SENATE
STATE OF MINNESOTA
NINETY-THIRD SESSION

S.F. No. 5326

(SENATE AUTHORS: FATEH)

DATE	D-PG	OFFICIAL STATUS
04/04/2024	13378	Introduction and first reading Referred to Higher Education
04/24/2024	14463a	Comm report: To pass as amended and re-refer to Finance
04/25/2024	15436a	Comm report: To pass as amended
	15438	Second reading Referred to for comparison with HF5299
05/13/2024	16655a	Rule 45-amend, subst. General Orders HF5299, SF indefinitely postponed

A bill for an act

relating to higher education; providing for funding and related policy changes to certain licensure and grant provisions; prohibiting postsecondary institutions from considering certain criminal records during the application process; providing that postsecondary education participation satisfies employment requirements for persons on postprison supervised release; providing funds related to child care; establishing fees; appropriating money; amending Minnesota Statutes 2022, sections 136A.29, subdivision 9; 136A.69, subdivision 1; 136A.824, subdivisions 1, 2; Laws 2022, chapter 42, section 2; Laws 2023, chapter 41, article 1, sections 2, subdivisions 36, 49, as amended; 4, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 135A; 136A; 241; 244; repealing Minnesota Statutes 2022, sections 241.265; 609B.311.

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

ARTICLE 1

HIGHER EDUCATION APPROPRIATIONS

Section 1. Laws 2022, chapter 42, section 2, is amended to read:

Sec. 2. **APPROPRIATION; ALS RESEARCH.**

(a) ~~$20,000,000~~ $396,000 in fiscal year 2023 is appropriated from the general fund to the commissioner of the Office of Higher Education to award competitive grants to applicants for research into amyotrophic lateral sclerosis (ALS). The commissioner may work with

Notwithstanding Minnesota Statutes, section 16A.28, unencumbered balances under this section do not cancel until June 30, 2026.

(b) $19,604,000 in fiscal year 2024 is appropriated from the general fund to the commissioner of the Office of Higher Education to award competitive grants to applicants for research into amyotrophic lateral sclerosis (ALS). The commissioner may work with the Minnesota Department of Health to administer the grant program, including identifying clinical and translational research and innovations, developing outcomes and objectives with the goal of bettering the lives of individuals with ALS and finding a cure for the disease, and application review and grant recipient selection. Up to $15,000,000 may be used by the commissioner for grants to the Amyotrophic Lateral Sclerosis Association, Never Surrender, or other similar organizations to award and administer competitive grants to applicants for research into ALS under this section. This is a onetime appropriation. Notwithstanding Minnesota Statutes, section 16A.28, unencumbered balances under this section do not cancel until June 30, 2029. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner, the Amyotrophic Lateral Sclerosis Association, Never Surrender, and other similar organizations may use up to a total of five percent of this appropriation for administrative costs.

~~(b)~~ (c) Grants shall be awarded to support clinical and translational research related to ALS. Research topics may include but are not limited to environmental factors, disease mechanisms, disease models, biomarkers, drug development, clinical studies, precision medicine, medical devices, assistive technology, and cognitive studies.

~~(c)~~ (d) Eligible applicants for the grants are research facilities, universities, and health systems located in Minnesota. Applicants must submit proposals to the commissioner in the time, form, and manner established by the commissioner. Applicants may coordinate research endeavors and submit a joint application. When reviewing the proposals, the commissioner shall make an effort to avoid approving a grant for an applicant whose research is duplicative of an existing grantee's research.

~~(d)~~ (e) Beginning January 15, 2023, and annually thereafter until January 15, ~~2027~~ 2030, the commissioner shall submit a report to the legislature specifying the applicants receiving

~~(e) This is a onetime appropriation. Notwithstanding Minnesota Statutes, section 16A.28, unencumbered balances under this section do not cancel until June 30, 2026.~~

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

Sec. 2. Laws 2023, chapter 41, article 1, section 2, subdivision 36, is amended to read:

Subd. 36. **Fostering Independence Higher Education Grants**		4,247,000	~~4,416,000~~ 9,456,000

$4,247,000 the first year and ~~$4,416,000~~ $9,456,000 the second year are for grants to eligible students under Minnesota Statutes, section 136A.1241. The Office of Higher Education may use no more than three percent of the appropriation to administer grants. The base for this appropriation is $4,416,000 for fiscal year 2026 and thereafter.

