 2

1 moves to incorporate into the conference report
2 for H. F. No. 1385, the following:

3 Page .., after line .., insert:

4 "The Higher Education Services Office
5 must study the for-profit postsecondary
6 education sector. The study must
7 examine tuition levels and program
8 offerings, student debt load, financial
9 assistance, and the impact of the
10 tuition and fee maximums set in law on
11 this postsecondary sector and their
12 students. The study must also analyze
13 the relationship of the tuition and fee
14 maximums and tuition levels. The
15 office must report on the findings to
16 the legislative committees responsible
17 for higher education finance by
18 November 15, 2006. This study may be
19 done in conjunction with the licensing
20 study in article 3."

1 Senator moves to amend H.F. No. 1385, in conference
2 committee, as follows:

3 On R5, House language, (H1385-3)

4 Page 3, line 55, after "state" insert "and make a report to
5 the legislature regarding the implementation of the process.

6 The ^{report} recommendations must be made by January 15, 2006, to the
7 legislative committees with jurisdiction over higher education
8 policy and finance"

Pappas

adopted

1 Senator moves to amend H.F. No. 1385, in conference
2 committee, as follows:

3 On R24, House language, (H1385-3)

4 Page 20, lines 1 and 2, reinstate the stricken language

5 Page 20, line 3, delete everything after "to" and insert

6 "develop and implement a process to measure and report on the
7 effectiveness of postsecondary institutions"

8 Page 20, line 4, delete the new language

Pappas

adopted

1 Senator moves to amend SCH1385A23 as follows:

2 Page 14, line 18, delete everything after "underserved"

3 Page 14, line 19, after "students" insert "in grades six
4 through 12"

5 Page 14, line 32, after the semicolon, insert "and"

6 Page 14, line 33, delete everything after "counseling" and
7 insert a period

8 Page 14, delete lines 34 to 36 and insert:

9 "Grants shall be awarded to postsecondary institutions,
10 professional organizations, community-based organizations, or
11 others deemed appropriate by the director.

12 Grants shall be awarded for one year and may be renewed for
13 a second year with documentation to the Higher Education
14 Services Office of successful program outcomes."

15 Page 15, delete lines 1 and 2

16 Page 15, line 4, delete "elementary and secondary" and
17 after "students" insert "in grades six through 12"

18 Page 15, line 17, delete "distribute grants" and insert
19 "support projects"

20 Page 15, line 23, before the semicolon, insert "reflective
21 of the need for services listed in subdivision 1"

22 Page 15, delete lines 33 and 34

23 Page 16, lines 5 and 6, delete "elementary and secondary
24 education" and insert "school districts"

Tomassoni

not adopted

1 Senator moves to amend the SCH1385a23 amendment to
2 H.F. No. 1385 as follows:

3 Page 11, after line 20, insert:

4 "[EFFECTIVE DATE.] This section is effective the day
5 following final enactment and is retroactive to July 1, 2003.
6 An applicant who missed the 14-day deadline previously in effect
7 between July 1, 2003, and June 30, 2005, but who met the 30-day
8 deadline, has until September 1, 2005, to reapply. Retroactive
9 awards under this section must be made on a first come, first
10 served funds available basis. Retroactive awards may be paid
11 only from funds remaining after payment of all state grant
12 awards for fiscal year 2007 under section 136A.121. A
13 retroactive award must be calculated based on the law in effect
14 at the time of the original application."

Pappas

withdrawn

1 Senator moves to include in the conference committee
2 report for H.F. No. 1385:

3 "Sec. ... [135A.53] [RESIDENT TUITION.]

4 (a) A student shall qualify for a resident tuition rate or
5 its equivalent at state universities and colleges, including the
6 University of Minnesota, if the student meets all of the
7 following requirements:

8 (1) high school attendance within the state for three or
9 more years;

10 (2) graduation from a state high school or attainment
11 within the state of the equivalent of high school graduation;

12 (3) registration as an entering student at, or current
13 enrollment in, a public institution of higher education; and

14 (4) in the case of a student without lawful immigration
15 status, the filing of an affidavit with the institution of
16 higher education stating that the student has filed an
17 application to legalize his or her immigration status, or will
18 file an application at the earliest opportunity the individual
19 is eligible to do so.

20 (b) This section is in addition to any other statute, rule,
21 or higher education institution regulation or policy providing
22 eligibility for a resident tuition rate or its equivalent to a
23 student.

24 [EFFECTIVE DATE.] This section is effective the day
25 following final enactment and applies to tuition for school
26 terms commencing on or after that date."

27 Renumber the sections in sequence and correct the internal
28 references

29 Amend the title accordingly

Pappas

adopted

1 Senator moves to amend H.F. No. 1385, in conference
2 committee, as follows:

3 On R10, House language, (H1385-3)

4 Page 5, line 48, delete "this subdivision" and insert "new
5 Minnesota Statutes, section 136F.31"

6 Page 5, line 50, after "excellence" insert "under new
7 Minnesota Statutes, section 136F.31" and delete everything after
8 the period

9 Page 5, delete lines 51 to 58

10 Page 6, delete lines 1 to 6

11 On R11, House language, (H1385-3)

12 Page 6, delete lines 7 to 31

13 Senator further moves to include in the conference
14 committee report for H.F. No. 1385 section 1 of S.F. No. 1186,
15 the first engrossment.

2.21 programs that integrate the academic and training outcomes of
2.22 the center with business clusters that have a significant
2.23 multiplier effect on the state's economy based on projections of
2.24 job, income, or general economic growth. The board shall
2.25 consult with the Department of Employment and Economic
2.26 Development to identify these clusters and the potential
2.27 economic impact of developing a center for excellence.
2.28 Subd. 3. [ADVISORY COMMITTEE AND REPORTS REQUIRED.] A
2.29 center of excellence must create an advisory committee
2.30 representing local, statewide, and national leaders in the
2.31 field. By January 15 of each odd-numbered year, each designated
2.32 center must provide a report to the governor and the chairs of
2.33 committees of the legislature with jurisdiction over higher
2.34 education finance, that includes annual and integrated data on
2.35 program enrollment, student demographics, student admission
2.36 data, endowment growth, graduation rates, graduation outcomes,
3.1 employer involvement, indicators of student or graduate
3.2 employment success, and other outcomes as determined by the
3.3 board. After a center has been in existence for three years,
3.4 the report must include measures of the program's impact on the
3.5 local economy. A report under this subdivision must also
3.6 include the use of any funds made available by a legislative
3.7 appropriation for incentive payments to faculty or staff.
3.8 Sec. 2. [APPROPRIATION.]
3.9 \$..... in fiscal year 2006 and \$..... in fiscal year
3.10 2007 are appropriated from the general fund to the Board of
3.11 Trustees of the Minnesota State Colleges and Universities for
3.12 the purposes of section 1.

Please direct all comments concerning issues or legislation
to your House Member or State Senator.

For Legislative Staff or for directions to the Capitol, visit the Contact Us page.

General questions or comments.

Pappas

adopted

1 Senator moves to amend H.F. No. 1385, in conference
2 committee, as follows:

3 On R7, House language, (H1385-3)

4 Page 4, line 18, delete everything after "the" and insert
5 "appropriation for the state grant program under subdivision 2
6 to"

7 Page 4, line 19, delete everything before the second "the"

8 Page 4, line 23, after the period, insert "A transfer may
9 be made only with the prior written approval of the commissioner
10 of finance and prior written notice to the chairs of the senate
11 Higher Education Budget Division and house Higher Education
12 Finance Committee."

13 On R7, Senate language, (S1879-1)

14 Page 31, delete lines 43 to 49

15 On R7, Senate language, (S2265-1)

16 Page 4, delete lines 20 to 31

Jagges Kierlin

adopted

1 Senator moves to include in the conference committee
2 report for H.F. No. 1385:

3 "Sec. Minnesota Statutes 2004, section 136A.125,
4 subdivision 4, is amended to read:

5 Subd. 4. [AMOUNT AND LENGTH OF GRANTS.] The amount of a
6 child care grant must be based on:

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

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

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

12 The maximum award to the applicant shall be ~~\$2,200~~ \$2,300
13 for each eligible child per academic year, except that the
14 campus financial aid officer may apply to the office for
15 approval to increase grants by up to ten percent to compensate
16 for higher market charges for infant care in a community. The
17 office shall develop policies to determine community market
18 costs and review institutional requests for compensatory grant
19 increases to ensure need and equal treatment. The office shall
20 prepare a chart to show the amount of a grant that will be
21 awarded per child based on the factors in this subdivision. The
22 chart shall include a range of income and family size."

HOUSE LANGUAGE (H1385-3)

SENATE LANGUAGE (S2265-1)

1.1 A bill for an act

1.2 relating to higher education; allocating money for

1.3 educational and related purposes with certain

1.4 conditions; modifying various loan, grant, and

1.5 financial aid provisions; requiring institutions to

1.6 provide certain data; permitting disclosure of certain

1.7 data to determine eligibility; amending various

1.8 reciprocity provisions; providing definitions;

1.9 directing the Board of Trustees to designate centers

1.10 of excellence; amending the Minnesota college savings

1.11 plan; authorizing transfer of certain bonding

1.12 authority; amending provisions related to private

1.13 career schools; establishing fees; providing for

1.14 merger with the Higher Education Facilities Authority;

1.15 establishing the Rochester University Development

1.16 Committee; appropriating money; amending Minnesota

1.17 Statutes 2004, sections 13.46, subdivision 2;

1.18 135A.031, subdivisions 3, 4; 135A.052, subdivision 1;

1.19 135A.30, subdivisions 3, 4, 5; 135A.52, subdivisions

1.20 1, 2; 136A.01, subdivision 2; 136A.031, subdivisions

1.21 2, 3, 4; 136A.08, by adding subdivisions; 136A.121,

1.22 subdivisions 2, 5, 6, 9, by adding a subdivision;

1.23 136A.125, subdivision 2; 136A.1701, by adding

1.24 subdivisions; 136F.04, subdivision 4; 136F.32,

1.25 subdivision 2; 136G.03, subdivisions 3, 21a, 22, 32;

1.26 136G.05, subdivision 8; 136G.09, subdivisions 11, 12;

1.27 136G.11, subdivisions 1, 2, 3, 13; 136G.13,

1.28 subdivisions 1, 5; 136G.14; 137.0245, subdivisions 1,

1.29 2, 4; 141.21, by adding a subdivision; 141.25,

1.30 subdivisions 3, 5, 8, 9, 12; 141.251; 141.26,

1.31 subdivision 5; 141.271, subdivisions 4, 7, 10, by

1.32 adding subdivisions; 141.28, subdivision 1, by adding

1.33 a subdivision; 141.29, subdivision 3; 141.30; 141.35;

1.34 192.502, subdivision 1; 299A.45, subdivisions 1, 4;

1.35 proposing coding for new law in Minnesota Statutes,

1.36 chapters 136A; 137; 141; repealing Minnesota Statutes

1.37 2004, sections 136A.011; 136A.031, subdivision 1;

1.38 Minnesota Rules, parts 4815.0100; 4815.0110;

1.39 4815.0120; 4815.0130; 4815.0140; 4815.0150; 4815.0160;

1.40 4830.8100; 4830.8110; 4830.8120; 4830.8130; 4830.8140;

1.41 4830.8150.

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

HOUSE LANGUAGE (H1385-3)

1.43 ARTICLE 1

2.1 APPROPRIATIONS

2.2 Section 1. [HIGHER EDUCATION APPROPRIATIONS.]

2.3 The sums in the columns marked "APPROPRIATIONS" are appropriated

2.4 from the general fund, or other named fund, to the agencies and

2.5 for the purposes specified in this article. The listing of an

2.6 amount under the figure "2006" or "2007" in this article

1.1 A bill for an act

1.2 relating to higher education; providing funding for

1.3 the University of Minnesota, the Minnesota State

1.4 Colleges and Universities, the Higher Education

1.5 Services Office, and the Mayo Medical Foundation;

1.6 providing for the mission of state universities;

1.7 regulating the marketing of credit cards to students;

1.8 regulating the responsibilities of and changing the

1.9 name of the Higher Education Services Office;

1.10 regulating the state grant program and other financial

1.11 aid programs; providing benefits for students entering

1.12 active military service; providing assistance for

1.13 low-income students to increase college awareness;

1.14 regulating the selection of regents of the University

1.15 of Minnesota; regulating the Minnesota college savings

1.16 program; providing assistance to nursing students;

1.17 creating a task force on postsecondary funding;

1.18 creating a Rochester higher education development

1.19 committee; regulating private career schools;

1.20 appropriating money; amending Minnesota Statutes 2004,

1.21 sections 135A.052, subdivision 1; 136A.01, subdivision

1.22 2; 136A.031, subdivisions 2, 3, 5; 136A.121,

1.23 subdivisions 2, 6, 9, 13, by adding subdivisions;

1.24 136A.125, subdivision 2; 136A.1701, by adding

1.25 subdivisions; 136F.02, subdivision 1; 136F.04,

1.26 subdivision 4; 136G.03, subdivisions 3, 21a, 22, 32;

1.27 136G.05, subdivision 8; 136G.09, subdivisions 11, 12;

1.28 136G.11, subdivisions 1, 3, 13, by adding a

1.29 subdivision; 136G.13, subdivisions 1, 5; 136G.14;

1.30 137.0245, subdivision 3; 141.21, by adding a

1.31 subdivision; 141.25, subdivisions 3, 5, 8, 9, 12;

1.32 141.251; 141.26, subdivision 5; 141.271, subdivisions

1.33 4, 7, 10, by adding subdivisions; 141.28, subdivision

1.34 1, by adding a subdivision; 141.29, subdivision 3;

1.35 141.30; 141.35; 299A.45, subdivisions 1, 4; proposing

1.36 coding for new law in Minnesota Statutes, chapters

1.37 135A; 136A; 137; 141; 144; 583; repealing Minnesota

1.38 Statutes 2004, sections 136A.011; 136A.031,

1.39 subdivision 1; Laws 1986, chapter 398, article 1,

1.40 section 18, as amended; Minnesota Rules, parts

1.41 4815.0100; 4815.0110; 4815.0120; 4815.0130; 4815.0140;

1.42 4815.0150; 4815.0160; 4830.8100; 4830.8110; 4830.8120;

1.43 4830.8130; 4830.8140; 4830.8150.

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

SENATE LANGUAGE (S1879-1)

29.5 ARTICLE 5

29.6 HIGHER EDUCATION

29.7 Section 1. [HIGHER EDUCATION APPROPRIATIONS.]

29.8 The sums in the columns marked "APPROPRIATIONS" are

29.9 appropriated from the general fund, or other named fund, to the

29.10 agencies and for the purposes specified in this article. The

29.11 listing of an amount under the figure "2006" or "2007" in this

HIGHER EDUCATION

10 May 2005 1:15 p.m.

HOUSE LANGUAGE (H1385-3)

2.7 indicates that the amount is appropriated to be available for
 2.8 the fiscal year ending June 30, 2006, or June 30, 2007,
 2.9 respectively. "The first year" is fiscal year 2006. "The
 2.10 second year" is fiscal year 2007. "The biennium" is fiscal
 2.11 years 2006 and 2007.

	SUMMARY BY FUND		
	2006	2007	TOTAL
2.12			
2.13			
2.14 General	\$1,363,389,000	\$1,387,079,000	\$2,750,468,000

HOUSE LANGUAGE (H1385-3)

HOUSE LANGUAGE (H1385-3)

2.15 Health Care			
2.16 Access	2,157,000	2,157,000	4,314,000

	SUMMARY BY AGENCY - ALL FUNDS		
	2006	2007	TOTAL
2.17			
2.18			

2.19 Higher Education			
2.20 Services Office	167,662,000	179,952,000	347,614,000

HOUSE LANGUAGE (H1385-3)

HOUSE LANGUAGE (H1385-3)

2.21 Board of Trustees			
2.22 of the Minnesota State			
2.23 Colleges and			
2.24 Universities	597,769,000	599,894,000	1,197,663,000

HOUSE LANGUAGE (H1385-3)

HOUSE LANGUAGE (H1385-3)

2.25 Board of Regents			
2.26 of the University			
2.27 of Minnesota	598,724,000	607,999,000	1,206,723,000

SENATE LANGUAGE (S1879-1)

29.12 article indicates that the amount is appropriated to be
 29.13 available for the fiscal year ending June 30, 2006, or June 30,
 29.14 2007, respectively. "The first year" is fiscal year 2006. "The
 29.15 second year" is fiscal year 2007. "The biennium" is fiscal
 29.16 years 2006 and 2007.

	SUMMARY BY FUND		
	2006	2007	TOTAL
29.17			
29.18			
29.19 General	\$1,405,948,000	\$1,307,004,000	\$2,712,952,000

SENATE LANGUAGE (S2265-1)

2.18 General	(\$ 25,640,000)	\$ 106,706,000	\$ 81,066,000
--------------	-----------------	----------------	---------------

SENATE LANGUAGE (S1879-1)

29.20 Health Care			
29.21 Access	2,157,000	2,157,000	4,314,000

	SUMMARY BY AGENCY - ALL FUNDS		
	2006	2007	TOTAL
29.22			
29.23			

29.24 Higher Education Services Office			
29.25	171,852,000	171,852,000	343,704,000

SENATE LANGUAGE (S2265-1)

2.21 Higher Education			
2.22 Services Office	3,818,000	1,007,000	4,825,000

SENATE LANGUAGE (S1879-1)

29.26 Board of Trustees of the Minnesota			
29.27 State Colleges and Universities			
29.28	642,494,000	583,694,000	1,226,188,000

SENATE LANGUAGE (S2265-1)

2.23 Board of Trustees			
2.24 of the Minnesota			
2.25 State Colleges and			
2.26 Universities	(35,020,000)	29,780,000	(5,240,000)

SENATE LANGUAGE (S1879-1)

29.29 Board of Regents of the University			
29.30 of Minnesota			
29.31	590,211,000	550,067,000	1,140,278,000

HIGHER EDUCATION

10 May 2005 1:15 p.m.

HOUSE LANGUAGE (H1385-3)

SENATE LANGUAGE (S2265-1)

2.27	Board of Regents			
2.28	of the University			
2.29	of Minnesota	5,467,000	75,764,000	81,231,000

HOUSE LANGUAGE (H1385-3)

SENATE LANGUAGE (S1879-1)

2.28	Mayo Medical			
2.29	Foundation	1,391,000	1,391,000	2,782,000

29.32	Mayo Medical Foundation			
29.33		1,391,000	1,391,000	2,782,000

HOUSE LANGUAGE (H1385-3)

SENATE LANGUAGE (S2265-1)

2.30	Commissioner			
2.31	of Health	95,000	155,000	250,000

HOUSE LANGUAGE (H1385-3)

SENATE LANGUAGE (S1879-1)

2.30		APPROPRIATIONS		
2.31		Available for the Year		
2.32		Ending June 30		
2.33		2006	2007	

29.34		APPROPRIATIONS		
29.35		Available for the Year		
29.36		Ending June 30		
29.37		2006	2007	

2.34	Sec. 2. HIGHER EDUCATION			
2.35	SERVICES OFFICE			

29.38	Sec. 2. HIGHER EDUCATION			
29.39	SERVICES OFFICE			

2.36	Subdivision 1. Total			
2.37	Appropriation	\$ 167,662,000	\$ 179,952,000	

30.1	Subdivision 1. Total			
30.2	Appropriation	\$ 171,852,000	\$ 171,852,000	

HOUSE LANGUAGE (H1385-3)

SENATE LANGUAGE (S2265-1)

2.38	Subdivision 1. Total			
2.39	Appropriation	\$ 3,818,000	\$ 1,007,000	

HOUSE LANGUAGE (H1385-3)

SENATE LANGUAGE (S1879-1)

2.38	The amounts that may be spent from this			
2.39	appropriation for each purpose are			
2.40	specified in the following subdivisions.			

30.3	The amounts that may be spent from this			
30.4	appropriation for each purpose are			
30.5	specified in the following subdivisions.			

2.41	Subd. 2. State Grants	132,775,000	148,375,000	
------	-----------------------	-------------	-------------	--

30.6	Subd. 2. State Grants			
30.7		140,575,000	140,575,000	

2.42	If the appropriation in this			
2.43	subdivision for either year is			
2.44	insufficient, the appropriation for the			
2.45	other year is available for it. For			
3.1	the biennium, the tuition and fee			
3.2	maximum shall be \$9,477 in the first			
3.3	year and \$9,998 in the second year for			
3.4	students enrolled in four-year programs			
3.5	and \$4,316 in the first year and \$4,597			
3.6	in the second year for students			
3.7	enrolled in two-year programs.			

30.8	For the biennium, the private			
30.9	institution tuition maximum shall be			
30.10	\$8,983 in the first year and \$8,983 in			
30.11	the second year for four-year			
30.12	institutions and \$6,913 in the first			
30.13	year and \$6,913 in the second year for			
30.14	two-year institutions.			
30.15	This appropriation contains money to			
30.16	provide educational benefits to			
30.17	dependent children under age 23 and the			
30.18	spouses of public safety officers			
30.19	killed in the line of duty pursuant to			
30.20	Minnesota Statutes, section 299A.45.			
30.21	This appropriation contains money to			
30.22	set the living and miscellaneous			
30.23	expense allowance at \$5,205 in each			

HIGHER EDUCATION

10 May 2005 1:15 p.m.

HOUSE LANGUAGE (H1385-3)

SENATE LANGUAGE (S1879-1)

30.24 year.

HOUSE LANGUAGE (H1385-3)

SENATE LANGUAGE (S2265-1)

3.8 This appropriation sets the living and
3.9 miscellaneous expense allowance at
3.10 \$5,205 in each year.

3.1 Notwithstanding 2005 S.F. No. 1879,
3.2 article 5, section 2, subdivision 2, if
3.3 enacted, the living and miscellaneous
3.4 expense allowance is set at \$5,280 in
3.5 each year.

3.11 This appropriation contains money to
3.12 provide educational benefits to
3.13 dependent children under age 23 and the
3.14 spouses of public safety officers
3.15 killed in the line of duty under
3.16 Minnesota Statutes 2004, section
3.17 299A.45.

HOUSE LANGUAGE (H1385-3)

SENATE LANGUAGE (S1879-1)

3.18 Subd. 3. Interstate Tuition
3.19 Reciprocity 1,000,000 1,000,000

30.25 Subd. 3. Interstate Tuition Reciprocity
30.26 1,000,000 1,000,000

3.20 If the appropriation in this
3.21 subdivision for either year is
3.22 insufficient, the appropriation for the
3.23 other year is available to meet
3.24 reciprocity contract obligations.

30.27 If the appropriation in this
30.28 subdivision for either year is
30.29 insufficient, the appropriation for the
30.30 other year is available to meet
30.31 reciprocity contract obligations.

3.25 Subd. 4. State Work Study 12,444,000 12,444,000

30.32 Subd. 4. State Work Study
30.33 12,444,000 12,444,000

3.26 Subd. 5. Child Care Grants 4,743,000 4,743,000

30.34 Subd. 5. Child Care Grants
30.35 4,743,000 4,743,000

HOUSE LANGUAGE (H1385-3)

SENATE LANGUAGE (S2265-1)

3.6 Subd. 3. Child Care Grants 125,000 125,000

HOUSE LANGUAGE (H1385-3)

SENATE LANGUAGE (S1879-1)

3.27 Subd. 6. Minitex 4,381,000 4,381,000

30.36 Subd. 6. Minitex
30.37 4,381,000 4,381,000

3.28 Subd. 7. MnLINK Gateway 400,000 400,000

30.38 Subd. 7. MnLINK
30.39 400,000 400,000

3.29 Subd. 8. Learning Network
3.30 of Minnesota 4,329,000 4,329,000

30.40 Subd. 8. Learning Network
30.41 of Minnesota
30.42 4,329,000 4,329,000

*** SEE PAGE R30 SECTION 24 ***

3.31 Subd. 9. Minnesota College
 3.32 Savings Plan 1,120,000 1,120,000

3.33 Subd. 10. Other Small
 3.34 Programs 664,000 664,000
 3.35 This appropriation includes funding for
 3.36 Postsecondary Service Learning, Student
 3.37 and Parent Information, Get Ready
 3.38 Outreach, and Intervention for College
 3.39 Access.

3.40 Of this appropriation, \$100,000 each
 3.41 year is for grants to increase
 3.42 campus-community collaboration and
 3.43 service learning statewide. For each
 3.44 \$1 in state funding, grant recipients
 3.45 must contribute \$2 in campus or
 3.46 community-based support.

3.47 Subd. 11. Agency
 3.48 Administration 2,606,000 2,496,000
 3.49 \$100,000 in the first year and \$300,000
 3.50 in the second year is for the Higher
 3.51 Education Services Office to develop
 3.52 and implement a process to measure and
 3.53 report on the effectiveness of
 3.54 postsecondary institutions in the
 3.55 state. The funding base for this
 3.56 initiative in fiscal years 2008 and
 4.1 2009 is \$300,000 per year.

30.43 Subd. 9. Income Contingent Loans

30.44 The Higher Education Services Office
 30.45 shall administer an income-contingent
 30.46 loan repayment program to assist
 30.47 graduates of Minnesota schools in
 30.48 medicine, dentistry, pharmacy,
 30.49 chiropractic medicine, public health,
 30.50 and veterinary medicine, and Minnesota
 31.1 residents graduating from optometry and
 31.2 osteopathy programs. Applicant data
 31.3 collected by the office for this
 31.4 program may be disclosed to a consumer
 31.5 credit reporting agency under the same
 31.6 conditions as those that apply to the
 31.7 supplemental loan program under
 31.8 Minnesota Statutes, section 136A.162.
 31.9 No new applicants may be accepted after
 31.10 June 30, 1995.

*** SEE PAGE R30 SECTION 19 ***

31.11 Subd. 10. Minnesota College
 31.12 Savings Plan
 31.13 1,120,000 1,120,000

31.14 Subd. 11. Agency
 31.15 Administration
 31.16 2,860,000 2,860,000

HIGHER EDUCATION

10 May 2005 1:15 p.m.

HOUSE LANGUAGE (H1385-3)

SENATE LANGUAGE (S2265-1)

3.53 Subd. 7. Agency Administration 333,000 22,000

HOUSE LANGUAGE (H1385-3)

SENATE LANGUAGE (S1879-1)

4.2 \$310,000 in the first year is for the
4.3 Higher Education Services Office to
4.4 upgrade computer program application
4.5 software related to state grant
4.6 awards. This appropriation does not
4.7 cancel but is available until
4.8 expended. This is a onetime
4.9 appropriation and is not added to the
4.10 agency's base.

31.17 This appropriation includes \$125,000
31.18 each year for the student and parent
31.19 information program under Minnesota
31.20 Statutes, section 136A.87; \$184,000
31.21 each year for the Get Ready program;
31.22 and \$255,000 each year for the college
31.23 intervention program to foster
31.24 postsecondary attendance by providing
31.25 outreach services to historically
31.26 underserved groups of Minnesota
31.27 elementary and secondary students. The
31.28 office may contract with other agencies
31.29 or nonprofit organizations for specific
31.30 services specifically funded by this
31.31 paragraph.
31.32 This appropriation contains \$100,000
31.33 each year for grants to increase
31.34 campus-community collaboration and
31.35 service learning statewide. For every
31.36 \$1 in state funding, grant recipients
31.37 must contribute \$2 in campus or
31.38 community-based support.

HOUSE LANGUAGE: (H1385-3)

SENATE LANGUAGE (S2265-1)

3.54 Of this appropriation, \$15,000 each
3.55 year is for grants to increase
3.56 campus-community collaboration and
3.57 service learning statewide. For each
3.58 \$1 in state funding, grant recipients
3.59 must contribute \$2 in campus or
3.60 community-based support.

4.1 Of this appropriation, \$310,000 in the
4.2 first year is for the Higher Education
4.3 Services Office to upgrade computer
4.4 program application software related to
4.5 state grant awards. This appropriation
4.6 does not cancel but is available until
4.7 expended. This is a onetime
4.8 appropriation and is not added to the
4.9 agency's base.

4.10 Of this appropriation, \$8,000 in the
4.11 first year and \$7,000 in the second
4.12 year is for increased dues for the
4.13 Midwestern Higher Education Compact.
4.14 This appropriation is ongoing and
4.15 \$15,000 is added to the agency's base.

HOUSE LANGUAGE (H1385-3)

SENATE LANGUAGE (S1879-1)

*** SEE PAGES R9 AND R30 ***

- 4.11 Subd. 12. Balances Forward
- 4.12 A balance in the first year under this
- 4.13 section does not cancel, but is
- 4.14 available for the second year.
- 4.15 Subd. 13. Transfers
- 4.16 The Higher Education Services Office
- 4.17 may transfer unencumbered balances from
- 4.18 the appropriations in this section to
- 4.19 the state grant appropriation, the
- 4.20 interstate tuition reciprocity
- 4.21 appropriation, the child care
- 4.22 appropriation, and the state work study
- 4.23 appropriation.

- 31.39 Subd. 12. Balances Forward
- 31.40 A balance in the first year under this
- 31.41 section does not cancel, but is
- 31.42 available for the second year.
- 31.43 Subd. 13. Transfers
- 31.44 The Higher Education Services Office
- 31.45 may transfer unencumbered balances from
- 31.46 the appropriations in this section to
- 31.47 the state grant appropriation and the
- 31.48 interstate tuition reciprocity
- 31.49 appropriation.

HOUSE LANGUAGE (H1385-3)

SENATE LANGUAGE (S2265-1)

- 4.20 Subd. 9. Transfers
- 4.21 Notwithstanding 2005 S.F. No. 1879,
- 4.22 article 5, section 2, subdivision 13,
- 4.23 if enacted, the higher education
- 4.24 services office may transfer
- 4.25 unencumbered balances from the
- 4.26 appropriations in this section and in
- 4.27 2005 S.F. No. 1879, article 5, section
- 4.28 2, if enacted, to the state grant
- 4.29 appropriation, the child care grants
- 4.30 appropriation, and the interstate
- 4.31 tuition reciprocity appropriation.

