

**SENATE
STATE OF MINNESOTA
NINETY-THIRD SESSION**

H.F. No. 2073

(SENATE AUTHORS: PELOWSKI)

DATE	D-PG	OFFICIAL STATUS
04/13/2023	4785	Received from House
	4786	Introduction and first reading Referred to Finance
04/17/2023	5133a	Comm report: To pass as amended
	5180	Rule 12.10: report of votes in committee
	5204	Second reading
04/18/2023	5228	Special Order: Amended
	5237	Third reading Passed

1.1 A bill for an act

1.2 relating to higher education; providing funding and policy related changes for the

1.3 Office of Higher Education, Minnesota State Colleges and Universities, the

1.4 University of Minnesota, and the Mayo Clinic; creating and modifying certain

1.5 scholarships and student aid programs; establishing the Minnesota Commitment

1.6 to Higher Education tuition free program; creating a direct admissions program;

1.7 requiring reports; appropriating money; amending Minnesota Statutes 2022, sections

1.8 135A.137, subdivisions 2, 3; 136A.031, subdivision 3; 136A.101, subdivisions

1.9 5a, 7; 136A.121, subdivisions 6, 9, 13, 19; 136A.1241, subdivision 5; 136A.125,

1.10 subdivision 4; 136A.126, subdivision 4; 136A.1312; 136A.1791, subdivision 3a;

1.11 136A.246, subdivisions 5, 6, 8; 136F.38, subdivision 3; 175.45, subdivision 1;

1.12 354B.23, subdivision 3; proposing coding for new law in Minnesota Statutes,

1.13 chapters 135A; 136A.

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

1.15 **ARTICLE 1**

1.16 **APPROPRIATIONS**

1.17 Section 1. **APPROPRIATIONS.**

1.18 The sums shown in the columns marked "Appropriations" are appropriated to the agencies

1.19 and for the purposes specified in this article. The appropriations are from the general fund,

1.20 or another named fund, and are available for the fiscal years indicated for each purpose.

1.21 The figures "2024" and "2025" used in this article mean that the appropriations listed under

1.22 them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively.

1.23 "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium"

1.24 is fiscal years 2024 and 2025.

	<u>APPROPRIATIONS</u>	
	<u>Available for the Year</u>	
	<u>Ending June 30</u>	
	<u>2024</u>	<u>2025</u>
1.25		
1.26		
1.27		
1.28		

2.1 **Sec. 2. MINNESOTA OFFICE OF HIGHER**
 2.2 **EDUCATION**

2.3 **Subdivision 1. Total Appropriation** **\$ 338,508,000** **\$ 505,219,000**

2.4 The amounts that may be spent for each
 2.5 purpose are specified in the following
 2.6 subdivisions.

2.7 **Subd. 2. State Grants** **236,717,000** **229,046,000**

2.8 (a) If the appropriation in this subdivision for
 2.9 either year is insufficient, the appropriation
 2.10 for the other year is available for it.

2.11 (b) The base for this appropriation is
 2.12 \$225,066,000 for fiscal year 2026 and later.

2.13 **Subd. 3. Child Care Grants** **6,694,000** **6,694,000**

2.14 **Subd. 4. State Work-Study** **14,502,000** **14,502,000**

2.15 **Subd. 5. Interstate Tuition Reciprocity** **8,500,000** **8,500,000**

2.16 If the appropriation in this subdivision for
 2.17 either year is insufficient, the appropriation
 2.18 for the other year is available to meet
 2.19 reciprocity contract obligations.

2.20 **Subd. 6. Safety Officer's Survivors** **100,000** **100,000**

2.21 This appropriation is to provide educational
 2.22 benefits under Minnesota Statutes, section
 2.23 299A.45, to eligible dependent children and
 2.24 to the spouses of public safety officers killed
 2.25 in the line of duty.

2.26 If the appropriation in this subdivision for
 2.27 either year is insufficient, the appropriation
 2.28 for the other year is available for it.

2.29 **Subd. 7. American Indian Scholarships** **3,500,000** **3,500,000**

2.30 The commissioner must contract with or
 2.31 employ at least one person with demonstrated
 2.32 competence in American Indian culture and

3.1 residing in or near the city of Bemidji to assist
 3.2 students with the scholarships under
 3.3 Minnesota Statutes, section 136A.126, and
 3.4 with other information about financial aid for
 3.5 which the students may be eligible. This
 3.6 appropriation includes funding to administer
 3.7 the American Indian scholarship program.

3.8 **Subd. 8. Tribal College Grants** 3,150,000 3,150,000

3.9 (a) For Tribal college assistance grants under
 3.10 Minnesota Statutes, section 136A.1796.

