

1.1 Senator moves to amend S.F. No. 4003 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 **"ARTICLE 1**

1.4 **HIGHER EDUCATION POLICY**

1.5 Section 1. Minnesota Statutes 2023 Supplement, section 135A.121, subdivision 2, is
1.6 amended to read:

1.7 Subd. 2. **Eligibility.** To be eligible each year for the program a student must:

1.8 (1) be enrolled in an undergraduate certificate, diploma, or degree program at the
1.9 University of Minnesota or a Minnesota state college or university;

1.10 (2) be either (i) a Minnesota resident for resident tuition purposes who is an enrolled
1.11 member or citizen of a federally recognized American Indian Tribe or Canadian First Nation,
1.12 or (ii) an enrolled member or citizen of a Minnesota Tribal Nation, regardless of resident
1.13 tuition status; ~~and~~

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

1.17 (4) meet satisfactory academic progress as defined under section 136A.101, subdivision
1.18 10.

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

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

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

1.24 (c) "School" means a public institution governed by the Board of Trustees of the
1.25 Minnesota State Colleges and Universities, private postsecondary educational institution

2.1 by a school, and unofficial transcripts or the uncertified statement of an individual's academic
2.2 record provided by a school.

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

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

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

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

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

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

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

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

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

2.22 (c) By September 30 each year, beginning in 2024, an institution or system that uses
2.23 transcript issuance as a tool for debt collection shall provide the Office of Higher Education
2.24 with an updated copy of its policy under paragraph (a), and report the number of students,
2.25 as of June 30 of that year, who were denied transcripts due to the student's debt.

2.26 Sec. 3. **[135A.1581] NAVIGATORS FOR PARENTING STUDENTS.**

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

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

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

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

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

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

(1) medical and behavioral health coverage and services;

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

(3) parenting and child care resources;

(4) employment assistance;

(5) transportation assistance; and

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

Subd. 4. **Report.** (a) By June 30, 2026, an institution of higher education must establish a process for collecting the parenting status of each enrolled student. By November 30,

- 4.1 (1) summary demographic data;
- 4.2 (2) enrollment patterns;
- 4.3 (3) retention rates;
- 4.4 (4) completion rates;
- 4.5 (5) average cumulative debt at exit or graduation as possible; and
- 4.6 (6) time to completion.

4.7 Data must be disaggregated by institution, academic year, race and ethnicity, gender, and
4.8 other factors determined to be relevant by the commissioner.

4.9 **Sec. 4. [135A.1582] PROTECTIONS FOR PREGNANT AND PARENTING**
4.10 **STUDENTS.**

4.11 Subdivision 1. **Definition.** (a) For the purpose of this section, the following term has
4.12 the meaning given.

4.13 (b) "Parenting student" means a student enrolled at a public college or university who
4.14 is the parent or legal guardian of or can claim as a dependent a child under the age of 18.

4.15 Subd. 2. **Rights and protections.** (a) A Minnesota state college or university may not
4.16 require and the University of Minnesota is requested not to require a pregnant or parenting
4.17 student, solely because of the student's status as a pregnant or parenting student or due to
4.18 issues related to the student's pregnancy or parenting, to:

- 4.19 (1) take a leave of absence or withdraw from the student's degree or certificate program;
- 4.20 (2) limit the student's studies;
- 4.21 (3) participate in an alternative program;
- 4.22 (4) change the student's major, degree, or certificate program; or
- 4.23 (5) refrain from joining or cease participating in any course, activity, or program at the
4.24 college or university.

(2) are related to the health and safety of the student and the student's unborn child, such as allowing the student to maintain a safe distance from substances, areas, and activities known to be hazardous to pregnant women or unborn children.

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

(1) excuse the student's absence;

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

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

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

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

(1) take a leave of absence; and

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

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

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

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

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

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

Sec. 5. Minnesota Statutes 2023 Supplement, section 135A.161, is amended by adding a subdivision to read:

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

Sec. 6. Minnesota Statutes 2023 Supplement, section 135A.162, subdivision 2, is amended to read:

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

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

7.1 Sec. 7. **[135A.163] STUDENTS WITH DISABILITIES; ACCOMMODATIONS;**
7.2 **GENERAL REQUIREMENTS.**

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

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

7.7 (b) "Institution of higher education" means a public institution of higher education,
7.8 Tribal colleges, and private institutions of higher education that receive federal funding.
7.9 The Board of Regents of the University of Minnesota is requested to comply with this
7.10 section.