HOUSE LANGUAGE (H1385-3)

SENATE LANGUAGE (S1879-1)

- 4.24 Subd. 14. Reporting
- 4.25 The Higher Education Services Office
- 4.26 shall collect data monthly from
- 4.27 institutions disbursing state financial
- 4.28 aid. The data collected must include,
- 4.29 but is not limited to, expenditures by
- 4.30 type to date and unexpended balances.
- 4.31 The Higher Education Services Office
- 4.32 must evaluate and report quarterly
- 4.33 state financial aid expenditures and
- 4.34 unexpended balances to the chairs of
- 4.35 the Higher Education Finances
- 4.36 Committees of the senate and house of
- 4.37 representatives and the commissioner of
- 4.38 finance. By November 1 and February
- 4.39 15, the Higher Education Services
- 4.40 Office must provide updated state grant
- 4.41 spending projections taking into
- 4.42 account the most current and projected
- 4.43 enrollment and tuition and fee
- 4.44 information, economic conditions, and
- 4.45 other relevant factors. Before

- 31.50 Subd. 14. Reporting
- 31.51 The Higher Education Services Office
- 31.52 shall collect data monthly from
- 31.53 institutions disbursing state financial
- 31.54 aid. The data collected shall include,
- 31.55 but is not limited to, expenditures by
- 31.56 type to date and unexpended balances.
- 31.57 The Higher Education Services Office
- 31.58 shall evaluate and report monthly on
- 32.1 state financial aid expenditures and
- 32.2 unexpended balances to the chairs of
- 32.3 the higher education finance committees
- 32.4 of the senate and house of
- 32.5 representatives and the commissioner of
- 32.6 finance. By July 15, December 1,
- 32.7 February 15, and April 15, the services
- 32.8 office shall provide updated state
- 32.9 grant spending projections taking into
- 32.10 account the most current and projected
- 32.11 enrollment and tuition and fee
- 32.12 information, economic conditions, and
- 32.13 other relevant factors. Before

HIGHER EDUCATION

10 May 2005 1:15 p.m.

HOUSE LANGUAGE (H1385-3)

- 4.46 submitting state grant spending
- 4.47 projections, the Higher Education
- 4.48 Services Office must meet and consult
- 4.49 with representatives of public and
- 4.50 private postsecondary education, the
- 4.51 Department of Finance, Governor's
- 4.52 Office, legislative staff, and
- 4.53 financial aid administrators.

HOUSE LANGUAGE (H1385-3)

- 4.54 Subd. 15. Rochester University 3,200,000
- 4.55 \$200,000 is for implementation and
- 4.56 planning activities for a university in
- 4.57 Rochester under article 4, section 1.
- 4.58 This is a onetime appropriation.
- 4.59 \$3,000,000 is a onetime appropriation
- 4.60 for deposit into the Rochester
- 4.61 University development account under
- 5.1 article 4, section 2 for the
- 5.2 implementation and development purposes
- 5.3 of article 4, section 3. The Higher
- 5.4 Education Services Office must approve
- 5.5 the use of the money in the development
- 5.6 account.

SENATE LANGUAGE (S1879-1)

- 32.14 submitting state grant spending
- 32.15 projections, the office shall meet and
- 32.16 consult with representatives of public
- 32.17 and private postsecondary education,
- 32.18 the Department of Finance, governor's
- 32.19 office, legislative staff, and
- 32.20 financial aid administrators. The
- 32.21 Board of Regents of the University of
- 32.22 Minnesota, the Board of Trustees of the
- 32.23 Minnesota State Colleges and
- 32.24 Universities, and private institutions
- 32.25 that participate in the state grant
- 32.26 program shall submit tuition and fee
- 32.27 information to the Higher Education
- 32.28 Services Office no later than July 1 of
- 32.29 each year.

SENATE LANGUAGE (S2265-1)

- 4.32 Subd. 10. Reporting
- 4.33 Notwithstanding 2005 S.F. No. 1879,
- 4.34 article 5, section 2, subdivision 14,
- 4.35 if enacted, the higher education
- 4.36 services office shall evaluate and
- 4.37 report quarterly on state financial aid
- 4.38 expenditures and unexpended balances to
- 4.39 the chairs of the higher education
- 4.40 finance committees of the senate and
- 4.41 house of representatives and the
- 4.42 commissioner of finance. By November 1
- 4.43 and February 15, the services office
- 4.44 shall provide updated state grant
- 4.45 spending projections taking into
- 4.46 account the most current and projected
- 4.47 enrollment and tuition and fee
- 4.48 information, economic conditions, and
- 4.49 other relevant factors.

- 3.33 Subd. 6. Rochester Higher 2,500,000
- 3.34 Education -0-
- 3.35 (a) \$200,000 is for the Rochester
- 3.36 Higher Education Development Committee
- 3.37 to carry out its planning activities.
- 3.38 This is a onetime appropriation.
- 3.39 (b) \$2,300,000 is for a onetime
- 3.40 appropriation that must be deposited
- 3.41 into the Rochester higher education
- 3.42 development account. With the approval
- 3.43 of the Higher Education Services
- 3.44 Office, money in this account may be
- 3.45 used to: (1) provide additional
- 3.46 planning and development funds, if
- 3.47 needed; (2) provide initial funding for
- 3.48 academic program development; and (3)
- 3.49 provide funding related to academic
- 3.50 facilities, if needed. The

HIGHER EDUCATION

10 May 2005 1:15 p.m.

HOUSE LANGUAGE (H1385-3)

SENATE LANGUAGE (S2265-1)

5.7 This appropriation is available until
 5.8 June 30, 2009, except that any portion
 5.9 used for an endowment under article 4,
 5.10 section 1, does not cancel but is
 5.11 available until spent.

3.51 appropriation under this paragraph is
 3.52 available until June 30, 2009.

3.7 Subd. 4. Intervention for College
 3.8 Attendance Program 500,000 500,000
 3.9 For the purpose of new Minnesota
 3.10 Statutes, section 136A.861. No more
 3.11 than \$50,000 of this appropriation in
 3.12 each year may be used for
 3.13 administrative expenses. This
 3.14 appropriation is added to the agency's
 3.15 permanent budget base.

3.16 Subd. 5. United Family
 3.17 Medicine Residency 360,000 360,000
 3.18 For a grant to the United Family
 3.19 Medicine residency program. This
 3.20 appropriation shall be used to support
 3.21 18 resident physicians each year in
 3.22 family practice at United Family
 3.23 Medicine residency programs and shall
 3.24 prepare doctors to practice family care
 3.25 medicine in underserved rural and urban
 3.26 areas of the state. It is intended
 3.27 that this program will improve health
 3.28 care in underserved communities,
 3.29 provide affordable access to
 3.30 appropriate medical care, and manage
 3.31 the treatment of patients in a more
 3.32 cost-effective manner.

HOUSE LANGUAGE (H1385-3)

SENATE LANGUAGE (S1879-1)

5.12 Sec. 3. BOARD OF TRUSTEES OF THE MINNESOTA
 5.13 STATE COLLEGES AND UNIVERSITIES

 5.14 Subdivision 1. Total
 5.15 Appropriation 597,769,000 599,894,000

32.30 Sec. 3. BOARD OF TRUSTEES OF THE
 32.31 MINNESOTA STATE COLLEGES AND UNIVERSITIES

 32.32 Subdivision 1. Total
 32.33 Appropriation 642,494,000 583,694,000

HOUSE LANGUAGE (H1385-3)

SENATE LANGUAGE (S2265-1)

4.52 Subdivision 1. Total
 4.53 Appropriation (35,020,000) 29,780,000

HOUSE LANGUAGE (H1385-3)

SENATE LANGUAGE (S1879-1)

5.16 The amounts that may be spent from this
 5.17 appropriation for each purpose are
 5.18 specified in the following subdivisions.
 5.19 The legislature estimates that
 5.20 instructional expenditures will be
 5.21 \$808,777,000 in the first year and
 5.22 \$811,653,000 in the second year. The
 5.23 legislature estimates that
 5.24 noninstructional expenditures will be
 5.25 \$58,581,000 in the first year and
 5.26 \$58,790,000 in the second year.

5.27 Subd. 2. General Appropriation 585,669,000 583,094,000
 5.28 \$2,500,000 the first year and
 5.29 \$2,500,000 the second year are to
 5.30 develop additional courses for the
 5.31 Minnesota online program.
 5.32 \$4,800,000 the first year and
 5.33 \$5,200,000 the second year are for the
 5.34 board to increase its capacity for
 5.35 training nurses.
 5.36 \$1,500,000 each year is for the board
 5.37 to address the management education
 5.38 needs of farm and small business owners.

5.39 Subd. 3. Centers of Excellence 7,500,000 7,500,000
 5.40 This appropriation requires the board
 5.41 to spend \$2,000,000 from the central
 5.42 reserves of the Minnesota State
 5.43 Colleges and Universities in the
 5.44 biennium ending June 30, 2007, on
 5.45 administrative expenses of the office
 5.46 of the chancellor related to the
 5.47 implementation of the centers of
 5.48 excellence under this subdivision.

32.34 The amounts that may be spent from this
 32.35 appropriation for each purpose are
 32.36 specified in the following subdivisions.

32.37 Subd. 2. Estimated Expenditures
 32.38 and Appropriations
 32.39 The legislature estimates that
 32.40 instructional expenditures will be
 32.41 \$579,530,000 in the first year and
 32.42 \$526,492,000 in the second year. The
 32.43 legislature estimates that
 32.44 noninstructional expenditures will be
 32.45 \$62,964,000 in the first year and
 32.46 \$57,202,000 in the second year.

HOUSE LANGUAGE (H1385-3)

SENATE LANGUAGE (S2265-1)

5.49 The board must develop a process to
 5.50 designate centers of excellence. The
 5.51 center designations may be made for the
 5.52 fields of manufacturing technology,
 5.53 science and engineering, health care,
 5.54 information technology, business, and
 5.55 teacher education. A center of
 5.56 excellence must include no more than
 5.57 one state university working with up to
 5.58 two community and technical colleges.

6.1 The board must select programs for
 6.2 centers of excellence based on a
 6.3 demonstration of: (1) a comprehensive
 6.4 academic plan with a continuum of
 6.5 academic offerings and credentials in
 6.6 the program area; (2) a development

4.57 Subd. 2. Estimated Expenditures
 4.58 and Appropriations
 4.59 Notwithstanding 2005 S.F. No. 1879,
 5.1 article 5, section 3, subdivision 2, if
 5.2 enacted, the legislature estimates that
 5.3 instructional expenditures will be
 5.4 \$547,942,000 in the first year and
 5.5 \$553,354,000 in the second year. The
 5.6 legislature estimates that
 5.7 noninstructional expenditures will be
 5.8 \$59,532,000 in the first year and
 5.9 \$60,120,000 in the second year.

5.10 This appropriation includes funding for
 5.11 the recurring enrollment adjustment and
 5.12 money to strengthen and expand the
 5.13 Minnesota online program, increase the
 5.14 capacity for training nurses and
 5.15 teachers, provide for the management

HOUSE LANGUAGE (H1385-3)

6.7 plan with a goal of achieving
 6.8 continuous improvement leading to
 6.9 national recognition; (3) financial and
 6.10 programmatic commitments from employers
 6.11 who will benefit from the development
 6.12 of a center; and (4) an institutional
 6.13 commitment of support and assurance
 6.14 that designated funding will not
 6.15 supplant current budgets. A center of
 6.16 excellence may create an advisory
 6.17 committee representing local,
 6.18 statewide, and national leaders in the
 6.19 field.

6.20 By January 15 of each odd-numbered
 6.21 year, each designated center must
 6.22 report to the Board of Trustees. The
 6.23 Board of Trustees must then report on
 6.24 the centers of excellence to the
 6.25 governor and the chairs of the
 6.26 committees in the legislature with
 6.27 responsibility for higher education
 6.28 finance on program outcomes, including
 6.29 the use of any funds made available by
 6.30 a legislative appropriation for
 6.31 incentive payments to faculty or staff.

6.32	Subd. 4. Competitive Salaries	4,600,000	9,300,000
6.33	For the board to make incentive		
6.34	payments to faculty or staff for		
6.35	initiatives that promote excellence in		
6.36	student learning. To the extent		
6.37	practicable, the board must make		
6.38	payments under this paragraph available		
6.39	first to faculty or staff associated		
6.40	with a designated center of excellence.		

HOUSE LANGUAGE (H1385-3)

6.41	Sec. 4. BOARD OF REGENTS OF THE		
6.42	UNIVERSITY OF MINNESOTA		
6.43	Subdivision 1. Total		
6.44	Appropriation	598,724,000	607,999,000

HOUSE LANGUAGE (H1385-3)

SENATE LANGUAGE (S2265-1)

5.16 education needs of farm and small
 5.17 business owners, provide services and
 5.18 outreach to underserved populations,
 5.19 provide needed repair and replacement
 5.20 of facilities, and encourage and reward
 5.21 excellent performance by faculty or
 5.22 staff.

5.23 The Board of Trustees of the Minnesota
 5.24 State Colleges and Universities may not
 5.25 in the 2005-2006 and 2006-2007 academic
 5.26 years increase tuition more than four
 5.27 percent above the level for the
 5.28 previous academic year.

SENATE LANGUAGE (S1879-1)

32.57	Sec. 4. BOARD OF REGENTS OF THE		
32.58	UNIVERSITY OF MINNESOTA		
32.59	Subdivision 1. Total		
32.60	Appropriation	590,211,000	550,067,000

SENATE LANGUAGE (S2265-1)

5.31	Subdivision 1. Total		
5.32	Appropriation	5,467,000	75,764,000

HIGHER EDUCATION

10 May 2005 1:15 p.m.

HOUSE LANGUAGE (H1385-3)

SENATE LANGUAGE (S1879-1)

6.45 The amounts that may be spent from this
 6.46 appropriation for each purpose are
 6.47 specified in the following subdivisions.

6.48 Subd. 2. Operations and
 6.49 Maintenance 518,200,000 542,475,000

33.1 The amounts that may be spent from this
 33.2 appropriation for each purpose are
 33.3 specified in the following subdivisions.

33.4 Subd. 2. Operations and
 33.5 Maintenance
 33.6 526,844,000 486,700,000

HOUSE LANGUAGE (H1385-3)

SENATE LANGUAGE (S2265-1)

5.36 Subd. 2. Operations and
 5.37 Maintenance
 5.38 5,467,000 75,764,000

HOUSE LANGUAGE (H1385-3)

SENATE LANGUAGE (S1879-1)

6.50 The legislature estimates that
 6.51 instructional expenditures will be
 6.52 \$456,371,000 in the first year and
 6.53 \$463,467,000 in the second year. The
 6.54 legislature estimates that
 6.55 noninstructional expenditures will be
 6.56 \$292,318,000 in the first year and
 6.57 \$296,863,000 in the second year.

33.7 Estimated Expenditures
 33.8 and Appropriations
 33.9 The legislature estimates that
 33.10 instructional expenditures will be
 33.11 \$300,417,000 in the first year and
 33.12 \$279,984,000 in the second year. The
 33.13 legislature estimates that
 33.14 noninstructional expenditures will be
 33.15 \$289,794,000 in the first year and
 33.16 \$270,083,000 in the second year.

HOUSE LANGUAGE (H1385-3)

SENATE LANGUAGE (S2265-1)

6.58 \$17,775,000 the second year is for
 6.59 academic initiatives that are part of
 6.60 the board's biosciences for a healthy
 6.61 society initiative.

5.39 Estimated Expenditures
 5.40 and Appropriations
 5.41 Notwithstanding 2005 S.F. No. 1879,
 5.42 article 5, section 4, subdivision 2, if
 5.43 enacted, the legislature estimates that
 5.44 instructional expenditures will be
 5.45 \$303,539,000 in the first year and
 5.46 \$318,209,000 in the second year. The
 5.47 legislature estimates that
 5.48 noninstructional expenditures will be
 5.49 \$292,805,000 the first year and
 5.50 \$306,956,000 in the second year.

7.1 \$5,000,000 the first year and
 7.2 \$10,000,000 the second year is to award
 7.3 faculty compensation increases
 7.4 differentially.

5.51 This appropriation includes funding for
 5.52 the recurring enrollment adjustment and
 5.53 the following initiatives: Biosciences
 5.54 for a Healthy Society to advance the
 5.55 university's expertise and to increase
 5.56 the university's competitiveness in
 5.57 leveraging new funding from federal and
 5.58 private sources; Preparing Students for
 5.59 the 21st Century to enhance the ability
 5.60 of the university to attract and retain
 5.61 exceptional students; competitive
 6.1 compensation to enable the university
 6.2 to attract and retain quality faculty
 6.3 members; research support to provide
 6.4 resources for the university to

HOUSE LANGUAGE (H1385-3)

SENATE LANGUAGE (S2265-1)

7.5 \$20,000,000 the first year and
 7.6 \$15,000,000 the second year is for
 7.7 research support. The funding base for
 7.8 this initiative in fiscal years 2008
 7.9 and 2009 is \$15,000,000 per year.
 7.10 \$6,500,000 the first year and
 7.11 \$13,000,000 the second year is for
 7.12 initiatives to attract and retain
 7.13 students.

7.14 \$15,000,000 the first year is for the
 7.15 direct and indirect expenses of the
 7.16 collaborative research partnership
 7.17 between the University of Minnesota and
 7.18 the Mayo Foundation for research in
 7.19 biotechnology and medical genomics.
 7.20 This is a onetime appropriation. The
 7.21 Board of Regents must submit an annual
 7.22 report on the expenditure of these
 7.23 funds to the governor and the chairs of
 7.24 senate Higher Education Budget
 7.25 Division; the house Higher Education
 7.26 Finance Committee; the senate
 7.27 Environment, Agriculture and Economic
 7.28 Development Budget Division; and the
 7.29 house Jobs and Economic Opportunity
 7.30 Policy and Finance Committee by June 30
 7.31 of each fiscal year until the research
 7.32 funding is expended.

7.33 Subd. 2a. Base Funding
 7.34 The university's base for fiscal years
 7.35 2008 and 2009 shall be increased by
 7.36 \$6,250,000 each year.

6.5 maintain a competitive advantage in
 6.6 emerging and ongoing research
 6.7 initiatives; and 21st Century
 6.8 Technology to support enhancement to
 6.9 major university systems.

6.10 This appropriation includes \$4,000,000
 6.11 for outreach services to historically
 6.12 underserved students.

6.13 This appropriation includes \$68,000 in
 6.14 the first year and \$67,000 in the
 6.15 second year for the information
 6.16 exchange program in the Minnesota
 6.17 Institute for Sustainable Agriculture.
 6.18 \$135,000 is added to the university's
 6.19 base.

*** IN SF2276-2, ARTICLE 2, SECTION 2, SUBDIVISION 2 ***

HIGHER EDUCATION

10 May 2005 1:15 p.m.

HOUSE LANGUAGE (H1385-3)

SENATE LANGUAGE (S1879-1)

7.37 Subd. 3. Health Care Access Fund 2,157,000 2,157,000
7.38 This appropriation is from the health
7.39 care access fund and is for primary
7.40 care education initiatives.

7.41 Subd. 4. Special
7.42 Appropriation 63,367,000 63,367,000

7.43 (a) Agriculture and Extension Service
7.44 50,625,000 50,625,000
7.45 For the Agricultural Experiment
7.46 Station, Minnesota Extension Service.
7.47 (b) Health Sciences
7.48 4,929,000 4,929,000
7.49 For the rural physicians associates
7.50 program, the Veterinary Diagnostic
7.51 Laboratory, health sciences research,
7.52 dental care, and the Biomedical
7.53 Engineering Center.
7.54 (c) Institute of Technology
7.55 1,387,000 1,387,000
8.1 For the Geological Survey and the
8.2 Talented Youth Mathematics Program.
8.3 (d) System Specials
8.4 6,426,000 6,426,000

8.5 For general research, student loans
8.6 matching money, industrial relations
8.7 education, Natural Resources Research
8.8 Institute, Center for Urban and
8.9 Regional Affairs, Bell Museum of
8.10 Natural History, and the Humphrey
8.11 exhibit.

33.17 Subd. 3. Health Care Access Fund
33.18 2,157,000 2,157,000
33.19 This appropriation is from the health
33.20 care access fund for primary care
33.21 education initiatives.

33.22 Subd. 4. Special
33.23 Appropriation 63,367,000 63,367,000

33.24 (a) Agriculture and Extension Service
33.25 50,625,000 50,625,000
33.26 This appropriation is for the
33.27 Agricultural Experiment Station,
33.28 Minnesota Extension Service.
33.29 Any salary increases granted by the
33.30 university to personnel paid from the
33.31 Minnesota Extension appropriation must
33.32 not result in a reduction of the county
33.33 responsibility for the salary payments.

33.34 During the biennium, the university
33.35 shall maintain an advisory council
33.36 system for each experiment station.
33.37 The advisory councils must be broadly
33.38 representative of the range in size and
33.39 income distribution of farms and
33.40 agribusinesses and must not
33.41 disproportionately represent those from
33.42 the upper half of the size and income
33.43 distributions.

33.44 The university must continue to provide
33.45 support for the rapid agricultural
33.46 response fund, and sustainable and
33.47 organic agriculture initiatives
33.48 including, but not limited to, the
33.49 alternative swine systems program.

33.50 (b) Health Sciences
33.51 4,929,000 4,929,000
33.52 This appropriation is for the rural
33.53 physicians associates program, the
33.54 Veterinary Diagnostic Laboratory,
34.1 health sciences research, dental care,
34.2 and the Biomedical Engineering Center.

34.3 (c) Institute of Technology
34.4 1,387,000 1,387,000
34.5 This appropriation is for the
34.6 Geological Survey and the Talented

HOUSE LANGUAGE (H1385-3)

SENATE LANGUAGE (S1879-1)

8.12 Subd. 5. Academic Health Center
 8.13 The appropriation to the Academic
 8.14 Health Center under Minnesota Statutes,
 8.15 section 297F.10, is anticipated to be
 8.16 \$20,890,000 in the first year and
 8.17 \$20,474,000 in the second year.

8.18 Subd. 6. Deaf Students
 8.19 The Board of Regents is encouraged to
 8.20 provide the same benefit to any
 8.21 Minnesota resident student who
 8.22 graduates from the Minnesota State
 8.23 Academy for the Deaf as the Board
 8.24 provides to students who graduate from
 8.25 the Minnesota State Academy for the
 8.26 Blind under Minnesota Statutes, section
 8.27 248.03. To be eligible for this
 8.28 benefit, the student must comply with
 8.29 all requirements of the University of
 8.30 Minnesota.

8.31 Subd. 7. Mineral Research Account
 8.32 Notwithstanding Minnesota Statutes,
 8.33 section 137.022, subdivision 4,
 8.34 \$250,000 of the funds which would be
 8.35 credited to the mineral research
 8.36 account is appropriated to the Board of
 8.37 Regents for drilling a 5,000 foot core
 8.38 sampling bore hole at the Tower-Soudan
 8.39 mine complex in support of a National
 8.40 Science Foundation grant.

34.7 Youth Mathematics Program.
 34.8 (d) System Specials
 34.9 6,426,000 6,426,000
 34.10 This appropriation is for general
 34.11 research, student loans matching money,
 34.12 industrial relations education, Natural
 34.13 Resources Research Institute, Center
 34.14 for Urban and Regional Affairs, Bell
 34.15 Museum of Natural History, and the
 34.16 Humphrey exhibit.

34.17 Subd. 5. Academic Health Center
 34.18 The appropriation to the academic
 34.19 health center under Minnesota Statutes,
 34.20 section 297F.10, is anticipated to be
 34.21 \$20,940,000 in the first year and
 34.22 \$20,524,000 in the second year.

*** SEE PAGE R22 ***

*** IN SF2276-2, ARTICLE 1, SECTION 5, SUBDIVISION 2 ***

34.23 Subd. 6. Accountability
 34.24 The board shall continue to submit the
 34.25 data and information enumerated in Laws
 34.26 2001, First Special Session chapter 1,
 34.27 article 1, section 4, subdivision 5, in
 34.28 the board's university plan,
 34.29 performance, and accountability
 34.30 report. For the purpose of those
 34.31 reports, a first generation student is
 34.32 a student neither of whose parents
 34.33 received any postsecondary education.

HIGHER EDUCATION

10 May 2005 1:15 p.m.

HOUSE LANGUAGE (H1385-3)

SENATE LANGUAGE (S1879-1)

8.41 Sec. 5. MAYO MEDICAL FOUNDATION

8.42 Subdivision 1. Total

8.43 Appropriation 1,391,000 1,391,000

8.44 The amounts that may be spent from this

8.45 appropriation for each purpose are

8.46 specified in the following subdivisions.

8.47 Subd. 2. Medical School 514,000 514,000

8.48 The state of Minnesota must pay a

8.49 capitation each year for each student

8.50 who is a resident of Minnesota. The

8.51 appropriation may be transferred

8.52 between years of the biennium to

8.53 accommodate enrollment fluctuations.

8.54 It is intended that during the biennium

8.55 the Mayo Foundation use the capitation

8.56 money to increase the number of doctors

9.1 practicing in rural areas in need of

9.2 doctors.

9.3 Subd. 3. Family Practice and

9.4 Graduate Residency Program 531,000 531,000

9.5 The state of Minnesota must pay a

9.6 capitation of up to 27 residents each

9.7 year.

9.8 Subd. 4. St. Cloud Hospital-Mayo Family

9.9 Practice Residency Program

9.10 346,000 346,000

9.11 This appropriation is to the Mayo

9.12 Foundation to support 12 resident

9.13 physicians each year in the St. Cloud

9.14 Hospital-Mayo family practice residency

9.15 program. The program must prepare

9.16 doctors to practice primary care

9.17 medicine in the rural areas of the

9.18 state. It is intended that this

9.19 program will improve health care in

9.20 rural communities, provide affordable

9.21 access to appropriate medical care, and

9.22 manage the treatment of patients in a

9.23 more cost-effective manner.

34.34 Sec. 5. MAYO MEDICAL FOUNDATION

34.35 Subdivision 1. Total

34.36 Appropriation 1,391,000 1,391,000

34.37 The amounts that may be spent from this

34.38 appropriation for each purpose are

34.39 specified in the following subdivisions.

34.40 Subd. 2. Medical School

34.41 514,000 514,000

34.42 The state of Minnesota must pay a

34.43 capitation each year for each student

34.44 who is a resident of Minnesota. The

34.45 appropriation may be transferred

34.46 between years of the biennium to

34.47 accommodate enrollment fluctuations.

34.48 The legislature intends that during the

34.49 biennium the Mayo foundation use the

34.50 capitation money to increase the number

34.51 of doctors practicing in rural areas in

34.52 need of doctors.

34.53 Subd. 3. Family Practice and

35.1 Graduate Residency Program

35.2 531,000 531,000

35.3 The state of Minnesota must pay a

35.4 capitation of 27 residents each year.

35.5 Subd. 4. St. Cloud Hospital-Mayo

35.6 Family Practice Residency Program

35.7 346,000 346,000

35.8 This appropriation is to the Mayo

35.9 foundation to support 12 resident

35.10 physicians each year in the St. Cloud

35.11 Hospital-Mayo Family Practice Residency

35.12 program. The program shall prepare

35.13 doctors to practice primary care

35.14 medicine in the rural areas of the

35.15 state. It is intended that this

35.16 program will improve health care in

35.17 rural communities, provide affordable

35.18 access to appropriate medical care, and

35.19 manage the treatment of patients in a

35.20 more cost-effective manner.

HOUSE LANGUAGE (H1385-3)

SENATE LANGUAGE (S2265-1)

6.20 Sec. 5. COMMISSIONER OF HEALTH 95,000 155,000

6.21 To the commissioner of health to

6.22 implement new Minnesota Statutes,

6.23 section 144.1498. The funding base for

6.24 this program is \$219,000 in fiscal year

6.25 2008 and \$280,000 in fiscal year 2009.