3.11 (b) In addition to grants made pursuant to
 3.12 Minnesota Statutes, section 136A.1796, the
 3.13 commissioner shall use this appropriation to
 3.14 make grants of \$1,000,000 each to Leech Lake
 3.15 Tribal College, White Earth Tribal College,
 3.16 and Red Lake Nation Tribal College, to be
 3.17 used for the Tribal colleges' general operations
 3.18 and maintenance expenses. A Tribal college
 3.19 must use grant funds received under this
 3.20 section to supplement, not supplant, any
 3.21 existing funding. By September 30, 2024, each
 3.22 Tribal college receiving a grant under this
 3.23 paragraph must submit a report to the
 3.24 commissioner of the Office of Higher
 3.25 Education and to the chairs and ranking
 3.26 minority members of the legislative
 3.27 committees with jurisdiction over higher
 3.28 education finance and policy. The report must
 3.29 include an accurate and detailed account of
 3.30 how the funds were spent, and a copy of the
 3.31 college's most recent audit report.

3.32 (c) The commissioner may use no more than
 3.33 three percent of this appropriation to
 3.34 administer the program grants.

4.1	<u>Subd. 9. Intervention for College Attendance</u>		
4.2	<u>Program Grants</u>	<u>1,942,000</u>	<u>1,142,000</u>
4.3	<u>For the intervention for college attendance</u>		
4.4	<u>program under Minnesota Statutes, section</u>		
4.5	<u>136A.861.</u>		
4.6	<u>\$300,000 in fiscal year 2024 is for providing</u>		
4.7	<u>onetime catalyst funding on a competitive</u>		
4.8	<u>basis to postsecondary institutions, nonprofit</u>		
4.9	<u>organizations, and local government</u>		
4.10	<u>organizations to create or enhance supports,</u>		
4.11	<u>navigation, and precollege services for</u>		
4.12	<u>students who were formerly incarcerated.</u>		
4.13	<u>The commissioner may use no more than three</u>		
4.14	<u>percent of this appropriation to administer the</u>		
4.15	<u>intervention for college attendance program</u>		
4.16	<u>grants.</u>		
4.17	<u>Subd. 10. Student-Parent Information</u>	<u>122,000</u>	<u>122,000</u>
4.18	<u>Subd. 11. Get Ready!</u>	<u>180,000</u>	<u>180,000</u>
4.19	<u>Subd. 12. Minnesota Education Equity</u>		
4.20	<u>Partnership</u>	<u>45,000</u>	<u>45,000</u>
4.21	<u>Subd. 13. Midwest Higher Education Compact</u>	<u>115,000</u>	<u>115,000</u>
4.22	<u>Subd. 14. United Family Medicine Residency</u>		
4.23	<u>Program</u>	<u>501,000</u>	<u>501,000</u>
4.24	<u>For a grant to United Family Medicine</u>		
4.25	<u>residency program. This appropriation shall</u>		
4.26	<u>be used to support up to 21 resident physicians</u>		
4.27	<u>each year in family practice at United Family</u>		
4.28	<u>Medicine residency programs and shall</u>		
4.29	<u>prepare doctors to practice family care</u>		
4.30	<u>medicine in underserved rural and urban areas</u>		
4.31	<u>of the state. It is intended that this program</u>		
4.32	<u>will improve health care in underserved</u>		
4.33	<u>communities, provide affordable access to</u>		
4.34	<u>appropriate medical care, and manage the</u>		

5.1 treatment of patients in a cost-effective
 5.2 manner.

5.3 Subd. 15. MnLINK Gateway and Minitex 5,905,000 5,905,000

5.4 Subd. 16. Statewide Longitudinal Education
 5.5 Data System 2,550,000 2,550,000

5.6 Subd. 17. Hennepin Healthcare 645,000 645,000

5.7 For transfer to Hennepin Healthcare for
 5.8 graduate family medical education programs
 5.9 at Hennepin Healthcare.

5.10 Subd. 18. College Possible 550,000 550,000

5.11 (a) This appropriation is for immediate transfer
 5.12 to College Possible to support programs of
 5.13 college admission and college graduation for
 5.14 low-income students through an intensive
 5.15 curriculum of coaching and support at both
 5.16 the high school and postsecondary levels.

5.17 (b) This appropriation must, to the extent
 5.18 possible, be proportionately allocated between
 5.19 students from greater Minnesota and students
 5.20 in the seven-county metropolitan area.

5.21 (c) This appropriation must be used by College
 5.22 Possible only for programs supporting students
 5.23 who are residents of Minnesota and attending
 5.24 colleges or universities within Minnesota.

5.25 (d) By February 1 of each year, College
 5.26 Possible must report to the chairs and ranking
 5.27 minority members of the legislative
 5.28 committees and divisions with jurisdiction
 5.29 over higher education and E-12 education on
 5.30 activities funded by this appropriation. The
 5.31 report must include but is not limited to
 5.32 information about the work of College
 5.33 Possible Minnesota throughout the state; the
 5.34 number of College Possible coaches hired; the

6.1 number of existing partner high schools; the
 6.2 geographic distribution of participants; the
 6.3 number of high school and college students
 6.4 specifically supported by the appropriations
 6.5 funds; the percentages of students who applied
 6.6 to college, were admitted into college, and
 6.7 enrolled in college from the previous program
 6.8 year; the number of college graduates
 6.9 supported by the appropriation funding in the
 6.10 previous program year; and a list of all
 6.11 communities and partner institutions
 6.12 benefiting from coaching and support through
 6.13 College Possible programming.