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

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

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

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

7.27 (b) The following documentation submitted by either an admitted or an enrolled student
7.28 is sufficient documentation for the interactive process to establish reasonable accommodations

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

(3) documentation of a plan or record of service for the individual from a private school, a local educational agency, a state educational agency, or an institution of higher education provided under a section 504 plan or in accordance with the Americans with Disabilities Act of 1990;

(4) a record or evaluation from an appropriately qualified health or other service professional who is knowledgeable about the individual's condition, finding that the individual has a disability;

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

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

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

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

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

contact with any student who has self-identified under this clause. This does not preclude a student from requesting an accommodation for a disability at any other time;

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

(3) if a course instructor cannot provide an accommodation because it would fundamentally alter the nature of that course, require an instructor to provide a notification detailing why an accommodation cannot be provided to the student and submit that information to the student and the person or office responsible for arranging accommodations; and

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

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

Sec. 8. [135A.195] ADMISSIONS APPLICATIONS; LEGACY ADMISSIONS AND ADMISSIONS BASED ON DONOR STATUS PROHIBITED.

(a) For the purpose of this section, "legacy status" means the familial relationship of an individual applying for admission to an institution of higher education to an alumnus of the institution.

(b) No public or private institution of higher education in Minnesota shall provide any manner of preferential treatment in the admissions decision to any student applicant on the basis of a student's legacy status or a student's familial relationship to any donor to such institution. The Board of Regents of the University of Minnesota is requested to comply with this section.

Sec. 9. [136A.053] CONSOLIDATED STUDENT AID REPORTING.

- 10.1 (2) total number of students applying for funds;
- 10.2 (3) total number of students receiving funds;
- 10.3 (4) average and total award amounts;
- 10.4 (5) summary demographic data on award recipients;
- 10.5 (6) retention rates of award recipients;
- 10.6 (7) completion rates of award recipients;
- 10.7 (8) average cumulative debt at exit or graduation; and
- 10.8 (9) average time to completion.
- 10.9 (b) Data must be disaggregated by program, institution, aid year, race and ethnicity,
- 10.10 gender, income, family type, dependency status, and any other factors determined to be
- 10.11 relevant by the commissioner. The commissioner must report any additional data and
- 10.12 outcomes relevant to the evaluation of programs administered under sections 136A.091 to
- 10.13 136A.1276 and 136A.231 to 136A.246 as evidenced by activities funded under each program.

10.14 Sec. 10. Minnesota Statutes 2022, section 136A.091, subdivision 3, is amended to read:

10.15 Subd. 3. **Financial need.** Need for financial assistance is based on student eligibility for

10.16 free or reduced-price school meals under the national school lunch program. Student

10.17 eligibility shall be verified by sponsors of approved academic programs. The office shall

10.18 award stipends for students within the limits of available appropriations for this section. If

10.19 the amount appropriated is insufficient, the office shall allocate the available appropriation

10.20 in the manner it determines. A stipend must not exceed \$1,000 per student.

10.21 Sec. 11. **[136A.097] ORDER OF AID CALCULATIONS.**

10.22 The commissioner must calculate aid for programs in the order of their original enactment

10.23 from oldest to most recent. The commissioner may determine the order of calculating state

10.24 financial aid if:

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

11.1 Sec. 12. Minnesota Statutes 2022, section 136A.1241, subdivision 3, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

11.22 (9) not be more than 30 days in arrears in court-ordered child support that is collected
11.23 or enforced by the public authority responsible for child support enforcement or, if the
11.24 applicant is more than 30 days in arrears in court-ordered child support that is collected or
11.25 enforced by the public authority responsible for child support enforcement, be complying

11.26 with a written payment agreement under section 518A.60, an order for arrears pay, and

12.1 Sec. 13. Minnesota Statutes 2023 Supplement, section 136A.1241, subdivision 5, is
12.2 amended to read:

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

12.7 (1) the results of the federal need analysis;

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

12.9 (3) the amount of the state grant;

12.10 (4) the Federal Supplemental Educational Opportunity Grant;

12.11 (5) the sum of all Tribal scholarships;

12.12 (6) the amount of any other state and federal gift aid;

12.13 (7) the Education and Training Voucher Program;

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

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

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

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

12.22 (c) An eligible private institution may opt out of participating in the foster grant program
12.23 established under this section. To opt out, the institution shall provide notice to the office
12.24 by March 1 for the next academic year. An institution that opts out of participating, but
12.25 participated in the program a previous year, must hold harmless currently enrolled recipients
12.26 by continuing to provide the benefit under paragraph (d) as long as the student remains

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

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

13.5 (e) An undergraduate student who is eligible may apply for and receive a foster grant
13.6 in any year of undergraduate study unless the student has obtained a baccalaureate degree
13.7 or received foster grant funds for a period of ten full-time semesters or the equivalent for a
13.8 four-year undergraduate degree. A foster grant student enrolled in a two-year degree,
13.9 certificate, or diploma program may apply for and receive a foster grant in any year of
13.10 undergraduate study unless the student has obtained a baccalaureate degree or received
13.11 foster grant funds for a period of six full-time semesters or the equivalent.