HOUSE LANGUAGE (H1385-3)

SENATE LANGUAGE (S2265-1)

9.24	ARTICLE 2	6.26
9.25	RELATED PROVISIONS	6.27

ARTICLE 2
RELATED PROVISIONS

9.26 Section 1. Minnesota Statutes 2004, section 13.46,
9.27 subdivision 2, is amended to read:
9.28 Subd. 2. [GENERAL.] (a) Unless the data is summary data or
9.29 a statute specifically provides a different classification, data
9.30 on individuals collected, maintained, used, or disseminated by
9.31 the welfare system is private data on individuals, and shall not
9.32 be disclosed except:
9.33 (1) according to section 13.05;
9.34 (2) according to court order;
9.35 (3) according to a statute specifically authorizing access
9.36 to the private data;
9.37 (4) to an agent of the welfare system, including a law
9.38 enforcement person, attorney, or investigator acting for it in
9.39 the investigation or prosecution of a criminal or civil
9.40 proceeding relating to the administration of a program;
9.41 (5) to personnel of the welfare system who require the data
9.42 to verify an individual's identity; determine eligibility,
9.43 amount of assistance, and the need to provide services to an
9.44 individual or family across programs; evaluate the effectiveness
10.1 of programs; and investigate suspected fraud;
10.2 (6) to administer federal funds or programs;
10.3 (7) between personnel of the welfare system working in the
10.4 same program;
10.5 (8) to the Department of Revenue to administer and evaluate
10.6 tax refund or tax credit programs and to identify individuals
10.7 who may benefit from these programs. The following information
10.8 may be disclosed under this paragraph: an individual's and
10.9 their dependent's names, dates of birth, Social Security
10.10 numbers, income, addresses, and other data as required, upon
10.11 request by the Department of Revenue. Disclosures by the
10.12 commissioner of human services for the purposes described in
10.13 this clause are governed by section 270B.14, subdivision 1. Tax
10.14 refund or tax credit programs include, but are not limited to,
10.15 the dependent care credit under section 290.067, the Minnesota
10.16 working family credit under section 290.0671, the property tax
10.17 refund and rental credit under section 290A.04, and the
10.18 Minnesota education credit under section 290.0674;
10.19 (9) between the Department of Human Services, the
10.20 Department of Education, and the Department of Employment and
10.21 Economic Development for the purpose of monitoring the
10.22 eligibility of the data subject for unemployment benefits, for
10.23 any employment or training program administered, supervised, or
10.24 certified by that agency, for the purpose of administering any
10.25 rehabilitation program or child care assistance program, whether
10.26 alone or in conjunction with the welfare system, or to monitor
10.27 and evaluate the Minnesota family investment program by
10.28 exchanging data on recipients and former recipients of food
10.29 support, cash assistance under chapter 256, 256D, 256J, or 256K,
10.30 child care assistance under chapter 119B, or medical programs
10.31 under chapter 256B, 256D, or 256L;
10.32 (10) to appropriate parties in connection with an emergency
10.33 if knowledge of the information is necessary to protect the
10.34 health or safety of the individual or other individuals or
10.35 persons;
10.36 (11) data maintained by residential programs as defined in

HOUSE LANGUAGE (H1385-3)

SENATE LANGUAGE (S2265-1)

11.1 section 245A.02 may be disclosed to the protection and advocacy
 11.2 system established in this state according to Part C of Public
 11.3 Law 98-527 to protect the legal and human rights of persons with
 11.4 mental retardation or other related conditions who live in
 11.5 residential facilities for these persons if the protection and
 11.6 advocacy system receives a complaint by or on behalf of that
 11.7 person and the person does not have a legal guardian or the
 11.8 state or a designee of the state is the legal guardian of the
 11.9 person;
 11.10 (12) to the county medical examiner or the county coroner
 11.11 for identifying or locating relatives or friends of a deceased
 11.12 person;
 11.13 (13) data on a child support obligor who makes payments to
 11.14 the public agency may be disclosed to the Higher Education
 11.15 Services Office to the extent necessary to determine eligibility
 11.16 under section sections 136A.121, subdivision 2, clause (5), and
 11.17 136A.125, subdivision 2, clause (8);
 11.18 (14) participant Social Security numbers and names
 11.19 collected by the telephone assistance program may be disclosed
 11.20 to the Department of Revenue to conduct an electronic data match
 11.21 with the property tax refund database to determine eligibility
 11.22 under section 237.70, subdivision 4a;
 11.23 (15) the current address of a Minnesota family investment
 11.24 program participant may be disclosed to law enforcement officers
 11.25 who provide the name of the participant and notify the agency
 11.26 that:
 11.27 (i) the participant:
 11.28 (A) is a fugitive felon fleeing to avoid prosecution, or
 11.29 custody or confinement after conviction, for a crime or attempt
 11.30 to commit a crime that is a felony under the laws of the
 11.31 jurisdiction from which the individual is fleeing; or
 11.32 (B) is violating a condition of probation or parole imposed
 11.33 under state or federal law;
 11.34 (ii) the location or apprehension of the felon is within
 11.35 the law enforcement officer's official duties; and
 11.36 (iii) the request is made in writing and in the proper
 12.1 exercise of those duties;
 12.2 (16) the current address of a recipient of general
 12.3 assistance or general assistance medical care may be disclosed
 12.4 to probation officers and corrections agents who are supervising
 12.5 the recipient and to law enforcement officers who are
 12.6 investigating the recipient in connection with a felony level
 12.7 offense;
 12.8 (17) information obtained from food support applicant or
 12.9 recipient households may be disclosed to local, state, or
 12.10 federal law enforcement officials, upon their written request,
 12.11 for the purpose of investigating an alleged violation of the
 12.12 Food Stamp Act, according to Code of Federal Regulations, title
 12.13 7, section 272.1(c);
 12.14 (18) the address, Social Security number, and, if
 12.15 available, photograph of any member of a household receiving
 12.16 food support shall be made available, on request, to a local,
 12.17 state, or federal law enforcement officer if the officer
 12.18 furnishes the agency with the name of the member and notifies
 12.19 the agency that:
 12.20 (i) the member:
 12.21 (A) is fleeing to avoid prosecution, or custody or
 12.22 confinement after conviction, for a crime or attempt to commit a

HOUSE LANGUAGE (H1385-3)

SENATE LANGUAGE (S2265-1)

- 12.23 crime that is a felony in the jurisdiction the member is
12.24 fleeing;
12.25 (B) is violating a condition of probation or parole imposed
12.26 under state or federal law; or
12.27 (C) has information that is necessary for the officer to
12.28 conduct an official duty related to conduct described in subitem
12.29 (A) or (B);
12.30 (ii) locating or apprehending the member is within the
12.31 officer's official duties; and
12.32 (iii) the request is made in writing and in the proper
12.33 exercise of the officer's official duty;
12.34 (19) the current address of a recipient of Minnesota family
12.35 investment program, general assistance, general assistance
12.36 medical care, or food support may be disclosed to law
13.1 enforcement officers who, in writing, provide the name of the
13.2 recipient and notify the agency that the recipient is a person
13.3 required to register under section 243.166, but is not residing
13.4 at the address at which the recipient is registered under
13.5 section 243.166;
13.6 (20) certain information regarding child support obligors
13.7 who are in arrears may be made public according to section
13.8 518.575;
13.9 (21) data on child support payments made by a child support
13.10 obligor and data on the distribution of those payments excluding
13.11 identifying information on obligees may be disclosed to all
13.12 obligees to whom the obligor owes support, and data on the
13.13 enforcement actions undertaken by the public authority, the
13.14 status of those actions, and data on the income of the obligor
13.15 or obligee may be disclosed to the other party;
13.16 (22) data in the work reporting system may be disclosed
13.17 under section 256.998, subdivision 7;
13.18 (23) to the Department of Education for the purpose of
13.19 matching Department of Education student data with public
13.20 assistance data to determine students eligible for free and
13.21 reduced price meals, meal supplements, and free milk according
13.22 to United States Code, title 42, sections 1758, 1761, 1766,
13.23 1766a, 1772, and 1773; to allocate federal and state funds that
13.24 are distributed based on income of the student's family; and to
13.25 verify receipt of energy assistance for the telephone assistance
13.26 plan;
13.27 (24) the current address and telephone number of program
13.28 recipients and emergency contacts may be released to the
13.29 commissioner of health or a local board of health as defined in
13.30 section 145A.02, subdivision 2, when the commissioner or local
13.31 board of health has reason to believe that a program recipient
13.32 is a disease case, carrier, suspect case, or at risk of illness,
13.33 and the data are necessary to locate the person;
13.34 (25) to other state agencies, statewide systems, and
13.35 political subdivisions of this state, including the attorney
13.36 general, and agencies of other states, interstate information
14.1 networks, federal agencies, and other entities as required by
14.2 federal regulation or law for the administration of the child
14.3 support enforcement program;
14.4 (26) to personnel of public assistance programs as defined
14.5 in section 256.741, for access to the child support system
14.6 database for the purpose of administration, including monitoring
14.7 and evaluation of those public assistance programs;
14.8 (27) to monitor and evaluate the Minnesota family

HOUSE LANGUAGE (H1385-3)

SENATE LANGUAGE (S2265-1)

14.9 investment program by exchanging data between the Departments of
 14.10 Human Services and Education, on recipients and former
 14.11 recipients of food support, cash assistance under chapter 256,
 14.12 256D, 256J, or 256K, child care assistance under chapter 119B,
 14.13 or medical programs under chapter 256B, 256D, or 256L;
 14.14 (28) to evaluate child support program performance and to
 14.15 identify and prevent fraud in the child support program by
 14.16 exchanging data between the Department of Human Services,
 14.17 Department of Revenue under section 270B.14, subdivision 1,
 14.18 paragraphs (a) and (b), without regard to the limitation of use
 14.19 in paragraph (c), Department of Health, Department of Employment
 14.20 and Economic Development, and other state agencies as is
 14.21 reasonably necessary to perform these functions; or
 14.22 (29) counties operating child care assistance programs
 14.23 under chapter 119B may disseminate data on program participants,
 14.24 applicants, and providers to the commissioner of education.
 14.25 (b) Information on persons who have been treated for drug
 14.26 or alcohol abuse may only be disclosed according to the
 14.27 requirements of Code of Federal Regulations, title 42, sections
 14.28 2.1 to 2.67.
 14.29 (c) Data provided to law enforcement agencies under
 14.30 paragraph (a), clause (15), (16), (17), or (18), or paragraph
 14.31 (b), are investigative data and are confidential or protected
 14.32 nonpublic while the investigation is active. The data are
 14.33 private after the investigation becomes inactive under section
 14.34 13.82, subdivision 5, paragraph (a) or (b).
 14.35 (d) Mental health data shall be treated as provided in
 14.36 subdivisions 7, 8, and 9, but is not subject to the access
 15.1 provisions of subdivision 10, paragraph (b).
 15.2 For the purposes of this subdivision, a request will be
 15.3 deemed to be made in writing if made through a computer
 15.4 interface system.

15.5 Sec. 2. Minnesota Statutes 2004, section 135A.031,
 15.6 subdivision 3, is amended to read:
 15.7 Subd. 3. [DETERMINATION OF INSTRUCTIONAL SERVICES BASE.]
 15.8 The instructional services base for each public postsecondary
 15.9 system is the sum of: (1) the state share; and (2) the
 15.10 legislatively estimated tuition for the second year of the most
 15.11 recent biennium; and (3) ~~adjustments for inflation, enrollment~~
 15.12 ~~changes as calculated in subdivision 4, and performance as~~
 15.13 ~~calculated in subdivision 5.~~

15.14 Sec. 3. Minnesota Statutes 2004, section 135A.031,
 15.15 subdivision 4, is amended to read:
 15.16 Subd. 4. [~~ADJUSTMENT FOR ENROLLMENTS FOR BUDGETING.~~] (a)
 15.17 ~~Each public postsecondary system's instructional services base~~
 15.18 ~~shall be adjusted for estimated changes in enrollments. For~~
 15.19 ~~each two-percent change in estimated full-year equivalent~~
 15.20 ~~enrollment, an adjustment shall be made to 65 percent of the~~
 15.21 ~~instructional services base. The remaining 35 percent of the~~
 15.22 ~~instructional services base is not subject to the adjustment in~~
 15.23 ~~this subdivision.~~
 15.24 (b) For all purposes where student enrollment is used for
 15.25 budgeting purposes, student enrollment shall be measured in
 15.26 full-year equivalents and shall include only enrollments in
 15.27 courses that award credit or otherwise satisfy any of the
 15.28 requirements of an academic or vocational program.

HOUSE LANGUAGE (H1385-3)

SENATE LANGUAGE (S2265-1)

15.29 ~~(c)-The-enrollment-adjustment-shall-be-made-for-each-year~~
 15.30 ~~of-the-subsequent-biennium;--The-base-enrollment-year-is-the~~
 15.31 ~~1995-fiscal-year-enrollment;--The-base-enrollment-shall-be~~
 15.32 ~~updated-for-each-two-percent-change-in-estimated-full-year~~
 15.33 ~~equivalent-enrollment;--If-the-actual-enrollment-differs-from~~
 15.34 ~~the-estimated-enrollment;--an-adjustment-shall-be-made-in-the~~
 15.35 ~~next-biennium;~~

15.36 Sec. 4. Minnesota Statutes 2004, section 135A.052,
 16.1 subdivision 1, is amended to read:

16.2 Subdivision 1. [STATEMENT OF MISSIONS.] The legislature
 16.3 recognizes each type of public postsecondary institution to have
 16.4 a distinctive mission within the overall provision of public
 16.5 higher education in the state and a responsibility to cooperate
 16.6 with each other. These missions are as follows:

16.7 (1) the technical colleges shall offer vocational training
 16.8 and education to prepare students for skilled occupations that
 16.9 do not require a baccalaureate degree;

16.10 (2) the community colleges shall offer lower division
 16.11 instruction in academic programs, occupational programs in which
 16.12 all credits earned will be accepted for transfer to a
 16.13 baccalaureate degree in the same field of study, and remedial
 16.14 studies, for students transferring to baccalaureate institutions
 16.15 and for those seeking associate degrees;

16.16 (3) consolidated community technical colleges shall offer
 16.17 the same types of instruction, programs, certificates, diplomas,
 16.18 and degrees as the technical colleges and community colleges
 16.19 offer;

16.20 (4) the state universities shall offer undergraduate and
 16.21 graduate instruction through the master's degree, including
 16.22 specialist certificates, in the liberal arts and sciences and
 16.23 professional education, and may offer applied doctoral degrees
 16.24 in professional fields including education, psychology, physical
 16.25 therapy, audiology, and nursing; and

16.26 (5) the University of Minnesota shall offer undergraduate,
 16.27 graduate, and professional instruction through the doctoral
 16.28 degree, and shall be the primary state supported academic agency
 16.29 for research and extension services.

16.30 It is part of the mission of each system that within the
 16.31 system's resources the system's governing board and chancellor
 16.32 or president shall endeavor to:

16.33 (a) prevent the waste or unnecessary spending of public
 16.34 money;

16.35 (b) use innovative fiscal and human resource practices to
 16.36 manage the state's resources and operate the system as
 17.1 efficiently as possible;

17.2 (c) coordinate the system's activities wherever appropriate
 17.3 with the activities of the other system and governmental
 17.4 agencies;

17.5 (d) use technology where appropriate to increase system
 17.6 productivity, improve customer service, increase public access
 17.7 to information about the system, and increase public
 17.8 participation in the business of the system;

17.9 (e) utilize constructive and cooperative labor-management
 17.10 practices to the extent otherwise required by chapters 43A and
 17.11 179A; and

17.12 (f) recommend to the legislature appropriate changes in law
 17.13 necessary to carry out the mission of the system.

6.28 Section 1. Minnesota Statutes 2004, section 135A.052,
 6.29 subdivision 1, is amended to read:

6.30 Subdivision 1. [STATEMENT OF MISSIONS.] The legislature
 6.31 recognizes each type of public postsecondary institution to have
 6.32 a distinctive mission within the overall provision of public
 6.33 higher education in the state and a responsibility to cooperate
 6.34 with each other. These missions are as follows:

6.35 (1) the technical colleges shall offer vocational training
 6.36 and education to prepare students for skilled occupations that
 6.37 do not require a baccalaureate degree;

6.38 (2) the community colleges shall offer lower division
 6.39 instruction in academic programs, occupational programs in which
 6.40 all credits earned will be accepted for transfer to a
 6.41 baccalaureate degree in the same field of study, and remedial
 6.42 studies, for students transferring to baccalaureate institutions
 6.43 and for those seeking associate degrees;

6.44 (3) consolidated community technical colleges shall offer
 6.45 the same types of instruction, programs, certificates, diplomas,
 6.46 and degrees as the technical colleges and community colleges
 7.1 offer;

7.2 (4) the state universities shall offer undergraduate and
 7.3 graduate instruction through the master's applied doctoral
 7.4 degree, including specialist certificates, in the liberal arts
 7.5 and sciences and professional education; and

7.6 (5) the University of Minnesota shall offer undergraduate,
 7.7 graduate, and professional instruction through the doctoral
 7.8 degree, and shall be the primary state supported academic agency
 7.9 for research and extension services.

7.10 It is part of the mission of each system that within the
 7.11 system's resources the system's governing board and chancellor
 7.12 or president shall endeavor to:

7.13 (a) prevent the waste or unnecessary spending of public
 7.14 money;

7.15 (b) use innovative fiscal and human resource practices to
 7.16 manage the state's resources and operate the system as
 7.17 efficiently as possible;

7.18 (c) coordinate the system's activities wherever appropriate
 7.19 with the activities of the other system and governmental
 7.20 agencies;

7.21 (d) use technology where appropriate to increase system
 7.22 productivity, improve customer service, increase public access
 7.23 to information about the system, and increase public
 7.24 participation in the business of the system;

7.25 (e) utilize constructive and cooperative labor-management
 7.26 practices to the extent otherwise required by chapters 43A and
 7.27 179A; and

7.28 (f) recommend to the legislature appropriate changes in law
 7.29 necessary to carry out the mission of the system.

7.30 [EFFECTIVE DATE.] This section is effective the day
 7.31 following final enactment.

17.14 Sec. 5. Minnesota Statutes 2004, section 135A.30,
 17.15 subdivision 3, is amended to read:
 17.16 Subd. 3. [SELECTION OF RECIPIENTS.] The governing board of
 17.17 an eligible institution shall determine, in consultation with
 17.18 its campuses, application dates and procedures, criteria to be
 17.19 considered, and methods of selecting students to receive
 17.20 scholarships. A campus, with the approval of its governing
 17.21 board, may award a scholarship in any of-the-specified
 17.22 fields field of study (1)-in-which-the-campus-offers-a-program
 17.23 that-is-of-the-quality-and-rigor-to-meet-the-needs-of-the
 17.24 talented-student,-and-(2)-that-is-pertinent-to-the-mission-of
 17.25 the-campus.

7.32 Sec. 2. [135A.145] [SALE OF STUDENT INFORMATION; MARKETING
 7.33 CREDIT CARDS TO STUDENTS.]
 7.34 Subdivision 1. [PROHIBITED PRACTICES.] No public or
 7.35 private postsecondary educational institution in this state,
 7.36 including its agents, employees, student or alumni
 8.1 organizations, or affiliates, may:
 8.2 (1) sell, give, or otherwise transfer to any card issuer
 8.3 the name, address, telephone number, or other contact
 8.4 information of a student at the postsecondary educational
 8.5 institution without the student's consent; or
 8.6 (2) enter into any agreement to market credit cards to
 8.7 students at a postsecondary educational institution.
 8.8 For purposes of this section, the terms "credit," "credit
 8.9 card," and "card issuer" have the meanings given them in the
 8.10 Truth in Lending Act, United States Code, title 15, section 1602.
 8.11 Subd. 2. [VIOLATIONS.] The attorney general may seek the
 8.12 penalties and remedies available under section 8.31 against any
 8.13 person who violates this section.

8.14 Sec. 3. [135A.165] [DEAF STUDENTS; TUITION WAIVER.]
 8.15 (a) For the purpose of this section, a "deaf person" means
 8.16 an individual with a hearing loss of such severity that the
 8.17 individual must depend primarily on visual communication, such
 8.18 as writing, lip reading, manual communication, and gestures.
 8.19 (b) A deaf person, who is a resident student as defined in
 8.20 section 136A.101, subdivision 8, is entitled to the waiver of
 8.21 tuition and fees remaining after deducting any federal or state
 8.22 grants or other public or private grants made to the person for
 8.23 the purpose of paying the tuition and fees at a Minnesota state
 8.24 college or university or the University of Minnesota. A deaf
 8.25 person must receive either a federal Pell grant or a state grant
 8.26 under section 136A.121 for a term to receive a waiver for that
 8.27 term.

8.28 Sec. 4. [135A.175] [CAMPUS ACCESS ASSURANCE.]
 8.29 The Board of Trustees of the Minnesota State Colleges and
 8.30 Universities and the Board of Regents of the University of
 8.31 Minnesota shall maintain access to campuses and students for
 8.32 purposes of military recruiting by the armed forces of the
 8.33 United States that is at least equal in quality and scope to the
 8.34 access to campuses and students that is provided to any other
 8.35 employer.

HOUSE LANGUAGE (H1385-3)

SENATE LANGUAGE (S2265-1)

17.26 Sec. 6. Minnesota Statutes 2004, section 135A.30,
 17.27 subdivision 4, is amended to read:
 17.28 Subd. 4. [AMOUNT OF SCHOLARSHIP.] The amount of the
 17.29 scholarship must ~~may~~ be (1) at public institutions, up to the
 17.30 cost of tuition and fees for full-time attendance for one
 17.31 academic year, or (2) at private institutions, an amount equal
 17.32 to the lesser of the actual tuition and fees charged by the
 17.33 institution or the tuition and fees in comparable public
 17.34 institutions. Scholarships awarded under this section must not
 17.35 be considered in determining a student's financial need as
 17.36 provided in section 136A.101, subdivision 5.

18.1 Sec. 7. Minnesota Statutes 2004, section 135A.30,
 18.2 subdivision 5, is amended to read:
 18.3 Subd. 5. [RENEWALS.] The scholarship shall ~~may~~ be renewed
 18.4 yearly, for up to three additional academic years, if the
 18.5 student:
 18.6 (1) maintains full-time enrollment with a grade point
 18.7 average of at least 3.0 on a four point scale;
 18.8 (2) pursues studies and continues to demonstrate
 18.9 outstanding ability, achievement, and potential in the field for
 18.10 which the award was made; and
 18.11 (3) is achieving satisfactory progress toward a degree.

18.12 Sec. 8. Minnesota Statutes 2004, section 135A.52,
 18.13 subdivision 1, is amended to read:
 18.14 Subdivision 1. [FEES AND TUITION.] Except for an
 18.15 administration fee established by the governing board at a level
 18.16 to recover costs, to be collected only when a course is taken
 18.17 for credit, a senior citizen who is a legal resident of
 18.18 Minnesota is entitled without payment of tuition or activity
 18.19 fees to attend courses offered for credit, audit any courses
 18.20 offered for credit, or enroll in any noncredit ~~adult-vocational~~
 18.21 ~~education~~ courses in any state supported institution of higher
 18.22 education in Minnesota when space is available after all
 18.23 tuition-paying students have been accommodated. A senior
 18.24 citizen enrolled under this section must pay any materials,
 18.25 personal property, or service charges for the course. In
 18.26 addition, a senior citizen who is enrolled in a course for
 18.27 credit must pay an administrative fee in an amount established
 18.28 by the governing board of the institution to recover the course
 18.29 costs. There shall be no administrative fee charges to a senior
 18.30 citizen auditing a course. For the purposes of this section and
 18.31 section 135A.51, the term "noncredit ~~adult-vocational-education~~
 18.32 ~~courses~~" shall not include those ~~adult-vocational-education~~
 18.33 courses designed and offered specifically and exclusively for
 18.34 senior citizens.
 18.35 The provisions of this section and section 135A.51 do not
 18.36 apply to noncredit courses designed and offered by the
 19.1 University of Minnesota, and the Minnesota State Colleges and
 19.2 Universities specifically and exclusively for senior citizens.
 19.3 Senior citizens enrolled under the provisions of this section
 19.4 and section 135A.51 shall not be included by such institutions
 19.5 in their computation of full-time equivalent students when
 19.6 requesting staff or appropriations. ~~The enrollee shall pay~~
 19.7 ~~laboratory-or-material-fees-~~

HOUSE LANGUAGE (H1385-3)

SENATE LANGUAGE (S2265-1)

19.8 Sec. 9. Minnesota Statutes 2004, section 135A.52,
 19.9 subdivision 2, is amended to read:
 19.10 Subd. 2. [TERM; INCOME OF SENIOR CITIZENS.] (a) Except
 19.11 under paragraph (b), there shall be no limit to the number of
 19.12 terms, quarters or semesters a senior citizen may attend
 19.13 courses, nor income limitation imposed in determining
 19.14 eligibility.
 19.15 (b) A senior citizen enrolled in a closed enrollment
 19.16 contract training or professional continuing education program
 19.17 is not eligible for benefits under subdivision 1.

8.36 Sec. 5. [135A.53] [RESIDENT TUITION.]
 9.1 (a) A student shall qualify for a resident tuition rate or
 9.2 its equivalent at state universities and colleges, including the
 9.3 University of Minnesota, if the student meets all of the
 9.4 following requirements:
 9.5 (1) high school attendance within the state for three or
 9.6 more years;
 9.7 (2) graduation from a state high school or attainment
 9.8 within the state of the equivalent of high school graduation;
 9.9 and
 9.10 (3) registration as an entering student at, or current
 9.11 enrollment in, a public institution of higher education.
 9.12 (b) This section is in addition to any other statute, rule,
 9.13 or higher education institution regulation or policy providing
 9.14 eligibility for a resident tuition rate or its equivalent to a
 9.15 student.
 9.16 [EFFECTIVE DATE.] This section is effective the day
 9.17 following final enactment and applies to tuition for school
 9.18 terms commencing on or after that date.

19.18 Sec. 10. Minnesota Statutes 2004, section 136A.01,
 19.19 subdivision 2, is amended to read:
 19.20 Subd. 2. [RESPONSIBILITIES.] The Higher Education Services
 19.21 Office is responsible for:
 19.22 (1) necessary state level administration of financial aid
 19.23 programs, including accounting, auditing, and disbursing state
 19.24 and federal financial aid funds, and reporting on financial aid
 19.25 programs to the governor and the legislature;
 19.26 (2) approval, registration, licensing, and financial aid
 19.27 eligibility of private collegiate and career schools, under
 19.28 sections 136A.61 to 136A.71 and chapter 141;
 19.29 (3) administering the ~~Telecommunications Council under Laws~~
 19.30 ~~1993, First Special Session chapter 2, article 5, section 2;~~ the
 19.31 Learning Network of Minnesota; ~~and the Statewide Library Task~~
 19.32 ~~Force;~~
 19.33 (4) negotiating and administering reciprocity agreements;
 19.34 (5) publishing and distributing financial aid information
 19.35 and materials, and other information and materials under section
 19.36 136A.87, to students and parents;
 20.1 (6) collecting and maintaining student enrollment and
 20.2 financial aid data and reporting data on students and
 20.3 postsecondary institutions to measure progress in student
 20.4 learning and the effective use of public resources;
 20.5 (7) administering the federal programs that affect students
 20.6 and institutions on a statewide basis; and
 20.7 (8) prescribing policies, procedures, and rules under
 20.8 chapter 14 necessary to administer the programs under its

9.19 Sec. 6. Minnesota Statutes 2004, section 136A.01,
 9.20 subdivision 2, is amended to read:
 9.21 Subd. 2. [RESPONSIBILITIES.] The Higher Education Services
 9.22 Office is responsible for:
 9.23 (1) necessary state level administration of financial aid
 9.24 programs, including accounting, auditing, and disbursing state
 9.25 and federal financial aid funds, and reporting on financial aid
 9.26 programs to the governor and the legislature;
 9.27 (2) approval, registration, licensing, and financial aid
 9.28 eligibility of private collegiate and career schools, under
 9.29 sections 136A.61 to 136A.71 and chapter 141;
 9.30 (3) administering the ~~Telecommunications Council under Laws~~
 9.31 ~~1993, First Special Session chapter 2, article 5, section 2;~~ the
 9.32 Learning Network of Minnesota; ~~and the Statewide Library Task~~
 9.33 ~~Force;~~
 9.34 (4) negotiating and administering reciprocity agreements;
 9.35 (5) publishing and distributing financial aid information
 9.36 and materials, and other information and materials under section
 10.1 136A.87, to students and parents;
 10.2 (6) collecting and maintaining student enrollment and
 10.3 financial aid data;
 10.4 (7) administering the federal programs that affect students
 10.5 and institutions on a statewide basis; and
 10.6 (8) prescribing policies, procedures, and rules under
 10.7 chapter 14 necessary to administer the programs under its
 10.8 supervision.

HOUSE LANGUAGE (H1385-3)

SENATE LANGUAGE (S2265-1)

20.9 supervision.

20.10 Sec. 11. Minnesota Statutes 2004, section 136A.031,
20.11 subdivision 2, is amended to read:
20.12 Subd. 2. [HIGHER EDUCATION ADVISORY COUNCIL.] A Higher
20.13 Education Advisory Council (HEAC) is established. The HEAC is
20.14 composed of the president of the University of Minnesota or
20.15 designee; the chancellor of the Minnesota State Colleges and
20.16 Universities or designee; the commissioner of education; the
20.17 president of the Private College Council; a representative from
20.18 the Minnesota Association of Private Postsecondary Schools; and
20.19 a member appointed by the governor. The HEAC shall ~~{}~~ bring to
20.20 the attention of the Higher Education Services Council ~~Office~~
20.21 any matters that the HEAC deems necessary; ~~and (2) review and~~
20.22 ~~comment upon matters before the council;--The council shall~~
20.23 ~~refer all proposals to the HEAC before submitting~~
20.24 ~~recommendations to the governor and the legislature;--The~~
20.25 ~~council shall provide time for a report from the HEAC at each~~
20.26 ~~meeting of the council.~~

20.27 Sec. 12. Minnesota Statutes 2004, section 136A.031,
20.28 subdivision 3, is amended to read:
20.29 Subd. 3. [STUDENT ADVISORY COUNCIL.] A Student Advisory
20.30 Council (SAC) to the Higher Education Services Council ~~Office~~ is
20.31 established. The members of SAC shall include: the chair of
20.32 the University of Minnesota student senate; the state chair of
20.33 the Minnesota State University Student Association; the
20.34 president of the Minnesota State College Student Association and
20.35 an officer of the Minnesota State College Student Association,
20.36 one in a community college course of study and one in a
21.1 technical college course of study; the president of the
21.2 Minnesota Association of Private College Students; and a student
21.3 who is enrolled in a private vocational school, to be appointed
21.4 by the Minnesota Association of Private Postsecondary Schools
21.5 Career College Association. A member may be represented by a
21.6 student designee who attends an institution from the same system
21.7 that the absent member represents. The SAC shall select one of
21.8 its members to serve as chair.
21.9 The Higher Education Services Council ~~shall~~ ~~inform~~ the SAC
21.10 of all matters related to student issues under consideration and
21.11 shall refer all proposals to the SAC before taking action or
21.12 sending the proposals to the governor or legislature. The SAC
21.13 shall report to the Higher Education Services Council ~~Office~~
21.14 quarterly and at other times that the SAC considers desirable.
21.15 The SAC shall determine its meeting times, but it shall also
21.16 meet with the council ~~office~~ within 30 days after the director's
21.17 request for a meeting.
21.18 The SAC shall:
21.19 (1) bring to the attention of the Higher Education Services
21.20 Council ~~Office~~ any matter that the SAC believes needs the
21.21 attention of the council ~~office~~; and
21.22 (2) make recommendations to the Higher Education Services
21.23 Council ~~Office~~ as it finds appropriate;
21.24 ~~(3) appoint student members to the Higher Education~~
21.25 ~~Services Council advisory groups as provided in subdivision 4;~~
21.26 and
21.27 ~~(4) provide any reasonable assistance to the council.~~

10.9 Sec. 7. Minnesota Statutes 2004, section 136A.031,
10.10 subdivision 2, is amended to read:
10.11 Subd. 2. [HIGHER EDUCATION ADVISORY COUNCIL.] A Higher
10.12 Education Advisory Council (HEAC) is established. The HEAC is
10.13 composed of the president of the University of Minnesota or
10.14 designee; the chancellor of the Minnesota State Colleges and
10.15 Universities or designee; the commissioner of education; the
10.16 president of the Private College Council; a representative from
10.17 the Minnesota Association of Private Postsecondary Schools
10.18 Career College Association; and a member appointed by the
10.19 governor. The HEAC shall ~~{}~~ bring to the attention of the
10.20 Higher Education Services Council ~~Office~~ any matters that the
10.21 HEAC deems necessary; ~~and (2) review and comment upon matters~~
10.22 ~~before the council;--The council shall refer all proposals to~~
10.23 ~~the HEAC before submitting recommendations to the governor and~~
10.24 ~~the legislature;--The council shall provide time for a report~~
10.25 ~~from the HEAC at each meeting of the council.~~

10.26 Sec. 8. Minnesota Statutes 2004, section 136A.031,
10.27 subdivision 3, is amended to read:
10.28 Subd. 3. [STUDENT ADVISORY COUNCIL.] A Student Advisory
10.29 Council (SAC) to the Higher Education Services Council ~~Office~~ is
10.30 established. The members of SAC shall include: the chair of
10.31 the University of Minnesota student senate; the state chair of
10.32 the Minnesota State University Student Association; the
10.33 president of the Minnesota State College Student Association and
10.34 an officer of the Minnesota State College Student Association,
10.35 one in a community college course of study and one in a
10.36 technical college course of study; the president of the
11.1 Minnesota Association of Private College Students; and a student
11.2 who is enrolled in a private vocational school, to be appointed
11.3 by the Minnesota Association of Private Postsecondary Schools
11.4 Career College Association. A member may be represented by a
11.5 student designee who attends an institution from the same system
11.6 that the absent member represents. The SAC shall select one of
11.7 its members to serve as chair.
11.8 The Higher Education Services Council ~~Office~~ shall inform
11.9 the SAC of all matters related to student issues under
11.10 consideration and shall refer all proposals to the SAC before
11.11 taking action or sending the proposals to the governor or
11.12 legislature. The SAC shall report to the Higher Education
11.13 Services Council ~~Office~~ quarterly and at other times that the
11.14 SAC considers desirable. The SAC shall determine its meeting
11.15 times, but it shall also meet with the council ~~office~~ within 30
11.16 days after the director's request for a meeting.
11.17 The SAC shall:
11.18 (1) bring to the attention of the Higher Education Services
11.19 Council ~~Office~~ any matter that the SAC believes needs the
11.20 attention of the council ~~office~~; and
11.21 (2) make recommendations to the Higher Education Services
11.22 Council ~~Office~~ as it finds appropriate;
11.23 (3) appoint student members to the Higher Education
11.24 Services Council ~~Office~~ advisory groups as provided in
11.25 subdivision 4; and
11.26 (4) provide any reasonable assistance to the council ~~office~~.