6.14 (e) The base for this appropriation is \$0 for
 6.15 fiscal year 2026 and thereafter.

6.16 **Subd. 19. Spinal Cord Injury and Traumatic**
 6.17 **Brain Injury Research Grant Program**

3,000,000

3,000,000

6.18 For transfer to the spinal cord and traumatic
 6.19 brain injury grant account in the special
 6.20 revenue fund under Minnesota Statutes,
 6.21 section 136A.901, subdivision 1.

6.22 The commissioner may use no more than three
 6.23 percent of the amount transferred under this
 6.24 subdivision to administer the grant program.

6.25 **Subd. 20. Summer Academic Enrichment**
 6.26 **Program**

750,000

750,000

6.27 For summer academic enrichment grants under
 6.28 Minnesota Statutes, section 136A.091.

6.29 The commissioner may use no more than three
 6.30 percent of this appropriation to administer the
 6.31 grant program under this subdivision. The base
 6.32 for this appropriation is \$250,000 for fiscal
 6.33 year 2026 and thereafter.

6.34 **Subd. 21. Dual Training Competency Grants;**
 6.35 **Office of Higher Education**

4,132,000

4,132,000

7.1 For transfer to the Dual Training Competency
 7.2 Grants account in the special revenue fund
 7.3 under Minnesota Statutes, section 136A.246,
 7.4 subdivision 10. The base for this transfer is
 7.5 \$2,132,000 for fiscal year 2026 and thereafter.
 7.6 \$132,000 each year is for transfer to the
 7.7 Department of Labor and Industry.

7.8 **Subd. 22. Campus Sexual Assault Reporting** 25,000 25,000

7.9 For the sexual assault reporting required under
 7.10 Minnesota Statutes, section 135A.15.

7.11 **Subd. 23. Campus Sexual Violence Prevention**
 7.12 **and Response Coordinator** 150,000 150,000

7.13 For the Office of Higher Education to staff a
 7.14 campus sexual violence prevention and
 7.15 response coordinator to serve as a statewide
 7.16 resource providing professional development
 7.17 and guidance on best practices for
 7.18 postsecondary institutions. \$50,000 each year
 7.19 is for administrative funding to conduct
 7.20 trainings and provide materials to
 7.21 postsecondary institutions.

7.22 **Subd. 24. Emergency Assistance for** 7,550,000 7,550,000
 7.23 **Postsecondary Students**

7.24 (a) \$7,550,000 the first year and \$7,550,000
 7.25 the second year are for emergency assistance
 7.26 for postsecondary students. Of this
 7.27 appropriation:

7.28 (1) \$5,000,000 the first year and \$5,000,000
 7.29 the second year are for the Minnesota State
 7.30 Colleges and Universities for direct emergency
 7.31 grants to students;

7.32 (2) \$2,000,000 the first year and \$2,000,000
 7.33 the second year are for the University of

8.1 Minnesota for direct emergency grants to
8.2 students;

8.3 (3) \$500,000 the first year and \$500,000 the
8.4 second year are for the Office of Higher
8.5 Education to allocate emergency grant funds
8.6 to Minnesota Tribal Colleges and eligible
8.7 nonprofit institutions as defined under
8.8 Minnesota Statutes, section 136A.103, located
8.9 in Minnesota with a demonstrable homeless
8.10 student population. The Office of Higher
8.11 Education shall develop a plan to distribute
8.12 funds to institutions and provide guidance as
8.13 to how grants are disbursed to students. The
8.14 commissioner shall determine the application
8.15 process and the grant amounts; and

8.16 (4) \$50,000 per year may be used by the
8.17 commissioner for the administrative costs
8.18 associated with this section.

8.19 (b) The funds must be used for emergency
8.20 grants to students to meet immediate student
8.21 needs that could result in a student not
8.22 completing the term or their program
8.23 including, but not limited to, emergency
8.24 housing, food, and transportation. Institutions
8.25 shall minimize any negative impact on student
8.26 financial aid resulting from the receipt of
8.27 emergency funds.

8.28 (c) The commissioner must not distribute the
8.29 funds under this section until the Office of
8.30 Higher Education has worked with the
8.31 institutions and approved their plans for the
8.32 distribution of the grants to students and the
8.33 method of their reporting requirements.

9.1 (d) At the end of each biennium, institutions
 9.2 must return any unused funds to the Office of
 9.3 Higher Education.

