

1.1 **Senator Fateh from the Committee on Higher Education, to which was referred**

1.2 **S.F. No. 4003:** A bill for an act relating to higher education; making policy and technical
1.3 changes to certain higher education provisions including student sexual misconduct, student
1.4 aid, and institutional licensure provisions; requiring reports; requiring rulemaking; amending
1.5 Minnesota Statutes 2022, sections 135A.031, subdivision 7; 135A.15, subdivisions 1a, 2,
1.6 8, by adding a subdivision; 136A.091, subdivision 3; 136A.1241, subdivision 3; 136A.1701,
1.7 subdivisions 4, 7; 136A.62, by adding subdivisions; 136A.63, subdivision 1; 136A.646;
1.8 136A.65, subdivision 4; 136A.675, subdivision 2; 136A.821, subdivision 5, by adding a
1.9 subdivision; 136A.822, subdivisions 1, 2, 6, 7, 8; 136A.828, subdivision 3; 136A.829,
1.10 subdivision 3, by adding a subdivision; Minnesota Statutes 2023 Supplement, sections
1.11 135A.121, subdivision 2; 135A.15, subdivision 1; 135A.161, by adding a subdivision;
1.12 135A.162, subdivision 2; 136A.1241, subdivision 5; 136A.1465, subdivisions 1, 2, 3, 4, 5;
1.13 136A.62, subdivision 3; 136A.833, subdivision 2; proposing coding for new law in Minnesota
1.14 Statutes, chapters 135A; 136A.

1.15 Reports the same back with the recommendation that the bill be amended as follows:

1.16 Delete everything after the enacting clause and insert:

1.17 **"ARTICLE 1**

1.18 **HIGHER EDUCATION POLICY**

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

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

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

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

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

1.31 (4) meet satisfactory academic progress as defined under section 136A.101, subdivision
1.32 10.

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

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

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

2.4 (c) "School" means a public institution governed by the Board of Trustees of the
2.5 Minnesota State Colleges and Universities, private postsecondary educational institution
2.6 as defined under section 136A.62 or 136A.821, or public or private entity that is responsible
2.7 for providing transcripts to current or former students of an educational institution.
2.8 Institutions governed by the Board of Regents of the University of Minnesota are requested
2.9 to comply with this section.

2.10 (d) "Transcript" means the statement of an individual's academic record, including
2.11 official transcripts or the certified statement of an individual's academic record provided
2.12 by a school, and unofficial transcripts or the uncertified statement of an individual's academic
2.13 record provided by a school.

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

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

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

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

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

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

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

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

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

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

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

3.6 Subdivision 1. **Applicability.** (a) This section applies to the following postsecondary
3.7 institutions:

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

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

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

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

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

3.18 (c) "Parenting student" means a student enrolled at an institution of higher education
3.19 who is the parent or legal guardian of or can claim as a dependent a child under the age of
3.20 18.

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

3.26 (1) medical and behavioral health coverage and services;

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

3.29 (3) parenting and child care resources;

3.30 (4) employment assistance;

3.31 (5) transportation assistance; and

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

4.3 Subd. 4. **Report.** (a) By June 30, 2026, an institution of higher education must establish
4.4 a process for collecting the parenting status of each enrolled student. By November 30,
4.5 2025, the Office of Higher Education shall establish a process for collecting this information
4.6 from institutions.

4.7 (b) Annually, beginning January 15, 2028, the Office of Higher Education must submit
4.8 a report to the chairs and ranking minority members of the legislative committees with
4.9 jurisdiction over higher education and children, youth, and families. The report must include
4.10 the following for parenting students:

4.11 (1) summary demographic data;

4.12 (2) enrollment patterns;

4.13 (3) retention rates;

4.14 (4) completion rates;

4.15 (5) average cumulative debt at exit or graduation as possible; and

4.16 (6) time to completion.

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

4.19 Sec. 4. **[135A.1582] PROTECTIONS FOR PREGNANT AND PARENTING**
4.20 **STUDENTS.**

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

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

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

4.29 (1) take a leave of absence or withdraw from the student's degree or certificate program;

4.30 (2) limit the student's studies;

- 5.1 (3) participate in an alternative program;
- 5.2 (4) change the student's major, degree, or certificate program; or
- 5.3 (5) refrain from joining or cease participating in any course, activity, or program at the
- 5.4 college or university.
- 5.5 (b) A Minnesota state college or university shall provide and the University of Minnesota
- 5.6 is requested to provide reasonable modifications to a pregnant student, including
- 5.7 modifications that:
- 5.8 (1) would be provided to a student with a temporary medical condition; or
- 5.9 (2) are related to the health and safety of the student and the student's unborn child, such
- 5.10 as allowing the student to maintain a safe distance from substances, areas, and activities
- 5.11 known to be hazardous to pregnant women or unborn children.
- 5.12 (c) A Minnesota state college or university must and the University of Minnesota is
- 5.13 requested to, for reasons related to a student's pregnancy, childbirth, or any resulting medical
- 5.14 status or condition:
- 5.15 (1) excuse the student's absence;
- 5.16 (2) allow the student to make up missed assignments or assessments;
- 5.17 (3) allow the student additional time to complete assignments in the same manner as the
- 5.18 institution allows for a student with a temporary medical condition; and
- 5.19 (4) provide the student with access to instructional materials and video recordings of
- 5.20 lectures for classes for which the student has an excused absence under this section to the
- 5.21 same extent that instructional materials and video recordings of lectures are made available
- 5.22 to any other student with an excused absence.
- 5.23 (d) A Minnesota state college or university must and the University of Minnesota is
- 5.24 requested to allow a pregnant or parenting student to:
- 5.25 (1) take a leave of absence; and
- 5.26 (2) if in good academic standing at the time the student takes a leave of absence, return
- 5.27 to the student's degree or certificate program in good academic standing without being
- 5.28 required to reapply for admission.
- 5.29 (e) If a public college or university provides early registration for courses or programs
- 5.30 at the institution for any group of students, the Minnesota state college or university must

6.1 provide and the University of Minnesota is requested to provide early registration for those
6.2 courses or programs for pregnant or parenting students in the same manner.

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

6.6 (1) include the contact information of the Title IX coordinator who is the designated
6.7 point of contact for a student requesting each protection or modification under this section.
6.8 Contact information must include the Title IX coordinator's name, phone number, email,
6.9 and office;

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

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

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

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

6.24 Subd. 5. **Reporting.** The director must evaluate the development and implementation
6.25 of the Minnesota inclusive higher education initiatives receiving a grant under section
6.26 135A.162. The director must submit an annual report by October 1 on the progress to expand
6.27 Minnesota inclusive higher education options for students with intellectual disabilities to
6.28 the commissioner and chairs and ranking minority members of the legislative committees
6.29 with jurisdiction over higher education policy and finance. The report must include statutory
6.30 and budget recommendations.

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

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

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

7.7 (2) meets the eligibility requirements under section 136A.103.

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

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

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

7.14 (b) "Institution of higher education" means a public institution of higher education,
7.15 Tribal college, and private institution of higher education that receives federal funding. The
7.16 Board of Regents of the University of Minnesota is requested to comply with this section.

7.17 (c) "Plain language" means communication the audience can understand the first time
7.18 the audience reads or hears it.

7.19 (d) "Student with a disability" means an admitted or enrolled student who meets the
7.20 definition of an individual with a disability under the Americans with Disabilities Act and
7.21 includes a student with an intellectual disability as defined in Code of Federal Regulations,
7.22 title 34, section 668.231, who is admitted or enrolled in a comprehensive transition and
7.23 postsecondary program.

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

7.28 Subd. 4. **Establishment of reasonable accommodation; documentation.** (a) An
7.29 institution of higher education shall engage in an interactive process to document the student's
7.30 accommodation needs to establish a reasonable accommodation. An institution may request
7.31 documentation as part of the interactive process to establish accommodations for the student
7.32 with a disability.