HOUSE LANGUAGE (H1385-3)

SENATE LANGUAGE (S2265-1)

21.28 Sec. 13. Minnesota Statutes 2004, section 136A.031,
 21.29 subdivision 4, is amended to read:
 21.30 Subd. 4. [STUDENT REPRESENTATION.] If requested by the
 21.31 SAC, the director must place at least one student from an
 21.32 affected educational system on any task force created under
 21.33 ~~subdivision 4. The student member or members shall be appointed~~
 21.34 ~~by the SAC.~~

11.27 Sec. 9. Minnesota Statutes 2004, section 136A.031,
 11.28 subdivision 5, is amended to read:
 11.29 Subd. 5. [EXPIRATION.] Notwithstanding section 15.059,
 11.30 subdivision 5, the advisory groups established in this section
 11.31 expire on June 30, 2007.

21.35 Sec. 14. Minnesota Statutes 2004, section 136A.08, is
 21.36 amended by adding a subdivision to read:
 22.1 Subd. 7. [REPORTING.] The Higher Education Services Office
 22.2 must annually, before the last day in January, submit a report
 22.3 to the committees in the house of representatives and the senate
 22.4 with responsibility for higher education on:
 22.5 (1) participation in the tuition reciprocity program by
 22.6 Minnesota students, and students from other states attending
 22.7 Minnesota postsecondary institutions;
 22.8 (2) reciprocity and resident tuition rates at each
 22.9 institution; and
 22.10 (3) interstate payments and obligations for each state
 22.11 participating in the tuition reciprocity program in the prior
 22.12 year.

22.13 Sec. 15. Minnesota Statutes 2004, section 136A.08, is
 22.14 amended by adding a subdivision to read:
 22.15 Subd. 8. [DATA SHARING.] (a) The Higher Education Services
 22.16 Office must consider developing data collection procedures and
 22.17 agreements to monitor the extent to which students who attend
 22.18 Minnesota postsecondary institutions under reciprocity
 22.19 agreements are employed in Minnesota after graduation. These
 22.20 procedures must include matching Social Security numbers of
 22.21 reciprocity students for purposes of tracking the migration and
 22.22 employment of students who receive associate, baccalaureate, or
 22.23 graduate degrees through a tuition reciprocity program. State
 22.24 agencies must share wage and earnings data under section 268.19
 22.25 for the purpose of evaluating the tuition reciprocity program.
 22.26 (b) The reciprocity application must request the use of
 22.27 student Social Security numbers for the purposes of this
 22.28 subdivision. Reciprocity students must be informed that Social
 22.29 Security numbers will be used only to evaluate the reciprocity
 22.30 program by sharing information with Minnesota agencies and
 22.31 departments responsible for the administration of covered wage
 22.32 data and revenue collections. Social Security numbers will not
 22.33 be used for any other purpose or reported to any other
 22.34 government entity.
 22.35 (c) The office must include summary data on the migration
 22.36 and earnings of reciprocity graduates in the reciprocity report
 23.1 to the legislature. This report must include summary statistics
 23.2 on number of graduates by institution, degree granted and year
 23.3 of graduation, total number of reciprocity students employed in
 23.4 the state, and total earnings of graduates.

HOUSE LANGUAGE (H1385-3)

SENATE LANGUAGE (S2265-1)

23.5 Sec. 16. Minnesota Statutes 2004, section 136A.121,
 23.6 subdivision 2, is amended to read:
 23.7 Subd. 2. [ELIGIBILITY FOR GRANTS.] An applicant is
 23.8 eligible to be considered for a grant, regardless of the
 23.9 applicant's sex, creed, race, color, national origin, or
 23.10 ancestry, under sections 136A.095 to 136A.131 if the office
 23.11 finds that the applicant:
 23.12 (1) is a resident of the state of Minnesota;
 23.13 (2) is a graduate of a secondary school or its equivalent,
 23.14 or is 17 years of age or over, and has met all requirements for
 23.15 admission as a student to an eligible college or technical
 23.16 college of choice as defined in sections 136A.095 to 136A.131;
 23.17 (3) has met the financial need criteria established in
 23.18 Minnesota Rules;
 23.19 (4) is not in default, as defined by the office, of any
 23.20 federal or state student educational loan; and
 23.21 (5) is not more than 30 days in arrears for any in
 23.22 court-ordered child support payments owed to a that is collected
 23.23 or enforced by the public agency authority responsible for child
 23.24 support enforcement or, if the applicant is more than 30 days in
 23.25 arrears in court-ordered child support that is collected or
 23.26 enforced by the public authority responsible for child support
 23.27 enforcement, but is complying with a written payment
 23.28 agreement under section 518.553 or order for arrearages. An
 23.29 agreement must provide for a repayment of arrearages at no less
 23.30 than 20 percent per month of the amount of the monthly child
 23.31 support obligation or no less than \$30 per month if there is no
 23.32 current monthly child support obligation. Compliance means that
 23.33 payments are made by the payment date.
 23.34 The director and the commissioner of human services shall
 23.35 develop procedures to implement clause (5):

23.36 Sec. 17. Minnesota Statutes 2004, section 136A.121,
 24.1 subdivision 5, is amended to read:
 24.2 Subd. 5. [GRANT STIPENDS.] The grant stipend shall be
 24.3 based on a sharing of responsibility for covering the recognized
 24.4 cost of attendance by the applicant, the applicant's family, and
 24.5 the government. The amount of a financial stipend must not
 24.6 exceed a grant applicant's recognized cost of attendance, as
 24.7 defined in subdivision 6, after deducting the following:
 24.8 (1) the assigned student responsibility of at least 46 45
 24.9 percent of the cost of attending the institution of the
 24.10 applicant's choosing;
 24.11 (2) the assigned family responsibility as defined in
 24.12 section 136A.101; and
 24.13 (3) the amount of a federal Pell grant award for which the
 24.14 grant applicant is eligible.
 24.15 The minimum financial stipend is \$100 per academic year.

24.16 Sec. 18. Minnesota Statutes 2004, section 136A.121,
 24.17 subdivision 6, is amended to read:
 24.18 Subd. 6. [COST OF ATTENDANCE.] (a) The recognized cost of
 24.19 attendance consists of allowances specified in law for living
 24.20 and miscellaneous expenses, and an allowance for tuition and
 24.21 fees equal to the lesser of the average tuition and fees charged
 24.22 by the institution, or the tuition and fee maximums established
 24.23 in law.
 24.24 (b) For a student registering for less than full time, the

11.32 Sec. 10. Minnesota Statutes 2004, section 136A.121,
 11.33 subdivision 2, is amended to read:
 11.34 Subd. 2. [ELIGIBILITY FOR GRANTS.] An applicant is
 11.35 eligible to be considered for a grant, regardless of the
 11.36 applicant's sex, creed, race, color, national origin, or
 12.1 ancestry, under sections 136A.095 to 136A.131 if the office
 12.2 finds that the applicant:
 12.3 (1) is a resident of the state of Minnesota;
 12.4 (2) is a graduate of a secondary school or its equivalent,
 12.5 or is 17 years of age or over, and has met all requirements for
 12.6 admission as a student to an eligible college or technical
 12.7 college of choice as defined in sections 136A.095 to 136A.131;
 12.8 (3) has met the financial need criteria established in
 12.9 Minnesota Rules;
 12.10 (4) is not in default, as defined by the office, of any
 12.11 federal or state student educational loan; and
 12.12 (5) is not more than 30 days in arrears for any in
 12.13 court-ordered child support payments owed to a that is collected
 12.14 or enforced by the public agency authority responsible for child
 12.15 support enforcement or, if the applicant is more than 30 days in
 12.16 arrears in court-ordered child support that is collected or
 12.17 enforced by the public authority responsible for child support
 12.18 enforcement, but is complying with a written payment
 12.19 agreement under section 518.553 or order for arrearages. An
 12.20 agreement must provide for a repayment of arrearages at no less
 12.21 than 20 percent per month of the amount of the monthly child
 12.22 support obligation or no less than \$30 per month if there is no
 12.23 current monthly child support obligation. Compliance means that
 12.24 payments are made by the payment date.
 12.25 The director and the commissioner of human services shall
 12.26 develop procedures to implement clause (5):

12.27 Sec. 11. Minnesota Statutes 2004, section 136A.121,
 12.28 subdivision 6, is amended to read:
 12.29 Subd. 6. [COST OF ATTENDANCE.] (a) The recognized cost of
 12.30 attendance consists of allowances specified in law for living
 12.31 and miscellaneous expenses, and an allowance for tuition and
 12.32 fees equal to the lesser of the average actual tuition and fees
 12.33 charged by the institution, or the tuition and fee maximums
 12.34 established in law.
 12.35 (b) For a student registering for less than full time, the

HOUSE LANGUAGE (H1385-3)

24.25 office shall prorate the cost of attendance to the actual number
 24.26 of credits for which the student is enrolled.
 24.27 The recognized cost of attendance for a student who is
 24.28 confined to a Minnesota correctional institution shall consist
 24.29 of the tuition and fee component in paragraph (a), with no
 24.30 allowance for living and miscellaneous expenses.
 24.31 For the purpose of this subdivision, "fees" include only
 24.32 those fees that are mandatory and charged to full-time resident
 24.33 students attending the institution. Fees do not include charges
 24.34 for tools, equipment, computers, or other similar materials
 24.35 where the student retains ownership. Fees include charges for
 24.36 these materials if the institution retains ownership. Fees do
 25.1 not include optional or punitive fees.

25.2 Sec. 19. Minnesota Statutes 2004, section 136A.121,
 25.3 subdivision 9, is amended to read:
 25.4 Subd. 9. [AWARDS.] An undergraduate student who meets the
 25.5 office's requirements is eligible to apply for and receive a
 25.6 grant in any year of undergraduate study unless the student has
 25.7 obtained a baccalaureate degree or previously has been enrolled
 25.8 full time or the equivalent for eight nine semesters or the
 25.9 equivalent, excluding courses taken from a Minnesota school or
 25.10 postsecondary institution which is not participating in the
 25.11 state grant program and from which a student transferred no
 25.12 credit. A student who withdraws from enrollment for active
 25.13 military service is entitled to an additional semester or the
 25.14 equivalent of grant eligibility. A student enrolled in a
 25.15 two-year program at a four-year institution is only eligible for
 25.16 the tuition and fee maximums established by law for two-year
 25.17 institutions.

SENATE LANGUAGE (S2265-1)

12.36 office shall prorate the cost of attendance to the actual number
 13.1 of credits for which the student is enrolled.
 13.2 The recognized cost of attendance for a student who is
 13.3 confined to a Minnesota correctional institution shall consist
 13.4 of the tuition and fee component in paragraph (a), with no
 13.5 allowance for living and miscellaneous expenses.
 13.6 For the purpose of this subdivision, "fees" include only
 13.7 those fees that are mandatory and charged to full-time resident
 13.8 students attending the institution. Fees do not include charges
 13.9 for tools, equipment, computers, or other similar materials
 13.10 where the student retains ownership. Fees include charges for
 13.11 these materials if the institution retains ownership. Fees do
 13.12 not include optional or punitive fees.

13.13 Sec. 12. Minnesota Statutes 2004, section 136A.121, is
 13.14 amended by adding a subdivision to read:
 13.15 Subd. 7a. [SURPLUS APPROPRIATION.] If the amount
 13.16 appropriated is determined by the office to be more than
 13.17 sufficient to fund projected grant demand in the second year of
 13.18 the biennium, the office may increase the living and
 13.19 miscellaneous expense allowance in the second year of the
 13.20 biennium to the extent of the excess. The adjustment may be
 13.21 made one or more times. In making the determination that there
 13.22 is more than sufficient funds, the office shall balance the need
 13.23 for sufficient resources to meet the projected demand for grants
 13.24 with the goal of fully allocating the appropriation for state
 13.25 grants.

13.26 Sec. 13. Minnesota Statutes 2004, section 136A.121,
 13.27 subdivision 9, is amended to read:
 13.28 Subd. 9. [AWARDS.] An undergraduate student who meets the
 13.29 office's requirements is eligible to apply for and receive a
 13.30 grant in any year of undergraduate study unless the student has
 13.31 obtained a baccalaureate degree or previously has been enrolled
 13.32 full time or the equivalent for eight semesters or the
 13.33 equivalent, excluding courses taken from a Minnesota school or
 13.34 postsecondary institution which is not participating in the
 13.35 state grant program and from which a student transferred no
 13.36 credit. A student who withdraws from enrollment for active
 14.1 military service is entitled to an additional semester or the
 14.2 equivalent of grant eligibility. A student enrolled in a
 14.3 two-year program at a four-year institution is only eligible for
 14.4 the tuition and fee maximums established by law for two-year
 14.5 institutions.

14.6 Sec. 14. Minnesota Statutes 2004, section 136A.121,
 14.7 subdivision 13, is amended to read:
 14.8 Subd. 13. [DEADLINE.] The deadline for the office to
 14.9 accept applications for state grants for a term is 14 30 days
 14.10 after the start of that term.
 14.11 [EFFECTIVE DATE.] This section is effective the day
 14.12 following final enactment and is retroactive to July 1, 2003.
 14.13 An applicant who missed the 14-day deadline previously in effect
 14.14 between July 1, 2003, and June 30, 2005, but who met the 30-day
 14.15 deadline, has until September 1, 2005, to reapply. Retroactive
 14.16 awards under this section must be made on a first come, first
 14.17 served funds available basis.

HOUSE LANGUAGE (H1385-3)

25.18 Sec. 20. Minnesota Statutes 2004, section 136A.121, is
 25.19 amended by adding a subdivision to read:
 25.20 Subd. 18. [DATA.] An eligible institution must provide to
 25.21 the office student enrollment, financial aid, financial, and
 25.22 other data as determined by the director, to enable the office
 25.23 to carry out its responsibilities under chapter 136A.

25.24 Sec. 21. Minnesota Statutes 2004, section 136A.125,
 25.25 subdivision 2, is amended to read:
 25.26 Subd. 2. [ELIGIBLE STUDENTS.] (a) An applicant is eligible
 25.27 for a child care grant if the applicant:
 25.28 (1) is a resident of the state of Minnesota;
 25.29 (2) has a child 12 years of age or younger, or 14 years of
 25.30 age or younger who is handicapped as defined in section 125A.02,
 25.31 and who is receiving or will receive care on a regular basis
 25.32 from a licensed or legal, nonlicensed caregiver;
 25.33 (3) is income eligible as determined by the office's
 25.34 policies and rules, but is not a recipient of assistance from
 25.35 the Minnesota family investment program;
 25.36 (4) has not earned a baccalaureate degree and has been
 26.1 enrolled full time less than eight nine semesters or the
 26.2 equivalent;
 26.3 (5) is pursuing a nonsectarian program or course of study
 26.4 that applies to an undergraduate degree, diploma, or
 26.5 certificate;
 26.6 (6) is enrolled at least half time in an eligible
 26.7 institution; and
 26.8 (7) is in good academic standing and making satisfactory
 26.9 academic progress; and
 26.10 (8) is not more than 30 days in arrears in court-ordered
 26.11 child support that is collected or enforced by the public
 26.12 authority responsible for child support enforcement or, if the
 26.13 applicant is more than 30 days in arrears in court-ordered child
 26.14 support that is collected or enforced by the public authority
 26.15 responsible for child support enforcement, but is complying with
 26.16 a written payment agreement under section 518.553 or order for
 26.17 arrearages.
 26.18 (b) A student who withdraws from enrollment for active
 26.19 military service is entitled to an additional semester or the
 26.20 equivalent of grant eligibility.

26.21 Sec. 22. Minnesota Statutes 2004, section 136A.1701, is
 26.22 amended by adding a subdivision to read:
 26.23 Subd. 11. [DATA.] An eligible institution must provide to
 26.24 the office student enrollment, financial aid, financial, and
 26.25 other data as determined by the director, to enable the office
 26.26 to carry out its responsibilities under chapter 136A.

26.27 Sec. 23. Minnesota Statutes 2004, section 136A.1701, is
 26.28 amended by adding a subdivision to read:
 26.29 Subd. 12. [ELIGIBLE STUDENT.] "Eligible student" means a
 26.30 student who is a Minnesota resident who is enrolled or accepted
 26.31 for enrollment at an eligible institution in Minnesota or in
 26.32 another state or province. Non-Minnesota residents are eligible

SENATE LANGUAGE (S2265-1)

14.18 Sec. 15. Minnesota Statutes 2004, section 136A.121, is
 14.19 amended by adding a subdivision to read:
 14.20 Subd. 19. [DATA.] An eligible institution must provide to
 14.21 the office aggregate and distributional data on student
 14.22 enrollment, financial aid, financial, and other aggregate and
 14.23 other distributional data as determined by the director, to
 14.24 enable the office to carry out its responsibilities under
 14.25 chapters 136A and 141.

14.26 Sec. 16. Minnesota Statutes 2004, section 136A.125,
 14.27 subdivision 2, is amended to read:
 14.28 Subd. 2. [ELIGIBLE STUDENTS.] (a) An applicant is eligible
 14.29 for a child care grant if the applicant:
 14.30 (1) is a resident of the state of Minnesota;
 14.31 (2) has a child 12 years of age or younger, or 14 years of
 14.32 age or younger who is handicapped as defined in section 125A.02,
 14.33 and who is receiving or will receive care on a regular basis
 14.34 from a licensed or legal, nonlicensed caregiver;
 14.35 (3) is income eligible as determined by the office's
 14.36 policies and rules, but is not a recipient of assistance from
 15.1 the Minnesota family investment program;
 15.2 (4) has not earned a baccalaureate degree and has been
 15.3 enrolled full time less than eight semesters or the equivalent;
 15.4 (5) is pursuing a nonsectarian program or course of study
 15.5 that applies to an undergraduate degree, diploma, or
 15.6 certificate;
 15.7 (6) is enrolled at least half time in an eligible
 15.8 institution; and
 15.9 (7) is in good academic standing and making satisfactory
 15.10 academic progress.
 15.11 (b) A student who withdraws from enrollment for active
 15.12 military service is entitled to an additional semester or the
 15.13 equivalent of grant eligibility.

15.14 Sec. 17. Minnesota Statutes 2004, section 136A.1701, is
 15.15 amended by adding a subdivision to read:
 15.16 Subd. 11. [DATA.] An eligible institution must provide to
 15.17 the office aggregate and distributional data on student
 15.18 enrollment, financial aid, financial, and other aggregate and
 15.19 distributional data on data as determined by the director, to
 15.20 enable the office to carry out its responsibilities under
 15.21 chapters 136A and 141.

15.22 Sec. 18. Minnesota Statutes 2004, section 136A.1701, is
 15.23 amended by adding a subdivision to read:
 15.24 Subd. 12. [ELIGIBLE STUDENT.] "Eligible student" means a
 15.25 student who is a Minnesota resident who is enrolled or accepted
 15.26 for enrollment at an eligible school in Minnesota or in another
 15.27 state or province. Non-Minnesota residents are eligible

HOUSE LANGUAGE (H1385-3)

26.33 students if they are enrolled or accepted for enrollment in a
 26.34 minimum of one course of at least 30 days in length during the
 26.35 academic year that requires physical attendance at an eligible
 26.36 institution located in Minnesota. Non-Minnesota resident
 27.1 students enrolled exclusively during the academic year in
 27.2 correspondence courses or courses offered over the Internet are
 27.3 not eligible students. Non-Minnesota resident students not
 27.4 physically attending classes in Minnesota due to enrollment in a
 27.5 study abroad program for 12 months or less are eligible students.
 27.6 Non-Minnesota residents enrolled in study abroad programs
 27.7 exceeding 12 months are not eligible students. For purposes of
 27.8 this section, an "eligible student" must also meet the
 27.9 eligibility requirements of section 136A.15, subdivision 8.

27.10 Sec. 24. [136A.1703] [INCOME-CONTINGENT LOANS.]
 27.11 The office shall administer an income-contingent loan
 27.12 repayment program to assist graduates of Minnesota schools in
 27.13 medicine, dentistry, pharmacy, chiropractic medicine, public
 27.14 health, and veterinary medicine, and Minnesota residents
 27.15 graduating from optometry and osteopathy programs. Applicant
 27.16 data collected by the office for this program may be disclosed
 27.17 to a consumer credit reporting agency under the same conditions
 27.18 as those that apply to the supplemental loan program under
 27.19 section 136A.162. No new applicants may be accepted after June
 27.20 30, 1995.

27.21 Sec. 25. [136A.1785] [LOAN CAPITAL FUND.]
 27.22 The office may deposit and hold assets derived from the
 27.23 operation of its student loan programs authorized by this
 27.24 chapter in a fund known as the loan capital fund. Assets in the
 27.25 loan capital fund are available to the office solely for
 27.26 carrying out the purposes and terms of sections 136A.15 to
 27.27 136A.1703, including, but not limited to, making student loans
 27.28 authorized by this chapter, paying administrative expenses
 27.29 associated with the operation of its student loan programs,
 27.30 repurchasing defaulted student loans, and paying expenses in
 27.31 connection with the issuance of revenue bonds authorized under
 27.32 this chapter. Assets in the loan capital fund may be invested
 27.33 as provided in sections 11A.24 and 136A.16, subdivision 8. All
 27.34 interest and earnings from the investment of the loan capital
 27.35 fund inure to the benefit of the fund and are deposited into the
 27.36 fund.

SENATE LANGUAGE (S2265-1)

15.28 students if they are enrolled or accepted for enrollment in a
 15.29 minimum of one course of at least 30 days in length during the
 15.30 academic year that requires physical attendance at an eligible
 15.31 school located in Minnesota. Non-Minnesota resident students
 15.32 enrolled exclusively during the academic year in correspondence
 15.33 courses or courses offered over the Internet are not eligible
 15.34 students. Non-Minnesota resident students not physically
 15.35 attending classes in Minnesota due to enrollment in a study
 15.36 abroad program for 12 months or less are eligible students.
 16.1 Non-Minnesota residents enrolled in study abroad programs
 16.2 exceeding 12 months are not eligible students. For purposes of
 16.3 this section, an "eligible student" must also meet the
 16.4 eligibility requirements of section 136A.15, subdivision 8.

16.5 Sec. 19. [136A.1703] [INCOME-CONTINGENT LOANS.]
 16.6 The office shall administer an income-contingent loan
 16.7 repayment program to assist graduates of Minnesota schools in
 16.8 medicine, dentistry, pharmacy, chiropractic medicine, public
 16.9 health, and veterinary medicine, and Minnesota residents
 16.10 graduating from optometry and osteopathy programs. Applicant
 16.11 data collected by the office for this program may be disclosed
 16.12 to a consumer credit reporting agency under the same conditions
 16.13 as those that apply to the supplemental loan program under
 16.14 section 136A.162. No new applicants may be accepted after June
 16.15 30, 1995.

16.16 Sec. 20. [136A.1785] [LOAN CAPITAL FUND.]
 16.17 The office may deposit and hold assets derived from the
 16.18 operation of its student loan programs authorized by this
 16.19 chapter in a fund known as the loan capital fund. Assets in the
 16.20 loan capital fund are available to the office solely for
 16.21 carrying out the purposes and terms of sections 136A.15 to
 16.22 136A.1702, including, but not limited to, making student loans
 16.23 authorized by this chapter, paying administrative expenses
 16.24 associated with the operation of its student loan programs,
 16.25 repurchasing defaulted student loans, and paying expenses in
 16.26 connection with the issuance of revenue bonds authorized under
 16.27 this chapter. Assets in the loan capital fund may be invested
 16.28 as provided in sections 11A.24 and 136A.16, subdivision 8. All
 16.29 interest and earnings from the investment of the loan capital
 16.30 fund inure to the benefit of the fund and are deposited into the
 16.31 fund.

16.32 Sec. 21. [136A.861] [INTERVENTION FOR COLLEGE ATTENDANCE
 16.33 PROGRAM GRANTS.]

16.34 Subdivision 1. [GRANTS.] The director of the Higher
 16.35 Education Services Office shall award grants to foster
 16.36 postsecondary attendance by providing outreach services to
 17.1 historically underserved groups of elementary and secondary
 17.2 students. Grants must be awarded to programs that provide
 17.3 precollege services, including, but not limited to:
 17.4 (1) academic counseling;
 17.5 (2) mentoring;
 17.6 (3) fostering and improving parental involvement in
 17.7 planning for and facilitating a college education;
 17.8 (4) services for students with English as a second
 17.9 language;
 17.10 (5) academic enrichment activities;

- 17.11 (6) tutoring;
 17.12 (7) career awareness and exploration;
 17.13 (8) orientation to college life;
 17.14 (9) assistance with high school course selection and
 17.15 information about college admission requirements;
 17.16 (10) financial aid counseling; and
 17.17 (11) summer academic enrichment programs.
 17.18 Services may be provided by postsecondary institutions, school
 17.19 districts, businesses, foundations, professional organizations,
 17.20 community-based organizations, or others deemed appropriate by
 17.21 the director.
 17.22 Subd. 2. [ELIGIBLE STUDENTS.] Eligible students include
 17.23 elementary and secondary students who meet one or more of the
 17.24 following criteria:
 17.25 (1) are counted under section 1124(c) of the Elementary and
 17.26 Secondary Education Act of 1965 (Title I);
 17.27 (2) are eligible for free or reduced-price lunch under the
 17.28 National School Lunch Act;
 17.29 (3) receive assistance under the Temporary Assistance for
 17.30 Needy Families Law (Title I of the Personal Responsibility and
 17.31 Work Opportunity Reconciliation Act of 1996); or
 17.32 (4) are a member of a group traditionally underrepresented
 17.33 in higher education.
 17.34 Subd. 3. [APPLICATION PROCESS.] The director of the Higher
 17.35 Education Services Office shall develop a grant application
 17.36 process. The director shall attempt to distribute grants in a
 18.1 manner that ensures that eligible students throughout the state
 18.2 have access to precollege services.
 18.3 The grant application must include, at a minimum, the
 18.4 following information:
 18.5 (1) a description of the characteristics of the students to
 18.6 be served;
 18.7 (2) a description of the services to be provided and a
 18.8 timeline for implementation of the activities;
 18.9 (3) a description of how the services provided will foster
 18.10 postsecondary attendance;
 18.11 (4) a description of how the services will be evaluated to
 18.12 determine whether the program goals were met; and
 18.13 (5) other information as identified by the director.
 18.14 Grant recipients must specify both program and student outcome
 18.15 goals, and performance measures for each goal.
 18.16 Priority shall be given to collaborative efforts between two or
 18.17 more organizations.
 18.18 Subd. 4. [MATCH REQUIRED.] Applicants are required to
 18.19 match the grant amount dollar-for-dollar. The match may be in
 18.20 cash or an in-kind contribution.
 18.21 Subd. 5. [REVIEW COMMITTEE.] The director must establish
 18.22 and convene a grant selection committee to review applications
 18.23 and award grants. The members of the committee may include
 18.24 representatives of postsecondary institutions, elementary and
 18.25 secondary education, organizations providing precollege outreach
 18.26 services, and others deemed appropriate by the director.
 18.27 Subd. 6. [PROGRAM EVALUATION.] Each grant recipient must
 18.28 annually submit a report to the Higher Education Services Office
 18.29 delineating its program and student outcome goals, and
 18.30 activities implemented to achieve the stated outcomes. The
 18.31 goals must be clearly stated and measurable. Grant recipients
 18.32 are required to collect, analyze, and report on participation

28.1 Sec. 26. Minnesota Statutes 2004, section 136F.04,
 28.2 subdivision 4, is amended to read:
 28.3 Subd. 4. [RECOMMENDATIONS.] Each student association shall
 28.4 recommend at least two and not more than four candidates for its
 28.5 student member. By ~~January-2~~ April 15 of the year in which its
 28.6 members' term expires, each student association shall submit its
 28.7 recommendations to the governor. The governor is not bound by

18.33 and outcome data that enable the office to verify that the
 18.34 program goals were met. The office shall maintain:
 18.35 (1) information about successful precollege program
 18.36 activities for dissemination to individuals throughout the state
 19.1 interested in adopting or replicating successful program
 19.2 practices; and
 19.3 (2) data on the success of the funded projects in
 19.4 increasing the high school graduation and college participation
 19.5 rates of students served by the grant recipients. The office
 19.6 may convene meetings of the grant recipients, as needed, to
 19.7 discuss issues pertaining to the implementation of precollege
 19.8 services.
 19.9 Subd. 7. [REPORT.] By January 15 of each odd-numbered
 19.10 year, the office shall submit a report to the committees in the
 19.11 legislature with jurisdiction over higher education finance
 19.12 regarding the grant recipients and their activities. The report
 19.13 shall include information about the students served, the
 19.14 organizations providing services, program activities, program
 19.15 goals and outcomes, and program revenue sources and funding
 19.16 levels.

19.17 Sec. 22. Minnesota Statutes 2004, section 136F.02,
 19.18 subdivision 1, is amended to read:
 19.19 Subdivision 1. [MEMBERSHIP.] The board consists of ~~15~~ 18
 19.20 members appointed by the governor with the advice and consent of
 19.21 the senate. At least one member of the board shall have
 19.22 experience in and represent business and at least one member
 19.23 shall have experience in and represent organized labor. At
 19.24 least one member of the board must be a resident of each
 19.25 congressional district, except that congressional districts
 19.26 containing all or part of 17 or more counties shall be split in
 19.27 approximately half geographically along county lines and one
 19.28 member must be a resident of each half. Three members must be
 19.29 students who are enrolled at least half time in a degree,
 19.30 diploma, or certificate program or have graduated from an
 19.31 institution governed by the board within one year of the date of
 19.32 appointment. The student members shall include: one member
 19.33 from a community college, one member from a state university,
 19.34 and one member from a technical college. The remaining members
 19.35 must be appointed to represent the state at large.
 19.36 [EFFECTIVE DATE.] This section is effective the day
 20.1 following final enactment. Of the three members added to the
 20.2 board by this section, one shall be appointed for an original
 20.3 two-year term, one for a four-year term, and one for a six-year
 20.4 term. The governor shall determine which term applies to an
 20.5 appointment. After the original terms, all succeeding terms
 20.6 shall be six years. If there is not a member representing
 20.7 business and labor respectively, as provided by this section,
 20.8 the governor shall make those appointments at the first
 20.9 opportunity to do so.

20.10 Sec. 23. Minnesota Statutes 2004, section 136F.04,
 20.11 subdivision 4, is amended to read:
 20.12 Subd. 4. [RECOMMENDATIONS.] Each student association shall
 20.13 recommend at least two and not more than four candidates for its
 20.14 student member. By ~~January-2~~ April 15 of the year in which its
 20.15 members' term expires, each student association shall submit its
 20.16 recommendations to the governor. The governor is not bound by

HOUSE LANGUAGE (H1385-3)

SENATE LANGUAGE (S2265-1)

28.8 these recommendations.

28.9 Sec. 27. Minnesota Statutes 2004, section 136F.32,
 28.10 subdivision 2, is amended to read:
 28.11 Subd. 2. [TECHNICAL AND CONSOLIDATED TECHNICAL COLLEGES.]
 28.12 (a) A technical college or consolidated technical community
 28.13 college shall offer students the option of pursuing diplomas and
 28.14 or certificates in each technical education program, unless the
 28.15 board determines that a degree is the only acceptable credential
 28.16 for career entry in a specific field. All vocational and
 28.17 technical credits earned for a diploma or certificate shall be
 28.18 applicable toward any available degree in the same program.
 28.19 (b) Certificates and diplomas are credentials that
 28.20 demonstrate competence in a vocational or technical area and,
 28.21 therefore, may include a general education component only as
 28.22 part of an articulation agreement or to meet occupational
 28.23 requirements as established by the trade or profession, or by
 28.24 the program advisory committee. Students shall be provided with
 28.25 applied training in general studies as necessary for competence
 28.26 in the program area. Students who have earned a certificate or
 28.27 diploma may earn a degree in the same field if they complete the
 28.28 general education and other degree requirements.