9.4 **Subd. 25. Grants to Student Teachers in**
 9.5 **Shortage Areas**

500,000

500,000

9.6 For grants to student teachers in shortage areas
 9.7 under Minnesota Statutes, section 136A.1275.

9.8 The commissioner may use no more than three
 9.9 percent of the appropriation for administration
 9.10 of the program.

9.11 **Subd. 26. Grants to Underrepresented Student**
 9.12 **Teachers**

1,125,000

1,125,000

9.13 For grants to underrepresented student teachers
 9.14 under Minnesota Statutes, section 136A.1274.

9.15 The commissioner may use no more than three
 9.16 percent of the appropriation for administration
 9.17 of the program.

9.18 **Subd. 27. Teacher Shortage Loan Repayment**

1,075,000

1,075,000

9.19 For transfer to the teacher shortage loan
 9.20 repayment account in the special revenue fund
 9.21 under Minnesota Statutes, section 136A.1791,
 9.22 subdivision 8.

9.23 The commissioner may use no more than three
 9.24 percent of the amount transferred under this
 9.25 subdivision to administer the program. The
 9.26 base for this appropriation is \$200,000 for
 9.27 fiscal year 2026 and thereafter.

9.28 **Subd. 28. Large Animal Veterinarian Loan**
 9.29 **Forgiveness Program**

375,000

375,000

9.30 For transfer to the large animal veterinarian
 9.31 loan forgiveness program account in the
 9.32 special revenue fund under Minnesota
 9.33 Statutes, section 136A.1795, subdivision 2.

10.1	<u>Subd. 29. Agricultural Educators Loan</u>		
10.2	<u>Forgiveness</u>	<u>50,000</u>	<u>50,000</u>
10.3	<u>For transfer to the agricultural education loan</u>		
10.4	<u>forgiveness account in the special revenue</u>		
10.5	<u>fund under Minnesota Statutes, section</u>		
10.6	<u>136A.1794, subdivision 2.</u>		
10.7	<u>Subd. 30. Aviation Degree Loan Forgiveness</u>		
10.8	<u>Program</u>	<u>25,000</u>	<u>25,000</u>
10.9	<u>For transfer to the aviation degree loan</u>		
10.10	<u>forgiveness program account in the special</u>		
10.11	<u>revenue fund under Minnesota Statutes,</u>		
10.12	<u>section 136A.1789, subdivision 2.</u>		
10.13	<u>Subd. 31. Grants for Students with Intellectual</u>		
10.14	<u>and Developmental Disabilities</u>	<u>200,000</u>	<u>200,000</u>
10.15	<u>For grants for students with intellectual and</u>		
10.16	<u>developmental disabilities under Minnesota</u>		
10.17	<u>Statutes, section 136A.1215.</u>		
10.18	<u>Subd. 32. Loan Repayment Assistance Program</u>	<u>55,000</u>	<u>55,000</u>
10.19	<u>For a grant to the Loan Repayment Assistance</u>		
10.20	<u>Program of Minnesota to provide education</u>		
10.21	<u>debt relief to attorneys with full-time</u>		
10.22	<u>employment providing legal advice or</u>		
10.23	<u>representation to low-income clients or support</u>		
10.24	<u>services for this work.</u>		
10.25	<u>Subd. 33. Minnesota Independence College and</u>		
10.26	<u>Community</u>	<u>2,000,000</u>	<u>2,000,000</u>
10.27	<u>For a grant to Minnesota Independence</u>		
10.28	<u>College and Community for need-based</u>		
10.29	<u>scholarships and tuition reduction. Beginning</u>		
10.30	<u>with students first enrolled in the fall of 2019,</u>		
10.31	<u>eligibility is limited to resident students as</u>		
10.32	<u>defined in Minnesota Statutes, section</u>		
10.33	<u>136A.101, subdivision 8. This is a onetime</u>		
10.34	<u>appropriation and is available until June 30,</u>		
10.35	<u>2027.</u>		