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

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

13.22 Sec. 14. Minnesota Statutes 2023 Supplement, section 136A.1465, subdivision 1, is
13.23 amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

14.21 Sec. 15. Minnesota Statutes 2023 Supplement, section 136A.1465, subdivision 2, is
14.22 amended to read:

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

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

15.1 ~~(4)~~ (5) is enrolled in at least one credit per fall, spring, or summer semester; ~~and~~

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

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

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

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

15.14 ~~(5)~~ (10) is meeting satisfactory academic progress as defined in section 136A.101,
15.15 subdivision 10.

15.16 Sec. 16. Minnesota Statutes 2023 Supplement, section 136A.1465, subdivision 3, is
15.17 amended to read:

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

15.21 (b) For the 2024-2025, 2025-2026, and 2026-2027 academic years, if funds remain after
15.22 scholarships are awarded under paragraph (a), supplemental grants shall be awarded to
15.23 eligible students in an amount ~~equal to 100 percent of tuition and fees plus, subject to~~
15.24 ~~available funds,~~ up to 50 percent of the amount of a Pell grant the student would receive
15.25 based on household size, family adjusted gross income, and results of the federal needs
15.26 analysis ~~after other gift aid is deducted,~~ not to exceed the student's recognized cost of
15.27 attendance. The commissioner may adjust the supplemental grant amount based on the

16.1 college shall not reduce the institutional gift aid offered or awarded to a student who is
16.2 eligible to receive funds under this program unless the student's gift aid exceeds the student's
16.3 annual recognized cost of attendance.

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

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

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

16.15 Sec. 18. Minnesota Statutes 2023 Supplement, section 136A.1465, subdivision 5, is
16.16 amended to read:

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

16.20 (b) Scholarships may be provided to an eligible student ~~for up to 60 credits for pursuing~~
16.21 ~~the completion of a certificate or an associate degree and up to 120 credits for the completion~~
16.22 ~~of a bachelor's degree~~ who has not previously received the scholarship for four full-time
16.23 semesters or the equivalent. Scholarships may be provided to an eligible student pursuing
16.24 the completion of a bachelor's degree who has not previously received the scholarship for
16.25 eight full-time semesters or the equivalent. The maximum credits for which a student is
16.26 eligible is a total of 120 credits eight full-time semesters or the equivalent. Courses taken
16.27 that qualify as developmental education or below college-level shall be excluded from the
16.28 limit

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

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

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

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

17.9 Sec. 19. Minnesota Statutes 2022, section 136A.1701, subdivision 4, is amended to read:

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

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

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

17.26 Sec. 20. Minnesota Statutes 2022, section 136A.1701, subdivision 7, is amended to read:

18.1 Sec. 21. Minnesota Statutes 2023 Supplement, section 136A.62, subdivision 3, is amended
18.2 to read:

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

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

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

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

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

18.18 Sec. 22. Minnesota Statutes 2022, section 136A.62, is amended by adding a subdivision
18.19 to read:

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

18.23 Sec. 23. Minnesota Statutes 2022, section 136A.62, is amended by adding a subdivision
18.24 to read:

18.25 Subd. 9. **Physical presence.** "Physical presence" means a presence within the state of
18.26 Minnesota for the purpose of conducting activity related to any program at the degree level

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

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

19.8 Sec. 24. Minnesota Statutes 2022, section 136A.63, subdivision 1, is amended to read:

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

19.12 Sec. 25. Minnesota Statutes 2022, section 136A.675, subdivision 2, is amended to read:

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

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

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

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

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

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

19.25 (5) the institution receives written notification that it violated the United States

19.26 Department of Education's revenue requirement under United States Code, title 20, section

20.1 ~~paragraph (f), or a Letter of Credit Alternative, Code of Federal Regulations, title 34, section~~
20.2 ~~668.175, paragraph (e).~~

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

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

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

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

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

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

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

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

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

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

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

20.26 (3) there has been a criminal, civil, or administrative adjudication of fraud or

21.1 Sec. 26. Minnesota Statutes 2022, section 136A.675, subdivision 2, is amended to read:

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

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

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

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

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

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

21.14 (5) the institution receives written notification that it violated the United States
21.15 Department of Education's revenue requirement under United States Code, title 20, section
21.16 1094(a)(24), as amended; or

21.17 (6) the institution receives written notification by the United States Department of
21.18 Education that it has fallen below minimum financial standards and that its continued
21.19 participation in Title IV is conditioned upon satisfying ~~either the Zone Alternative, an~~
21.20 alternative standard set forth in Code of Federal Regulations, title 34, section 668.175,
21.21 ~~paragraph (f), or a Letter of Credit Alternative, Code of Federal Regulations, title 34, section~~
21.22 668.175, paragraph (e).