28.29 Sec. 28. Minnesota Statutes 2004, section 136G.03,
 28.30 subdivision 3, is amended to read:
 28.31 Subd. 3. [ACCOUNT OWNER:] "Account owner" means a person
 28.32 who enters into a participation agreement and is entitled
 28.33 to ~~select-or-change conduct transactions on the account,~~
 28.34 including selecting and changing the beneficiary of an account
 28.35 or-to-receive and receiving distributions from the account for
 28.36 other-than-payment-of-qualified-higher-education-expenses.

29.1 Sec. 29. Minnesota Statutes 2004, section 136G.03,
 29.2 subdivision 21a, is amended to read:
 29.3 Subd. 21a. [MINOR TRUST ACCOUNT.] "Minor trust account"
 29.4 means a Uniform Gift to Minors Act account; or a Uniform
 29.5 Transfers to Minors Act account; ~~or-a-trust-instrument-naming-a~~
 29.6 ~~minor-person-as-beneficiary;~~ created and operating under the
 29.7 laws of Minnesota or another state.

29.8 Sec. 30. Minnesota Statutes 2004, section 136G.03,
 29.9 subdivision 22, is amended to read:
 29.10 Subd. 22. [NONQUALIFIED DISTRIBUTION.] "Nonqualified
 29.11 distribution" means a distribution made from an account other
 29.12 than (1) a qualified distribution; or (2) a distribution due to
 29.13 the death or disability of, or scholarship to, or attendance at
 29.14 a United States military academy by, a beneficiary.

29.15 Sec. 31. Minnesota Statutes 2004, section 136G.03,
 29.16 subdivision 32, is amended to read:
 29.17 Subd. 32. [SCHOLARSHIP.] "Scholarship" means a
 29.18 scholarship; or educational assistance allowance; ~~or-payment~~
 29.19 ~~under-section-529(b)(3)(C)-of-the-Internal-Revenue-Code.~~

29.20 Sec. 32. Minnesota Statutes 2004, section 136G.05,
 29.21 subdivision 8, is amended to read:
 29.22 Subd. 8. [ADMINISTRATION.] The director shall administer
 29.23 the program, including accepting and processing applications,

20.17 these recommendations.

20.18 Sec. 24. Minnesota Statutes 2004, section 136G.03,
 20.19 subdivision 3, is amended to read:
 20.20 Subd. 3. [ACCOUNT OWNER:] "Account owner" means a person
 20.21 who enters into a participation agreement and is entitled
 20.22 to ~~select-or-change conduct transactions on the account,~~
 20.23 including selecting and changing the beneficiary of an account
 20.24 or-to-receive and receiving distributions from the account for
 20.25 other-than-payment-of-qualified-higher-education-expenses.

20.26 Sec. 25. Minnesota Statutes 2004, section 136G.03,
 20.27 subdivision 21a, is amended to read:
 20.28 Subd. 21a. [MINOR TRUST ACCOUNT.] "Minor trust account"
 20.29 means a Uniform Gift to Minors Act account; or a Uniform
 20.30 Transfers to Minors Act account; ~~or-a-trust-instrument-naming-a~~
 20.31 ~~minor-person-as-beneficiary;~~ created and operating under the
 20.32 laws of Minnesota or another state.

20.33 Sec. 26. Minnesota Statutes 2004, section 136G.03,
 20.34 subdivision 22, is amended to read:
 20.35 Subd. 22. [NONQUALIFIED DISTRIBUTION.] "Nonqualified
 20.36 distribution" means a distribution made from an account other
 21.1 than (1) a qualified distribution; or (2) a distribution due to
 21.2 the death or disability of, or scholarship to, or attendance at
 21.3 a United States military academy by, a beneficiary.

21.4 Sec. 27. Minnesota Statutes 2004, section 136G.03,
 21.5 subdivision 32, is amended to read:
 21.6 Subd. 32. [SCHOLARSHIP.] "Scholarship" means a
 21.7 scholarship; or educational assistance allowance; ~~or-payment~~
 21.8 ~~under-section-529(b)(3)(C)-of-the-Internal-Revenue-Code.~~

21.9 Sec. 28. Minnesota Statutes 2004, section 136G.05,
 21.10 subdivision 8, is amended to read:
 21.11 Subd. 8. [ADMINISTRATION.] The director shall administer
 21.12 the program, including accepting and processing applications,

HOUSE LANGUAGE (H1385-3)

29.24 maintaining account records, making payments, making matching
 29.25 grants under section 136G.11, and undertaking any other
 29.26 necessary tasks to administer the program. The office may
 29.27 contract with one or more third parties to carry out some or all
 29.28 of these administrative duties, including promotion providing
 29.29 incentives and marketing of the program. The office and the
 29.30 board may jointly contract with third-party providers, if the
 29.31 office and board determine that it is desirable to contract with
 29.32 the same entity or entities for administration and investment
 29.33 management.

29.34 Sec. 33. Minnesota Statutes 2004, section 136G.09,
 29.35 subdivision 11, is amended to read:
 29.36 Subd. 11. [EFFECT OF PLAN CHANGES ON PARTICIPATION
 30.1 AGREEMENT.] Amendments to sections 136G.01 to 136G.13
 30.2 automatically amend the participation agreement. Any amendments
 30.3 to the operating procedures and policies of the plan shall
 30.4 automatically amend the participation agreement 30-days after
 30.5 adoption by the office or the board.

30.6 Sec. 34. Minnesota Statutes 2004, section 136G.09,
 30.7 subdivision 12, is amended to read:
 30.8 Subd. 12. [SPECIAL ACCOUNT TO HOLD PLAN ASSETS IN TRUST.]
 30.9 All assets of the plan, including contributions to accounts and
 30.10 matching grant accounts and earnings, are held in trust for the
 30.11 exclusive benefit of account owners and beneficiaries. Assets
 30.12 must be held in a separate account in the state treasury to be
 30.13 known as the Minnesota college savings plan account or in
 30.14 accounts with the third party provider selected pursuant to
 30.15 section 136G.05, subdivision 8. Plan assets are not subject to
 30.16 claims by creditors of the state, are not part of the general
 30.17 fund, and are not subject to appropriation by the state.
 30.18 Payments from the Minnesota college savings plan account shall
 30.19 be made under sections 136G.01 to 136G.13.

30.20 Sec. 35. Minnesota Statutes 2004, section 136G.11,
 30.21 subdivision 1, is amended to read:
 30.22 Subdivision 1. [MATCHING GRANT QUALIFICATION.] By June 30
 30.23 of each year, a state matching grant must be added to each
 30.24 account established under the program if the following
 30.25 conditions are met:
 30.26 (1) the contributor applies, in writing in a form
 30.27 prescribed by the director, for a matching grant;
 30.28 (2) a minimum contribution of \$200 was made during the
 30.29 preceding calendar year; and
 30.30 (3) the beneficiary's family meets Minnesota college
 30.31 savings plan residency requirements; and
 30.32 (4) the family income of the beneficiary did not exceed
 30.33 \$80,000.

30.34 Sec. 36. Minnesota Statutes 2004, section 136G.11,
 30.35 subdivision 2, is amended to read:
 30.36 Subd. 2. [FAMILY INCOME.] (a) For purposes of this
 31.1 section, "family income" means:
 31.2 (1) if the beneficiary is under age 25, the combined
 31.3 adjusted gross income of the beneficiary's parents or legal
 31.4 guardians as reported on the federal tax return or returns for
 31.5 the calendar year in which contributions were made. If the

SENATE LANGUAGE (S2265-1)

21.13 maintaining account records, making payments, making matching
 21.14 grants under section 136G.11, and undertaking any other
 21.15 necessary tasks to administer the program. The office may
 21.16 contract with one or more third parties to carry out some or all
 21.17 of these administrative duties, including promotion providing
 21.18 incentives and marketing of the program. The office and the
 21.19 board may jointly contract with third-party providers, if the
 21.20 office and board determine that it is desirable to contract with
 21.21 the same entity or entities for administration and investment
 21.22 management.

21.23 Sec. 29. Minnesota Statutes 2004, section 136G.09,
 21.24 subdivision 11, is amended to read:
 21.25 Subd. 11. [EFFECT OF PLAN CHANGES ON PARTICIPATION
 21.26 AGREEMENT.] Amendments to sections 136G.01 to 136G.13
 21.27 automatically amend the participation agreement. Any amendments
 21.28 to the operating procedures and policies of the plan shall
 21.29 automatically amend the participation agreement 30-days after
 21.30 adoption by the office or the board.

21.31 Sec. 30. Minnesota Statutes 2004, section 136G.09,
 21.32 subdivision 12, is amended to read:
 21.33 Subd. 12. [SPECIAL ACCOUNT TO HOLD PLAN ASSETS IN TRUST.]
 21.34 All assets of the plan, including contributions to accounts and
 21.35 matching grant accounts and earnings, are held in trust for the
 21.36 exclusive benefit of account owners and beneficiaries. Assets
 22.1 must be held in a separate account in the state treasury to be
 22.2 known as the Minnesota college savings plan account or in
 22.3 accounts with the third party provider selected pursuant to
 22.4 section 136G.05, subdivision 8. Plan assets are not subject to
 22.5 claims by creditors of the state, are not part of the general
 22.6 fund, and are not subject to appropriation by the state.
 22.7 Payments from the Minnesota college savings plan account shall
 22.8 be made under sections 136G.01 to 136G.13.

22.9 Sec. 31. Minnesota Statutes 2004, section 136G.11,
 22.10 subdivision 1, is amended to read:
 22.11 Subdivision 1. [MATCHING GRANT QUALIFICATION.] By June 30
 22.12 of each year, a state matching grant must be added to each
 22.13 account established under the program if the following
 22.14 conditions are met:
 22.15 (1) the contributor applies, in writing in a form
 22.16 prescribed by the director, for a matching grant;
 22.17 (2) a minimum contribution of \$200 was made during the
 22.18 preceding calendar year; and
 22.19 (3) the beneficiary's family meets Minnesota college
 22.20 savings plan residency requirements; and
 22.21 (4) the family income of the beneficiary did not exceed
 22.22 \$80,000.

HOUSE LANGUAGE (H1385-3)

SENATE LANGUAGE (S2265-1)

31.6 beneficiary's parents or legal guardians are divorced, the
 31.7 income of the parent claiming the beneficiary as a dependent on
 31.8 the federal individual income tax return and the income of that
 31.9 parent's spouse, if any, is used to determine family income; or
 31.10 (2) if the beneficiary is age 25 or older, the combined
 31.11 adjusted gross income of the beneficiary and spouse, if any.
 31.12 (b) For a parent or legal guardian of beneficiaries under
 31.13 age 25 and for beneficiaries age 25 or older who resided in
 31.14 Minnesota and filed a federal individual income tax return, the
 31.15 matching grant must be based on family income from the calendar
 31.16 year in which contributions were made.

31.17 Sec. 37. Minnesota Statutes 2004, section 136G.11,
 31.18 subdivision 3, is amended to read:
 31.19 Subd. 3. [RESIDENCY REQUIREMENT.] (a) If the beneficiary
 31.20 is under age 25, the beneficiary's parents or legal guardians
 31.21 must be Minnesota residents to qualify for a matching grant. If
 31.22 the beneficiary is age 25 or older, the beneficiary must be a
 31.23 Minnesota resident to qualify for a matching grant.
 31.24 (b) To meet the residency requirements, the parent or legal
 31.25 guardian of beneficiaries under age 25 must have filed a
 31.26 Minnesota individual income tax return as a Minnesota resident
 31.27 and claimed the beneficiary as a dependent on the parent or
 31.28 legal guardian's federal tax return for the calendar year in
 31.29 which contributions were made. If the beneficiary's parents are
 31.30 divorced, the parent or legal guardian claiming the beneficiary
 31.31 as a dependent on the federal individual income tax return must
 31.32 be a Minnesota resident. For beneficiaries age 25 or older, the
 31.33 beneficiary, and a spouse, if any, must have filed a Minnesota
 31.34 and a federal individual income tax return as a Minnesota
 31.35 resident for the calendar year in which contributions were made.
 31.36 (c) A parent of beneficiaries under age 25 and
 32.1 beneficiaries age 25 or older who did not reside in Minnesota in
 32.2 the calendar year in which contributions were made are not
 32.3 eligible for a matching grant.

22.23 Sec. 32. Minnesota Statutes 2004, section 136G.11,
 22.24 subdivision 3, is amended to read:
 22.25 Subd. 3. [RESIDENCY REQUIREMENT.] (a) If the beneficiary
 22.26 is under age 25, the beneficiary's parents or legal guardians
 22.27 must be Minnesota residents to qualify for a matching grant. If
 22.28 the beneficiary is age 25 or older, the beneficiary must be a
 22.29 Minnesota resident to qualify for a matching grant.
 22.30 (b) To meet the residency requirements, the parent or legal
 22.31 guardian of beneficiaries under age 25 must have filed a
 22.32 Minnesota individual income tax return as a Minnesota resident
 22.33 and claimed the beneficiary as a dependent on the parent or
 22.34 legal guardian's federal tax return for the calendar year in
 22.35 which contributions were made. If the beneficiary's parents are
 22.36 divorced, the parent or legal guardian claiming the beneficiary
 23.1 as a dependent on the federal individual income tax return must
 23.2 be a Minnesota resident. For beneficiaries age 25 or older, the
 23.3 beneficiary, and a spouse, if any, must have filed a Minnesota
 23.4 and a federal individual income tax return as a Minnesota
 23.5 resident for the calendar year in which contributions were made.
 23.6 (c) A parent of beneficiaries under age 25 and
 23.7 beneficiaries age 25 or older who did not reside in Minnesota in
 23.8 the calendar year in which contributions were made are not
 23.9 eligible for a matching grant.

23.10 Sec. 33. Minnesota Statutes 2004, section 136G.11, is
 23.11 amended by adding a subdivision to read:
 23.12 Subd. 3a. [FAMILY INCOME.] (a) For purposes of this
 23.13 section, "family income" means:
 23.14 (1) if the beneficiary is under age 25, the combined
 23.15 adjusted gross income of the beneficiary's parents or legal
 23.16 guardians as reported on the federal tax return or returns for
 23.17 the calendar year in which contributions were made. If the
 23.18 beneficiary's parents or legal guardians are divorced, the
 23.19 income of the parent claiming the beneficiary as a dependent on
 23.20 the federal individual income tax return and the income of that
 23.21 parent's spouse, if any, is used to determine family income; or
 23.22 (2) if the beneficiary is age 25 or older, the combined
 23.23 adjusted gross income of the beneficiary and spouse, if any.
 23.24 (b) For a parent or legal guardian of beneficiaries under
 23.25 age 25 and for beneficiaries age 25 or older who resided in
 23.26 Minnesota and filed a federal individual income tax return, the
 23.27 matching grant must be based on family income from the calendar
 23.28 year in which contributions were made.

HOUSE LANGUAGE (H1385-3)

32.4 Sec. 38. Minnesota Statutes 2004, section 136G.11,
 32.5 subdivision 13, is amended to read:
 32.6 Subd. 13. [FORFEITURE OF MATCHING GRANTS.] (a) Matching
 32.7 grants are forfeited if:
 32.8 (1) the account owner transfers the total account balance
 32.9 of an account to another account or to another qualified tuition
 32.10 program;
 32.11 (2) the beneficiary receives a full tuition scholarship or
 32.12 admission-to is attending a United States service academy;
 32.13 (3) the beneficiary dies or becomes disabled;
 32.14 (4) the account owner changes the beneficiary of the
 32.15 account; or
 32.16 (5) the account owner closes the account with a
 32.17 nonqualified withdrawal.
 32.18 (b) Matching grants must be proportionally forfeited if:
 32.19 (1) the account owner transfers a portion of an account to
 32.20 another account or to another qualified tuition program;
 32.21 (2) the beneficiary receives a scholarship covering a
 32.22 portion of qualified higher education expenses; or
 32.23 (3) the account owner makes a partial nonqualified
 32.24 withdrawal.
 32.25 (c) If the account owner makes a misrepresentation in a
 32.26 participation agreement or an application for a matching grant
 32.27 that results in a matching grant, the matching grant associated
 32.28 with the misrepresentation is forfeited. The office and the
 32.29 board must instruct the plan administrator as to the amount to
 32.30 be forfeited from the matching grant account. The office and
 32.31 the board must withdraw the matching grant or the proportion of
 32.32 the matching grant that is related to the misrepresentation.

32.33 Sec. 39. Minnesota Statutes 2004, section 136G.13,
 32.34 subdivision 1, is amended to read:
 32.35 Subdivision 1. [QUALIFIED DISTRIBUTION METHODS.] (a)
 32.36 Qualified distributions may be made:
 33.1 (1) directly to participating eligible educational
 33.2 institutions on behalf of the beneficiary; or
 33.3 (2) in the form of a check payable to both the beneficiary
 33.4 and the eligible educational institution; or
 33.5 (3) directly to the account owner or beneficiary if the
 33.6 account owner or beneficiary has already paid qualified higher
 33.7 education expenses.
 33.8 (b) Qualified distributions must be withdrawn
 33.9 proportionally from contributions and earnings in an account
 33.10 owner's account on the date of distribution as provided in
 33.11 section 529 of the Internal Revenue Code.

33.12 Sec. 40. Minnesota Statutes 2004, section 136G.13,
 33.13 subdivision 5, is amended to read:
 33.14 Subd. 5. [DISTRIBUTIONS DUE TO DEATH OR DISABILITY OF, OR
 33.15 SCHOLARSHIP TO, OR ATTENDANCE AT A UNITED STATES MILITARY
 33.16 ACADEMY BY, A BENEFICIARY.] An account owner may request a
 33.17 distribution due to the death or disability of, or scholarship
 33.18 to, or attendance at a United States military academy by, a
 33.19 beneficiary from an account by submitting a completed request to
 33.20 the plan. Prior to distribution, the account owner shall
 33.21 certify the reason for the distribution and provide written
 33.22 confirmation from a third party that the beneficiary has died,
 33.23 become disabled, or received a scholarship for attendance at an

SENATE LANGUAGE (S2265-1)

23.29 Sec. 34. Minnesota Statutes 2004, section 136G.11,
 23.30 subdivision 13, is amended to read:
 23.31 Subd. 13. [FORFEITURE OF MATCHING GRANTS.] (a) Matching
 23.32 grants are forfeited if:
 23.33 (1) the account owner transfers the total account balance
 23.34 of an account to another account or to another qualified tuition
 23.35 program;
 23.36 (2) the beneficiary receives a full tuition scholarship or
 24.1 admission-to is attending a United States service academy;
 24.2 (3) the beneficiary dies or becomes disabled;
 24.3 (4) the account owner changes the beneficiary of the
 24.4 account; or
 24.5 (5) the account owner closes the account with a
 24.6 nonqualified withdrawal.
 24.7 (b) Matching grants must be proportionally forfeited if:
 24.8 (1) the account owner transfers a portion of an account to
 24.9 another account or to another qualified tuition program;
 24.10 (2) the beneficiary receives a scholarship covering a
 24.11 portion of qualified higher education expenses; or
 24.12 (3) the account owner makes a partial nonqualified
 24.13 withdrawal.
 24.14 (c) If the account owner makes a misrepresentation in a
 24.15 participation agreement or an application for a matching grant
 24.16 that results in a matching grant, the matching grant associated
 24.17 with the misrepresentation is forfeited. The office and the
 24.18 board must instruct the plan administrator as to the amount to
 24.19 be forfeited from the matching grant account. The office and
 24.20 the board must withdraw the matching grant or the proportion of
 24.21 the matching grant that is related to the misrepresentation.

24.22 Sec. 35. Minnesota Statutes 2004, section 136G.13,
 24.23 subdivision 1, is amended to read:
 24.24 Subdivision 1. [QUALIFIED DISTRIBUTION METHODS.] (a)
 24.25 Qualified distributions may be made:
 24.26 (1) directly to participating eligible educational
 24.27 institutions on behalf of the beneficiary; or
 24.28 (2) in the form of a check payable to both the beneficiary
 24.29 and the eligible educational institution; or
 24.30 (3) directly to the account owner or beneficiary if the
 24.31 account owner or beneficiary has already paid qualified higher
 24.32 education expenses.
 24.33 (b) Qualified distributions must be withdrawn
 24.34 proportionally from contributions and earnings in an account
 24.35 owner's account on the date of distribution as provided in
 24.36 section 529 of the Internal Revenue Code.

25.1 Sec. 36. Minnesota Statutes 2004, section 136G.13,
 25.2 subdivision 5, is amended to read:
 25.3 Subd. 5. [DISTRIBUTIONS DUE TO DEATH OR DISABILITY OF, OR
 25.4 SCHOLARSHIP TO, OR ATTENDANCE AT A UNITED STATES MILITARY
 25.5 ACADEMY BY, A BENEFICIARY.] An account owner may request a
 25.6 distribution due to the death or disability of, or scholarship
 25.7 to, or attendance at a United States military academy by, a
 25.8 beneficiary from an account by submitting a completed request to
 25.9 the plan. Prior to distribution, the account owner shall
 25.10 certify the reason for the distribution and provide written
 25.11 confirmation from a third party that the beneficiary has died,
 25.12 become disabled, or received a scholarship for attendance at an

HOUSE LANGUAGE (H1385-3)

SENATE LANGUAGE (S2265-1)

33.24 eligible educational institution, or is attending a United
 33.25 States military academy. The plan must not consider a request
 33.26 to make a distribution until a third-party written confirmation
 33.27 is received by the plan. For purposes of this subdivision, a
 33.28 third-party written confirmation consists of the following:
 33.29 (1) for death of the beneficiary, a certified copy of the
 33.30 beneficiary's death record;
 33.31 (2) for disability of the beneficiary, a certification by a
 33.32 physician who is a doctor of medicine or osteopathy stating that
 33.33 the doctor is legally authorized to practice in a state of the
 33.34 United States and that the beneficiary is unable to attend any
 33.35 eligible educational institution because of an injury or illness
 33.36 that is expected to continue indefinitely or result in death.
 34.1 Certification must be on a form approved by the plan; or
 34.2 (3) for a scholarship award to the beneficiary, a letter
 34.3 from the grantor of the scholarship or from the eligible
 34.4 educational institution receiving or administering the
 34.5 scholarship, that identifies the beneficiary by name and Social
 34.6 Security number or taxpayer identification number as the
 34.7 recipient of the scholarship and states the amount of the
 34.8 scholarship, the period of time or number of credits or units to
 34.9 which it applies, the date of the scholarship, and, if
 34.10 applicable, the eligible educational institution to which the
 34.11 scholarship is to be applied; or
 34.12 (4) for attendance by the beneficiary at a United States
 34.13 military academy, a letter from the military academy indicating
 34.14 the beneficiary's enrollment and attendance.

34.15 Sec. 41. Minnesota Statutes 2004, section 136G.14, is
 34.16 amended to read:
 34.17 136G.14 [MINOR TRUST ACCOUNTS.]
 34.18 (a) This section applies to a plan account in which funds
 34.19 of a minor trust account are invested.
 34.20 (b) The account owner may not be changed to any person
 34.21 other than a successor custodian or the beneficiary unless a
 34.22 court order directing the change of ownership is provided to the
 34.23 plan administrator. The custodian must sign all forms and
 34.24 requests submitted to the plan administrator in the custodian's
 34.25 representative capacity. The custodian must notify the plan
 34.26 administrator in writing when the beneficiary becomes legally
 34.27 entitled to be the account owner. An account owner under this
 34.28 section may not select a contingent account owner.
 34.29 (c) The beneficiary of an account under this section may
 34.30 not be changed. If the beneficiary dies, assets in a plan
 34.31 account become the property of the beneficiary's estate. Funds
 34.32 in an account must not be transferred or rolled over to another
 34.33 account owner or to an account for another beneficiary. A
 34.34 nonqualified distribution from an account, or a distribution due
 34.35 to the disability or scholarship award to the beneficiary, or
 34.36 made on account of the beneficiary's attendance at a United
 35.1 States military academy, must be used for the benefit of the
 35.2 beneficiary.

35.3 Sec. 42. Minnesota Statutes 2004, section 137.0245,
 35.4 subdivision 1, is amended to read:
 35.5 Subdivision 1. [ESTABLISHMENT.] A Regent Candidate
 35.6 Advisory Council is established to assist the legislature in
 35.7 determining criteria for, and identifying and recruiting

25.13 eligible educational institution, or is attending a United
 25.14 States military academy. The plan must not consider a request
 25.15 to make a distribution until a third-party written confirmation
 25.16 is received by the plan. For purposes of this subdivision, a
 25.17 third-party written confirmation consists of the following:
 25.18 (1) for death of the beneficiary, a certified copy of the
 25.19 beneficiary's death record;
 25.20 (2) for disability of the beneficiary, a certification by a
 25.21 physician who is a doctor of medicine or osteopathy stating that
 25.22 the doctor is legally authorized to practice in a state of the
 25.23 United States and that the beneficiary is unable to attend any
 25.24 eligible educational institution because of an injury or illness
 25.25 that is expected to continue indefinitely or result in death.
 25.26 Certification must be on a form approved by the plan; or
 25.27 (3) for a scholarship award to the beneficiary, a letter
 25.28 from the grantor of the scholarship or from the eligible
 25.29 educational institution receiving or administering the
 25.30 scholarship, that identifies the beneficiary by name and Social
 25.31 Security number or taxpayer identification number as the
 25.32 recipient of the scholarship and states the amount of the
 25.33 scholarship, the period of time or number of credits or units to
 25.34 which it applies, the date of the scholarship, and, if
 25.35 applicable, the eligible educational institution to which the
 25.36 scholarship is to be applied; or
 26.1 (4) for attendance by the beneficiary at a United States
 26.2 military academy, a letter from the military academy indicating
 26.3 the beneficiary's enrollment and attendance.

26.4 Sec. 37. Minnesota Statutes 2004, section 136G.14, is
 26.5 amended to read:
 26.6 136G.14 [MINOR TRUST ACCOUNTS.]
 26.7 (a) This section applies to a plan account in which funds
 26.8 of a minor trust account are invested.
 26.9 (b) The account owner may not be changed to any person
 26.10 other than a successor custodian or the beneficiary unless a
 26.11 court order directing the change of ownership is provided to the
 26.12 plan administrator. The custodian must sign all forms and
 26.13 requests submitted to the plan administrator in the custodian's
 26.14 representative capacity. The custodian must notify the plan
 26.15 administrator in writing when the beneficiary becomes legally
 26.16 entitled to be the account owner. An account owner under this
 26.17 section may not select a contingent account owner.
 26.18 (c) The beneficiary of an account under this section may
 26.19 not be changed. If the beneficiary dies, assets in a plan
 26.20 account become the property of the beneficiary's estate. Funds
 26.21 in an account must not be transferred or rolled over to another
 26.22 account owner or to an account for another beneficiary. A
 26.23 nonqualified distribution from an account, or a distribution due
 26.24 to the disability or scholarship award to the beneficiary, or
 26.25 made on account of the beneficiary's attendance at a United
 26.26 States military academy, must be used for the benefit of the
 26.27 beneficiary.

HOUSE LANGUAGE (H1385-3)

SENATE LANGUAGE (S2265-1)

35.8 qualified candidates for membership on the Board of Regents and
 35.9 making recommendations to the governor.

35.10 Sec. 43. Minnesota Statutes 2004, section 137.0245,
 35.11 subdivision 2, is amended to read:

35.12 Subd. 2. [MEMBERSHIP.] (a) The Regent Candidate Advisory
 35.13 Council shall consist of 24 members, appointed as provided in
 35.14 this subdivision.

35.15 (b) ~~Twelve~~ Ten members shall be appointed by the
 35.16 Subcommittee on Committees of the Committee on Rules and
 35.17 Administration of the senate. ~~Twelve~~ Ten members shall be
 35.18 appointed by the speaker of the house of representatives. Each
 35.19 of these appointing authority authorities must appoint one
 35.20 member who is a student enrolled in a degree program at the
 35.21 University of Minnesota at the time of appointment. No more
 35.22 than ~~one-third~~ one-fourth of the members appointed by each of
 35.23 these appointing authority authorities may be current or former
 35.24 legislators. No more than ~~two-thirds~~ three-fourths of the
 35.25 members appointed by each of these appointing authority
 35.26 authorities may belong to the same political party; ~~however,~~
 35.27 ~~political activity or affiliation is not required for the~~
 35.28 ~~appointment of any member.~~

35.29 (c) Two members shall be appointed by the University of
 35.30 Minnesota Alumni Association. Two members shall be appointed by
 35.31 the University of Minnesota Foundation.

35.32 (d) Geographical representation must be taken into
 35.33 consideration when making appointments. Political activity or
 35.34 affiliation is not required for appointment of any member of the
 35.35 advisory council. Section 15.0575 shall govern the advisory
 35.36 council, except that:

36.1 (1) the members shall be appointed to six-year terms with
 36.2 one-third appointed each even-numbered year; and

36.3 (2) student members are appointed to two-year terms with
 36.4 two students appointed each even-numbered year.

26.28 Sec. 38. Minnesota Statutes 2004, section 137.0245,
 26.29 subdivision 3, is amended to read:

26.30 Subd. 3. [DUTIES.] (a) The advisory council shall:

26.31 (1) develop, in consultation with current and former
 26.32 regents and the administration of the University of Minnesota, a
 26.33 statement of the selection criteria to be applied and a
 26.34 description of the responsibilities and duties of a regent, and
 26.35 shall distribute this to potential candidates; and

26.36 (2) for each position on the board, identify and recruit
 27.1 qualified candidates for the Board of Regents, based on the
 27.2 background and experience of the candidates, and their potential
 27.3 for discharging the responsibilities of a member of the Board of
 27.4 Regents. The selection criteria must not include a limitation
 27.5 on the number of terms an individual may serve on the Board of
 27.6 Regents; and

27.7 (3) report to the joint committee established under section
 27.8 137.0246 on the membership needs of the board in terms of
 27.9 individual skills and characteristics. Individual skills relate
 27.10 to training and experience in fields such as finance, higher
 27.11 education, labor, and management. Individual characteristics
 27.12 relate to qualities such as gender, race, and geographic
 27.13 location of residence.

27.14 (b) The selection criteria developed under paragraph (a),

HOUSE LANGUAGE (H1385-3)

SENATE LANGUAGE (S2265-1)

36.5 Sec. 44. Minnesota Statutes 2004, section 137.0245,
 36.6 subdivision 4, is amended to read:
 36.7 Subd. 4. [RECOMMENDATIONS.] The advisory council shall
 36.8 recommend at least two and not more than four candidates. By
 36.9 March-15 February 1 of each odd-numbered year, the advisory
 36.10 council shall submit its recommendations to the president-of-the
 36.11 senate-and-the-speaker-of-the-house-of-representatives--The
 36.12 legislature-shall-not-be-bound-by-these-recommendations governor
 36.13 who must nominate a slate of candidates and present it to the
 36.14 legislature under section 137.0247.