11.1	<u>Subd. 34. Student Loan Debt Counseling</u>	<u>200,000</u>	<u>200,000</u>
11.2	<u>For student loan debt counseling under</u>		
11.3	<u>Minnesota Statutes, section 136A.1788.</u>		
11.4	<u>The Office of Higher Education may use no</u>		
11.5	<u>more than three percent of the appropriation</u>		
11.6	<u>to administer the student loan debt counseling</u>		
11.7	<u>program.</u>		
11.8	<u>Subd. 35. Hunger-Free Campus Grants</u>	<u>1,501,000</u>	<u>1,000,000</u>
11.9	<u>(a) \$1,001,000 the first year and \$1,000,000</u>		
11.10	<u>the second year are for the Hunger-Free</u>		
11.11	<u>Campus program under Minnesota Statutes,</u>		
11.12	<u>section 135A.137. The base for the</u>		
11.13	<u>appropriation under this paragraph is</u>		
11.14	<u>\$1,041,000 for fiscal year 2026 and</u>		
11.15	<u>\$1,040,000 for fiscal year 2027.</u>		
11.16	<u>(b) \$500,000 the first year is for grants not to</u>		
11.17	<u>exceed \$25,000 to institutions for equipment</u>		
11.18	<u>necessary to operate an on-campus food</u>		
11.19	<u>pantry. The commissioner shall establish an</u>		
11.20	<u>application and process for distributing the</u>		
11.21	<u>grant funds. This appropriation is available</u>		
11.22	<u>until June 30, 2026.</u>		
11.23	<u>Subd. 36. Fostering Independence Higher</u>		
11.24	<u>Education Grants</u>	<u>4,747,000</u>	<u>4,916,000</u>
11.25	<u>(a) \$500,000 the first year and \$500,000 the</u>		
11.26	<u>second year are for a grant to the Foster</u>		
11.27	<u>Advocates Nonprofit Organization for an</u>		
11.28	<u>education support and wraparound service</u>		
11.29	<u>program that provides assistance and support</u>		
11.30	<u>to individuals who were in foster care at the</u>		
11.31	<u>age of 13 or later, and for individuals who are</u>		
11.32	<u>transitioning from foster care to adulthood, up</u>		
11.33	<u>to age 27, to improve the likelihood of</u>		
11.34	<u>completing a degree and securing a stable</u>		

12.1 career. The program shall provide one-on-one
 12.2 mentoring, leadership development, and
 12.3 additional resources to support each student's
 12.4 education journey through high school
 12.5 graduation and institutions of higher
 12.6 education. This is a onetime appropriation.

12.7 (b) \$4,247,000 the first year and \$4,416,000
 12.8 the second year are for grants to eligible
 12.9 students under Minnesota Statutes, section
 12.10 136A.1241. The base for the appropriation
 12.11 under this paragraph is \$4,416,000 for fiscal
 12.12 year 2026 and thereafter. The Office of Higher
 12.13 Education may use no more than three percent
 12.14 of the appropriation to administer grants.

12.15 <u>Subd. 37. Concurrent Enrollment Grants</u>	<u>340,000</u>	<u>340,000</u>
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12.16 For concurrent enrollment grants under
 12.17 Minnesota Statutes, section 136A.91.

12.18 <u>Subd. 38. Student Parent Support Initiative</u>	<u>6,668,000</u>	<u>6,182,000</u>
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12.19 (a) \$6,330,000 the first year and \$5,844,000
 12.20 the second year are for grants to support
 12.21 student parents under Minnesota Statutes,
 12.22 section 136A.1251. This is a onetime
 12.23 appropriation. These appropriations are
 12.24 available until June 30, 2026.

12.25 (b) \$338,000 the first year and \$338,000 the
 12.26 second year are for administrative and
 12.27 promotion costs. The base for this
 12.28 appropriation is \$338,000 for fiscal year 2026
 12.29 and each year thereafter.

12.30 <u>Subd. 39. Director of Tribal Relations</u>	<u>134,000</u>	<u>143,000</u>
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12.31 <u>Subd. 40. Direct Admissions Program</u>	<u>500,000</u>	<u>500,000</u>
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12.32 For the direct admissions program under
 12.33 Minnesota Statutes, section 136A.84.

13.1	<u>Subd. 41. American Indian Scholars</u>	<u>8,500,000</u>	<u>8,500,000</u>
13.2	<u>To support implementation of Minnesota</u>		
13.3	<u>Statutes, section 135A.121.</u>		
13.4	<u>\$4,032,000 in fiscal year 2024 and \$4,032,000</u>		
13.5	<u>in fiscal year 2025 are for transfer to the Board</u>		
13.6	<u>of Regents of the University of Minnesota.</u>		
13.7	<u>\$4,468,000 in fiscal year 2024 and \$4,468,000</u>		
13.8	<u>in fiscal year 2025 are for transfer to the Board</u>		
13.9	<u>of Trustees of the Minnesota State Colleges</u>		
13.10	<u>and Universities.</u>		
13.11	<u>Subd. 42. Higher Education Public Service</u>		
13.12	<u>Feasibility Study</u>	<u>75,000</u>	<u>-0-</u>
13.13	<u>For the commissioner of the Office of Higher</u>		
13.14	<u>Education to conduct a feasibility study on</u>		
13.15	<u>creating and implementing a Minnesota</u>		
13.16	<u>service initiative. By October 31, 2023, the</u>		
13.17	<u>commissioner shall report to the chairs and</u>		
13.18	<u>ranking minority members of the legislative</u>		
13.19	<u>committees with jurisdiction over higher</u>		
13.20	<u>education on the feasibility of creating and</u>		
13.21	<u>implementing a Minnesota service initiative</u>		
13.22	<u>to increase student civic engagement. The</u>		
13.23	<u>report must include but is not limited to</u>		
13.24	<u>information about the program design,</u>		
13.25	<u>implementation challenges and</u>		
13.26	<u>recommendations, outcomes, and the</u>		
13.27	<u>feasibility of scaling the program over time.</u>		
13.28	<u>Subd. 43. Child Development Associate Pathway</u>	<u>475,000</u>	<u>-0-</u>
13.29	<u>For transfer to the Board of Trustees of the</u>		
13.30	<u>Minnesota State Colleges and Universities to</u>		
13.31	<u>develop a transparent pathway for current</u>		
13.32	<u>child development associate credential holders</u>		
13.33	<u>to be awarded academic credit that aligns with</u>		
13.34	<u>related academic certificate, diploma, and</u>		