8.1 (b) The following documentation submitted by an admitted or enrolled student is
8.2 sufficient documentation for the interactive process to establish reasonable accommodations
8.3 for a student with a disability:

8.4 (1) documentation that the individual has had an individualized education program (IEP).
8.5 The institution of higher education may request additional documentation from an individual
8.6 who has had an IEP if the IEP was not in effect immediately before the date when the
8.7 individual exited high school;

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

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

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

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

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

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

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

8.27 (d) An institution of higher education shall include a representative list of potential
8.28 reasonable accommodations and disability resources for individuals with a disability that
8.29 is accessible to applicants, students, parents, and faculty in plain language accessible formats.
8.30 This information must be available in languages that reflect the primary languages of the
8.31 institution's student body. The information must be provided during the student application
8.32 process, student orientation, in academic catalogs, and the institution's public website. The

9.1 reasonable accommodations and disability resources available to students are individualized
9.2 and not limited to the list.

9.3 Subd. 5. **Higher education requirements for students with disabilities.** Institutions
9.4 of higher education shall:

9.5 (1) before the beginning of each academic term, offer an opportunity for admitted students
9.6 to self-identify as having a disability for which they may request an accommodation. The
9.7 person or office responsible for arranging accommodations at the institution must initiate
9.8 contact with any student who has self-identified under this clause. This does not preclude
9.9 a student from requesting an accommodation for a disability at any other time;

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

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

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

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

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

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

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

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

10.2 (a) The commissioner of the Office of Higher Education shall report annually beginning
10.3 February 15, 2026, to the chairs and ranking minority members of the legislative committees
10.4 with jurisdiction over higher education, on the details of programs administered under
10.5 sections 136A.091 to 136A.1276, 136A.1465, and 136A.231 to 136A.246, including the:

10.6 (1) total funds appropriated and expended;

10.7 (2) total number of students applying for funds;

10.8 (3) total number of students receiving funds;

10.9 (4) average and total award amounts;

10.10 (5) summary demographic data on award recipients;

10.11 (6) retention rates of award recipients;

10.12 (7) completion rates of award recipients;

10.13 (8) average cumulative debt at exit or graduation; and

10.14 (9) average time to completion.

10.15 (b) Data must be disaggregated by program, institution, aid year, race and ethnicity,
10.16 gender, income, family type, dependency status, and any other factors determined to be
10.17 relevant by the commissioner. The commissioner must report any additional data and
10.18 outcomes relevant to the evaluation of programs administered under sections 136A.091 to
10.19 136A.1276, 136A.1465, and 136A.231 to 136A.246 as evidenced by activities funded under
10.20 each program.

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

10.22 Subd. 3. **Financial need.** Need for financial assistance is based on student eligibility for
10.23 free or reduced-price school meals under the national school lunch program. Student
10.24 eligibility shall be verified by sponsors of approved academic programs. The office shall
10.25 award stipends for students within the limits of available appropriations for this section. If
10.26 the amount appropriated is insufficient, the office shall allocate the available appropriation
10.27 in the manner it determines. A stipend must not exceed \$1,000 per student.

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

11.2 The commissioner must calculate aid for programs in the order of their original enactment
11.3 from oldest to most recent. The commissioner may determine the order of calculating state
11.4 financial aid if:

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

11.6 (2) two or more of those programs calculate funding after accounting for other state aid.

11.7 If the commissioner determines that a greater amount of financial aid would be available
11.8 to students by calculating aid in a particular order, the commissioner may calculate aid in
11.9 that order.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

12.1 (9) not be more than 30 days in arrears in court-ordered child support that is collected
12.2 or enforced by the public authority responsible for child support enforcement or, if the
12.3 applicant is more than 30 days in arrears in court-ordered child support that is collected or
12.4 enforced by the public authority responsible for child support enforcement, be complying
12.5 with a written payment agreement under section 518A.69 or order for arrearages; and

12.6 (10) not have been convicted of or pled nolo contendere or guilty to a crime involving
12.7 fraud in obtaining federal Title IV funds within the meaning of Code of Federal Regulations,
12.8 subtitle B, chapter VI, part 668, subpart C.

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

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

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

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

12.17 (3) the amount of the state grant;

12.18 (4) the Federal Supplemental Educational Opportunity Grant;

12.19 (5) the sum of all Tribal scholarships;

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

12.21 (7) the Education and Training Voucher Program;

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

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

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

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

12.30 (c) An eligible private institution may opt out of participating in the foster grant program
12.31 established under this section. To opt out, the institution shall provide notice to the office

13.1 by March 1 for the next academic year. An institution that opts out of participating, but
13.2 participated in the program a previous year, must hold harmless currently enrolled recipients
13.3 by continuing to provide the benefit under paragraph (d) as long as the student remains
13.4 eligible.

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

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

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

13.13 (e) An undergraduate student who is eligible may apply for and receive a foster grant
13.14 in any year of undergraduate study unless the student has obtained a baccalaureate degree
13.15 or received foster grant funds for a period of ten full-time semesters or the equivalent for a
13.16 four-year undergraduate degree. A foster grant student enrolled in a two-year degree,
13.17 certificate, or diploma program may apply for and receive a foster grant in any year of
13.18 undergraduate study unless the student has obtained a baccalaureate degree or received
13.19 foster grant funds for a period of six full-time semesters or the equivalent.

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

13.23 (g) The commissioner shall establish a priority application deadline.

13.24 (h) If there is a projected shortfall in available resources, the commissioner must
13.25 proportionately reduce awards to keep spending within available resources.

13.26 (i) Applicants applying after the priority deadline for whom the office has received a
13.27 completed application must be placed on a waiting list in order of application completion
13.28 date. Awards must be made on a first-come, first-served basis in the order complete
13.29 applications are received. Students who received the Fostering Independence Grant in the
13.30 previous year shall be given priority. If there are multiple applications with identical
13.31 completion dates, those applications must be further sorted by application receipt date.
13.32 Awards must be made to eligible students until the appropriation is expended.

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

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

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

14.7 (2) "gift aid" ~~means all~~ includes:

14.8 (i) all federal financial aid that is not a loan or pursuant to a work-study program;

14.9 (ii) state financial aid, unless designated for other expenses, that is not a loan or pursuant
14.10 to a work-study program;

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

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

14.15 Financial aid from the state, public postsecondary educational institutions, and Tribal colleges
14.16 that is specifically designated for other expenses is not gift aid for purposes of the North
14.17 Star Promise scholarship. Gift aid does not include scholarships funded by the Minnesota
14.18 State Colleges and Universities related foundations dollars.

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

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

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

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

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

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

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

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

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

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

15.7 (2) has a family adjusted gross income below \$80,000;

15.8 (3) is a graduate of a secondary school or its equivalent, or is 17 years of age or over
15.9 and has met all requirements for admission as a student to an eligible college or university;

15.10 ~~(3)~~ (4) has not earned a baccalaureate degree at the time the scholarship is awarded;

15.11 ~~(4)~~ (5) is enrolled in at least one credit per fall, spring, or summer semester; ~~and~~

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

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

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

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

15.24 ~~(5)~~ (10) is meeting satisfactory academic progress as defined in section 136A.101,
15.25 subdivision 10.

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

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

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

16.9 Sec. 17. Minnesota Statutes 2023 Supplement, section 136A.1465, subdivision 4, is
16.10 amended to read:

16.11 Subd. 4. **Maintain current levels of institutional assistance.** (a) Commencing with
16.12 the 2024-2025 academic year, a public postsecondary educational institution or Tribal
16.13 college shall not reduce the institutional gift aid offered or awarded to a student who is
16.14 eligible to receive funds under this program unless the student's gift aid exceeds the student's
16.15 annual recognized cost of attendance.

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

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

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

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

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

17.1 (b) Scholarships may be provided to an eligible student ~~for up to 60 credits for pursuing~~
17.2 ~~the completion of a certificate or an associate degree and up to 120 credits for the completion~~
17.3 ~~of a bachelor's degree~~ who has not previously received the scholarship for four full-time
17.4 semesters or the equivalent. Scholarships may be provided to an eligible student pursuing
17.5 the completion of a bachelor's degree who has not previously received the scholarship for
17.6 eight full-time semesters or the equivalent. The maximum credits for which a student is
17.7 eligible is a total of 120 credits eight full-time semesters or the equivalent. Courses taken
17.8 that qualify as developmental education or below college-level shall be excluded from the
17.9 limit.