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

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

21.26 (2) the institution receives written notification that its institutional accreditor lost federal
21.27 recognition or

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

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

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

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

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

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

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

22.17 Sec. 27. Minnesota Statutes 2022, section 136A.821, subdivision 5, is amended to read:

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

22.22 Sec. 28. Minnesota Statutes 2022, section 136A.821, is amended by adding a subdivision
22.23 to read:

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

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

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

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

23.10 Sec. 29. Minnesota Statutes 2022, section 136A.822, subdivision 1, is amended to read:

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

23.14 Sec. 30. Minnesota Statutes 2022, section 136A.822, subdivision 2, is amended to read:

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

23.19 Sec. 31. Minnesota Statutes 2022, section 136A.822, subdivision 6, is amended to read:

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

23.25 (b)(1) The amount of the surety bond shall be ten percent of the preceding year's net
23.26 revenue from student tuition, fees, and other required institutional charges collected, but in

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

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

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

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

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

Sec. 32. Minnesota Statutes 2022, section 136A.822, subdivision 7, is amended to read:

Subd. 7. **Resident agent.** Private career schools located outside the state of Minnesota that offer advertise solicit for or conduct any program have a physical presence within

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

25.3 Sec. 33. Minnesota Statutes 2022, section 136A.822, subdivision 8, is amended to read:

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

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

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

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

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

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

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

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

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

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

25.23 (6) that the premises and conditions where the students work and study and the student
25.24 living quarters which are owned, maintained, recommended, or approved by the applicant
25.25 are sanitary, healthful, and safe, as evidenced by certificate of occupancy issued by the
25.26 municipality or county where the private career school is physically situated, a fire inspection

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

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

Sec. 34. Minnesota Statutes 2022, section 136A.828, subdivision 3, is amended to read:

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

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

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

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

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

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

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

27.1 financial or other material compensation. Endorsements may be used only when they portray
27.2 current conditions.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

29.7 Sec. 36. Minnesota Statutes 2022, section 136A.829, is amended by adding a subdivision
29.8 to read:

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

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

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

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

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

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

29.20 Sec. 37. Minnesota Statutes 2023 Supplement, section 136A.833, subdivision 2, is amended
29.21 to read:

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

29.24 (1) public postsecondary institutions;

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

30.1 ~~(5)~~ (4) private schools complying with the requirements of section 120A.22, subdivision
30.2 4;

30.3 ~~(6)~~ (5) courses taught to students in an apprenticeship program registered by the United
30.4 States Department of Labor or Minnesota Department of Labor and taught by or required
30.5 by a trade union. A trade union is an organization of workers in the same skilled occupation
30.6 or related skilled occupations who act together to secure all members favorable wages,
30.7 hours, and other working conditions;

30.8 ~~(7)~~ (6) private career schools exclusively engaged in training physically or mentally
30.9 disabled persons ~~for the state of Minnesota;~~

30.10 ~~(8)~~ (7) private career schools licensed or approved by boards authorized under Minnesota
30.11 law to issue licenses for training programs except private career schools required to obtain
30.12 a private career school license due to the use of "academy," "institute," "college," or
30.13 "university" in their names;

30.14 ~~(9)~~ (8) private career schools and educational programs, or training programs, contracted
30.15 for by persons, firms, corporations, government agencies, or associations, for the training
30.16 of their own employees, for which no fee is charged the employee, regardless of whether
30.17 that fee is reimbursed by the employer or third party after the employee successfully
30.18 completes the training;

30.19 ~~(10)~~ (9) private career schools engaged exclusively in the teaching of purely avocational,
30.20 recreational, or remedial subjects that are not advertised or maintained for vocational or
30.21 career advancement, including adult basic education, as determined by the office except
30.22 private career schools required to obtain a private career school license due to the use of
30.23 "academy," "institute," "college," or "university" in their names ~~unless the private career~~
30.24 ~~school used "academy" or "institute" in its name prior to August 1, 2008;~~

30.25 ~~(11)~~ (10) classes, courses, or programs conducted by a bona fide trade, professional, or
30.26 fraternal organization, solely for that organization's membership and not available to the
30.27 public. In making the determination that the organization is bona fide, the office may request
30.28 the school provide three certified letters from persons that qualify as evaluators under section

31.1 In making this determination the office may seek the advice and recommendation of the
31.2 Minnesota Board of the Arts;