14.1 degree programs. Funds must be used to
 14.2 develop curriculum at eight colleges and
 14.3 universities, develop training and advising
 14.4 tools for those institutions, and form a
 14.5 statewide advisory committee to advise the
 14.6 project development.

14.7 **Subd. 44. Minnesota Commitment to Higher**
 14.8 **Education**

496,000

177,105,000

14.9 (a) \$176,903,000 the second year is transferred
 14.10 from the general fund to the account in the
 14.11 special revenue fund under Minnesota
 14.12 Statutes, section 136A.1465, subdivision 6.
 14.13 The base for the transfer under this paragraph
 14.14 is \$49,104,000 in fiscal year 2026 and
 14.15 thereafter.

14.16 (b) \$496,000 the first year and \$202,000 the
 14.17 second year are appropriated from the general
 14.18 fund to the commissioner of the Office of
 14.19 Higher Education for administrative and
 14.20 promotion expenses to implement and direct
 14.21 the scholarship awards under Minnesota
 14.22 Statutes, section 136A.1465.

14.23 **Subd. 45. Inclusive Higher Education Technical**
 14.24 **Assistance Center**

1,000,000

1,000,000

14.25 (a) \$250,000 the first year and \$250,000 the
 14.26 second year are to enter into a contract
 14.27 establishing the Inclusive Higher Education
 14.28 Technical Assistance Center under Minnesota
 14.29 Statutes, section 135A.161.

14.30 (b) \$750,000 the first year and \$750,000 the
 14.31 second year are transferred from the general
 14.32 fund to the inclusive higher education grant
 14.33 account under Minnesota Statutes, section
 14.34 135A.162, subdivision 4. Up to five percent

15.1 of the transfer can be used for administrative
 15.2 expenses.

15.3 **Subd. 46. Postsecondary Student Basic Needs**
 15.4 **Working Group**

44,000

-0-

15.5 \$44,000 the first year is to administer the
 15.6 postsecondary student basic needs working
 15.7 group under article 2, section 28, and provide
 15.8 stipends to participants of the working group
 15.9 who are students. A student participant must
 15.10 receive a stipend, as determined by the
 15.11 commissioner, for each meeting the student
 15.12 attends. This is a onetime appropriation.

15.13 **Subd. 47. Minnesota Association of Black**
 15.14 **Lawyers**

350,000

350,000

15.15 (a) \$350,000 in fiscal year 2024 and \$350,000
 15.16 in fiscal year 2025 are appropriated from the
 15.17 general fund to the commissioner of the Office
 15.18 of Higher Education for a grant to the
 15.19 Minnesota Association of Black Lawyers to
 15.20 be used for a pilot program supporting black
 15.21 undergraduate students pursuing admission to
 15.22 law school in Minnesota. This is a onetime
 15.23 appropriation.

15.24 (b) The pilot program under paragraph (a)
 15.25 must:

15.26 (1) enroll an initial cohort of ten to 20 black
 15.27 Minnesota resident students attending a
 15.28 baccalaureate degree-granting postsecondary
 15.29 institution in Minnesota full time;

15.30 (2) support each of the program's students with
 15.31 an academic scholarship in the amount of
 15.32 \$4,000 per academic year;

15.33 (3) organize events and programming,
 15.34 including but not limited to one-on-one

16.1 mentoring, to familiarize enrolled students
 16.2 with law school and legal careers; and
 16.3 (4) provide the program's students free test
 16.4 preparation materials, academic support,
 16.5 registration for the Law School Admission
 16.6 Test (LSAT) examination, and submission of
 16.7 test results to law schools in Minnesota.
 16.8 (c) The Minnesota Association of Black
 16.9 Lawyers may use grant funds under paragraph
 16.10 (a) for costs related to:
 16.11 (1) student scholarships;
 16.12 (2) academic events and programming,
 16.13 including food and transportation costs for
 16.14 students;
 16.15 (3) LSAT preparation materials, courses,
 16.16 registrations, and submission of test results to
 16.17 law schools in Minnesota; and
 16.18 (4) hiring staff for the program.
 16.19 (d) By January 30, 2025, and again by January
 16.20 30, 2026, the Minnesota Association of Black
 16.21 Lawyers must submit a report to the
 16.22 commissioner of the Office of Higher
 16.23 Education and to the chairs and ranking
 16.24 minority members of the legislative
 16.25 committees with jurisdiction over higher
 16.26 education finance and policy. The report must
 16.27 include an accurate and detailed account of
 16.28 the pilot program, its outcomes, and its
 16.29 revenues and expenses, including the use of
 16.30 all state funds appropriated in paragraph (a).