36.15 Sec. 45. [137.0247] [LEGISLATIVE ELECTION OF REGENTS.]
 36.16 Subdivision 1. [GOVERNOR NOMINATION.] Within 30 days of
 36.17 receiving the recommendations of the Regent Candidate Advisory
 36.18 Council, the governor must submit a slate of regent candidates
 36.19 to the legislature that names one candidate for each vacancy.
 36.20 The governor may name candidates from the recommendations of the
 36.21 advisory council, or may select a candidate without regard to
 36.22 the recommendations but according to sections 137.023 and
 36.23 137.024. In selecting candidates, the governor must consider
 36.24 the needs of the board of regents and the balance of the board
 36.25 membership with respect to gender, racial, and ethnic
 36.26 composition.
 36.27 Subd. 2. [ELECTION BY THE LEGISLATURE.] In each
 36.28 odd-numbered year, the legislature must elect regents as
 36.29 required under the Minnesota Constitution, article XII, section
 36.30 3, from a slate of candidates submitted by the governor under
 36.31 this section. If the legislature fails to fill one or more of
 36.32 the open positions, the governor has 15 days from the date of
 36.33 the joint convention to submit a new slate of candidates for the
 36.34 open regent positions. The legislature must meet in joint
 36.35 convention to act on the second slate of candidates. The
 36.36 nomination and election process under this section continues
 37.1 until regents have been elected for all positions scheduled for
 37.2 the current election cycle.

27.15 clause (1), must include a criterion that regents represent
 27.16 diversity in geography; gender; race; occupation, including
 27.17 business and labor; and experience.

27.18 Sec. 39. [137.0246] [REGENT SELECTION; LEGISLATURE.]
 27.19 (a) By February 15 of each odd-numbered year, or at a date
 27.20 agreed to by concurrent resolution, a joint legislative
 27.21 committee shall meet to recommend nominees for regent of the
 27.22 University of Minnesota to be presented to a joint convention of
 27.23 the legislature. The joint legislative committee consists of 20
 27.24 legislator members. Ten members shall be appointed by the
 27.25 speaker of the house. Ten members shall be appointed by the
 27.26 Subcommittee on Committees of the Committee on Rules and
 27.27 Administration from the senate. An equal number of members from
 27.28 the majority and minority party shall be appointed from each
 27.29 house. The members appointed from the minority party must be
 27.30 appointed from among those recommended by the minority leader.
 27.31 The chairs of the education policy committees and of the higher
 27.32 education budget divisions and the ranking minority member of
 27.33 those committees and divisions must be appointed. A majority of
 27.34 the members from each house is a quorum of the joint committee.
 27.35 (b) The joint committee shall determine the number of
 27.36 persons, and the person or persons to be recommended for each
 28.1 open seat.
 28.2 (c) The joint convention must meet on or before March 7 of
 28.3 that same odd-numbered year.

28.4 Sec. 40. [144.1498] [NURSING LOW-INCOME LOAN REPAYMENT.]
 28.5 Subdivision 1. [DEFINITION.] For purposes of this section,
 28.6 "qualifying educational loans" means government, commercial, and
 28.7 foundation loans for actual costs paid for tuition, reasonable
 28.8 education expenses, and reasonable living expenses related to
 28.9 the graduate or undergraduate education of a licensed practical
 28.10 nurse or registered nurse.
 28.11 Subd. 2. [CREATION OF ACCOUNT; LOAN REPAYMENT PROGRAM.] A
 28.12 low-income nursing education account is created in the general
 28.13 fund. The commissioner of health shall use money from the
 28.14 account to establish a loan repayment program for licensed
 28.15 practical or registered nurses who agree to practice in a
 28.16 Minnesota nursing home or work in a position in Minnesota as a
 28.17 nurse educator. Appropriations made to the account do not
 28.18 cancel and are available until expended.
 28.19 Subd. 3. [ELIGIBILITY.] (a) To be eligible to apply to
 28.20 participate in the loan repayment program, an individual must:
 28.21 (1) be a resident of Minnesota;

28.22 (2) currently be attending a program leading to a degree in
 28.23 practical or registered nursing or a graduate nursing degree in
 28.24 a public or private postsecondary education institution located
 28.25 in Minnesota; and
 28.26 (3) submit an application to the commissioner of health.
 28.27 (b) An applicant selected to participate must sign a
 28.28 contract to agree to serve a minimum three-year, full-time
 28.29 service obligation in a position or place of employment
 28.30 described in subdivision 2. The service must begin no later
 28.31 than March 31 following completion of required training. If
 28.32 fewer applications are submitted by nursing students than there
 28.33 are participant slots available, the commissioner may consider
 28.34 applications submitted by nursing program graduates who are
 28.35 licensed or registered nurses or nurses who are nurse
 28.36 educators. Nurses selected for loan repayment assistance must
 29.1 comply with this section.
 29.2 Subd. 4. [LOAN REPAYMENT.] The commissioner of health may
 29.3 accept applicants each year for participation in the loan
 29.4 repayment program, within the limits of available funding.
 29.5 Applicants are responsible for securing their own loans. The
 29.6 commissioner shall select participants in a priority based upon
 29.7 lowest family income, followed in order of ascending family
 29.8 income. Family income may be determined in the same manner as
 29.9 for state grants under section 136A.121 or in another manner the
 29.10 commissioner determines fairly represents family income. The
 29.11 commissioner shall give preference to applicants closest to
 29.12 completing their training. For each year that a participant
 29.13 meets the service obligation required under subdivision 3, up to
 29.14 a maximum of four years, the commissioner shall make annual
 29.15 disbursements directly to the participant equivalent to 15
 29.16 percent of the average educational debt for indebted nursing
 29.17 school graduates in the year closest to the applicant's
 29.18 selection for which information is available or the balance of
 29.19 the qualifying educational loans, whichever is less. Before
 29.20 receiving loan repayment disbursements and as requested, the
 29.21 participant must complete and return to the commissioner an
 29.22 affidavit of practice form provided by the commissioner
 29.23 verifying that the participant is practicing as required under
 29.24 subdivision 3. The participant must provide the commissioner
 29.25 with verification that the full amount of loan repayment
 29.26 disbursement received by the participant has been applied toward
 29.27 the designated loans. After each disbursement, verification
 29.28 must be received by the commissioner and approved before the
 29.29 next loan repayment disbursement is made. Participants remain
 29.30 eligible for loan repayment as long as they practice as required
 29.31 under subdivision 3.
 29.32 Subd. 5. [PENALTY FOR NONFULFILLMENT.] If a participant
 29.33 does not fulfill the service commitment under subdivision 3, the
 29.34 commissioner of health shall collect from the participant 100
 29.35 percent of any payments made for qualified educational loans and
 29.36 interest at a rate established according to section 270.75. The
 30.1 commissioner shall deposit the money collected in the low-income
 30.2 nursing education account established under subdivision 2.
 30.3 Subd. 6. [SUSPENSION OR WAIVER OF OBLIGATION.] Payment or
 30.4 service obligations cancel in the event of a participant's
 30.5 death. The commissioner of health may waive or suspend payment
 30.6 or service obligations in cases of total and permanent
 30.7 disability or long-term temporary disability lasting for more

37.3 Sec. 46. Minnesota Statutes 2004, section 192.502,
 37.4 subdivision 1, is amended to read:
 37.5 Subdivision 1. [POSTSECONDARY STUDENTS.] (a) ~~A member of~~
 37.6 ~~the Minnesota National Guard or any other military reserve~~
 37.7 ~~component who is a~~ As used in this subdivision, the terms
 37.8 "qualified person" and "qualified student" have the same meaning
 37.9 and include:
 37.10 (1) any student at a postsecondary educational educational
 37.11 institution and who is called or ordered to state into active
 37.12 military service in the Minnesota National Guard, as defined in
 37.13 section 190.05, subdivision 5, or who is called or ordered to
 37.14 federal active military service; and
 37.15 (2) a veteran, as defined in section 197.447, who has a
 37.16 service connected disability as certified by the United States
 37.17 Department of Veterans Affairs, who is a student at a
 37.18 postsecondary educational institution, and whose medical
 37.19 condition or medical treatment requirements reasonably prevent
 37.20 the person's attendance at or progress in part or all of the
 37.21 person's higher educational training or studies at any given
 37.22 time.
 37.23 (b) A qualified person or qualified student has the
 37.24 following rights:
 37.25 (1) with regard to courses in which the person is enrolled,
 37.26 the person may:
 37.27 (i) withdraw from one or more courses for which tuition and
 37.28 fees have been paid that are attributable to the courses. The
 37.29 tuition and fees must be credited to the person's account at the
 37.30 postsecondary institution. Any refunds are subject to the
 37.31 requirements of the state or federal financial aid programs of
 37.32 origination. In such a case, the student must not receive
 37.33 credit for the courses and must not receive a failing grade, an
 37.34 incomplete, or other negative annotation on the student's
 37.35 record, and the student's grade point average must not be
 37.36 altered or affected in any manner because of action under this
 38.1 item;
 38.2 (ii) be given a grade of incomplete and be allowed to
 38.3 complete the course upon release from active duty service, upon
 38.4 completion of medical treatment, or upon sufficient medical
 38.5 recovery under the postsecondary institution's standard practice
 38.6 for completion of incompletes; or
 38.7 (iii) continue and complete the course for full credit.
 38.8 Class sessions the student misses due to performance of state or
 38.9 federal active military service or due to the person's medical
 38.10 treatment or medical condition must be counted as excused
 38.11 absences and must not be used in any way to adversely impact the
 38.12 student's grade or standing in the class. Any student who
 38.13 selects this option is not, however, automatically excused from
 38.14 completing assignments due during the period the student is
 38.15 performing state or federal active military service or receiving
 38.16 medical treatment or recovering from a medical condition. A
 38.17 letter grade or a grade of pass must only be awarded only if, in
 38.18 the opinion of the faculty member teaching the course, the

30.8 than two years. The commissioner shall evaluate all other
 30.9 requests for suspension or waivers on a case-by-case basis and
 30.10 may grant a waiver of all or part of the money owed as a result
 30.11 of a nonfulfillment penalty if emergency circumstances prevented
 30.12 fulfillment of the required service commitment.

HOUSE LANGUAGE (H1385-3)

SENATE LANGUAGE (S2265-1)

38.19 student has completed sufficient work and has demonstrated
38.20 sufficient progress toward meeting course requirements to
38.21 justify the grade;
38.22 (2) to receive a refund of amounts paid for room, board,
38.23 and fees attributable to the time period during which the
38.24 student was serving in ~~state-or-federal~~ active military service
38.25 or receiving medical treatment or dealing with the person's
38.26 medical condition and did not use the facilities or services for
38.27 which the amounts were paid. Any refund of room, board, and
38.28 fees is subject to the requirements of the state or federal
38.29 financial aid programs of origination; and
38.30 (3) if the student chooses to withdraw, the student has the
38.31 right to be readmitted and reenrolled as a student at the
38.32 postsecondary education institution, without penalty or
38.33 redetermination of admission eligibility, within one-year two
38.34 years following release from the state or federal active
38.35 military service or following completion of medical treatment or
38.36 sufficient recovery from the person's medical condition.
39.1 (b) (c) The protections in this section may be invoked as
39.2 follows:
39.3 (1) the qualified person or qualified student, or an
39.4 appropriate officer from the military organization in which the
39.5 person will be serving, or an appropriate medical authority or
39.6 the person's authorized caregiver or family member, must give
39.7 advance verbal or written notice that the person is being called
39.8 or ordered to qualifying active military service or will be
39.9 undertaking medical treatment or a period of recovery for a
39.10 medical condition;
39.11 (2) advance notice is not required if the giving of notice
39.12 is precluded by military or medical necessity or, under all the
39.13 relevant circumstances, the giving of notice is impossible or
39.14 unreasonable; and
39.15 (3) upon written request from the postsecondary
39.16 institution, the person must provide written verification of the
39.17 order to active service or of the existence of the medical
39.18 condition or medical treatment.
39.19 (c) (d) This section provides minimum protections for
39.20 qualified students. Nothing in this section prevents
39.21 postsecondary institutions from providing additional options or
39.22 protections to students who are ~~called or ordered to state-or~~
39.23 ~~federal~~ active military service or are undertaking medical
39.24 treatment or a period of recovery from a medical condition.
39.25 [EFFECTIVE DATE.] This section is effective the day
39.26 following final enactment.

39.27 Sec. 47. Minnesota Statutes 2004, section 299A.45,
39.28 subdivision 1, is amended to read:
39.29 Subdivision 1. [ELIGIBILITY.] Following certification
39.30 under section 299A.44 and compliance with this section and rules
39.31 of the commissioner of public safety and the higher education
39.32 services office, dependent children less than 23 years of age
39.33 and the surviving spouse of a public safety officer killed in
39.34 the line of duty on or after January 1, 1973, are eligible to
39.35 receive educational benefits under this section. To qualify for
39.36 an award, they must be enrolled in undergraduate degree or
40.1 certificate programs after June 30, 1990, at an eligible
40.2 Minnesota institution as provided in section 136A.101,
40.3 subdivision 4. A student who withdraws from enrollment for

30.13 Sec. 41. Minnesota Statutes 2004, section 299A.45,
30.14 subdivision 1, is amended to read:
30.15 Subdivision 1. [ELIGIBILITY.] Following certification
30.16 under section 299A.44 and compliance with this section and rules
30.17 of the commissioner of public safety and the higher education
30.18 services office, dependent children less than 23 years of age
30.19 and the surviving spouse of a public safety officer killed in
30.20 the line of duty on or after January 1, 1973, are eligible to
30.21 receive educational benefits under this section. To qualify for
30.22 an award, they must be enrolled in undergraduate degree or
30.23 certificate programs after June 30, 1990, at an eligible
30.24 Minnesota institution as provided in section 136A.101,
30.25 subdivision 4. A student who withdraws from enrollment for

HOUSE LANGUAGE (H1385-3)

40.4 active military service is entitled to an additional semester or
 40.5 the equivalent of grant eligibility. Persons who have received
 40.6 a baccalaureate degree or have been enrolled full time or the
 40.7 equivalent of ten semesters or the equivalent, whichever occurs
 40.8 first, are no longer eligible.

40.9 Sec. 48. Minnesota Statutes 2004, section 299A.45,
 40.10 subdivision 4, is amended to read:
 40.11 Subd. 4. [RENEWAL.] Each award must be given for one
 40.12 academic year and is renewable for a maximum of eight semesters
 40.13 or the equivalent. A student who withdraws from enrollment for
 40.14 active military service is entitled to an additional semester or
 40.15 the equivalent of grant eligibility. An award must not be given
 40.16 to a dependent child who is 23 years of age or older on the
 40.17 first day of the academic year.

HOUSE LANGUAGE (05-1629)

1.8 Section 1. [583.215] [EXPIRATION.]
 1.9 Sections 336.9-601, subsections (h) and (i); 550.365;
 1.10 559.209; 582.039; and 583.20 to 583.32, expire June 30, 2009.

1.11 Sec. 2. [REPEALER.]
 1.12 Laws 1986, chapter 398, article 1, section 18, as amended,
 1.13 is repealed.

1.14 Sec. 3. [EFFECTIVE DATE.]
 1.15 Sections 1 and 2 are effective the day following final
 1.16 enactment.

HOUSE LANGUAGE (H1385-3)

40.18 Sec. 49. [RECIPROCITY NEGOTIATIONS.]
 40.19 Subdivision 1. [SOUTH DAKOTA.] The Higher Education
 40.20 Services Office must examine the feasibility of reinstating
 40.21 interstate payments in the Minnesota-South Dakota reciprocity
 40.22 program while maintaining the tuition reciprocity agreement.
 40.23 The office must examine the advantages and disadvantages of
 40.24 computing interstate payments under the reciprocity agreement
 40.25 and the impact of interstate payments on participating students,
 40.26 institutions, and the general fund of the two states. The
 40.27 office must report on the feasibility and impacts of reciprocity
 40.28 payments to the committees of the legislature with
 40.29 responsibility for higher education by January 10, 2006.

40.30 Subd. 2. [WISCONSIN.] The Higher Education Services Office
 40.31 must, as soon as possible, commence negotiations with the state
 40.32 of Wisconsin on the tuition reciprocity agreement. The
 40.33 negotiations must include the issue of the disparity between the
 40.34 tuition paid by Wisconsin residents and Minnesota residents at
 40.35 campuses of the University of Minnesota with a goal of reducing
 40.36 or eliminating the disparity.

41.1 This section does not mandate the inclusion of any
 41.2 particular term in a tuition reciprocity agreement.

41.3 Sec. 50. [APPLICATION OF ELIGIBILITY.]
 41.4 The additional semester or the equivalent of grant
 41.5 eligibility under sections 19, 21, 47, and 48 applies to any
 41.6 student who withdrew from enrollment in a postsecondary

SENATE LANGUAGE (S2265-1)

30.26 active military service is entitled to an additional semester or
 30.27 the equivalent of grant eligibility. Persons who have received
 30.28 a baccalaureate degree or have been enrolled full time or the
 30.29 equivalent of ten semesters or the equivalent, whichever occurs
 30.30 first, are no longer eligible.

30.31 Sec. 42. Minnesota Statutes 2004, section 299A.45,
 30.32 subdivision 4, is amended to read:
 30.33 Subd. 4. [RENEWAL.] Each award must be given for one
 30.34 academic year and is renewable for a maximum of eight semesters
 30.35 or the equivalent. A student who withdraws from enrollment for
 30.36 active military service is entitled to an additional semester or
 31.1 the equivalent of grant eligibility. An award must not be given
 31.2 to a dependent child who is 23 years of age or older on the
 31.3 first day of the academic year.

SENATE LANGUAGE (S2265-1)

31.4 Sec. 43. [583.215] [EXPIRATION.]
 31.5 Sections 336.9-601, subsections (h) and (i); 550.365;
 31.6 559.209; 582.039; and 583.20 to 583.32, expire June 30, 2009.

32.16 (b) Laws 1986, chapter 398, article 1, section 18, as
 32.17 amended, is repealed.

SENATE LANGUAGE (S2265-1)

31.34 Sec. 46. [RECIPROCITY NEGOTIATIONS.]
 31.35 The Higher Education Services Office must, as soon as
 31.36 possible, enter into negotiations with the appropriate officials
 32.1 of the state of Wisconsin concerning higher education
 32.2 reciprocity. The office must attempt to negotiate an agreement
 32.3 that would result in Wisconsin resident students attending
 32.4 Minnesota public higher education institutions paying no less
 32.5 than Minnesota resident students attending those institutions.
 32.6 The office must report the results of the negotiations to the
 32.7 legislature by November 1, 2005.

31.7 Sec. 44. [APPLICATION OF ELIGIBILITY.]
 31.8 The additional semester or the equivalent of grant
 31.9 eligibility under sections 13, 16, 41, and 42 applies to any
 31.10 student who withdrew from enrollment in a postsecondary

HOUSE LANGUAGE (H1385-3)

- 41.7 institution after December 31, 2002, because the student was
 41.8 ordered to active military service as defined in Minnesota
 41.9 Statutes, section 190.05, subdivision 5b or 5c.
- 41.10 Sec. 51. [ADVISORY TASK FORCE ON PUBLIC POSTSECONDARY
 41.11 FUNDING.]
 41.12 The Higher Education Services Office shall convene an
 41.13 advisory task force to study the current postsecondary funding
 41.14 policy under Minnesota Statutes, sections 135A.01 to 135A.034.
 41.15 The task force must include the chief financial officers of the
 41.16 University of Minnesota and the Minnesota State Colleges and
 41.17 Universities and the commissioner of finance, or their
 41.18 designees. The task force may include other members as selected
 41.19 by the Higher Education Services Office. The task force must
 41.20 study and make specific recommendations on alternatives to the
 41.21 methods currently used by the postsecondary systems to implement
 41.22 the provisions of Minnesota Statutes, section 135A.031,
 41.23 subdivision 4. The task force must submit its recommendations
 41.24 to the legislature and the governor by January 15, 2006. The
 41.25 task force expires on June 30, 2007.
- 41.26 Sec. 52. [TRANSITIONAL APPOINTMENTS TO THE REGENT
 41.27 CANDIDATE ADVISORY COUNCIL.]
 41.28 Notwithstanding Minnesota Statutes, section 137.0245,
 41.29 subdivision 2, for appointments made in 2006 and 2008,
 41.30 appointing authorities under section 43 shall make transitional
 41.31 appointments to the regent candidate advisory council for terms
 41.32 of varying lengths so that by 2010, and each even year
 41.33 thereafter, the house of representatives and the senate shall
 41.34 appoint a total of seven members, including one student and the
 41.35 University of Minnesota Alumni Association or the University of
 41.36 Minnesota Foundation shall alternately appoint one member, but
 42.1 every third appointment cycle, each will appoint a member.
 42.2 Beginning with appointments in 2010, one-third of the members
 42.3 are appointed to six-year terms under Minnesota Statutes,
 42.4 section 137.0245, subdivision 2.
- 42.5 Sec. 53. [ALTERNATIVE FORMAT INSTRUCTIONAL MATERIAL
 42.6 NETWORK.]
 42.7 The Higher Education Services Office must convene a group
 42.8 with representatives from the Minnesota State Colleges and
 42.9 Universities, the University of Minnesota, and all sectors of
 42.10 private postsecondary education to develop a network containing
 42.11 postsecondary instructional material in an electronic format.
 42.12 The material on the network must be made available to Minnesota
 42.13 postsecondary institutions and to postsecondary students with
 42.14 disabilities that require a reading accommodation. The group
 42.15 must establish standards for the instructional material that is
 42.16 housed on the network. Instructional material must be in a
 42.17 format that is compatible with assistive technology used by
 42.18 students who require a reading accommodation. Instructional
 42.19 material includes, but is not limited to, printed materials
 42.20 published or produced primarily for use by students in
 42.21 postsecondary educational courses. It also includes

SENATE LANGUAGE (S2265-1)

- 31.11 institution after December 31, 2002, for enrollment for active
 31.12 military service as defined in Minnesota Statutes, section
 31.13 190.05, subdivision 5b or 5c.
- 31.14 Sec. 45. [ADVISORY TASK FORCE ON PUBLIC POSTSECONDARY
 31.15 FUNDING.]
 31.16 The Higher Education Services Office shall convene an
 31.17 advisory task force to study the current postsecondary funding
 31.18 policy under Minnesota Statutes, sections 135A.01 to 135A.034.
 31.19 The task force must include a legislative fiscal analysis staff
 31.20 member from the senate assigned to the senate higher education
 31.21 finance division, a legislative fiscal analysis staff member
 31.22 assigned to the house Higher Education Finance Committee, the
 31.23 chief financial officers of the University of Minnesota and the
 31.24 Minnesota State Colleges and Universities, and the commissioner
 31.25 of finance, or their designees. The task force may include
 31.26 other members as selected by the Higher Education Services
 31.27 Office. The task force must study and make specific
 31.28 recommendations on alternatives to the methods currently used by
 31.29 the postsecondary systems to implement the provisions of
 31.30 Minnesota Statutes, section 135A.031, subdivision 4. The task
 31.31 force must submit its recommendations to the legislature and the
 31.32 governor by January 15, 2006. The task force expires on June
 31.33 30, 2007.

HOUSE LANGUAGE (H1385-3)

SENATE LANGUAGE (S2265-1)

42.22 instructional materials that are produced by postsecondary
 42.23 institutions for use in conjunction with a course of study. The
 42.24 Higher Education Services Office must report to the committees
 42.25 in the house of representatives and senate with responsibility
 42.26 for higher education by January 15, 2006, on progress in
 42.27 developing the network and with recommendations on methods to
 42.28 meet the needs of students for instructional materials in
 42.29 alternative formats.

42.30 Sec. 54. [REVISOR INSTRUCTION.]
 42.31 The revisor of statutes shall change the terms "HESO" and
 42.32 "Higher Education Services Office" to "Minnesota Office of
 42.33 Higher Education" wherever in Minnesota Statutes and Minnesota
 42.34 Rules the terms appear.

42.35 Sec. 55. [REPEALER.]
 42.36 (a) Minnesota Statutes 2004, sections 136A.011, and
 43.1 136A.031, subdivision 1, are repealed.

43.2 (b) Minnesota Rules, parts 4815.0100; 4815.0110; 4815.0120;
 43.3 4815.0130; 4815.0140; 4815.0150; 4815.0160; 4830.8100;
 43.4 4830.8110; 4830.8120; 4830.8130; 4830.8140; and 4830.8150, are
 43.5 repealed.

43.6 ARTICLE 3
 43.7 PRIVATE CAREER SCHOOLS

43.8 Section 1. Minnesota Statutes 2004, section 141.21, is
 43.9 amended by adding a subdivision to read:
 43.10 Subd. 6a. [MULTIPLE LOCATION.] "Multiple location" means
 43.11 any site where classes or administrative services are provided
 43.12 to students and which has a street address that is different
 43.13 than the street address found on the school's private career
 43.14 school license.

43.15 Sec. 2. Minnesota Statutes 2004, section 141.25,
 43.16 subdivision 3, is amended to read:
 43.17 Subd. 3. [APPLICATION.] Application for a license shall be
 43.18 on forms prepared and furnished by the office, and shall include
 43.19 the following and other information as the office may require:
 43.20 (1) the title or name of the school, ownership and
 43.21 controlling officers, members, managing employees, and director;
 43.22 (2) the specific programs which will be offered and the
 43.23 specific purposes of the instruction;
 43.24 (3) the place or places where the instruction will be
 43.25 given;
 43.26 (4) a listing of the equipment available for instruction in
 43.27 each program;
 43.28 (5) the maximum enrollment to be accommodated with
 43.29 equipment available in each specified program;
 43.30 (6) the qualifications of instructors and supervisors in
 43.31 each specified program;
 43.32 (7) a current balance sheet, income statement, and adequate
 43.33 supporting documentation, prepared and certified by an
 43.34 independent public accountant or CPA;
 43.35 (8) copies of all media advertising and promotional
 43.36 literature and brochures or electronic display currently used or
 44.1 reasonably expected to be used by the school;

32.8 Sec. 47. [REVISOR INSTRUCTION.]
 32.9 The revisor of statutes shall change the terms "HESO" and
 32.10 "Higher Education Services Office" to "Minnesota Office of
 32.11 Higher Education" wherever in Minnesota Statutes and Minnesota
 32.12 Rules the terms appear.

32.13 Sec. 48. [REPEALER.]
 32.14 (a) Minnesota Statutes 2004, sections 136A.011 and
 32.15 136A.031, subdivision 1, are repealed.

32.18 (c) Minnesota Rules, parts 4815.0100; 4815.0110; 4815.0120;
 32.19 4815.0130; 4815.0140; 4815.0150; 4815.0160; 4830.8100;
 32.20 4830.8110; 4830.8120; 4830.8130; 4830.8140; and 4830.8150, are
 32.21 repealed.

34.34 ARTICLE 4
 34.35 PRIVATE CAREER SCHOOLS

34.36 Section 1. Minnesota Statutes 2004, section 141.21, is
 35.1 amended by adding a subdivision to read:
 35.2 Subd. 6a. [MULTIPLE LOCATION.] "Multiple location" means
 35.3 any site where classes or administrative services are provided
 35.4 to students and which has a street address that is different
 35.5 than the street address found on the school's private career
 35.6 school license.

35.7 Sec. 2. Minnesota Statutes 2004, section 141.25,
 35.8 subdivision 3, is amended to read:
 35.9 Subd. 3. [APPLICATION.] Application for a license shall be
 35.10 on forms prepared and furnished by the office, and shall include
 35.11 the following and other information as the office may require:
 35.12 (1) the title or name of the school, ownership and
 35.13 controlling officers, members, managing employees, and director;
 35.14 (2) the specific programs which will be offered and the
 35.15 specific purposes of the instruction;
 35.16 (3) the place or places where the instruction will be
 35.17 given;
 35.18 (4) a listing of the equipment available for instruction in
 35.19 each program;
 35.20 (5) the maximum enrollment to be accommodated with
 35.21 equipment available in each specified program;
 35.22 (6) the qualifications of instructors and supervisors in
 35.23 each specified program;
 35.24 (7) a current balance sheet, income statement, and adequate
 35.25 supporting documentation, prepared and certified by an
 35.26 independent public accountant or CPA;
 35.27 (8) copies of all media advertising and promotional
 35.28 literature and brochures or electronic display currently used or
 35.29 reasonably expected to be used by the school;

HOUSE LANGUAGE (H1385-3)

SENATE LANGUAGE (S2265-1)

44.2 (9) copies of all Minnesota enrollment agreement forms and
 44.3 contract forms and all enrollment agreement forms and contract
 44.4 forms used in Minnesota; and
 44.5 (10) gross income earned in the preceding year from student
 44.6 tuition, fees, and other required institutional charges, unless
 44.7 the school files with the office a surety bond equal to at least
 44.8 \$50,000 \$250,000 as described in subdivision 5.

44.9 Sec. 3. Minnesota Statutes 2004, section 141.25,
 44.10 subdivision 5, is amended to read:
 44.11 Subd. 5. [BOND.] (a) No license shall be issued to any
 44.12 school which maintains, conducts, solicits for, or advertises
 44.13 within the state of Minnesota any program, unless the applicant
 44.14 files with the office a continuous corporate surety bond written
 44.15 by a company authorized to do business in Minnesota conditioned
 44.16 upon the faithful performance of all contracts and agreements
 44.17 with students made by the applicant.

44.18 (b) The amount of the surety bond shall be ten percent of
 44.19 the preceding year's gross income from student tuition, fees,
 44.20 and other required institutional charges, but in no event less
 44.21 than \$10,000 nor greater than \$50,000 \$250,000, except that a
 44.22 school may deposit a greater amount at its own discretion. A
 44.23 school in each annual application for licensure must compute the
 44.24 amount of the surety bond and verify that the amount of the
 44.25 surety bond complies with this subdivision, unless the school
 44.26 maintains a surety bond equal to at least \$50,000 \$250,000. A
 44.27 school that operates at two or more locations may combine gross
 44.28 income from student tuition, fees, and other required
 44.29 institutional charges for all locations for the purpose of
 44.30 determining the annual surety bond requirement. The gross
 44.31 tuition and fees used to determine the amount of the surety bond
 44.32 required for a school having a license for the sole purpose of
 44.33 recruiting students in Minnesota shall be only that paid to the
 44.34 school by the students recruited from Minnesota.

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

45.10 (d) In lieu of bond, the applicant may deposit with the
 45.11 commissioner of finance a sum equal to the amount of the
 45.12 required surety bond in cash, or securities as may be legally
 45.13 purchased by savings banks or for trust funds in an aggregate
 45.14 market value equal to the amount of the required surety bond.

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

45.18 Sec. 4. Minnesota Statutes 2004, section 141.25,
 45.19 subdivision 8, is amended to read:
 45.20 Subd. 8. [FEES AND TERMS OF LICENSE.] An application for
 45.21 an initial license under sections 141.21 to 141.35 shall be

35.30 (9) copies of all Minnesota enrollment agreement forms and
 35.31 contract forms and all enrollment agreement forms and contract
 35.32 forms used in Minnesota; and
 35.33 (10) gross income earned in the preceding year from student
 35.34 tuition, fees, and other required institutional charges, unless
 35.35 the school files with the office a surety bond equal to at least
 35.36 \$50,000 \$250,000 as described in subdivision 5.