31.3 ~~(13)~~ (12) classes, courses, or programs intended to fulfill the continuing education
31.4 requirements for a bona fide licensure or certification in a profession, that have been approved
31.5 by a legislatively or judicially established board or agency responsible for regulating the
31.6 practice of the profession or by an industry-specific certification entity, and that are offered
31.7 exclusively to individuals with the professional licensure or certification. In making the
31.8 determination that the licensure or certification is bona fide, the office may request the
31.9 school provide three certified letters from persons that qualify as evaluators under section
31.10 136A.828, subdivision 3, paragraph (l), that the licensure and certification is recognized in
31.11 Minnesota;

31.12 ~~(14)~~ (13) review classes, courses, or programs intended to prepare students to sit for
31.13 undergraduate, graduate, postgraduate, or occupational licensing, certification, or entrance
31.14 examinations and does not include the instruction to prepare students for that license,
31.15 occupation, certification, or exam;

31.16 ~~(15)~~ (14) classes, courses, or programs providing 16 or fewer clock hours of instruction;

31.17 ~~(16)~~ (15) classes, courses, or programs providing instruction in personal development
31.18 that is not advertised or maintained for vocational or career advancement, modeling, or
31.19 acting;

31.20 ~~(17)~~ (16) private career schools with no physical presence in Minnesota, ~~as determined~~
31.21 ~~by the office,~~ engaged exclusively in offering distance instruction that are located in and
31.22 regulated by other states or jurisdictions if the distance education instruction does not include
31.23 internships, externships, field placements, or clinical placements for residents of Minnesota;
31.24 and

31.25 ~~(18)~~ (17) private career schools providing exclusively training, instructional programs,
31.26 or courses where tuition, fees, and any other charges, regardless of payment or reimbursement
31.27 method, for a student to participate do not exceed \$100.

32.1 construction; (8) education; (9) public safety; (10) energy; or (11) a program of study
32.2 under paragraph (b).

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

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

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

32.17 Sec. 39. [136F.405] ACADEMIC FREEDOM PROTECTION.

32.18 Subdivision 1. Definitions. (a) For purposes of this section, the following term has the
32.19 meaning given.

32.20 (b) "Academic freedom" means the freedom of an educator or researcher in higher
32.21 education to investigate and discuss the issues in their academic field, and to teach or publish
32.22 findings without interference from political figures, boards of trustees, donors, or other
32.23 entities.

32.24 Subd. 2. Faculty rights. (a) Minnesota State Colleges and Universities must maintain
32.25 policies that support and encourage academic freedom. A faculty member at a Minnesota
32.26 state institution may, without limitation, discuss the subject matter in the classroom of the
32.27 courses the faculty member is assigned to teach without interference from political figures,

(c) A Minnesota state institution shall not discriminate against a faculty member for engaging in political activities or holding or voicing political views, so long as the exercise of this right does not interfere with the faculty member's job responsibilities as a faculty member.

Sec. 40. **REPEALER.**

(a) Minnesota Statutes 2022, section 135A.16, is repealed.

(b) Minnesota Statutes 2023 Supplement, section 135A.162, subdivision 7, is repealed.

EFFECTIVE DATE. Paragraph (a) of this section is effective January 1, 2025.

ARTICLE 2

SEXUAL MISCONDUCT POLICY

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

135A.15 CAMPUS SEXUAL HARASSMENT AND VIOLENCE MISCONDUCT POLICY.

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

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

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

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

institution occurring on property owned or leased by the postsecondary system or institution or at any activity, program, organization, or event sponsored by the system or institution, or by a fraternity ~~and~~ or sorority, regardless of whether the activity, program, organization, or event occurs on or off property owned or leased by the postsecondary system or institution. It must include procedures for reporting incidents of sexual ~~harassment or sexual violence~~ misconduct and for disciplinary actions against violators. During student registration, a postsecondary institution shall provide each student with information regarding its policy. A copy of the policy also shall be posted at appropriate locations on campus at all times.

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

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

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

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

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

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

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

(f) "Nonconsensual distribution of sexual images" has the meaning given in section

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

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

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

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

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

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

(n) "Stalking" means engaging in a course of conduct, on the basis of sex, directed at a specific person that would cause a reasonable person to (1) fear for that person's safety or the safety of others, or (2) suffer substantial emotional distress.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(c) If a postsecondary institution conducts a hearing, an advisor may provide opening

38.1 Subd. 3. **Uniform amnesty.** The sexual ~~harassment and violence~~ misconduct policy
38.2 required by subdivision 1 must include a provision that a witness or victim of an incident
38.3 of sexual ~~assault~~ misconduct who reports the incident in good faith shall not be sanctioned
38.4 by the institution for admitting in the report to a violation of the institution's student conduct
38.5 policy on the personal use of drugs or alcohol.