17.10 (c) A student is entitled to an additional semester or the equivalent of grant eligibility
17.11 if the student withdraws from enrollment:

17.12 (1) for active military service because the student was ordered to active military service
17.13 as defined in section 190.05, subdivision 5b or 5c;

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

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

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

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

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

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

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

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

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

18.7 Subd. 7. **Repayment of loans.** The office shall establish repayment procedures for loans
18.8 made under this section in accordance with the policies, rules, and conditions authorized
18.9 under section 136A.16, subdivision 2. The office will take into consideration the loan limits
18.10 and current financial market conditions when establishing repayment terms. The office shall
18.11 not require a minimum annual payment, though the office may require minimum monthly
18.12 payments.

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

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

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

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

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

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

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

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

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

19.8 Subd. 9. **Physical presence.** "Physical presence" means a presence within the state of
19.9 Minnesota for the purpose of conducting activity related to any program at the degree level
19.10 or courses that may be applied to a degree program. Physical presence includes:

19.11 (1) operating a location within the state;

19.12 (2) offering instruction within or originating from Minnesota designed to impart
19.13 knowledge with response utilizing teachers, trainers, counselors or computer resources,
19.14 computer linking, or any form of electronic means; and

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

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

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

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

19.26 Sec. 25. Minnesota Statutes 2022, section 136A.646, is amended to read:

19.27 **136A.646 ADDITIONAL SECURITY.**

19.28 (a) New institutions that have been granted conditional approval for degrees or names
19.29 to allow them the opportunity to apply for and receive accreditation under section 136A.65,
19.30 subdivision 7, shall provide a surety bond in a sum equal to ten percent of the net revenue

20.1 from tuition and fees in the registered institution's prior fiscal year, but in no case shall the
20.2 bond be less than \$10,000.

20.3 (b) Any registered institution that is notified by the United States Department of Education
20.4 that it has fallen below minimum financial standards and that its continued participation in
20.5 Title IV will be conditioned upon its satisfying ~~either the Zone Alternative, an alternative~~
20.6 ~~standard set forth in Code of Federal Regulations, title 34, section 668.175, paragraph (f),~~
20.7 ~~or a Letter of Credit Alternative, Code of Federal Regulations, title 34, section 668.175,~~
20.8 ~~paragraph (e),~~ shall provide a surety bond in a sum equal to the "letter of credit" required
20.9 by the United States Department of Education in the Letter of Credit Alternative, but in no
20.10 event shall such bond be less than \$10,000 nor more than \$250,000. If the letter of credit
20.11 required by the United States Department of Education is higher than ten percent of the
20.12 Title IV, Higher Education Act program funds received by the institution during its most
20.13 recently completed fiscal year, the office shall reduce the office's surety requirement to
20.14 represent ten percent of the Title IV, Higher Education Act program funds received by the
20.15 institution during its most recently completed fiscal year, subject to the minimum and
20.16 maximum in this paragraph.

20.17 (c) In lieu of a bond, the applicant may deposit with the commissioner of management
20.18 and budget:

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

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

20.22 (3) an irrevocable letter of credit issued by a financial institution to the amount of the
20.23 required surety bond.

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

20.27 (e) In the event of a school closure, the additional security must first be used to destroy
20.28 any private educational data under section 13.32 left at a physical campus in Minnesota
20.29 after all other governmental agencies have recovered or retrieved records under their record
20.30 retention policies. Any remaining funds must then be used to reimburse tuition and fee costs
20.31 to students that were enrolled at the time of the closure or had withdrawn in the previous
20.32 ~~420~~ 180 calendar days but did not graduate. Priority for refunds will be given to students
20.33 in the following order:

21.1 (1) cash payments made by the student or on behalf of a student;

21.2 (2) private student loans; and

21.3 (3) Veteran Administration education benefits that are not restored by the Veteran

21.4 Administration. If there are additional security funds remaining, the additional security

21.5 funds may be used to cover any administrative costs incurred by the office related to the

21.6 closure of the school.

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

21.8 Subd. 2. **Additional reporting.** (a) In addition to the information required for the

21.9 indicators in subdivision 1, an institution must notify the office within ten business days if

21.10 any of the events in paragraphs (b) to (e) occur.

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

21.12 (1) the institution defaulted on a debt payment or covenant and has not received a waiver

21.13 of the violation from the financial institution within 60 days;

21.14 (2) for institutions with a federal composite score of less than 1.5, the institution's owner

21.15 withdraws equity that directly results in a composite score of less than 1.0, unless the

21.16 withdrawal is a transfer between affiliated entities included in a common composite score;

21.17 (3) the United States Department of Education requires a 25 percent or greater Letter of

21.18 Credit, except when the Letter of Credit is imposed due to a change of ownership;

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

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

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

21.22 1094(a)(24), as amended; or

21.23 (6) the institution receives written notification by the United States Department of

21.24 Education that it has fallen below minimum financial standards and that its continued

21.25 participation in Title IV is conditioned upon satisfying ~~either the Zone Alternative, an~~

21.26 alternative standard set forth in Code of Federal Regulations, title 34, section 668.175;

21.27 ~~paragraph (f), or a Letter of Credit Alternative, Code of Federal Regulations, title 34, section~~

21.28 ~~668.175, paragraph (e).~~

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

21.30 (1) the institution receives written notification of probation, warning, show-cause, or

21.31 loss of institutional accreditation;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

23.6 (1) operating a location within the state;

23.7 (2) offering instruction within or originating from Minnesota designed to impart
23.8 knowledge with response utilizing teachers, trainers, counselors or computer resources,
23.9 computer linking, or any form of electronic means;

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

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

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

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

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

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

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

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

23.29 Subd. 6. **Bond.** (a) No license shall be issued to any private career school ~~which~~
23.30 ~~maintains, conducts, solicits for, or advertises~~ with a physical presence within the state of
23.31 Minnesota for any program, unless the applicant files with the office a continuous corporate

24.1 surety bond written by a company authorized to do business in Minnesota conditioned upon
24.2 the faithful performance of all contracts and agreements with students made by the applicant.

24.3 (b)(1) The amount of the surety bond shall be ten percent of the preceding year's net
24.4 revenue from student tuition, fees, and other required institutional charges collected, but in
24.5 no event less than \$10,000, except that a private career school may deposit a greater amount
24.6 at its own discretion. A private career school in each annual application for licensure must
24.7 compute the amount of the surety bond and verify that the amount of the surety bond complies
24.8 with this subdivision. A private career school that operates at two or more locations may
24.9 combine net revenue from student tuition, fees, and other required institutional charges
24.10 collected for all locations for the purpose of determining the annual surety bond requirement.
24.11 The net revenue from tuition and fees used to determine the amount of the surety bond
24.12 required for a private career school having a license for the sole purpose of recruiting students
24.13 in Minnesota shall be only that paid to the private career school by the students recruited
24.14 from Minnesota.

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

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

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

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

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

25.5 Subd. 7. **Resident agent.** Private career schools located outside the state of Minnesota
25.6 that ~~offer, advertise, solicit for, or conduct any program~~ have a physical presence within
25.7 the state of Minnesota shall first file with the secretary of state a sworn statement designating
25.8 a resident agent authorized to receive service of process. The statement shall designate the
25.9 secretary of state as resident agent for service of process in the absence of a designated
25.10 agent. If a private career school fails to file the statement, the secretary of state is designated
25.11 as the resident agent authorized to receive service of process. The authorization shall be
25.12 irrevocable as to causes of action arising out of transactions occurring prior to the filing of
25.13 written notice of withdrawal from the state of Minnesota filed with the secretary of state.