36.1 Sec. 3. Minnesota Statutes 2004, section 141.25,
 36.2 subdivision 5, is amended to read:
 36.3 Subd. 5. [BOND.] (a) No license shall be issued to any
 36.4 school which maintains, conducts, solicits for, or advertises
 36.5 within the state of Minnesota any program, unless the applicant
 36.6 files with the office a continuous corporate surety bond written
 36.7 by a company authorized to do business in Minnesota conditioned
 36.8 upon the faithful performance of all contracts and agreements
 36.9 with students made by the applicant.

36.10 (b) The amount of the surety bond shall be ten percent of
 36.11 the preceding year's gross income from student tuition, fees,
 36.12 and other required institutional charges, but in no event less
 36.13 than \$10,000 nor greater than \$50,000 \$250,000, except that a
 36.14 school may deposit a greater amount at its own discretion. A
 36.15 school in each annual application for licensure must compute the
 36.16 amount of the surety bond and verify that the amount of the
 36.17 surety bond complies with this subdivision, unless the school
 36.18 maintains a surety bond equal to at least \$50,000 \$250,000. A
 36.19 school that operates at two or more locations may combine gross
 36.20 income from student tuition, fees, and other required
 36.21 institutional charges for all locations for the purpose of
 36.22 determining the annual surety bond requirement. The gross
 36.23 tuition and fees used to determine the amount of the surety bond
 36.24 required for a school having a license for the sole purpose of
 36.25 recruiting students in Minnesota shall be only that paid to the
 36.26 school by the students recruited from Minnesota.

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

37.1 (d) In lieu of bond, the applicant may deposit with the
 37.2 commissioner of finance a sum equal to the amount of the
 37.3 required surety bond in cash, or securities as may be legally
 37.4 purchased by savings banks or for trust funds in an aggregate
 37.5 market value equal to the amount of the required surety bond.

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

37.10 Sec. 4. Minnesota Statutes 2004, section 141.25,
 37.11 subdivision 8, is amended to read:
 37.12 Subd. 8. [FEES AND TERMS OF LICENSE.] An application for
 37.13 an initial license under sections 141.21 to 141.35 shall be

HOUSE LANGUAGE (H1385-3)

SENATE LANGUAGE (S2265-1)

45.22 accompanied by a nonrefundable application fee established-by
 45.23 the-office as provided in section 141.255 that is sufficient to
 45.24 recover, but not exceed, its the administrative costs of the
 45.25 office.
 45.26 All licenses shall expire one year from the date issued by
 45.27 the office, except as provided in section 141.251.

45.28 Sec. 5. Minnesota Statutes 2004, section 141.25,
 45.29 subdivision 9, is amended to read:
 45.30 Subd. 9. [CATALOG, BROCHURE, OR ELECTRONIC DISPLAY.]
 45.31 Before a license is issued to a school, the school shall furnish
 45.32 to the office a catalog, brochure, or electronic display
 45.33 including:
 45.34 (1) identifying data, such as volume number and date of
 45.35 publication;
 45.36 (2) name and address of the school and its governing body
 46.1 and officials;
 46.2 (3) a calendar of the school showing legal holidays,
 46.3 beginning and ending dates of each course quarter, term, or
 46.4 semester, and other important dates;
 46.5 (4) the school policy and regulations on enrollment
 46.6 including dates and specific entrance requirements for each
 46.7 program;
 46.8 (5) the school policy and regulations about leave,
 46.9 absences, class cuts, make-up work, tardiness, and interruptions
 46.10 for unsatisfactory attendance;
 46.11 (6) the school policy and regulations about standards of
 46.12 progress for the student including the grading system of the
 46.13 school, the minimum grades considered satisfactory, conditions
 46.14 for interruption for unsatisfactory grades or progress, a
 46.15 description of any probationary period allowed by the school,
 46.16 and conditions of reentrance for those dismissed for
 46.17 unsatisfactory progress;
 46.18 (7) the school policy and regulations about student conduct
 46.19 and conditions for dismissal for unsatisfactory conduct;
 46.20 (8) a detailed schedule of fees, charges for tuition,
 46.21 books, supplies, tools, student activities, laboratory fees,
 46.22 service charges, rentals, deposits, and all other charges;
 46.23 (9) the school policy and regulations, including an
 46.24 explanation of section 141.271, about refunding tuition, fees,
 46.25 and other charges if the student does not enter the program,
 46.26 withdraws from the program, or the program is discontinued;
 46.27 (10) a description of the available facilities and
 46.28 equipment;
 46.29 (11) a course outline syllabus for each course offered
 46.30 showing course objectives, subjects or units in the course, type
 46.31 of work or skill to be learned, and approximate time, hours, or
 46.32 credits to be spent on each subject or unit;
 46.33 (12) the school policy and regulations about granting
 46.34 credit for previous education and preparation;
 46.35 (13) a procedure for investigating and resolving student
 46.36 complaints; and
 47.1 (14) the name and address of the Minnesota Higher Education
 47.2 Services Office.
 47.3 A school that is exclusively a distance education school is
 47.4 exempt from clauses (3) and (5).

37.14 accompanied by a nonrefundable application fee established-by
 37.15 the-office as provided in section 141.255 that is sufficient to
 37.16 recover, but not exceed, its the administrative costs of the
 37.17 office.
 37.18 All licenses shall expire one year from the date issued by
 37.19 the office, except as provided in section 141.251.

37.20 Sec. 5. Minnesota Statutes 2004, section 141.25,
 37.21 subdivision 9, is amended to read:
 37.22 Subd. 9. [CATALOG, BROCHURE, OR ELECTRONIC DISPLAY.]
 37.23 Before a license is issued to a school, the school shall furnish
 37.24 to the office a catalog, brochure, or electronic display
 37.25 including:
 37.26 (1) identifying data, such as volume number and date of
 37.27 publication;
 37.28 (2) name and address of the school and its governing body
 37.29 and officials;
 37.30 (3) a calendar of the school showing legal holidays,
 37.31 beginning and ending dates of each course quarter, term, or
 37.32 semester, and other important dates;
 37.33 (4) the school policy and regulations on enrollment
 37.34 including dates and specific entrance requirements for each
 37.35 program;
 37.36 (5) the school policy and regulations about leave,
 38.1 absences, class cuts, make-up work, tardiness, and interruptions
 38.2 for unsatisfactory attendance;
 38.3 (6) the school policy and regulations about standards of
 38.4 progress for the student including the grading system of the
 38.5 school, the minimum grades considered satisfactory, conditions
 38.6 for interruption for unsatisfactory grades or progress, a
 38.7 description of any probationary period allowed by the school,
 38.8 and conditions of reentrance for those dismissed for
 38.9 unsatisfactory progress;
 38.10 (7) the school policy and regulations about student conduct
 38.11 and conditions for dismissal for unsatisfactory conduct;
 38.12 (8) a detailed schedule of fees, charges for tuition,
 38.13 books, supplies, tools, student activities, laboratory fees,
 38.14 service charges, rentals, deposits, and all other charges;
 38.15 (9) the school policy and regulations, including an
 38.16 explanation of section 141.271, about refunding tuition, fees,
 38.17 and other charges if the student does not enter the program,
 38.18 withdraws from the program, or the program is discontinued;
 38.19 (10) a description of the available facilities and
 38.20 equipment;
 38.21 (11) a course outline syllabus for each course offered
 38.22 showing course objectives, subjects or units in the course, type
 38.23 of work or skill to be learned, and approximate time, hours, or
 38.24 credits to be spent on each subject or unit;
 38.25 (12) the school policy and regulations about granting
 38.26 credit for previous education and preparation;
 38.27 (13) a procedure for investigating and resolving student
 38.28 complaints; and
 38.29 (14) the name and address of the Minnesota Higher Education
 38.30 Services Office.
 38.31 A school that is exclusively a distance education school is
 38.32 exempt from clauses (3) and (5).

HOUSE LANGUAGE (H1385-3)

SENATE LANGUAGE (S2265-1)

47.5 Sec. 6. Minnesota Statutes 2004, section 141.25,
 47.6 subdivision 12, is amended to read:
 47.7 Subd. 12. [PERMANENT RECORDS.] A school licensed under
 47.8 this chapter and located in Minnesota shall maintain a permanent
 47.9 record for each student for 50 years from the last date of the
 47.10 student's attendance. A school licensed under this chapter and
 47.11 offering distance instruction to a student located in Minnesota
 47.12 shall maintain a permanent record for each Minnesota student for
 47.13 50 years from the last date of the student's attendance.
 47.14 Records include school transcripts, documents, and files
 47.15 containing student data about academic credits earned, courses
 47.16 completed, grades awarded, degrees awarded, and periods of
 47.17 attendance. To preserve permanent records, a school shall
 47.18 submit a plan that meets the following requirements:
 47.19 (1) at least one copy of the records must be held in a
 47.20 secure, fireproof depository;
 47.21 (2) an appropriate official must be designated to provide a
 47.22 student with copies of records or a transcript upon request;
 47.23 (3) an alternative method, approved by the office, of
 47.24 complying with clauses (1) and (2) must be established if the
 47.25 school ceases to exist; and
 47.26 (4) a continuous surety bond must be filed with the office
 47.27 in an amount not to exceed \$20,000 if the school has no binding
 47.28 agreement for preserving student records or a trust must be
 47.29 arranged if the school ceases to exist.

47.30 Sec. 7. Minnesota Statutes 2004, section 141.251, is
 47.31 amended to read:
 47.32 141.251 [LICENSE RENEWAL.]
 47.33 Subdivision 1. [APPLICATION.] Application for renewal of a
 47.34 license must be made at least 30 60 days before expiration of
 47.35 the current license on a form provided by the office. A renewal
 47.36 application shall be accompanied by a nonrefundable fee
 48.1 established-by-the-office as provided in section 141.255 that is
 48.2 sufficient to recover, but does not exceed, its the
 48.3 administrative costs of the office.
 48.4 Subd. 2. [CONDITIONS.] The office shall adopt rules
 48.5 establishing the conditions for renewal of a license. The
 48.6 conditions shall permit two levels of renewal based on the
 48.7 record of the school. A school that has demonstrated the
 48.8 quality of its program and operation through longevity and
 48.9 performance in the state may renew its license based on a
 48.10 relaxed standard of scrutiny. A school that has been in
 48.11 operation in Minnesota for a limited period of time or that has
 48.12 not performed adequately on performance indicators shall renew
 48.13 its license based on a strict standard of scrutiny. The office
 48.14 shall specify minimum longevity standards and performance
 48.15 indicators that must be met before a school may be permitted to
 48.16 operate under the relaxed standard of scrutiny. The performance
 48.17 indicators used in this determination shall include, but not be
 48.18 limited to: degree granting status, regional or national
 48.19 accreditation, loan default rates, placement rate of graduates,
 48.20 student withdrawal rates, audit results, student complaints, and
 48.21 school status with the United States Department of Education.
 48.22 Schools that meet the requirements established in rule shall be
 48.23 required to submit a full relicensure report once every four
 48.24 years, and in the interim years will be exempt from the
 48.25 requirements of section 141.25, subdivision 3, clauses (4), (5),

38.33 Sec. 6. Minnesota Statutes 2004, section 141.25,
 38.34 subdivision 12, is amended to read:
 38.35 Subd. 12. [PERMANENT RECORDS.] A school licensed under
 38.36 this chapter and located in Minnesota shall maintain a permanent
 39.1 record for each student for 50 years from the last date of the
 39.2 student's attendance. A school licensed under this chapter and
 39.3 offering distance instruction to a student located in Minnesota
 39.4 shall maintain a permanent record for each Minnesota student for
 39.5 50 years from the last date of the student's attendance.
 39.6 Records include school transcripts, documents, and files
 39.7 containing student data about academic credits earned, courses
 39.8 completed, grades awarded, degrees awarded, and periods of
 39.9 attendance. To preserve permanent records, a school shall
 39.10 submit a plan that meets the following requirements:
 39.11 (1) at least one copy of the records must be held in a
 39.12 secure, fireproof depository;
 39.13 (2) an appropriate official must be designated to provide a
 39.14 student with copies of records or a transcript upon request;
 39.15 (3) an alternative method, approved by the office, of
 39.16 complying with clauses (1) and (2) must be established if the
 39.17 school ceases to exist; and
 39.18 (4) a continuous surety bond must be filed with the office
 39.19 in an amount not to exceed \$20,000 if the school has no binding
 39.20 agreement for preserving student records or a trust must be
 39.21 arranged if the school ceases to exist.

39.22 Sec. 7. Minnesota Statutes 2004, section 141.251, is
 39.23 amended to read:
 39.24 141.251 [LICENSE RENEWAL.]
 39.25 Subdivision 1. [APPLICATION.] Application for renewal of a
 39.26 license must be made at least 30 60 days before expiration of
 39.27 the current license on a form provided by the office. A renewal
 39.28 application shall be accompanied by a nonrefundable fee
 39.29 established-by-the-office as provided in section 141.255 that is
 39.30 sufficient to recover, but does not exceed, its the
 39.31 administrative costs of the office.
 39.32 Subd. 2. [CONDITIONS.] The office shall adopt rules
 39.33 establishing the conditions for renewal of a license. The
 39.34 conditions shall permit two levels of renewal based on the
 39.35 record of the school. A school that has demonstrated the
 39.36 quality of its program and operation through longevity and
 40.1 performance in the state may renew its license based on a
 40.2 relaxed standard of scrutiny. A school that has been in
 40.3 operation in Minnesota for a limited period of time or that has
 40.4 not performed adequately on performance indicators shall renew
 40.5 its license based on a strict standard of scrutiny. The office
 40.6 shall specify minimum longevity standards and performance
 40.7 indicators that must be met before a school may be permitted to
 40.8 operate under the relaxed standard of scrutiny. The performance
 40.9 indicators used in this determination shall include, but not be
 40.10 limited to: degree granting status, regional or national
 40.11 accreditation, loan default rates, placement rate of graduates,
 40.12 student withdrawal rates, audit results, student complaints, and
 40.13 school status with the United States Department of Education.
 40.14 Schools that meet the requirements established in rule shall be
 40.15 required to submit a full relicensure report once every four
 40.16 years, and in the interim years will be exempt from the
 40.17 requirements of section 141.25, subdivision 3, clauses (4), (5),

HOUSE LANGUAGE (H1385-3)

48.26 and (8), and Minnesota Rules, parts 4880.1700, subpart 6; and
 48.27 4880.2100, subpart 4.

48.28 Sec. 8. [141.255] [FEES.]
 48.29 Subdivision 1. [INITIAL LICENSURE FEE.] The office
 48.30 processing fee for an initial licensure application is:
 48.31 (1) \$1,500 for a school that will offer no more than one
 48.32 program during its first year of operation;
 48.33 (2) \$2,000 for a school that will offer two or more
 48.34 nondegree level programs during its first year of operation; and
 48.35 (3) \$2,500 for a school that will offer two or more degree
 48.36 level programs during its first year of operation.
 49.1 Subd. 2. [RENEWAL LICENSURE FEE; LATE FEE.] (a) The office
 49.2 processing fee for a renewal licensure application is:
 49.3 (1) for a category A school, as determined by the office,
 49.4 the fee is \$865 if the school offers one program or \$1,150 if
 49.5 the school offers two or more programs; and
 49.6 (2) for a category B or C school, as determined by the
 49.7 office, the fee is \$430 if the school offers one program or \$575
 49.8 if the school offers two or more programs.
 49.9 (b) If a license renewal application is not received by the
 49.10 office by the close of business at least 60 days before the
 49.11 expiration of the current license, a late fee of \$100 per
 49.12 business day shall be assessed.
 49.13 Subd. 3. [DEGREE LEVEL ADDITION FEE.] The office
 49.14 processing fee for adding a degree level to an existing program
 49.15 is \$2,000 per program.
 49.16 Subd. 4. [PROGRAM ADDITION FEE.] The office processing fee
 49.17 for adding a program that represents a significant departure in
 49.18 the objectives, content, or method of delivery of programs that
 49.19 are currently offered by the school is \$500 per program.
 49.20 Subd. 5. [VISIT OR CONSULTING FEE.] If the office
 49.21 determines that a fact-finding visit or outside consultant is
 49.22 necessary to review or evaluate any new or revised program, the
 49.23 office shall be reimbursed for the expenses incurred related to
 49.24 the review as follows:
 49.25 (1) \$300 for the team base fee or for a paper review
 49.26 conducted by a consultant if the office determines that a
 49.27 fact-finding visit is not required;
 49.28 (2) \$300 for each day or part thereof on site per team
 49.29 member; and
 49.30 (3) the actual cost of customary meals, lodging, and
 49.31 related travel expenses incurred by team members.
 49.32 Subd. 6. [MODIFICATION FEE.] The fee for modification of
 49.33 any existing program is \$100 and is due if there is:
 49.34 (1) an increase or decrease of 25 percent or more, from the
 49.35 original date of program approval, in clock hours, credit hours,
 49.36 or calendar length of an existing program;
 50.1 (2) a change in academic measurement from clock hours to
 50.2 credit hours or vice versa; or
 50.3 (3) an addition or alteration of courses that represent a
 50.4 25 percent change or more in the objectives, content, or methods
 50.5 of delivery.
 50.6 Subd. 7. [SOLICITOR PERMIT FEE.] The solicitor permit fee
 50.7 is \$350 and must be paid annually.
 50.8 Subd. 8. [MULTIPLE LOCATION FEE.] Schools wishing to
 50.9 operate at multiple locations must pay:
 50.10 (1) \$250 per location, for two to five locations; and

SENATE LANGUAGE (S2265-1)

40.18 and (8), and Minnesota Rules, parts 4880.1700, subpart 6; and
 40.19 4880.2100, subpart 4.

40.20 Sec. 8. [141.255] [FEES.]
 40.21 Subdivision 1. [INITIAL LICENSURE FEE.] The office
 40.22 processing fee for an initial licensure application is:
 40.23 (1) \$1,500 for a school that will offer no more than one
 40.24 program during its first year of operation;
 40.25 (2) \$2,000 for a school that will offer two or more
 40.26 nondegree level programs during its first year of operation; and
 40.27 (3) \$2,500 for a school that will offer two or more degree
 40.28 level programs during its first year of operation.
 40.29 Subd. 2. [RENEWAL LICENSURE FEE; LATE FEE.] (a) The office
 40.30 processing fee for a renewal licensure application is:
 40.31 (1) for a category A school, as determined by the office,
 40.32 the fee is \$865 if the school offers one program or \$1,150 if
 40.33 the school offers two or more programs; and
 40.34 (2) for a category B or C school, as determined by the
 40.35 office, the fee is \$430 if the school offers one program or \$575
 40.36 if the school offers two or more programs.
 41.1 (b) If a license renewal application is not received by the
 41.2 office by the close of business at least 60 days before the
 41.3 expiration of the current license, a late fee of \$100 per
 41.4 business day shall be assessed.
 41.5 Subd. 3. [DEGREE LEVEL ADDITION FEE.] The office
 41.6 processing fee for adding a degree level to an existing program
 41.7 is \$2,000 per program.
 41.8 Subd. 4. [PROGRAM ADDITION FEE.] The office processing fee
 41.9 for adding a program that represents a significant departure in
 41.10 the objectives, content, or method of delivery of programs that
 41.11 are currently offered by the school is \$500 per program.
 41.12 Subd. 5. [VISIT OR CONSULTING FEE.] If the office
 41.13 determines that a fact-finding visit or outside consultant is
 41.14 necessary to review or evaluate any new or revised program, the
 41.15 office shall be reimbursed for the expenses incurred related to
 41.16 the review as follows:
 41.17 (1) \$300 for the team base fee or for a paper review
 41.18 conducted by a consultant if the office determines that a
 41.19 fact-finding visit is not required;
 41.20 (2) \$300 for each day or part thereof on site per team
 41.21 member; and
 41.22 (3) the actual cost of customary meals, lodging, and
 41.23 related travel expenses incurred by team members.
 41.24 Subd. 6. [MODIFICATION FEE.] The fee for modification of
 41.25 any existing program is \$100 and is due if there is:
 41.26 (1) an increase or decrease of 25 percent or more, from the
 41.27 original date of program approval, in clock hours, credit hours,
 41.28 or calendar length of an existing program;
 41.29 (2) a change in academic measurement from clock hours to
 41.30 credit hours or vice versa; or
 41.31 (3) an addition or alteration of courses that represent a
 41.32 25 percent change or more in the objectives, content, or methods
 41.33 of delivery.
 41.34 Subd. 7. [SOLICITOR PERMIT FEE.] The solicitor permit fee
 41.35 is \$350 and must be paid annually.
 41.36 Subd. 8. [MULTIPLE LOCATION FEE.] Schools wishing to
 42.1 operate at multiple locations must pay:
 42.2 (1) \$250 per location, for two to five locations; and

HOUSE LANGUAGE (H1385-3)

SENATE LANGUAGE (S2265-1)

50.11 (2) \$50 per location, for six or more locations.
 50.12 Subd. 9. [STUDENT TRANSCRIPT FEE.] The fee for a student
 50.13 transcript requested from a closed school whose records are held
 50.14 by the office is \$10, with a maximum of five transcripts per
 50.15 request.
 50.16 Subd. 10. [PUBLIC OFFICE DOCUMENTS; COPIES.] The office
 50.17 shall establish rates for copies of any public office document.

50.18 Sec. 9. Minnesota Statutes 2004, section 141.26,
 50.19 subdivision 5, is amended to read:
 50.20 Subd. 5. [FEE.] The initial and renewal application for
 50.21 each permit shall be accompanied by a nonrefundable fee as
 50.22 established-by-the-office under section 141.255.

50.23 Sec. 10. Minnesota Statutes 2004, section 141.271, is
 50.24 amended by adding a subdivision to read:
 50.25 Subd. 1b. [SHORT-TERM PROGRAMS.] Licensed schools
 50.26 conducting programs not exceeding 40 hours in length shall not
 50.27 be required to make a full refund once the programs have
 50.28 commenced and shall be allowed to prorate any refund based on
 50.29 the actual length of the program as stated in the school catalog
 50.30 or advertisements and the number of hours attended by the
 50.31 student.

50.32 Sec. 11. Minnesota Statutes 2004, section 141.271,
 50.33 subdivision 4, is amended to read:
 50.34 Subd. 4. [RESIDENT SCHOOLS.] When a student has been
 50.35 accepted by a school offering a resident program and gives
 50.36 written notice of cancellation, or the school has actual notice
 51.1 of a student's nonattendance after the start of the period of
 51.2 instruction for which the student has been charged, but before
 51.3 completion of 75 percent of the period of instruction, the
 51.4 amount charged for tuition, fees, and all other charges shall be
 51.5 prorated based on number of days in the term as a portion of the
 51.6 total charges for tuition, fees, and all other charges. An
 51.7 additional 25 percent of the total cost of the period of
 51.8 instruction may be added, but shall not exceed \$100. After
 51.9 completion of 75 percent of the period of instruction for which
 51.10 the student has been charged, no refunds are required.

51.11 Sec. 12. Minnesota Statutes 2004, section 141.271,
 51.12 subdivision 7, is amended to read:
 51.13 Subd. 7. [EQUIPMENT AND SUPPLIES.] The fair market retail
 51.14 price, if separately stated in the catalog and contract or
 51.15 enrollment agreement, of equipment or supplies furnished to the
 51.16 student, which the student fails to return in condition suitable
 51.17 for resale, and which may reasonably be resold, within ten
 51.18 business days following cancellation may be retained by the
 51.19 school and may be deducted from the total cost for tuition, fees
 51.20 and all other charges when computing refunds.
 51.21 An overstatement of the fair market retail price of any
 51.22 equipment or supplies furnished the student shall be considered
 51.23 inconsistent with this provision.

51.24 Sec. 13. Minnesota Statutes 2004, section 141.271,
 51.25 subdivision 10, is amended to read:
 51.26 Subd. 10. [CANCELLATION OCCURRENCE.] Written notice of
 51.27 cancellation shall take place on the date the letter of

42.3 (2) an additional \$50 for each location over five.
 42.4 Subd. 9. [STUDENT TRANSCRIPT FEE.] The fee for a student
 42.5 transcript requested from a closed school whose records are held
 42.6 by the office is \$10, with a maximum of five transcripts per
 42.7 request.

42.8 Sec. 9. Minnesota Statutes 2004, section 141.26,
 42.9 subdivision 5, is amended to read:
 42.10 Subd. 5. [FEE.] The initial and renewal application for
 42.11 each permit shall be accompanied by a nonrefundable fee as
 42.12 established-by-the-office under section 141.255.

42.13 Sec. 10. Minnesota Statutes 2004, section 141.271, is
 42.14 amended by adding a subdivision to read:
 42.15 Subd. 1b. [SHORT-TERM PROGRAMS.] Licensed schools
 42.16 conducting programs not exceeding 40 hours in length shall not
 42.17 be required to make a full refund once a program has commenced
 42.18 and shall be allowed to prorate any refund based on the actual
 42.19 length of the program as stated in the school catalog or
 42.20 advertisements and the number of hours attended by the student.

42.21 Sec. 11. Minnesota Statutes 2004, section 141.271,
 42.22 subdivision 4, is amended to read:
 42.23 Subd. 4. [RESIDENT SCHOOLS.] When a student has been
 42.24 accepted by a school offering a resident program and gives
 42.25 written notice of cancellation, or the school has actual notice
 42.26 of a student's nonattendance after the start of the period of
 42.27 instruction for which the student has been charged, but before
 42.28 completion of 75 percent of the period of instruction, the
 42.29 amount charged for tuition, fees, and all other charges shall be
 42.30 prorated based on number of days in the term as a portion of the
 42.31 total charges for tuition, fees, and all other charges. An
 42.32 additional 25 percent of the total cost of the period of
 42.33 instruction may be added, but shall not exceed \$100. After
 42.34 completion of 75 percent of the period of instruction for which
 42.35 the student has been charged, no refunds are required.

42.36 Sec. 12. Minnesota Statutes 2004, section 141.271,
 43.1 subdivision 7, is amended to read:
 43.2 Subd. 7. [EQUIPMENT AND SUPPLIES.] The fair market retail
 43.3 price, if separately stated in the catalog and contract or
 43.4 enrollment agreement, of equipment or supplies furnished to the
 43.5 student, which the student fails to return in condition suitable
 43.6 for resale, and which may reasonably be resold, within ten
 43.7 business days following cancellation may be retained by the
 43.8 school and may be deducted from the total cost for tuition, fees
 43.9 and all other charges when computing refunds.
 43.10 An overstatement of the fair market retail price of any
 43.11 equipment or supplies furnished the student shall be considered
 43.12 inconsistent with this provision.

43.13 Sec. 13. Minnesota Statutes 2004, section 141.271,
 43.14 subdivision 10, is amended to read:
 43.15 Subd. 10. [CANCELLATION OCCURRENCE.] Written notice of
 43.16 cancellation shall take place on the date the letter of

HOUSE LANGUAGE (H1385-3)

51.28 cancellation is postmarked or, in the cases where the notice is
 51.29 hand carried, it shall occur on the date the notice is delivered
 51.30 to the school. If a student has not attended classes for a
 51.31 period of 21 consecutive days, the student is considered to have
 51.32 withdrawn from school for all purposes as of the student's last
 51.33 documented date of attendance.

51.34 Sec. 14. Minnesota Statutes 2004, section 141.271, is
 51.35 amended by adding a subdivision to read:
 51.36 Subd. 14. [CLOSED SCHOOL.] In the event a school closes
 52.1 for any reason during a term and interrupts and terminates
 52.2 classes during that term, all tuition for the term shall be
 52.3 refunded to the students or the appropriate state or federal
 52.4 agency or private lender that had provided any funding for the
 52.5 term and any outstanding obligation of the student for the term
 52.6 is canceled.

52.7 Sec. 15. Minnesota Statutes 2004, section 141.28,
 52.8 subdivision 1, is amended to read:
 52.9 Subdivision 1. [NOT TO ADVERTISE STATE APPROVAL.] Schools,
 52.10 agents of schools, and solicitors may not advertise or represent
 52.11 in writing or orally that such school is approved or accredited
 52.12 by the state of Minnesota, except that any school, agent, or
 52.13 solicitor may advertise that the school and solicitor have been
 52.14 duly licensed by the state- using the following language:
 52.15 "(Name of school) is licensed as a private career school with
 52.16 the Minnesota Higher Education Services Office. Licensure is
 52.17 not an endorsement of the institution. Credits earned at the
 52.18 institution may not transfer to all other institutions. The
 52.19 educational programs may not meet the needs of every student or
 52.20 employer."

52.21 Sec. 16. Minnesota Statutes 2004, section 141.28, is
 52.22 amended by adding a subdivision to read:
 52.23 Subd. 6. [FINANCIAL AID PAYMENTS.] (a) All schools must
 52.24 collect, assess, and distribute funds received from loans or
 52.25 other financial aid as provided in this subdivision.
 52.26 (b) Student loans or other financial aid funds received
 52.27 from federal, state, or local governments or administered in
 52.28 accordance with federal student financial assistance programs
 52.29 under title IV of the Higher Education Act of 1965, as amended,
 52.30 United States Code, title 20, chapter 28, must be collected and
 52.31 applied as provided by applicable federal, state, or local law
 52.32 or regulation.
 52.33 (c) Student loans or other financial aid assistance
 52.34 received from a bank, finance or credit card company, or other
 52.35 private lender must be collected or disbursed as provided in
 52.36 paragraphs (d) and (e).
 53.1 (d) Loans or other financial aid payments for amounts
 53.2 greater than \$3,000 must be disbursed:
 53.3 (1) in two equal disbursements, if the term length is more
 53.4 than four months. The loan or payment amounts may be disbursed
 53.5 no earlier than the first day the student attends class with the
 53.6 remainder to be disbursed halfway through the class or term; or
 53.7 (2) in three equal disbursements, if the term length is
 53.8 more than six months. The loan or payment amounts may be
 53.9 disbursed no earlier than the first day the student attends
 53.10 class, one-third of the way through the class or term, and

SENATE LANGUAGE (S2265-1)

43.17 cancellation is postmarked or, in the cases where the notice is
 43.18 hand carried, it shall occur on the date the notice is delivered
 43.19 to the school. If a student has not attended classes for a
 43.20 period of 21 consecutive days, the student is considered to have
 43.21 withdrawn from school for all purposes as of the student's last
 43.22 documented date of attendance.

43.23 Sec. 14. Minnesota Statutes 2004, section 141.271, is
 43.24 amended by adding a subdivision to read:
 43.25 Subd. 14. [CLOSED SCHOOL.] In the event a school closes
 43.26 for any reason during a term and interrupts and terminates
 43.27 classes during that term, all tuition for the term shall be
 43.28 refunded to the students or the appropriate state or federal
 43.29 agency or private lender that provided any funding for the term
 43.30 and any outstanding obligation of the student for the term is
 43.31 canceled.