38.6 Subd. 4. **Coordination with local law enforcement.** (a) A postsecondary institution
38.7 must enter into a memorandum of understanding with the primary local law enforcement
38.8 agencies that serve its campus. The memorandum must be entered into no later than January
38.9 1, 2017, and updated every two years thereafter. This memorandum shall clearly delineate
38.10 responsibilities and require information sharing, in accordance with applicable state and
38.11 federal privacy laws, about certain crimes including, but not limited to, sexual assault. This
38.12 memorandum of understanding shall provide:

38.13 (1) delineation and sharing protocols of investigative responsibilities;

38.14 (2) protocols for investigations, including standards for notification and communication
38.15 and measures to promote evidence preservation; and

38.16 (3) a method of sharing information about specific crimes, when directed by the victim,
38.17 and a method of sharing crime details anonymously in order to better protect overall campus
38.18 safety.

38.19 (b) Prior to the start of each academic year, a postsecondary institution shall distribute
38.20 an electronic copy of the memorandum of understanding to all employees on the campus
38.21 that are subject to the memorandum.

38.22 (c) An institution is exempt from the requirement that it develop a memorandum of
38.23 understanding under this section if the institution and local or county law enforcement
38.24 agencies establish a sexual ~~assault~~ misconduct protocol team to facilitate effective cooperation
38.25 and collaboration between the institution and law enforcement.

38.26 Subd. 5. **Online reporting system.** (a) A postsecondary institution must provide an
38.27 online reporting system to receive complaints of sexual ~~harassment and sexual violence~~
38.28 misconduct from students and employees. The system must permit anonymous reports,

how the information gathered through the system will be used, and contact information for on-campus and off-campus organizations serving victims of sexual ~~violence~~ misconduct.

(c) Data collected under this subdivision is classified as private data on individuals as defined by section 13.02, subdivision 12. Postsecondary institutions not otherwise subject to chapter 13 must limit access to the data to only the data subject and persons whose work assignments reasonably require access.

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

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

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

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

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

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

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

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

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

(9) the number that resulted in a disciplinary proceeding at the institution that closed

disciplinary proceedings reached a final resolution within the previous calendar year, that institution must submit updated totals from the previous year that reflect the outcome of the pending case or cases.

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

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

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

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

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

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

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

Subd. 7. Access to data; audit trail. (a) Data on incidents of sexual assault misconduct shared with campus security officers or campus administrators responsible for investigating or adjudicating complaints of sexual assault misconduct are classified as private data on individuals as defined by section 13.02, subdivision 12, for the purposes of postsecondary institutions subject to the requirements of chapter 13. Postsecondary institutions not otherwise subject to chapter 13 must limit access to the data to only the data subject and persons whose

authorization that grants access for that purpose. All actions in which the data related to an incident of sexual ~~assault~~ misconduct are entered, updated, accessed, shared, or disseminated outside of the institution must be recorded in a data audit trail. An institution shall immediately and permanently revoke the authorization of any individual determined to have willfully entered, updated, accessed, shared, or disseminated data in violation of this subdivision or any provision of chapter 13. If an individual is determined to have willfully gained access to data without explicit authorization, the matter shall be forwarded to a county attorney for prosecution.

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

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

- (1) students pursuing a degree or certificate;
- (2) students who are taking courses through the Postsecondary Enrollment Options Act;
- and
- (3) any other categories of students determined by the institution.

Students must complete such training no later than ten business days after the start of a

subdivision 4; preventing and reducing the prevalence of sexual ~~assault~~ misconduct;
procedures for reporting campus sexual ~~assault~~ misconduct; and campus resources on sexual
~~assault~~ misconduct, including organizations that support victims of sexual ~~assault~~ misconduct.

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

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

Subd. 9. **Student health services.** (a) An institution's student health service providers
must screen students for incidents of sexual ~~violence and sexual harassment~~ misconduct.
Student health service providers shall offer students information on resources available to
victims and survivors of sexual ~~violence and sexual harassment~~ misconduct including
counseling, mental health services, and procedures for reporting incidents to the institution.

(b) Each institution offering student health or counseling services must designate an
existing staff member or existing staff members as confidential resources for victims of
sexual ~~violence or sexual harassment~~ misconduct. The confidential resource must be available
to meet with victims of sexual ~~violence and sexual harassment~~ misconduct. The confidential
resource must provide victims with information about locally available resources for victims
of sexual ~~violence and sexual harassment~~ misconduct including, but not limited to, mental
health services and legal assistance. The confidential resource must provide victims with
information about the process for reporting an incident of sexual ~~violence and sexual~~
~~harassment~~ misconduct to campus authorities or local law enforcement. The victim shall
decide whether to report an incident of sexual ~~violence and sexual harassment~~ misconduct
to campus authorities or local law enforcement. Confidential resources must be trained in
all aspects of responding to incidents of sexual ~~violence and sexual harassment~~ misconduct
including, but not limited to, best practices for interacting with victims of trauma, preserving

maltreatment of minors or vulnerable adults. Nothing in this section limits the authority of an institution to comply with other applicable state or federal laws related to investigations or reports of sexual harassment, sexual violence, or sexual assault misconduct.