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

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

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

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

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

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

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

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

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

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

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

26.4 (6) that the premises and conditions where the students work and study and the student
26.5 living quarters which are owned, maintained, recommended, or approved by the applicant
26.6 are sanitary, healthful, and safe, as evidenced by certificate of occupancy issued by the
26.7 municipality or county where the private career school is physically situated, a fire inspection
26.8 by the local or state fire marshal, or another verification deemed acceptable by the office;

26.9 (7) that the contract or enrollment agreement used by the private career school complies
26.10 with the provisions in section 136A.826;

26.11 (8) that contracts and agreements do not contain a wage assignment provision or a
26.12 confession of judgment clause; ~~and~~

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

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

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

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

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

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

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

- 27.1 (e) If placement statistics are used in advertising or other promotional materials, the
27.2 school must be able to substantiate the statistics with school records. These records must
27.3 be made available to the office upon request. A school is prohibited from reporting the
27.4 following in placement statistics:
- 27.5 (1) a student required to receive a job offer or start a job to be classified as a graduate;
- 27.6 (2) a graduate if the graduate held a position before enrolling in the program, unless
27.7 graduating enabled the graduate to maintain the position or the graduate received a promotion
27.8 or raise upon graduation;
- 27.9 (3) a graduate who works less than 20 hours per week; and
- 27.10 (4) a graduate who is not expected to maintain the position for at least 180 days.
- 27.11 (f) A school shall not use endorsements, commendations, or recommendations by a
27.12 student in favor of a school except with the consent of the student and without any offer of
27.13 financial or other material compensation. Endorsements may be used only when they portray
27.14 current conditions.
- 27.15 (g) A school may advertise that the school or its programs have been accredited by an
27.16 accrediting agency recognized by the United States Department of Education or the Council
27.17 for Higher Education Accreditation, but shall not advertise any other accreditation unless
27.18 approved by the office. The office may approve an institution's advertising of accreditation
27.19 that is not recognized by the United States Department of Education or the Council for
27.20 Higher Education if that accreditation is industry specific. Clear distinction must be made
27.21 when the school is in candidacy or application status versus full accreditation.
- 27.22 (h) A school may advertise that financial aid is available, including a listing of the
27.23 financial aid programs in which the school participates, but federal or state financial aid
27.24 shall not be used as a primary incentive in advertisement, promotion, or recruitment.
- 27.25 (i) A school may advertise placement or career assistance, if offered, but shall not use
27.26 the words "wanted," "help wanted," or "trainee," either in the headline or the body of the
27.27 advertisement.
- 27.28 (j) A school shall not be advertised under any "help wanted," "employment," or similar
27.29 classification.
- 27.30 (k) A school shall not falsely claim that it is conducting a talent hunt, contest, or similar
27.31 test.

28.1 (l) A school shall not make a claim that its program qualifies for a national certification
28.2 if that national certification entity is not accepted or recognized by Minnesota employers.
28.3 A school may validate that a national certification is accepted or recognized by Minnesota
28.4 employers by providing three certified letters from employers that the national certification
28.5 entity is recognized in Minnesota by employers.

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

28.9 Sec. 35. Minnesota Statutes 2022, section 136A.829, subdivision 3, is amended to read:

28.10 Subd. 3. **Powers and duties.** The office shall have (in addition to the powers and duties
28.11 now vested therein by law) the following powers and duties:

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

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

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

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

- 29.1 (1) periodic monitoring and submission of reports on the school's deficiencies to ascertain
29.2 whether compliance improves;
- 29.3 (2) periodic collaborative consultations with the school on noncompliance with sections
29.4 136A.82 to 136A.834 or how the institution is managing compliance;
- 29.5 (3) the submission of contingency plans such as teach-out plans or transfer pathways
29.6 for students;
- 29.7 (4) a prohibition from accepting tuition and fee payments prior to the add/drop period
29.8 of the current period of instruction or before the funds have been earned by the school
29.9 according to the refund requirements of section 136A.827;
- 29.10 (5) a prohibition from enrolling new students;
- 29.11 (6) enrollment caps;
- 29.12 (7) the initiation of alternative processes and communications with students enrolled at
29.13 the school to notify students of deficiencies or probation status;
- 29.14 (8) the submission of a surety under section 136A.822, subdivision 6, paragraph (b),
29.15 clause (1), that exceeds ten percent of the preceding year's net revenue from student tuition,
29.16 fees, and other required institutional charges collected; or
- 29.17 (9) submission of closure information under section 136A.8225.
- 29.18 Sec. 36. Minnesota Statutes 2022, section 136A.829, is amended by adding a subdivision
29.19 to read:
- 29.20 Subd. 4. **Effect.** A private career school or its owners, officers, or sponsoring organization
29.21 is prohibited from applying for licensure under section 136A.822 within two years of the
29.22 effective date of a revocation or within two years from the last date of instruction if the
29.23 school closed prior to all students completing their courses and programs. A school applying
29.24 for licensure must:
- 29.25 (1) meet the requirements for licensure under section 136A.822;
- 29.26 (2) pay the licensure fees as a new school under section 136A.824, subdivision 1;
- 29.27 (3) correct any deficiencies that were identified in the revocation order or closed school
29.28 requests under section 136A.8225;
- 29.29 (4) pay any outstanding fines or penalties under section 136A.832; and
- 29.30 (5) pay any outstanding student refunds under section 136A.827.

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

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

30.5 (1) public postsecondary institutions;

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

30.7 (3) postsecondary institutions exempt from registration under sections 136A.653,
30.8 subdivisions 1b, 2, 3, and 3a; 136A.657; and 136A.658;

30.9 ~~(4) private career schools of nursing accredited by the state Board of Nursing or an~~
30.10 ~~equivalent public board of another state or foreign country;~~

30.11 ~~(5)~~ (4) private schools complying with the requirements of section 120A.22, subdivision
30.12 4;

30.13 ~~(6)~~ (5) courses taught to students in an apprenticeship program registered by the United
30.14 States Department of Labor or Minnesota Department of Labor and taught by or required
30.15 by a trade union. A trade union is an organization of workers in the same skilled occupation
30.16 or related skilled occupations who act together to secure all members favorable wages,
30.17 hours, and other working conditions;

30.18 ~~(7)~~ (6) private career schools exclusively engaged in training physically or mentally
30.19 disabled persons ~~for the state of Minnesota;~~

30.20 ~~(8)~~ (7) private career schools licensed or approved by boards authorized under Minnesota
30.21 law to issue licenses for training programs except private career schools required to obtain
30.22 a private career school license due to the use of "academy," "institute," "college," or
30.23 "university" in their names;

30.24 ~~(9)~~ (8) private career schools and educational programs, or training programs, contracted
30.25 for by persons, firms, corporations, government agencies, or associations, for the training
30.26 of their own employees, for which no fee is charged the employee, regardless of whether
30.27 that fee is reimbursed by the employer or third party after the employee successfully
30.28 completes the training;

30.29 ~~(10)~~ (9) private career schools engaged exclusively in the teaching of purely avocational,
30.30 recreational, or remedial subjects that are not advertised or maintained for vocational or
30.31 career advancement, including adult basic education, as determined by the office except
30.32 private career schools required to obtain a private career school license due to the use of

31.1 ~~"academy," "institute," "college," or "university" in their names unless the private career~~
31.2 ~~school used "academy" or "institute" in its name prior to August 1, 2008;~~

31.3 ~~(11)~~ (10) classes, courses, or programs conducted by a bona fide trade, professional, or
31.4 fraternal organization, solely for that organization's membership and not available to the
31.5 public. In making the determination that the organization is bona fide, the office may request
31.6 the school provide three certified letters from persons that qualify as evaluators under section
31.7 136A.828, subdivision 3, paragraph (l), that the organization is recognized in Minnesota;

31.8 ~~(12)~~ (11) programs in the fine arts provided by organizations exempt from taxation under
31.9 section 290.05 and registered with the attorney general under chapter 309. For the purposes
31.10 of this clause, "fine arts" means activities resulting in artistic creation or artistic performance
31.11 of works of the imagination which are engaged in for the primary purpose of creative
31.12 expression rather than commercial sale, vocational or career advancement, or employment.
31.13 In making this determination the office may seek the advice and recommendation of the
31.14 Minnesota Board of the Arts;