43.32 Sec. 15. Minnesota Statutes 2004, section 141.28,
 43.33 subdivision 1, is amended to read:
 43.34 Subdivision 1. [NOT TO ADVERTISE STATE APPROVAL.] Schools,
 43.35 agents of schools, and solicitors may not advertise or represent
 43.36 in writing or orally that such school is approved or accredited
 44.1 by the state of Minnesota, except that any school, agent, or
 44.2 solicitor may advertise that the school and solicitor have been
 44.3 duly licensed by the state- using the following language:
 44.4 "(Name of school) is licensed as a private career school with
 44.5 the Minnesota Higher Education Services Office. Licensure is
 44.6 not an endorsement of the institution. Credits earned at the
 44.7 institution may not transfer to all other institutions. The
 44.8 educational programs may not meet the needs of every student or
 44.9 employer."

44.10 Sec. 16. Minnesota Statutes 2004, section 141.28, is
 44.11 amended by adding a subdivision to read:
 44.12 Subd. 6. [FINANCIAL AID PAYMENTS.] (a) All schools must
 44.13 collect, assess, and distribute funds received from loans or
 44.14 other financial aid as provided in this subdivision.
 44.15 (b) Student loans or other financial aid funds received
 44.16 from federal, state, or local governments or administered in
 44.17 accordance with federal student financial assistance programs
 44.18 under title IV of the Higher Education Act of 1965, as amended,
 44.19 United States Code, title 20, chapter 28, must be collected and
 44.20 applied as provided by applicable federal, state, or local law
 44.21 or regulation.
 44.22 (c) Student loans or other financial aid assistance
 44.23 received from a bank, finance or credit card company, or other
 44.24 private lender must be collected or disbursed as provided in
 44.25 paragraphs (d) and (e).
 44.26 (d) Loans or other financial aid payments for amounts
 44.27 greater than \$3,000 must be disbursed:
 44.28 (1) in two equal disbursements, if the course or term
 44.29 length is less than six months. The loan or payment amounts may
 44.30 be disbursed no earlier than the first day the student attends
 44.31 class with the remainder to be disbursed halfway through the
 44.32 class or term;
 44.33 (2) in three equal disbursements, if the course or term
 44.34 length is more than six months, but less than 12 months. The
 44.35 loan or payment amounts may be disbursed no earlier than the

HOUSE LANGUAGE (H1385-3)

53.11 two-thirds of the way through the class or term,
 53.12 (e) Loans or other financial aid payments for amounts less
 53.13 than \$3,000 may be disbursed as a single disbursement on the
 53.14 first day a student attends class, regardless of term length.
 53.15 (f) No school may enter into a contract or agreement with,
 53.16 or receive any money from, a bank, finance or credit card
 53.17 company, or other private lender, unless the private lender
 53.18 follows the requirements for disbursements provided in
 53.19 paragraphs (d) and (e).

53.20 Sec. 17. Minnesota Statutes 2004, section 141.29,
 53.21 subdivision 3, is amended to read:
 53.22 Subd. 3. [POWERS AND DUTIES.] The office shall have (in
 53.23 addition to the powers and duties now vested therein by law) the
 53.24 following powers and duties:
 53.25 (a) To negotiate and enter into interstate reciprocity
 53.26 agreements with similar agencies in other states, if in the
 53.27 judgment of the office such agreements are or will be helpful in
 53.28 effectuating the purposes of Laws 1973, Chapter 714;
 53.29 (b) To grant conditional school license for periods of less
 53.30 than one year if in the judgment of the office correctable
 53.31 deficiencies exist at the time of application and when refusal
 53.32 to issue school license would adversely affect currently
 53.33 enrolled students;
 53.34 (c) The office may upon its own motion, and shall upon the
 53.35 verified complaint in writing of any person setting forth fact
 53.36 which, if proved, would constitute grounds for refusal or
 54.1 revocation under Laws 1973, Chapter 714, investigate the actions
 54.2 of any applicant or any person or persons holding or claiming to
 54.3 hold a license or permit. However, before proceeding to a
 54.4 hearing on the question of whether a license or permit shall be
 54.5 refused, revoked or suspended for any cause enumerated in
 54.6 subdivision 1, the office may shall grant a reasonable time to
 54.7 the holder of or applicant for a license or permit to correct
 54.8 the situation. If within such time the situation is corrected
 54.9 and the school is in compliance with the provisions of this
 54.10 chapter, no further action leading to refusal, revocation, or
 54.11 suspension shall be taken.

54.12 Sec. 18. Minnesota Statutes 2004, section 141.30, is
 54.13 amended to read:
 54.14 141.30 [INSPECTION.]
 54.15 (a) The office or a delegate may inspect the instructional
 54.16 books and records, classrooms, dormitories, tools, equipment and
 54.17 classes of any school or applicant for license at any reasonable
 54.18 time. The office may require the submission of a certified
 54.19 public audit, or if there is no such audit available the office
 54.20 or a delegate may inspect the financial books and records of the
 54.21 school. In no event shall such financial information be used by
 54.22 the office to regulate or set the tuition or fees charged by the

SENATE LANGUAGE (S2265-1)

44.36 first day the student attends class, one-third of the way
 45.1 through the class or term, and two-thirds of the way through the
 45.2 class or term; or
 45.3 (3) in four equal disbursements, if the course or term
 45.4 length is greater than 12 months. The loan or payment amounts
 45.5 may be disbursed no earlier than the first day a student attends
 45.6 class, one-quarter of the way through the class or term, halfway
 45.7 through the class or term, and three-fourths of the way through
 45.8 the class or term.
 45.9 (e) Loans or other financial aid payments for amounts less
 45.10 than \$3,000 may be disbursed as a single disbursement on the
 45.11 first day a student attends class, regardless of course length.
 45.12 (f) No school may enter into a contract or agreement with,
 45.13 or receive any money from, a bank, finance or credit card
 45.14 company, or other private lender, unless the private lender
 45.15 follows the requirements for disbursements provided in
 45.16 paragraphs (d) and (e).

45.17 Sec. 17. Minnesota Statutes 2004, section 141.29,
 45.18 subdivision 3, is amended to read:
 45.19 Subd. 3. [POWERS AND DUTIES.] The office shall have (in
 45.20 addition to the powers and duties now vested therein by law) the
 45.21 following powers and duties:
 45.22 (a) To negotiate and enter into interstate reciprocity
 45.23 agreements with similar agencies in other states, if in the
 45.24 judgment of the office such agreements are or will be helpful in
 45.25 effectuating the purposes of Laws 1973, Chapter 714;
 45.26 (b) To grant conditional school license for periods of less
 45.27 than one year if in the judgment of the office correctable
 45.28 deficiencies exist at the time of application and when refusal
 45.29 to issue school license would adversely affect currently
 45.30 enrolled students;
 45.31 (c) The office may upon its own motion, and shall upon the
 45.32 verified complaint in writing of any person setting forth fact
 45.33 which, if proved, would constitute grounds for refusal or
 45.34 revocation under Laws 1973, Chapter 714, investigate the actions
 45.35 of any applicant or any person or persons holding or claiming to
 45.36 hold a license or permit. However, before proceeding to a
 46.1 hearing on the question of whether a license or permit shall be
 46.2 refused, revoked or suspended for any cause enumerated in
 46.3 subdivision 1, the office may shall grant a reasonable time to
 46.4 the holder of or applicant for a license or permit to correct
 46.5 the situation. If within such time the situation is corrected
 46.6 and the school is in compliance with the provisions of this
 46.7 chapter, no further action leading to refusal, revocation, or
 46.8 suspension shall be taken.

46.9 Sec. 18. Minnesota Statutes 2004, section 141.30, is
 46.10 amended to read:
 46.11 141.30 [INSPECTION.]
 46.12 (a) The office or a delegate may inspect the instructional
 46.13 books and records, classrooms, dormitories, tools, equipment and
 46.14 classes of any school or applicant for license at any reasonable
 46.15 time. The office may require the submission of a certified
 46.16 public audit, or if there is no such audit available the office
 46.17 or a delegate may inspect the financial books and records of the
 46.18 school. In no event shall such financial information be used by
 46.19 the office to regulate or set the tuition or fees charged by the

HOUSE LANGUAGE (H1385-3)

SENATE LANGUAGE (S2265-1)

54.23 school.
 54.24 (b) Data obtained from an inspection of the financial
 54.25 records of a school or submitted to the office as part of a
 54.26 license application or renewal are nonpublic data as defined in
 54.27 section 13.02, subdivision 9. Data obtained from inspections
 54.28 may be disclosed to other members of the office, to law
 54.29 enforcement officials, or in connection with a legal or
 54.30 administrative proceeding commenced to enforce a requirement of
 54.31 law.

54.32 Sec. 19. Minnesota Statutes 2004, section 141.35, is
 54.33 amended to read:
 54.34 141.35 [EXEMPTIONS.]
 54.35 Sections 141.21 to 141.35 shall not apply to the following:
 54.36 (1) public postsecondary institutions;
 55.1 (2) private postsecondary institutions registered under
 55.2 sections 136A.61 to 136A.71 that are nonprofit, or that are for
 55.3 profit and registered under sections 136A.61 to 136A.71 as of
 55.4 December 31, 1998, or are approved to offer exclusively
 55.5 baccalaureate or postbaccalaureate programs;
 55.6 (3) schools of nursing accredited by the state Board of
 55.7 Nursing or an equivalent public board of another state or
 55.8 foreign country;
 55.9 (4) private schools complying with the requirements of
 55.10 section 120A.22, subdivision 4;
 55.11 (5) courses taught to students in a valid apprenticeship
 55.12 program taught by or required by a trade union;
 55.13 (6) schools exclusively engaged in training physically or
 55.14 mentally handicapped persons for the state of Minnesota;
 55.15 (7) schools licensed by boards authorized under Minnesota
 55.16 law to issue licenses;
 55.17 (8) schools and educational programs, or training programs,
 55.18 contracted for by persons, firms, corporations, government
 55.19 agencies, or associations, for the training of their own
 55.20 employees, for which no fee is charged the employee;
 55.21 (9) schools engaged exclusively in the teaching of purely
 55.22 avocational, recreational, or remedial subjects as determined by
 55.23 the office;
 55.24 (10) driver training schools and instructors as defined in
 55.25 section 171.33, subdivisions 1 and 2;
 55.26 (11) classes, courses, or programs conducted by a bona fide
 55.27 trade, professional, or fraternal organization, solely for that
 55.28 organization's membership;
 55.29 (12) programs in the fine arts provided by organizations
 55.30 exempt from taxation under section 290.05 and registered with
 55.31 the attorney general under chapter 309. For the purposes of
 55.32 this clause, "fine arts" means activities resulting in artistic
 55.33 creation or artistic performance of works of the imagination
 55.34 which are engaged in for the primary purpose of creative
 55.35 expression rather than commercial sale or employment. In making
 55.36 this determination the office may seek the advice and
 56.1 recommendation of the Minnesota Board of the Arts;
 56.2 (13) classes, courses, or programs intended to fulfill the
 56.3 continuing education requirements for licensure or certification
 56.4 in a profession, that have been approved by a legislatively or
 56.5 judicially established board or agency responsible for
 56.6 regulating the practice of the profession, and that are offered
 56.7 primarily exclusively to an individual practicing the

46.20 school.
 46.21 (b) Data obtained from an inspection of the financial
 46.22 records of a school or submitted to the office as part of a
 46.23 license application or renewal are nonpublic data as defined in
 46.24 section 13.02, subdivision 9. Data obtained from inspections
 46.25 may be disclosed to other members of the office, to law
 46.26 enforcement officials, or in connection with a legal or
 46.27 administrative proceeding commenced to enforce a requirement of
 46.28 law.

46.29 Sec. 19. Minnesota Statutes 2004, section 141.35, is
 46.30 amended to read:
 46.31 141.35 [EXEMPTIONS.]
 46.32 Sections 141.21 to 141.35 shall not apply to the following:
 46.33 (1) public postsecondary institutions;
 46.34 (2) private postsecondary institutions registered under
 46.35 sections 136A.61 to 136A.71 that are nonprofit, or that are for
 46.36 profit and registered under sections 136A.61 to 136A.71 as of
 47.1 December 31, 1998, or are approved to offer exclusively
 47.2 baccalaureate or postbaccalaureate programs;
 47.3 (3) schools of nursing accredited by the state Board of
 47.4 Nursing or an equivalent public board of another state or
 47.5 foreign country;
 47.6 (4) private schools complying with the requirements of
 47.7 section 120A.22, subdivision 4;
 47.8 (5) courses taught to students in a valid apprenticeship
 47.9 program taught by or required by a trade union;
 47.10 (6) schools exclusively engaged in training physically or
 47.11 mentally handicapped persons for the state of Minnesota;
 47.12 (7) schools licensed by boards authorized under Minnesota
 47.13 law to issue licenses;
 47.14 (8) schools and educational programs, or training programs,
 47.15 contracted for by persons, firms, corporations, government
 47.16 agencies, or associations, for the training of their own
 47.17 employees, for which no fee is charged the employee;
 47.18 (9) schools engaged exclusively in the teaching of purely
 47.19 avocational, recreational, or remedial subjects as determined by
 47.20 the office;
 47.21 (10) driver training schools and instructors as defined in
 47.22 section 171.33, subdivisions 1 and 2;
 47.23 (11) classes, courses, or programs conducted by a bona fide
 47.24 trade, professional, or fraternal organization, solely for that
 47.25 organization's membership;
 47.26 (12) programs in the fine arts provided by organizations
 47.27 exempt from taxation under section 290.05 and registered with
 47.28 the attorney general under chapter 309. For the purposes of
 47.29 this clause, "fine arts" means activities resulting in artistic
 47.30 creation or artistic performance of works of the imagination
 47.31 which are engaged in for the primary purpose of creative
 47.32 expression rather than commercial sale or employment. In making
 47.33 this determination the office may seek the advice and
 47.34 recommendation of the Minnesota Board of the Arts;
 47.35 (13) classes, courses, or programs intended to fulfill the
 47.36 continuing education requirements for licensure or certification
 48.1 in a profession, that have been approved by a legislatively or
 48.2 judicially established board or agency responsible for
 48.3 regulating the practice of the profession, and that are offered
 48.4 primarily exclusively to an individual practicing the

HOUSE LANGUAGE (H1385-3)

SENATE LANGUAGE (S2265-1)

56.8 profession;
 56.9 (14) classes, courses, or programs intended to prepare
 56.10 students to sit for undergraduate, graduate, postgraduate, or
 56.11 occupational licensing and occupational entrance examinations;
 56.12 (15) classes, courses, or programs providing 16 or fewer
 56.13 clock hours of instruction that are not part of the curriculum
 56.14 for an occupation or entry level employment;
 56.15 (16) classes, courses, or programs providing instruction in
 56.16 personal development, modeling, or acting;
 56.17 (17) training or instructional programs, in which one
 56.18 instructor teaches an individual student, that are not part of
 56.19 the curriculum for an occupation or are not intended to prepare
 56.20 a person for entry level employment; and
 56.21 (18) schools with no physical presence in Minnesota, as
 56.22 determined by the office, engaged exclusively in offering
 56.23 distance instruction that are located in and regulated by other
 56.24 states or jurisdictions.

56.25 Sec. 20. [REGULATION OF PRIVATE AND OUT-OF-STATE
 56.26 POSTSECONDARY INSTITUTIONS.]
 56.27 The Higher Education Services Office must convene a working
 56.28 group to develop recommendations to revise the regulation, under
 56.29 Minnesota Statutes, sections 136A.61 to 136A.71, and chapter
 56.30 141, of private and out-of-state postsecondary institutions that
 56.31 offer instruction in Minnesota or to Minnesota residents who are
 56.32 not required to leave the state. Members of the working group
 56.33 are appointed by the director of the Higher Education Services
 56.34 Office and must include one or more representatives of the
 56.35 Minnesota Private College Council, the Minnesota Career College
 56.36 Association, and other interested institutions that are
 57.1 registered or licensed under state law.
 57.2 In developing recommendations, the working group must
 57.3 consider the office's mission to protect both consumers of
 57.4 postsecondary education and the state's interests. The
 57.5 recommendations must address the provision of degrees,
 57.6 certificates, diplomas, and training offered by for-profit and
 57.7 nonprofit institutions in Minnesota and outside of Minnesota, in
 57.8 classrooms or online and regulatory issues under federal law.
 57.9 The recommendations may include other relevant issues as
 57.10 determined by the working group.
 57.11 The office must provide preliminary recommendations to the
 57.12 committees of the legislature with jurisdiction over higher
 57.13 education policy by November 15, 2005, and must provide final
 57.14 recommendations by January 15, 2006.

ARTICLE 4

ROCHESTER UNIVERSITY DEVELOPMENT

57.17 Section 1. [ROCHESTER UNIVERSITY DEVELOPMENT COMMITTEE.]
 57.18 Subdivision 1. [ESTABLISHMENT.] The Rochester University
 57.19 Development Committee is established to research and make
 57.20 recommendations to the governor and legislature on the creation
 57.21 of a mission-driven postsecondary educational institution in the
 57.22 Rochester area that meets the educational needs of the region
 57.23 and the state and that capitalizes on the unique opportunities
 57.24 for educational partnerships presented in the Rochester area.
 57.25 Subd. 2. [MEMBERSHIP.] (a) The committee is composed of 11
 57.26 members, to be appointed by the governor as follows:

48.5 profession;
 48.6 (14) classes, courses, or programs intended to prepare
 48.7 students to sit for undergraduate, graduate, postgraduate, or
 48.8 occupational licensing and occupational entrance examinations;
 48.9 (15) classes, courses, or programs providing 16 or fewer
 48.10 clock hours of instruction that are not part of the curriculum
 48.11 for an occupation or entry level employment;
 48.12 (16) classes, courses, or programs providing instruction in
 48.13 personal development, modeling, or acting;
 48.14 (17) training or instructional programs, in which one
 48.15 instructor teaches an individual student, that are not part of
 48.16 the curriculum for an occupation or are not intended to prepare
 48.17 a person for entry level employment; and
 48.18 (18) schools with no physical presence in Minnesota, as
 48.19 determined by the office, engaged exclusively in offering
 48.20 distance instruction that are located in and regulated by other
 48.21 states or jurisdictions.

48.22 Sec. 20. [POSTSECONDARY PRIVATE SCHOOL REGULATION.]
 48.23 The director of the Higher Education Services Office must
 48.24 convene a group to study regulation of private postsecondary
 48.25 schools subject to regulation under Minnesota Statutes, chapters
 48.26 136A and 141. The purpose of the study is to determine the
 48.27 appropriate level of regulation for the various types of private
 48.28 postsecondary schools. The study group must, at a minimum,
 48.29 include representatives from the Minnesota Private College
 48.30 Council, the Minnesota Career College Association, and staff of
 48.31 the higher education finance divisions and committees of the
 48.32 house of representatives and the senate. The director must make
 48.33 recommendations accompanied with legislation to implement those
 48.34 recommendations to the chairs of the legislative committees and
 48.35 divisions with primary jurisdiction over higher education
 48.36 finance by January 15, 2006.

ARTICLE 3

ROCHESTER HIGHER EDUCATION

32.24 Section 1. [ROCHESTER HIGHER EDUCATION DEVELOPMENT
 32.25 COMMITTEE.]
 32.26 Subdivision 1. [ESTABLISHMENT.] The Rochester Higher
 32.27 Education Development Committee is established to research and
 32.28 make recommendations to the governor and legislature on the
 32.29 creation of mission-driven postsecondary educational programs or
 32.30 institutions in the Rochester area that meet the educational
 32.31 needs of the region and the state and that capitalize on the
 32.32 unique opportunities for educational partnerships presented in
 32.33 the Rochester area.

HOUSE LANGUAGE (H1385-3)

57.27 (1) a trustee of the Minnesota State Colleges and
 57.28 Universities, or the trustee's designee;
 57.29 (2) a regent of the University of Minnesota, or the
 57.30 regent's designee;
 57.31 (3) six persons from the Rochester area representing
 57.32 business, health and medical sciences, and technology;
 57.33 (4) the commissioner of finance, or the commissioner's
 57.34 designee;
 57.35 (5) one person who by training or experience has special
 57.36 expertise in postsecondary finance and planning; and
 58.1 (6) one person who by training or experience has special
 58.2 expertise in postsecondary academic planning and programming.
 58.3 (b) Before the first meeting of the committee, the governor
 58.4 shall select one person from the committee who shall serve as
 58.5 chair.
 58.6 Subd. 3. [COMPENSATION AND REMOVAL.] Appointments to the
 58.7 committee are not subject to Minnesota Statutes, section 15.0597.
 58.8 Members of the committee are not entitled to reimbursement under
 58.9 Minnesota Statutes, section 15.059, subdivision 6. Members may
 58.10 be removed and vacancies filled pursuant to Minnesota Statutes,
 58.11 section 15.059, subdivision 4. The director of the Higher
 58.12 Education Services Office may provide administrative support to
 58.13 the committee.
 58.14 Subd. 4. [DUTIES.] (a) The committee shall develop a
 58.15 proposal for establishment and implementation of the
 58.16 university. The committee's report must include recommendations
 58.17 on:
 58.18 (1) the mission and focus of the university;
 58.19 (2) the nature of undergraduate and graduate programs to be
 58.20 offered by the university;
 58.21 (3) site and facility needs of the university;
 58.22 (4) funding sources and opportunities for the university;
 58.23 (5) operational needs of the university;
 58.24 (6) alliances or other types of cooperative arrangements
 58.25 with public and private institutions;
 58.26 (7) governance structure of the university; and
 58.27 (8) mechanisms to ensure that the university's programs are
 58.28 aligned with the unique needs and opportunities of the Rochester
 58.29 area, and that programs take advantage of opportunities
 58.30 presented by regional business and industry.
 58.31 (b) If the committee recommends any programmatic changes
 58.32 that result in institutional realignments, the committee must
 58.33 consult with the representatives of affected employees and
 58.34 address the continuation of collective bargaining and
 58.35 contractual rights and benefits including accumulated sick
 58.36 leave, vacation time, seniority, time to tenure, separation or
 59.1 retirement benefits, and pension plan coverage.
 59.2 (c) The committee may also research and provide
 59.3 recommendations on sites for the university facilities and
 59.4 programs. The committee shall recommend any changes to
 59.5 Minnesota law required to implement recommendations of the
 59.6 committee.
 59.7 Subd. 5. [ENDOWMENT.] The committee may establish an
 59.8 endowment for the betterment and operation of the university.
 59.9 The endowment shall be under the fiscal control of the Higher
 59.10 Education Services Office and all money and earnings of the
 59.11 endowment shall be held in the Rochester university development
 59.12 account. The endowment may be used to leverage private funds.

SENATE LANGUAGE (S2265-1)

32.34 Subd. 2. [MEMBERSHIP.] The committee is composed of 11
 32.35 members, to be appointed by the governor, as follows:
 32.36 (1) a trustee of the Minnesota State Colleges and
 33.1 Universities, or the trustee's designee;
 33.2 (2) a regent of the University of Minnesota, or the
 33.3 regent's designee;
 33.4 (3) six persons from the Rochester area representing
 33.5 business, health and medical sciences, and technology;
 33.6 (4) the commissioner of finance, or the commissioner's
 33.7 designee;
 33.8 (5) one person who by training or experience has special
 33.9 expertise in postsecondary finance and planning; and
 33.10 (6) one person who by training or experience has special
 33.11 expertise in postsecondary academic planning and programming.
 33.12 Before the first meeting of the committee, the governor
 33.13 shall select one person from the committee who shall serve as
 33.14 chair.
 33.15 Subd. 3. [COMPENSATION AND REMOVAL.] Appointments to the
 33.16 committee are not subject to Minnesota Statutes, section 15.0597.
 33.17 Members of the committee are not entitled to reimbursement under
 33.18 Minnesota Statutes, section 15.059, subdivision 6. Members may
 33.19 be removed and vacancies filled pursuant to Minnesota Statutes,
 33.20 section 15.059, subdivision 4. The director of the Higher
 33.21 Education Services Office may provide administrative support to
 33.22 the committee.
 33.23 Subd. 4. [DUTIES.] (a) The committee shall develop a
 33.24 recommendation for establishment and implementation of expanded
 33.25 higher education programs or institutions in Rochester. The
 33.26 committee's report must include recommendations on:
 33.27 (1) the mission and focus of the programs or institutions;
 33.28 (2) the nature of undergraduate and graduate programs to be
 33.29 offered;
 33.30 (3) site and facility needs;
 33.31 (4) funding sources and opportunities;
 33.32 (5) operational needs;
 33.33 (6) alliances or other types of cooperative arrangements
 33.34 with public and private institutions;
 33.35 (7) governance structures; and
 33.36 (8) mechanisms to ensure that the expanded programs are
 34.1 aligned with the unique needs and opportunities of the Rochester
 34.2 area and that programs take advantage of opportunities presented
 34.3 by regional business and industry.
 34.4 (b) If the committee recommends any programmatic changes
 34.5 that result in institutional realignments, the committee must
 34.6 consult with the representatives of affected employees and
 34.7 address the continuation of collective bargaining and
 34.8 contractual rights and benefits, including accumulated sick
 34.9 leave, vacation time, seniority, time to tenure, separation or
 34.10 retirement benefits, and pension plan coverage.
 34.11 (c) The committee must consider specifically whether
 34.12 expansion of the University of Minnesota in Rochester is the
 34.13 most appropriate method of meeting the region's needs.
 34.14 (d) The committee may also research and provide
 34.15 recommendations on sites for the facilities and programs. The
 34.16 committee shall recommend any changes to Minnesota law required
 34.17 to implement recommendations of the committee.
 34.18 Subd. 5. [REPORT.] The committee must issue a report with
 34.19 recommendations to the governor and the legislature by January

HOUSE LANGUAGE (H1385-3)

SENATE LANGUAGE (S2265-1)

59.13 The committee may recommend: (1) whether the principal of the
 59.14 endowment fund should be maintained inviolate; (2) under what
 59.15 conditions, if any, the principal may be used to make
 59.16 expenditures for the university; and (3) the treatment of any
 59.17 nonstate contributions to the endowment.
 59.18 Subd. 6. [REPORT.] The committee must issue a report with
 59.19 recommendations to the governor and the legislature by January
 59.20 15, 2006. Data collected, created, or maintained by the
 59.21 committee in preparing this report is protected nonpublic data
 59.22 under Minnesota Statutes, section 13.02, subdivision 13.
 59.23 Subd. 7. [SUNSET.] The committee expires on December 31,
 59.24 2007.

59.25 Sec. 2. [ROCHESTER UNIVERSITY DEVELOPMENT ACCOUNT.]
 59.26 A Rochester University development account is created in
 59.27 the state treasury in the special revenue fund. Money in this
 59.28 account is appropriated to the Higher Education Services Office
 59.29 for allocation to the committee established in section 1 and for
 59.30 the development activities outlined in section 3. The office
 59.31 shall serve as fiscal agent for the committee established in
 59.32 section 1.

59.33 Sec. 3. [ROCHESTER UNIVERSITY DEVELOPMENT AND
 59.34 IMPLEMENTATION.]
 59.35 With the approval of the Higher Education Services Office,
 59.36 money in the Rochester university development account may be
 60.1 used to:
 60.2 (1) provide additional planning and development funds, if
 60.3 needed;
 60.4 (2) provide initial funding for academic program
 60.5 development;
 60.6 (3) provide funding related to academic facilities, if
 60.7 needed; or
 60.8 (4) establish an endowment for the institution under
 60.9 section 1, subdivision 5.

60.10 Sec. 4. [EFFECTIVE DATE.]
 60.11 This article is effective the day following final enactment.

60.12 ARTICLE 5
 60.13 SUPPLEMENTAL APPROPRIATIONS

60.14 Section 1. [HIGHER EDUCATION SUPPLEMENTAL APPROPRIATIONS.]
 60.15 The appropriations in this article are available after House
 60.16 File No. 1664 is passed by the house of representatives and are
 60.17 added to the appropriations in article 1.
 60.18 The sums in the columns marked "APPROPRIATIONS" are appropriated
 60.19 from the general fund, or other named fund, to the agencies and
 60.20 for the purposes specified in this article. The listing of an
 60.21 amount under the figure "2006" or "2007" in this article
 60.22 indicates that the amount is appropriated to be available for
 60.23 the fiscal year ending June 30, 2006, or June 30, 2007,
 60.24 respectively. "The first year" is fiscal year 2006. "The
 60.25 second year" is fiscal year 2007. "The biennium" is fiscal
 60.26 years 2006 and 2007.

34.20 15, 2006.
 34.21 Subd. 6. [SUNSET.] The committee expires on December 31,
 34.22 2007.

34.23 Sec. 2. [ROCHESTER HIGHER EDUCATION DEVELOPMENT ACCOUNT.]
 34.24 A Rochester higher education development account is created
 34.25 in the state treasury in the special revenue fund. Money in
 34.26 this account is appropriated to the Higher Education Services
 34.27 Office for allocation to the committee established in section 1,
 34.28 subdivision 1, and the implementation activities outlined in
 34.29 article 1, section 2, subdivision 6, paragraph (b). The office
 34.30 shall serve as fiscal agent for the committee established in
 34.31 section 1.

*** SEE S2265-1, PAGE R8, 3.42-50 ***

34.32 Sec. 3. [EFFECTIVE DATE.]
 34.33 This article is effective the day following final enactment.

HOUSE LANGUAGE (H1385-3)

SENATE LANGUAGE (S2265-1)

60.27 Sec. 2. BOARD OF TRUSTEES OF THE MINNESOTA
60.28 STATE COLLEGES AND UNIVERSITIES
60.29 Subdivision 1. Total
60.30 Appropriation 12,725,000

60.31 The amounts that may be spent from this
60.32 appropriation for each purpose are
60.33 specified in the following subdivisions.
60.34 The legislature estimates that
60.35 instructional expenditures will be
60.36 \$825,994,000 in the first year and
60.37 \$811,653,000 in the second year. The
60.38 legislature estimates that
60.39 noninstructional expenditures will be
60.40 \$59,828,000 in the first year and
60.41 \$58,790,000 in the second year.
61.1 Subd. 2. General Appropriation 12,725,000

61.2 Sec. 3. BOARD OF REGENTS OF THE
61.3 UNIVERSITY OF MINNESOTA
61.4 Subdivision 1. Total
61.5 Appropriation 9,500,000 3,225,000

61.6 The amounts that may be spent from this
61.7 appropriation for each purpose are
61.8 specified in the following subdivisions.

61.9 Subd. 2. Operations and
61.10 Maintenance 9,500,000 3,225,000

61.11 The legislature estimates that
61.12 instructional expenditures will be
61.13 \$461,344,000 in the first year and
61.14 \$468,229,000 in the second year. The
61.15 legislature estimates that
61.16 noninstructional expenditures will be
61.17 \$295,503,000 in the first year and
61.18 \$299,913,000 in the second year.
61.19 An additional \$3,225,000 the second
61.20 year is for academic initiatives that
61.21 are part of the board's biosciences for
61.22 a healthy society initiative.

61.23 Subd. 3. Base Funding
61.24 Notwithstanding article 1, section 4,
61.25 subdivision 2a, base funding for the
61.26 university shall be increased by
61.27 \$3,000,000 each year.