Sec. 3. Laws 2023, chapter 41, article 1, section 2, subdivision 49, as amended by Laws 2024, chapter 85, section 111, is amended to read:

Subd. 49. **North Star Promise**		-0-	~~117,226,000~~ 112,186,000

~~$117,226,000~~ $112,186,000 the second year is transferred from the general fund to the account in the special revenue fund under Minnesota Statutes, section 136A.1465, subdivision 8. The base for the transfer is $49,500,000 in fiscal year 2026 and thereafter.

Sec. 4. Laws 2023, chapter 41, article 1, section 4, subdivision 2, is amended to read:

Subd. 2. **Operations and Maintenance**	686,558,000	676,294,000

national prominence by attracting and retaining world-class faculty, staff, and students; (4) invest in physician training programs in rural and underserved communities; and (5) translate the medical school's research discoveries into new treatments and cures to improve the health of Minnesotans.

(b) $7,800,000 in fiscal year 2024 and $7,800,000 in fiscal year 2025 are for health training restoration. This appropriation must be used to support all of the following: (1) faculty physicians who teach at eight residency program sites, including medical resident and student training programs in the Department of Family Medicine; (2) the Mobile Dental Clinic; and (3) expansion of geriatric education and family programs.

(c) $4,000,000 in fiscal year 2024 and $4,000,000 in fiscal year 2025 are for the Minnesota Discovery, Research, and InnoVation Economy funding program for cancer care research.

(d) $500,000 in fiscal year 2024 and $500,000 in fiscal year 2025 are for the University of Minnesota, Morris branch, to cover the costs of tuition waivers under Minnesota Statutes, section 137.16.

(e) $5,000,000 in fiscal year 2024 and

(f) $366,000 in fiscal year 2024 and $366,000 in fiscal year 2025 are for unemployment insurance aid under Minnesota Statutes, section 268.193.

(g) $10,000,000 the first year is for programs at the University of Minnesota Medical School ~~Campus on the~~ CentraCare Health System Campus in St. Cloud. This appropriation may be used for tuition support, ~~a residency program, a rural health research program, a program to target scholarships to students from diverse backgrounds, and a scholarship program targeted at students who will practice in rural areas~~ including a scholarship endowment fund targeted at students who will practice in rural areas and targeted at students from diverse backgrounds; costs associated with opening and operating a new regional campus; costs associated with the expansion of a residency program; and costs associated with starting and operating a rural health research program. This appropriation is available until June 30, 2027, and must be spent ~~on~~ for activities on or associated with the CentraCare Health System Campus in the greater St. Cloud area. This is a onetime appropriation.

(h) $374,000 the first year and $110,000 the second year are to pay the cost of supplies and

Sec. 5. **APPROPRIATION; KIDS ON CAMPUS INITIATIVE.**

$500,000 in fiscal year 2025 is appropriated from the general fund to the Board of Trustees of the Minnesota State Colleges and Universities to participate in the Kids on Campus initiative with the National Head Start Association and the Association of Community College Trustees. This appropriation may be used for a temporary statewide project coordinator, stipends to campuses and Head Start centers where letters of intent to officially form a partnership have been signed, engaging with local Head Start programs, and other costs associated with creating campus Head Start partnerships. Stipends shall be used to support the formation of parenting student advisory panels to gather perspective and feedback on proposed partnerships. The duties of the temporary statewide project coordinator include assessing the feasibility of partnerships between Minnesota State Colleges and Universities campuses and Head Start programs across the state, consulting with the Minnesota Head Start Association and existing Head Start partnership programs to develop best practices, working with campus-based navigators for parenting students to provide resources for financial aid and basic needs support to Head Start programs, and developing strategies to grow the early childhood care and education workforce through partnerships between Head Start programs and early childhood degree and certificate programs. This is a onetime appropriation and is available until June 30, 2026.