31.15 ~~(13)~~ (12) classes, courses, or programs intended to fulfill the continuing education
31.16 requirements for a bona fide licensure or certification in a profession, that have been approved
31.17 by a legislatively or judicially established board or agency responsible for regulating the
31.18 practice of the profession or by an industry-specific certification entity, and that are offered
31.19 exclusively to individuals with the professional licensure or certification. In making the
31.20 determination that the licensure or certification is bona fide, the office may request the
31.21 school provide three certified letters from persons that qualify as evaluators under section
31.22 136A.828, subdivision 3, paragraph (l), that the licensure and certification is recognized in
31.23 Minnesota;

31.24 ~~(14)~~ (13) review classes, courses, or programs intended to prepare students to sit for
31.25 undergraduate, graduate, postgraduate, or occupational licensing, certification, or entrance
31.26 examinations and does not include the instruction to prepare students for that license,
31.27 occupation, certification, or exam;

31.28 ~~(15)~~ (14) classes, courses, or programs providing 16 or fewer clock hours of instruction;

31.29 ~~(16)~~ (15) classes, courses, or programs providing instruction in personal development
31.30 that is not advertised or maintained for vocational or career advancement, modeling, or
31.31 acting;

31.32 ~~(17)~~ (16) private career schools with no physical presence in Minnesota, ~~as determined~~
31.33 ~~by the office~~, engaged exclusively in offering distance instruction that are located in and
31.34 regulated by other states or jurisdictions if the distance education instruction does not include

32.1 internships, externships, field placements, or clinical placements for residents of Minnesota;
32.2 and

32.3 ~~(+8)~~ (17) private career schools providing exclusively training, instructional programs,
32.4 or courses where tuition, fees, and any other charges, regardless of payment or reimbursement
32.5 method, for a student to participate do not exceed \$100.

32.6 Sec. 38. Minnesota Statutes 2023 Supplement, section 136F.38, subdivision 3, is amended
32.7 to read:

32.8 Subd. 3. **Program eligibility.** (a) Scholarships shall be awarded only to a student eligible
32.9 for resident tuition, as defined in section 135A.043, who is enrolled in any of the following
32.10 programs of study or certification: (1) advanced manufacturing; (2) agriculture; (3) health
32.11 care services; (4) information technology; (5) early childhood; (6) transportation; (7)
32.12 construction; (8) education; (9) public safety; (10) energy; or ~~(+10)~~ (11) a program of study
32.13 under paragraph (b).

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

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

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

32.28 Sec. 39. **[136F.405] ACADEMIC FREEDOM PROTECTION.**

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

32.31 (b) "Academic freedom" means the freedom of an educator or researcher in higher
32.32 education to investigate and discuss the issues in their academic field and to teach or publish

33.1 findings without interference from political figures, boards of trustees, donors, or other
 33.2 entities.

33.3 Subd. 2. **Faculty rights.** (a) Minnesota State Colleges and Universities must maintain
 33.4 policies that support and encourage academic freedom. A faculty member at a Minnesota
 33.5 state institution may, without limitation, discuss the subject matter in the classroom of the
 33.6 courses the faculty member is assigned to teach without interference from political figures,
 33.7 boards of trustees, donors, or other entities. Each faculty member shall have the right to
 33.8 teach in an atmosphere of free intellectual inquiry and shall not be subjected to restraints
 33.9 or harassment that would impair teaching.

33.10 (b) A faculty member is entitled to full freedom in research and in the publication of
 33.11 results, so long as the faculty member fulfills the requirements and duties of the academic
 33.12 position held.

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

33.17 **Sec. 40. REPEALER.**

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

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

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

33.21 **ARTICLE 2**

33.22 **SEXUAL MISCONDUCT POLICY**

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

33.24 **135A.15 CAMPUS SEXUAL HARASSMENT AND VIOLENCE MISCONDUCT**
 33.25 **POLICY.**

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

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

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

34.1 ~~that a private postsecondary institution with a systemwide enrollment of fewer than 100~~
34.2 ~~students in the previous academic year is exempt from subdivisions 4 to 10 paragraph (a),~~
34.3 ~~that are participating in the federal Pell Grant program under Title IV of the Higher Education~~
34.4 ~~Act of 1965, Public Law 89-329, as amended.~~

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

34.7 (b) A postsecondary institution must adopt a clear, understandable written policy on
34.8 ~~sexual harassment and sexual violence~~ misconduct that informs victims of their rights under
34.9 the crime victims bill of rights, including the right to assistance from the Crime Victims
34.10 Reimbursement Board and the commissioner of public safety. The policy must apply to
34.11 students and employees and must provide information about their rights and duties. The
34.12 policy must apply to criminal incidents against a student or employee of a postsecondary
34.13 institution occurring on property owned or leased by the postsecondary system or institution
34.14 or at any activity, program, organization, or event sponsored by the system or institution,
34.15 or by a fraternity ~~and~~ or sorority, regardless of whether the activity, program, organization,
34.16 or event occurs on or off property owned or leased by the postsecondary system or institution.
34.17 It must include procedures for reporting incidents of sexual ~~harassment or sexual violence~~
34.18 misconduct and for disciplinary actions against violators. During student registration, a
34.19 postsecondary institution shall provide each student with information regarding its policy.
34.20 A copy of the policy also shall be posted at appropriate locations on campus at all times.

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

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

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

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

34.33 (e) "Intimate partner violence" means any physical or sexual harm or a pattern of any
34.34 other coercive behavior committed, enabled, or solicited to gain or maintain power and

- 35.1 control over a victim, including verbal, psychological, economic, or technological abuse
 35.2 that may or may not constitute criminal behavior against an individual, that may be classified
 35.3 as a sexual misconduct, dating violence, or domestic violence caused by:
- 35.4 (1) a current or former spouse of the individual; or
 35.5 (2) a person in a sexual or romantic relationship with the individual.
- 35.6 (f) "Nonconsensual dissemination of sexual images" has the meaning given in section
 35.7 617.261.
- 35.8 (g) "Reporting party" means the party in a disciplinary proceeding who has reported
 35.9 being subjected to conduct or communication that could constitute sexual misconduct.
- 35.10 (h) "Responding party" means the party in a disciplinary proceeding who has been
 35.11 reported to be the perpetrator of conduct or communication that could constitute sexual
 35.12 misconduct.
- 35.13 ~~(e)~~ (i) "Sexual assault" means rape, sex offenses - fondling, sex offenses - incest, or sex
 35.14 offenses - statutory rape as defined in Code of Federal Regulations, title 34, part 668, subpart
 35.15 D, appendix A, as amended.
- 35.16 (j) "Sexual extortion" has the meaning given in section 609.3458.
- 35.17 (k) "Sex trafficking" has the meaning given in section 609.321, subdivision 7a.
- 35.18 (l) "Sexual harassment" has the meaning given in section 363A.03, subdivision 43.
- 35.19 (m) "Sexual misconduct" means an incident of sexual violence, intimate partner violence,
 35.20 domestic violence, sexual assault, sexual harassment, nonconsensual distribution of sexual
 35.21 images, sexual extortion, nonconsensual dissemination of a deepfake depicting intimate
 35.22 parts or sexual acts, sex trafficking, or stalking.
- 35.23 (n) "Stalking" means engaging in a course of conduct, on the basis of sex, directed at a
 35.24 specific person that would cause a reasonable person to (1) fear for that person's safety or
 35.25 the safety of others, or (2) suffer substantial emotional distress.
- 35.26 Subd. 2. **Victims' rights.** (a) The policy required under subdivision 1 shall, at a minimum,
 35.27 require that students and employees be informed of the policy, and shall include provisions
 35.28 for:
- 35.29 (1) filing criminal charges with local law enforcement officials in ~~sexual assault~~ cases
 35.30 defined as sexual misconduct that may constitute criminal behavior;