16.31 **Subd. 48. Report on Minnesota State Colleges**
 16.32 **and Universities Course Placement Practices**

250,000

-0-

17.1 \$250,000 the first year is for the purposes of
 17.2 creating a report on Minnesota State Colleges
 17.3 and Universities placement practice under
 17.4 article 2, section 29. This is a onetime
 17.5 appropriation.

17.6 **Subd. 49. Agency Administration** 6,498,000 6,724,000

17.7 The base for this appropriation is \$6,096,000
 17.8 in fiscal year 2026 and each year thereafter.

17.9 **Subd. 50. Balances Forward**

17.10 A balance in the first year under this section
 17.11 does not cancel, but is available for the second
 17.12 year.

17.13 **Subd. 51. Transfers**

17.14 The commissioner of the Office of Higher
 17.15 Education may transfer unencumbered
 17.16 balances from the appropriations in this
 17.17 section to the state grant appropriation, the
 17.18 interstate tuition reciprocity appropriation, the
 17.19 child care grant appropriation, the Indian
 17.20 scholarship appropriation, the state work-study
 17.21 appropriation, the get ready appropriation, the
 17.22 intervention for college attendance
 17.23 appropriation, the student-parent information
 17.24 appropriation, the summer academic
 17.25 enrichment program appropriation, the public
 17.26 safety officers' survivors appropriation, and
 17.27 the fostering independence higher education
 17.28 grant program. The commissioner may transfer
 17.29 unencumbered balances from the hunger-free
 17.30 campus appropriations to the emergency
 17.31 assistance for postsecondary students grant.
 17.32 To the extent there is a projected surplus in
 17.33 the appropriation for either the student
 17.34 teachers in shortage areas grant program or

19.1 from fiscal year 2019 to fiscal year 2023,
19.2 except that no institution shall receive an
19.3 allocation less than \$300,000. This is a
19.4 onetime appropriation. The base for this
19.5 appropriation in fiscal year 2026 and later is
19.6 \$0.

19.7 (c) \$5,700,000 in fiscal year 2024 and
19.8 \$5,700,000 in fiscal year 2025 are to provide
19.9 supplemental aid for operations and
19.10 maintenance to the president of each two-year
19.11 institution in the system with at least one
19.12 campus that is not located in a metropolitan
19.13 county, as defined in Minnesota Statutes,
19.14 section 473.121, subdivision 4. The board
19.15 shall transfer at least \$158,000 for each
19.16 campus not located in a metropolitan county
19.17 in each year to the president of each institution
19.18 that includes such a campus.

19.19 (d) The Board of Trustees is requested to help
19.20 Minnesota close the attainment gap by funding
19.21 activities which improve retention and
19.22 completion for students of color.

19.23 (e) \$4,500,000 in fiscal year 2024 and
19.24 \$4,500,000 in fiscal year 2025 are for
19.25 workforce development scholarships under
19.26 Minnesota Statutes, section 136F.38. The base
19.27 for this appropriation is \$4,500,000 in fiscal
19.28 year 2026 and each year thereafter.

19.29 (f) \$300,000 in fiscal year 2024 and \$300,000
19.30 in fiscal year 2025 are for transfer to the Cook
19.31 County Higher Education Board to provide
19.32 educational programming, workforce
19.33 development, and academic support services
19.34 to remote regions in northeastern Minnesota.
19.35 The Cook County Higher Education Board

20.1 shall continue to provide information to the
20.2 Board of Trustees on the number of students
20.3 served, credit hours delivered, and services
20.4 provided to students.

20.5 (g) \$40,000 in fiscal year 2024 and \$40,000
20.6 in fiscal year 2025 to implement the sexual
20.7 assault policies required under Minnesota
20.8 Statutes, section 135A.15.

20.9 (h) \$9,000,000 in fiscal year 2024 and
20.10 \$10,000,000 in fiscal year 2025 are for
20.11 enterprise-wide technology, including
20.12 upgrading the Integrated Statewide Record
20.13 System and maintaining enterprise-wide
20.14 technology services. The base for this
20.15 appropriation in fiscal year 2026 and later is
20.16 \$10,000,000.

20.17 (i) \$50,000 in fiscal year 2024 and \$50,000 in
20.18 fiscal year 2025 to implement the Z-Degree
20.19 program under Minnesota Statutes, section
20.20 136F.305.