EFFECTIVE DATE. This section is effective August 1, 2025.

ARTICLE 3

ONLINE PROGRAM MANAGEMENT COMPANY REQUIREMENTS

Section 1. **[135A.195] REQUIREMENTS RELATED TO ONLINE PROGRAM MANAGEMENT COMPANIES.**

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

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

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

(d) "Managed programs" means an online course or program that is fully delivered online in a virtual space.

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

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

Subd. 2. Contract stipulations. (a) A contract must not contain any provision that:

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

44.2 (ii) student assessment and grading;

44.3 (iii) course assessment;

44.4 (iv) admissions requirements;

44.5 (v) appointment of faculty;

44.6 (vi) faculty assessment;

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

44.8 (viii) institutional governance.

44.9 (b) A contract between an institution of higher education and an online program

44.10 management company must contain a provision that the online program management

44.11 company must provide its audited financial statements and the data required under subdivision

44.12 4, paragraph (b), to the chief financial officer of the institution of higher education with

44.13 which it has a contract for use in the reporting requirements in subdivision 4.

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

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

44.16 The Board of Regents of the University of Minnesota is requested to comply with this

44.17 section. The review must include an analysis of the contract's compliance with subdivision

44.18 2 prior to approval.

44.19 Subd. 4. **Reporting requirements.** (a) Each institution of higher education that contracts

44.20 with an online program management company shall require the independent public accountant

44.21 or certified public accountant as part of the institution's annual compliance and financial

44.22 audit, to provide information to determine if the online program management company was

44.23 in material compliance with the terms of the contract in the prior fiscal year. Each institution

44.24 of higher education shall submit an annual expenditure report and the annual compliance

44.25 and financial audit report to the commissioner of management and budget and to the chairs

44.26 and ranking minority members of the committees in the senate and house of representatives

44.27 with jurisdiction over higher education finance for review. At a minimum, the annual

(3) the number of students who received state financial assistance during the prior academic year and were enrolled in each academic program for which the online program management company provided services; and

(4) whether the online program management company was in material compliance with the terms of the contract.

(b) An online program management company that enters into a contract with an institution of higher education shall submit an annual report to the institution's chief financial officer detailing all expenditures made on behalf of the institution during the prior academic year. In addition to any other information required by the commissioner, the annual report shall specify the amounts expended by the online program management company on each of the following categories of expenditure:

(1) advertising, recruitment, and marketing services;

(2) admissions and financial services;

(3) instruction services;

(4) student support services;

(5) technology resources and support services; and

(6) curriculum development materials.

(c) Any information filed with the commissioner under this section may be disclosed in accordance with chapter 13, except that confidential information shall not be disclosed.

Subd. 5. **Marketing requirements.** (a) An institution of higher education that retains an online program management company to provide marketing services for its academic degree programs shall require that:

(1) the online program management company self-identifies as a third-party entity that is separate from the institution at the beginning of any communication with a prospective student; and

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

EFFECTIVE DATE. This section is effective July 1, 2024, and applies to contracts entered into on or after that date.

ARTICLE 4

STUDENT PROTECTIONS

Section 1. Minnesota Statutes 2022, section 136A.645, is amended to read:

136A.645 SCHOOL CLOSURE.

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

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

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

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

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

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

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

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

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

(b) When a school intends to cease a degree or nondegree program, announce the closure of a degree or nondegree program, is informed by the office that the office anticipates the program's closure due to the program's registration status or its ability to meet criteria for approval under section 136A.65, or the program loses eligibility in federal financial aid under title IV of the Higher Education Act of 1965, Public Law 89-329, as amended, the school must provide to the office:

(1) a notice of closure, including the name of the degree or nondegree program, the name and contact information of the program chair, and the planned date for termination of the degree or nondegree program;

(2) a report of all students currently enrolled and all students enrolled within the prior 120 days in the degree or nondegree program, including the following information for each student: name, address, school email address, alternate email address, program of study, number of credits completed, number of credits remaining, and enrollment status at closure of the program if the program is terminated due to loss of eligibility in the federal Pell Grant program;

(3) a written statement from the school's owner or designee affirming that all recruitment efforts, school marketing, advertisement, solicitation, and enrollment of new students in the degree or nondegree program has ceased;

must: (i) provide comparable education and training; and (ii) agree that students transferring from the closing school pay only the cost of tuition and fees that remain unpaid according to the terms and conditions in the enrollment agreement entered into between the student and the closing school if the program is terminated due to loss of eligibility in the federal Pell Grant program.