- 36.1 (2) the prompt assistance of campus authorities, at the request of the victim, in notifying
36.2 the appropriate law enforcement officials and disciplinary authorities of a sexual ~~assault~~
36.3 misconduct incident;
- 36.4 (3) allowing sexual ~~assault~~ misconduct victims to decide whether to report a case to law
36.5 enforcement or not report altogether; participate in a campus investigation, disciplinary
36.6 proceeding, or nondisciplinary informal resolution; or not participate altogether;
- 36.7 (4) requiring campus authorities to treat sexual ~~assault~~ misconduct victims with dignity;
- 36.8 (5) requiring campus authorities to offer sexual ~~assault~~ misconduct victims fair and
36.9 respectful health care, counseling services, or referrals to such services;
- 36.10 (6) preventing campus authorities from suggesting to a victim of sexual ~~assault~~
36.11 misconduct that the victim is at fault for the crimes or violations that occurred;
- 36.12 (7) preventing campus authorities from suggesting to a victim of sexual ~~assault~~
36.13 misconduct that the victim should have acted in a different manner to avoid such a crime;
- 36.14 (8) subject to ~~subdivision~~ subdivisions 2a and 10, protecting the privacy of sexual ~~assault~~
36.15 misconduct victims by only disclosing data collected under this section to the victim, persons
36.16 whose work assignments reasonably require access, and, at a sexual ~~assault~~ misconduct
36.17 victim's request, police conducting a criminal investigation;
- 36.18 (9) an investigation and resolution of a sexual ~~assault~~ misconduct complaint by campus
36.19 disciplinary authorities;
- 36.20 (10) a sexual ~~assault~~ misconduct victim's participation in and the presence of the victim's
36.21 ~~attorney or other support person~~ advisor who is not a fact witness to the sexual ~~assault~~
36.22 misconduct at any meeting with campus officials concerning the victim's sexual ~~assault~~
36.23 misconduct complaint or campus disciplinary proceeding concerning a sexual ~~assault~~
36.24 misconduct complaint;
- 36.25 (11) ensuring that a sexual ~~assault~~ misconduct victim may decide when to repeat a
36.26 description of the incident of sexual ~~assault~~ misconduct;
- 36.27 (12) notice to a sexual ~~assault~~ misconduct victim of the availability of a campus or local
36.28 program providing ~~sexual-assault~~ victim advocacy services and information on free legal
36.29 resources and services;
- 36.30 (13) notice to a sexual ~~assault~~ misconduct victim of the outcome of any campus
36.31 disciplinary proceeding concerning a sexual ~~assault~~ misconduct complaint, consistent with
36.32 laws relating to data practices;

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

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

37.7 (16) during and after the process of investigating a complaint and conducting a campus
37.8 disciplinary procedure, the assistance of campus personnel, in cooperation with the
37.9 appropriate law enforcement authorities, at a sexual ~~assault~~ misconduct victim's request, in
37.10 shielding the victim from unwanted contact with the alleged assailant, including transfer of
37.11 the victim to alternative classes or to alternative college-owned housing, if alternative classes
37.12 or housing are available and feasible;

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

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

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

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

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

37.31 Subd. 2a. **Campus investigation and disciplinary hearing procedures.** (a) A
37.32 postsecondary institution must provide a reporting party an opportunity for an impartial,
37.33 timely, and thorough investigation of a report of sexual misconduct against a student. If an

38.1 investigation reveals that sexual misconduct has occurred, the institution must take prompt
38.2 and effective steps reasonably calculated to end the sexual misconduct, prevent its recurrence,
38.3 and, as appropriate, remedy its effects.

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

38.7 (c) If a postsecondary institution conducts a hearing, an advisor may provide opening
38.8 and closing remarks on behalf of a party or assist with formulating questions to the other
38.9 party or witnesses about related evidence or credibility.

38.10 (d) In any disciplinary proceeding arising from an alleged incident of sexual misconduct
38.11 against a student, a postsecondary institution must apply a preponderance of the evidence
38.12 standard of proof.

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

38.18 Subd. 4. **Coordination with local law enforcement.** (a) A postsecondary institution
38.19 must enter into a memorandum of understanding with the primary local law enforcement
38.20 agencies that serve its campus. The memorandum must be entered into no later than January
38.21 1, 2017, and updated every two years thereafter. This memorandum shall clearly delineate
38.22 responsibilities and require information sharing, in accordance with applicable state and
38.23 federal privacy laws, about certain crimes including, but not limited to, sexual assault. This
38.24 memorandum of understanding shall provide:

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

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

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

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

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

39.5 Subd. 5. **Online reporting system.** (a) A postsecondary institution must provide an
39.6 online reporting system to receive complaints of sexual ~~harassment and sexual violence~~
39.7 misconduct from students and employees. The system must permit anonymous reports,
39.8 provided that the institution is not obligated to investigate an anonymous report unless a
39.9 formal report is submitted through the process established in the institution's sexual
39.10 ~~harassment and sexual violence~~ misconduct policy.

39.11 (b) A postsecondary institution must provide students making reports under this
39.12 subdivision with information about who will receive and have access to the reports filed,
39.13 how the information gathered through the system will be used, and contact information for
39.14 on-campus and off-campus organizations serving victims of sexual ~~violence~~ misconduct.

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

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

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

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

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

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

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

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

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

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

40.7 (9) the number that resulted in a disciplinary proceeding at the institution that closed
40.8 without resolution because the victim chose not to participate in the procedure; and

40.9 (10) the number of reports made through the online reporting system established in
40.10 subdivision 5, excluding reports submitted anonymously.

40.11 (b) If an institution previously submitted a report indicating that one or more disciplinary
40.12 proceedings was pending, but had not reached a final resolution, and one or more of those
40.13 disciplinary proceedings reached a final resolution within the previous calendar year, that
40.14 institution must submit updated totals from the previous year that reflect the outcome of
40.15 the pending case or cases.

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

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

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

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

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

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

40.29 (f) Reports and data required under this subdivision must be prepared and published as
40.30 summary data, as defined in section 13.02, subdivision 19, and must be consistent with
40.31 applicable law governing access to educational data. If an institution or the Office of Higher

41.1 Education does not publish data because of applicable law, the publication must explain
41.2 why data are not included.

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

41.10 (b) Only individuals with explicit authorization from an institution may enter, update,
41.11 or access electronic data related to an incident of sexual ~~assault~~ misconduct collected,
41.12 created, or maintained under this section. The ability of authorized individuals to enter,
41.13 update, or access these data must be limited through the use of role-based access that
41.14 corresponds to the official duties or training level of the individual and the institutional
41.15 authorization that grants access for that purpose. All actions in which the data related to an
41.16 incident of sexual ~~assault~~ misconduct are entered, updated, accessed, shared, or disseminated
41.17 outside of the institution must be recorded in a data audit trail. An institution shall
41.18 immediately and permanently revoke the authorization of any individual determined to have
41.19 willfully entered, updated, accessed, shared, or disseminated data in violation of this
41.20 subdivision or any provision of chapter 13. If an individual is determined to have willfully
41.21 gained access to data without explicit authorization, the matter shall be forwarded to a
41.22 county attorney for prosecution.

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

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

42.4 (1) students pursuing a degree or certificate;

42.5 (2) students who are taking courses through the Postsecondary Enrollment Options Act;
 42.6 and

42.7 (3) any other categories of students determined by the institution.

42.8 Students must complete such training no later than ten business days after the start of a
 42.9 student's first semester of classes. Once a student completes the training, institutions must
 42.10 document the student's completion of the training and provide proof of training completion
 42.11 to a student at the student's request. Students enrolled at more than one institution within
 42.12 the same system at the same time are only required to complete the training once.

42.13 The training shall include information about topics including but not limited to sexual
 42.14 ~~assault~~ misconduct as defined in subdivision 1a; consent as defined in section 609.341,
 42.15 subdivision 4; preventing and reducing the prevalence of sexual ~~assault~~ misconduct;
 42.16 procedures for reporting campus sexual ~~assault~~ misconduct; and campus resources on sexual
 42.17 ~~assault~~ misconduct, including organizations that support victims of sexual ~~assault~~ misconduct.