ARTICLE 2
HIGHER EDUCATION POLICY

Section 1. **[135A.062] CONSIDERATION OF CRIMINAL RECORDS LIMITED.**

Subdivision 1. **Applicability.** This section applies to postsecondary institutions under section 136A.155, except that the Board of Regents of the University of Minnesota is requested to comply with this section.

Subd. 2. **Definition.** As used in this section, "a violent felony or sexual assault" includes a felony-level violation or attempted violation of section 609.185; 609.19; 609.195; 609.20; 609.221; 609.2242, subdivision 4; 609.2247; 609.245, subdivision 1; 609.247, subdivision 2; 609.282; 609.322; 609.342; 609.343; 609.344; 609.345; 609.3451; 609.3458; 609.561,

of a conviction that occurred within the previous five years for a violent felony or sexual assault. The postsecondary institution must provide the applicant with an opportunity to submit an explanatory statement, letters of recommendation, evidence of rehabilitation, and any other supporting documents. The institution must provide clear and detailed instructions and guidance to applicants related to what criminal history requires disclosure. The institution must not require the applicant to provide official records of criminal history. A postsecondary institution that rescinds an offer of admission must:

(1) provide an explanation of the basis for the decision to rescind the offer of admission; and

(2) provide the applicant with an opportunity to appeal the decision to rescind.

Subd. 4. **Other information.** This section shall not prohibit or limit a postsecondary institution from inquiring about student conduct records at the applicant's prior postsecondary institution after making an offer of admission. This section shall not prohibit or limit a postsecondary institution from inquiring about a student's ability to meet licensure requirements in a professional program after making an offer of admission.

Subd. 5. **Limitation on admissibility.** (a) A postsecondary institution that complies with this section is immune from liability in a civil action arising out of the institution's decision to admit a student with a criminal history or the institution's failure to conduct a criminal background check.

(b) Nothing in this section creates or establishes a legal duty upon a postsecondary institution to inquire into or require disclosure of the criminal history or criminal convictions of a student or an applicant for admission.

Sec. 2. Minnesota Statutes 2022, section 136A.29, subdivision 9, is amended to read:

Subd. 9. **Revenue bonds; limit.** The authority is authorized and empowered to issue revenue bonds whose aggregate principal amount at any time shall not exceed ~~$1,300,000,000~~ $2,000,000,000 and to issue notes, bond anticipation notes, and revenue refunding bonds of the authority under the provisions of sections 136A.25 to 136A.42, to provide funds for

program. The office shall charge the fees listed in paragraphs (b) ~~and (c)~~ to (d) for new registrations.

(b) A new school offering no more than one degree at each level during its first year must pay registration fees for each applicable level in the following amounts:

associate degree	$2,000
baccalaureate degree	$2,500
master's degree	$3,000
doctorate degree	$3,500

(c) A new school that will offer more than one degree per level during its first year must pay registration fees in an amount equal to the fee for the first degree at each degree level under paragraph (b), plus fees for each additional nondegree program or degree as follows:

nondegree program	$250
additional associate degree	$250
additional baccalaureate degree	$500
additional master's degree	$750
additional doctorate degree	$1,000

(d) In addition to the fees under paragraphs (b) and (c), a fee of $600 must be paid for an initial application that: (1) has had four revisions, corrections, amendment requests, or application reminders for the same application or registration requirement; or (2) cumulatively has had six revisions, corrections, amendment requests, or application reminders for the same license application and the school seeks to continue with the application process with additional application submissions. If this fee is paid, the school may submit two final application submissions for review prior to application denial under section 136A.65, subdivision 8. This provision excludes from its scope any initial process or interpretation questions or inquiries, initiated by the school, that do not necessitate substantial staff effort to review amendments or corrections, or when the office requests initial verification or validation of a completed application.

~~(d)~~ (e) The annual renewal registration fee is $1,500.

submissions for review prior to application denial under section 136A.65, subdivision 8. This provision excludes from its scope any initial process or interpretation questions or inquiries, initiated by the school, that do not necessitate substantial staff effort to review amendments or corrections, or when the office requests initial verification or validation of a completed application.