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

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

(2) announces it is closed or closing;

(3) files for bankruptcy; or

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

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

Sec. 2. Minnesota Statutes 2022, section 136A.65, subdivision 4, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(12) the school must not use nondisclosure agreements or other contracts restricting a student's ability to disclose information in connection with school actions or conduct that

would be covered under section 126A.672

- 50.1 (iv) admissions requirements for the degree;
- 50.2 (v) length of the degree;
- 50.3 (vi) projected enrollment for a period of five years;
- 50.4 (vii) the curriculum required for the degree, including course syllabi or outlines;
- 50.5 (viii) statement of academic and administrative mechanisms planned for monitoring the
- 50.6 quality of the proposed degree;
- 50.7 (ix) statement of satisfaction of professional licensure criteria, if applicable;
- 50.8 (x) documentation of the availability of clinical, internship, externship, or practicum
- 50.9 sites, if applicable; and
- 50.10 (xi) statement of how the degree fulfills the institution's mission and goals, complements
- 50.11 existing degrees, and contributes to the school's viability.

50.12 Sec. 3. Minnesota Statutes 2022, section 136A.65, subdivision 8, is amended to read:

50.13 Subd. 8. **Disapproval of registration; appeal.** (a) By giving written notice and reasons

50.14 to the school, the office may:

- 50.15 (1) revoke, suspend, or refuse to renew school registration;
- 50.16 (2) revoke, suspend, or refuse approval of a school's degree or nondegree program; and
- 50.17 (3) revoke, suspend, or refuse approval of the use of a regulated term in its name.

50.18 (b) Reasons for revocation or suspension of registration or approval may be for one or

50.19 more of the following reasons:

- 50.20 (1) violating the provisions of sections 136A.61 to 136A.71;
- 50.21 (2) providing false, misleading, or incomplete information to the office;
- 50.22 (3) presenting information about the school which is false, fraudulent, misleading,
- 50.23 deceptive, or inaccurate in a material respect to students or prospective students;
- 50.24 (4) refusing to allow reasonable inspection or to supply reasonable information after a

51.1 ~~(7)~~ having been administratively determined by the commissioner or judicially determined
51.2 to have committed fraud or any other material violation of law involving federal, state, or
51.3 local government funds.

51.4 (c) Reasons for revocation or suspension of registration or approval under paragraph
51.5 (a), clause (2), may be for one or more of the following reasons:

51.6 (1) the degree or nondegree program does not meet the provisions of sections 136A.61
51.7 to 136A.71;

51.8 (2) providing false, misleading, or incomplete information to the office about the degree
51.9 or nondegree program;

51.10 (3) presenting information about the degree or nondegree program which is false,
51.11 fraudulent, misleading, deceptive, or inaccurate in a material respect to students or
51.12 prospective students;

51.13 (4) refusing to allow reasonable inspection or to supply reasonable information about
51.14 the degree or nondegree program after a written request by the office has been received;

51.15 (5) failing to have any enrollment within two years of a program's approval, except for
51.16 programs that require extensive approval processes by the United States Department of
51.17 Education, or the program's institutional or programmatic accreditor; or

51.18 (6) the program loses eligibility in federal financial aid under title IV of the Higher
51.19 Education Act of 1965, Public Law 89-329, as amended.

51.20 ~~(e)~~ (d) Any order refusing, revoking, or suspending a school's registration, approval of
51.21 a school's degree, or use of a regulated term in the school's name is appealable in accordance
51.22 with chapter 14. The request must be in writing and made to the office within 30 days of
51.23 the date the school is notified of the action of the office. If a school has been operating and
51.24 its registration has been revoked, suspended, or refused by the office, the order is not effective
51.25 until the final determination of the appeal, unless immediate effect is ordered by the court.

51.26 Sec. 4. Minnesota Statutes 2022, section 136A.675, subdivision 2, is amended to read:

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

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

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

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

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

(7) the institution receives written notification by the United States Department of Education that one or more of its programs has lost eligibility in federal financial aid under title IV of the Higher Education Act of 1965, Public Law 89-329, as amended, for failing to satisfy federal Financial Value Transparency and Gainful Employment requirements under Code of Federal Regulations, title 34, parts 600 and 668.

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

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

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

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

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

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

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

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

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

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

53.14 Sec. 5. Minnesota Statutes 2022, section 136A.828, is amended by adding a subdivision
53.15 to read:

53.16 Subd. 7. **Nondisclosure agreements.** No private career school shall use nondisclosure
53.17 agreements or other contracts restricting a student's ability to disclose information in
53.18 connection with school actions or conduct that would be covered under section 136A.8295."

53.19 Amend the title accordingly