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

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

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

42.31 (b) Each institution offering student health or counseling services must designate an
 42.32 existing staff member or existing staff members as confidential resources for victims of
 42.33 sexual ~~violence or sexual harassment~~ misconduct. The confidential resource must be available

43.1 to meet with victims of sexual ~~violence and sexual harassment~~ misconduct. The confidential
43.2 resource must provide victims with information about locally available resources for victims
43.3 of sexual ~~violence and sexual harassment~~ misconduct including, but not limited to, mental
43.4 health services and legal assistance. The confidential resource must provide victims with
43.5 information about the process for reporting an incident of sexual ~~violence and sexual~~
43.6 ~~harassment~~ misconduct to campus authorities or local law enforcement. The victim shall
43.7 decide whether to report an incident of sexual ~~violence and sexual harassment~~ misconduct
43.8 to campus authorities or local law enforcement. Confidential resources must be trained in
43.9 all aspects of responding to incidents of sexual ~~violence and sexual harassment~~ misconduct
43.10 including, but not limited to, best practices for interacting with victims of trauma, preserving
43.11 evidence, campus disciplinary and local legal processes, and locally available resources for
43.12 victims. Data shared with a confidential resource is classified as sexual assault
43.13 communication data as defined by section 13.822, subdivision 1.

43.14 Subd. 10. **Applicability of other laws.** This section does not exempt mandatory reporters
43.15 from the requirements of section 626.557 or chapter 260E governing the reporting of
43.16 maltreatment of minors or vulnerable adults. Nothing in this section limits the authority of
43.17 an institution to comply with other applicable state or federal laws related to investigations
43.18 or reports of sexual ~~harassment, sexual violence, or sexual assault~~ misconduct.

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

43.20 **ARTICLE 3**

43.21 **ONLINE PROGRAM MANAGEMENT COMPANY REQUIREMENTS**

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

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

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

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

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

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

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

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

44.10 (1) includes tuition sharing;

44.11 (2) grants the online program management company ownership rights to any or all
44.12 intellectual property rights, patentable discoveries, or inventions of faculty members of an
44.13 institution of higher education; or

44.14 (3) grants the online program management company decision making authority over:

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

44.16 (ii) student assessment and grading;

44.17 (iii) course assessment;

44.18 (iv) admissions requirements;

44.19 (v) appointment of faculty;

44.20 (vi) faculty assessment;

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

44.22 (viii) institutional governance.

44.23 (b) A contract between an institution of higher education and an online program
44.24 management company must contain a provision that the online program management
44.25 company must provide its audited financial statements and the data required under subdivision
44.26 4, paragraph (b), to the chief financial officer of the institution of higher education with
44.27 which it has a contract for use in the reporting requirements in subdivision 4.

44.28 Subd. 3. **Mandatory contract review and approval.** Prior to being executed, a contract
44.29 must be reviewed and approved by the institution of higher education's governing board.
44.30 The Board of Regents of the University of Minnesota is requested to comply with this

45.1 section. The review must include an analysis of the contract's compliance with subdivision
45.2 2 prior to approval.

45.3 Subd. 4. **Reporting requirements.** (a) Each institution of higher education that contracts
45.4 with an online program management company shall require the independent public accountant
45.5 or certified public accountant as part of the institution's annual compliance and financial
45.6 audit, to provide information to determine if the online program management company was
45.7 in material compliance with the terms of the contract in the prior fiscal year. Each institution
45.8 of higher education shall submit an annual expenditure report and the annual compliance
45.9 and financial audit report to the commissioner of management and budget and to the chairs
45.10 and ranking minority members of the committees in the senate and house of representatives
45.11 with jurisdiction over higher education finance for review. At a minimum, the annual
45.12 expenditure report shall include:

45.13 (1) the information provided by the online program management company under
45.14 paragraph (b);

45.15 (2) the total payments made by the institution to the online program management company
45.16 during each semester of the prior academic year;

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

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

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

45.28 (1) advertising, recruitment, and marketing services;

45.29 (2) admissions and financial services;

45.30 (3) instruction services;

45.31 (4) student support services;

45.32 (5) technology resources and support services; and

46.1 (6) curriculum development materials.

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

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

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

46.10 (2) any digital or print advertising provided by the online program management company
46.11 for an academic program of the institution includes a clear disclosure of the third-party
46.12 relationship between the online program management company and the institution.

46.13 (b) An institution of higher education that contracts with an online program management
46.14 company shall make publicly available on its website a list of the online programs that are
46.15 supported by the online program management company.

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

46.18 **ARTICLE 4**
46.19 **STUDENT PROTECTIONS**

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

46.21 **136A.645 SCHOOL CLOSURE.**

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

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

46.30 (2) a report of all students currently enrolled and all students enrolled within the prior
46.31 120 days, including the following information for each student: name, address, school email

- 47.1 address, alternate email address, program of study, number of credits completed, number
47.2 of credits remaining, and enrollment status at closure;
- 47.3 (3) a report of refunds due to any student and the amount due;
- 47.4 (4) a written statement from the school's owner or designee affirming that all recruitment
47.5 efforts, school marketing, advertisement, solicitation, and enrollment of new students has
47.6 ceased;
- 47.7 (5) a copy of any communication between the school's accreditors about the school
47.8 closure;
- 47.9 (6) confirmation that the requirements for student records under section 136A.68 have
47.10 been satisfied, including:
- 47.11 (i) the planned date for the transfer of the student records;
- 47.12 (ii) confirmation of the name and address of the organization to receive and hold the
47.13 student records; and
- 47.14 (iii) the official at the organization receiving the student records who is designated to
47.15 provide official copies of records or transcripts upon request;
- 47.16 (7) academic information, including the school's most recent catalog, all course syllabi,
47.17 and faculty credential information; and
- 47.18 (8) copies of any teach-out, transfer, or train-out agreement between the school and a
47.19 new school for students to be able to complete their studies. A teach-out fulfills the original
47.20 contract or agreement between the closing school and the student. If a teach-out is arranged
47.21 for another approved school to do the remaining occupational training, that other school
47.22 must (i) provide comparable education and training and (ii) agree that students transferring
47.23 from the closing school pay only what the cost of tuition and fees remain unpaid according
47.24 to the terms and conditions in the enrollment agreement entered into between the student
47.25 and the closing school.
- 47.26 (b) When a school intends to cease or announce the closure of a degree or nondegree
47.27 program, or is informed by the office that the office anticipates the program's closure due
47.28 to the program's registration status or its ability to meet criteria for approval under section
47.29 136A.65, or when the program loses eligibility in federal financial aid under title IV of the
47.30 Higher Education Act of 1965, Public Law 89-329, as amended, the school must provide
47.31 to the office:

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

48.4 (2) a report of all students currently enrolled and all students enrolled within the prior
48.5 120 days in the degree or nondegree program, including the following information for each
48.6 student: name, address, school email address, alternate email address, program of study,
48.7 number of credits completed, number of credits remaining, and enrollment status at closure
48.8 of the program if the program is terminated due to loss of eligibility in the federal Pell Grant
48.9 program;

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

48.13 (4) academic information, including the degree or nondegree program's most recent
48.14 catalog, all course syllabi, and faculty credential information; and

48.15 (5) copies of any teach-out, transfer, or train-out agreement between the school and a
48.16 new school for students to be able to complete their studies. A teach-out fulfills the original
48.17 contract or agreement between the closing school and the student. If a teach-out is arranged
48.18 for another approved school to do the remaining occupational training, that other school
48.19 must: (i) provide comparable education and training; and (ii) agree that students transferring
48.20 from the closing school pay only the cost of tuition and fees that remain unpaid according
48.21 to the terms and conditions in the enrollment agreement entered into between the student
48.22 and the closing school if the program is terminated due to loss of eligibility in the federal
48.23 Pell Grant program.