Sec. 4. **[136A.786] INCARCERATED STUDENT AID BORROWERS.**

The commissioner of corrections shall collect information upon intake about incarcerated persons who have self-identified as federal student aid borrowers. The commissioner of corrections shall relay this information to the commissioner of higher education. The commissioner of corrections, in consultation with the commissioner of higher education, shall develop a plan by December 1, 2024, to assist incarcerated persons in enrolling in a federal income-driven repayment plan in which there are no monthly payments or accrual of interest for borrowers with earnings below the federal poverty guidelines.

Sec. 5. Minnesota Statutes 2022, section 136A.824, subdivision 1, is amended to read:

Subdivision 1. **Initial licensure fee.** (a) The office processing fee for an initial licensure application is:

(1) $2,500 for a private career school that will offer no more than one program during its first year of operation;

(2) $750 for a private career school licensed exclusively due to the use of the term "college," "university," "academy," or "institute" in its name, or licensed exclusively in order to participate in state grant or SELF loan financial aid programs; and

(3) $2,500, plus $500 for each additional program offered by the private career school, for a private career school during its first year of operation.

(b) In addition to the fee under paragraph (a), a fee of $600 must be paid for an initial application that: (1) has had four revisions, corrections, amendment requests, or application reminders for the same application or licensure requirement; or (2) cumulatively has had

substantial staff effort to review amendments or corrections, or when the office requests initial verification or validation of a completed application.

Sec. 6. Minnesota Statutes 2022, section 136A.824, subdivision 2, is amended to read:

Subd. 2. **Renewal licensure fee; late fee.** (a) The office processing fee for a renewal licensure application is:

(1) for a private career school that offers one program, the license renewal fee is $1,150;

(2) for a private career school that offers more than one program, the license renewal fee is $1,150, plus $200 for each additional program with a maximum renewal licensing fee of $2,000;

(3) for a private career school licensed exclusively due to the use of the term "college," "university," "academy," or "institute" in its name, the license renewal fee is $750; and

(4) for a private career school licensed by another state agency and also licensed with the office exclusively in order to participate in state student aid programs, the license renewal fee is $750.

(b) If a license renewal application is not received by the office by the close of business at least 60 days before the expiration of the current license, a late fee of $100 per business day, not to exceed $3,000, shall be assessed.

(c) In addition to the fee under paragraph (a), a fee of $600 must be paid for a renewal application that: (1) has had four revisions, corrections, amendment requests, or application reminders for the same application or licensure requirement; or (2) cumulatively has had six revisions, corrections, amendment requests, or application reminders for the same license application and the private career school seeks to continue with the application process with additional application submissions. If this fee is paid, the private career school may submit two final application submissions for review prior to application denial under section 136A.829, subdivision 1, clause (2). This provision excludes from its scope any initial process or interpretation questions or inquiries, initiated by the school, that do not necessitate substantial staff effort to review amendments or corrections, or when the office requests

(1) is organized as a private for-profit postsecondary institution as described in section 136A.62, subdivision 3, clause (2), item (ii); or

(2) charges incarcerated students a higher per-credit rate than the rate for nonincarcerated students.

Sec. 8. **[244.60] SUPERVISED RELEASE EMPLOYMENT REQUIREMENT; POSTSECONDARY EDUCATION.**

If the commissioner of corrections imposes a requirement on a person placed on supervised release that the person work or be employed, the commissioner shall provide that enrollment and participation in postsecondary education satisfies this requirement.

Sec. 9. **REPEALER.**

Minnesota Statutes 2022, sections 241.265; and 609B.311, are repealed.

241.265 HIGHER EDUCATION; CERTAIN PAYMENTS PROHIBITED.

The commissioner may not pay for a college education program beyond the associate of arts degree level for an inmate convicted of first- or second-degree murder. The commissioner of corrections may only pay for an associate of arts college education program for an inmate convicted of first or second degree murder if the inmate's participation in the program does not increase the cost of the program to the institution.

609B.311 MURDER CONVICTION; HIGHER EDUCATION PAYMENTS FOR PRISON INMATES LIMITED.

Section 241.265 prohibits the commissioner of corrections from paying for certain higher education programs for an inmate convicted of first- or second-degree murder.