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

48.26 (1) has an unscheduled nonemergency closure or cancellation of classes for more than
48.27 24 hours without prior notice to the office;

48.28 (2) announces it is closed or closing;

48.29 (3) files for bankruptcy; or

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

48.32 ~~(e)~~ (d) When a school is deemed to have ceased operations, the office shall provide the
48.33 school a reasonable time to correct student records and grant credentials. After that time,

49.1 the office must revoke the school's registration. This revocation is not appealable under
49.2 section 136A.65, subdivision 8.

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

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

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

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

49.12 (3) the school operates in conformity with generally accepted accounting principles
49.13 according to the type of school;

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

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

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

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

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

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

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

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

- 50.1 (iii) current schedules of fees, charges for tuition, required supplies, student activities,
50.2 housing, and all other standard charges;
- 50.3 (iv) policies regarding refunds and adjustments for withdrawal or modification of
50.4 enrollment status; and
- 50.5 (v) procedures and standards used for selection of recipients and the terms of payment
50.6 and repayment for any financial aid program;
- 50.7 (10) the school must not withhold a student's official transcript because the student is
50.8 in arrears or in default on any loan issued by the school to the student if the loan qualifies
50.9 as an institutional loan under United States Code, title 11, section 523(a)(8)(b); ~~and~~
- 50.10 (11) the school has a process to receive and act on student complaints; and
- 50.11 (12) the school must not use nondisclosure agreements or other contracts restricting a
50.12 student's ability to disclose information in connection with school actions or conduct that
50.13 would be covered under section 136A.672.
- 50.14 (b) An application for degree approval must also include:
- 50.15 (i) title of degree and formal recognition awarded;
- 50.16 (ii) location where such degree will be offered;
- 50.17 (iii) proposed implementation date of the degree;
- 50.18 (iv) admissions requirements for the degree;
- 50.19 (v) length of the degree;
- 50.20 (vi) projected enrollment for a period of five years;
- 50.21 (vii) the curriculum required for the degree, including course syllabi or outlines;
- 50.22 (viii) statement of academic and administrative mechanisms planned for monitoring the
50.23 quality of the proposed degree;
- 50.24 (ix) statement of satisfaction of professional licensure criteria, if applicable;
- 50.25 (x) documentation of the availability of clinical, internship, externship, or practicum
50.26 sites, if applicable; and
- 50.27 (xi) statement of how the degree fulfills the institution's mission and goals, complements
50.28 existing degrees, and contributes to the school's viability.

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

51.2 Subd. 8. **Disapproval of registration; appeal.** (a) By giving written notice and reasons
51.3 to the school, the office may:

51.4 (1) revoke, suspend, or refuse to renew school registration;

51.5 (2) revoke, suspend, or refuse approval of a school's degree or nondegree program; and

51.6 (3) revoke, suspend, or refuse approval of the use of a regulated term in its name.

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

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

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

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

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

51.15 (5) failing to have enrollment within the last two years at the school; or

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

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

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

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

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

51.28 (3) presenting information about the degree or nondegree program that is false, fraudulent,
51.29 misleading, deceptive, or inaccurate in a material respect to students or prospective students;

- 52.1 (4) refusing to allow reasonable inspection or to supply reasonable information about
 52.2 the degree or nondegree program after a written request by the office has been received;
- 52.3 (5) failing to have any enrollment within two years of a program's approval, except for
 52.4 programs that require extensive approval processes by the United States Department of
 52.5 Education, or the program's institutional or programmatic accreditor; or
- 52.6 (6) the program loses eligibility in federal financial aid under title IV of the Higher
 52.7 Education Act of 1965, Public Law 89-329, as amended.
- 52.8 ~~(e)~~ (d) Any order refusing, revoking, or suspending a school's registration, approval of
 52.9 a school's degree, or use of a regulated term in the school's name is appealable in accordance
 52.10 with chapter 14. The request must be in writing and made to the office within 30 days of
 52.11 the date the school is notified of the action of the office. If a school has been operating and
 52.12 its registration has been revoked, suspended, or refused by the office, the order is not effective
 52.13 until the final determination of the appeal, unless immediate effect is ordered by the court.
- 52.14 Sec. 4. Minnesota Statutes 2022, section 136A.675, subdivision 2, is amended to read:
- 52.15 Subd. 2. **Additional reporting.** (a) In addition to the information required for the
 52.16 indicators in subdivision 1, an institution must notify the office within ten business days if
 52.17 any of the events in paragraphs (b) to (e) occur.
- 52.18 (b) Related to revenue, debt, and cash flow, notice is required if:
- 52.19 (1) the institution defaulted on a debt payment or covenant and has not received a waiver
 52.20 of the violation from the financial institution within 60 days;
- 52.21 (2) for institutions with a federal composite score of less than 1.5, the institution's owner
 52.22 withdraws equity that directly results in a composite score of less than 1.0, unless the
 52.23 withdrawal is a transfer between affiliated entities included in a common composite score;
- 52.24 (3) the United States Department of Education requires a 25 percent or greater Letter of
 52.25 Credit, except when the Letter of Credit is imposed due to a change of ownership;
- 52.26 (4) the United States Department of Education requires Heightened Cash Monitoring 2;
- 52.27 (5) the institution receives written notification that it violated the United States
 52.28 Department of Education's revenue requirement under United States Code, title 20, section
 52.29 1094(a)(24), as amended; ~~or~~
- 52.30 (6) the institution receives written notification by the United States Department of
 52.31 Education that it has fallen below minimum financial standards and that its continued
 52.32 participation in Title IV is conditioned upon satisfying either the Zone Alternative, Code

53.1 of Federal Regulations, title 34, section 668.175, paragraph (f), or a Letter of Credit
53.2 Alternative, Code of Federal Regulations, title 34, section 668.175, paragraph (c); or
53.3 (7) the institution receives written notification by the United States Department of
53.4 Education that one or more of its programs has lost eligibility in federal financial aid under
53.5 title IV of the Higher Education Act of 1965, Public Law 89-329, as amended, for failing
53.6 to satisfy federal Financial Value Transparency and Gainful Employment requirements
53.7 under Code of Federal Regulations, title 34, parts 600 and 668.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

54.9 Delete the title and insert:

54.10 "A bill for an act
 54.11 relating to higher education; making policy and technical changes to certain higher
 54.12 education provisions, including student sexual misconduct, student aid, and
 54.13 institutional licensure provisions; imposing requirements for contracts with online
 54.14 programming companies; establishing policies and procedures for students with
 54.15 disabilities; requiring reports; amending Minnesota Statutes 2022, sections
 54.16 136A.091, subdivision 3; 136A.1241, subdivision 3; 136A.1701, subdivisions 4,
 54.17 7; 136A.62, by adding subdivisions; 136A.63, subdivision 1; 136A.645; 136A.646;
 54.18 136A.65, subdivisions 4, 8; 136A.675, subdivision 2; 136A.821, subdivision 5,
 54.19 by adding a subdivision; 136A.822, subdivisions 1, 2, 6, 7, 8; 136A.828, subdivision
 54.20 3, by adding a subdivision; 136A.829, subdivision 3, by adding a subdivision;
 54.21 Minnesota Statutes 2023 Supplement, sections 135A.121, subdivision 2; 135A.15,
 54.22 as amended; 135A.161, by adding a subdivision; 135A.162, subdivision 2;
 54.23 136A.1241, subdivision 5; 136A.1465, subdivisions 1, 2, 3, 4, 5; 136A.62,
 54.24 subdivision 3; 136A.833, subdivision 2; 136F.38, subdivision 3; proposing coding
 54.25 for new law in Minnesota Statutes, chapters 135A; 136A; 136F; repealing
 54.26 Minnesota Statutes 2022, section 135A.16; Minnesota Statutes 2023 Supplement,
 54.27 section 135A.162, subdivision 7."

54.28 And when so amended the bill do pass. Amendments adopted. Report adopted.

54.29

54.30



.....
 (Committee Chair)

54.31

54.32

March 21, 2024.....
 (Date of Committee recommendation)