20.21 (j) \$13,000,000 the first year and \$13,000,000
20.22 the second year are to expand student support
20.23 services. This appropriation provides funding
20.24 to campuses to address basic needs insecurity,
20.25 mental health, and other high-need student
20.26 support services by increasing the amount of
20.27 available resources to students. In addition,
20.28 this funding provides systemwide resources
20.29 and coordination, including electronic
20.30 connections for peer support and professional
20.31 clinical support for mental health. These
20.32 systemwide resources must be available online
20.33 and via telephone and text, 24 hours a day,
20.34 seven days a week. The base for the

21.1 appropriation under this clause is \$5,000,000
 21.2 for fiscal year 2026 and each year thereafter.
 21.3 (k) \$172,000 in fiscal year 2024 and \$349,000
 21.4 in fiscal year 2025 are for costs associated
 21.5 with the increased employer contribution rates
 21.6 for the Higher Education Individual
 21.7 Retirement Account Plan under Minnesota
 21.8 Statutes, section 354B.23, subdivision 3. The
 21.9 base for this appropriation for fiscal year 2026
 21.10 is \$530,000 and for fiscal year 2027 and later
 21.11 is \$715,000.

21.12 (l) \$482,000 the first year and \$282,000 the
 21.13 second year are to pay the cost of supplies and
 21.14 equipment necessary to provide access to
 21.15 menstrual products for purposes of Minnesota
 21.16 Statutes, section 135A.1365.

21.17 (m) \$134,000 the first year and \$143,000 the
 21.18 second year, in partnership with the Office of
 21.19 Higher Education, are for a P-20 partnership
 21.20 executive director. The base for this
 21.21 appropriation is \$143,000 for fiscal year 2026
 21.22 and each year thereafter.

21.23 (n) The total operations and maintenance base
 21.24 is \$839,907,000 in fiscal year 2026 and
 21.25 \$840,092,000 in fiscal year 2027.

21.26 <u>Subd. 4. Learning Network of Minnesota</u>	<u>4,115,000</u>	<u>4,115,000</u>
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21.27 <u>Subd. 5. Workforce Development</u>	<u>15,000,000</u>	<u>15,000,000</u>
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21.28 (a) \$10,000,000 the first year and \$10,000,000
 21.29 the second year are to upgrade college and
 21.30 university equipment and learning
 21.31 environments to provide students with
 21.32 state-of-the-art learning opportunities for
 21.33 career and technical education and to enhance
 21.34 applied research laboratories for interactive,

- 23.1 increase the medical school's research
23.2 capacity; (2) improve the medical school's
23.3 ranking in National Institutes of Health
23.4 funding; (3) ensure the medical school's
23.5 national prominence by attracting and
23.6 retaining world-class faculty, staff, and
23.7 students; (4) invest in physician training
23.8 programs in rural and underserved
23.9 communities; and (5) translate the medical
23.10 school's research discoveries into new
23.11 treatments and cures to improve the health of
23.12 Minnesotans.
- 23.13 (b) \$7,800,000 in fiscal year 2024 and
23.14 \$7,800,000 in fiscal year 2025 are for health
23.15 training restoration. This appropriation must
23.16 be used to support all of the following: (1)
23.17 faculty physicians who teach at eight residency
23.18 program sites, including medical resident and
23.19 student training programs in the Department
23.20 of Family Medicine; (2) the Mobile Dental
23.21 Clinic; and (3) expansion of geriatric
23.22 education and family programs.
- 23.23 (c) \$4,000,000 in fiscal year 2024 and
23.24 \$4,000,000 in fiscal year 2025 are for the
23.25 Minnesota Discovery, Research, and
23.26 InnoVation Economy funding program for
23.27 cancer care research.
- 23.28 (d) \$500,000 in fiscal year 2024 and \$500,000
23.29 in fiscal year 2025 are for the University of
23.30 Minnesota, Morris branch, to cover the costs
23.31 of tuition waivers under Minnesota Statutes,
23.32 section 137.16.
- 23.33 (e) \$374,000 the first year and \$110,000 the
23.34 second year are to pay the cost of supplies and
23.35 equipment necessary to provide access to

24.1 menstrual products for purposes of article 2,
 24.2 section 2.

24.3 (f) The total operations and maintenance base
 24.4 for fiscal year 2026 and later is \$665,928,000.

24.5 **Subd. 3. Primary Care Education Initiatives** 2,157,000 2,157,000

24.6 This appropriation is from the health care
 24.7 access fund.

24.8 **Subd. 4. Special Appropriations**

24.9 **(a) Agriculture and Extension Service** 42,922,000 42,922,000

24.10 For the Agricultural Experiment Station and
 24.11 the Minnesota Extension Service:

24.12 (1) the agricultural experiment stations and
 24.13 Minnesota Extension Service must convene
 24.14 agricultural advisory groups to focus research,
 24.15 education, and extension activities on producer
 24.16 needs and implement an outreach strategy that
 24.17 more effectively and rapidly transfers research
 24.18 results and best practices to producers
 24.19 throughout the state;

24.20 (2) this appropriation includes funding for
 24.21 research and outreach on the production of
 24.22 renewable energy from Minnesota biomass
 24.23 resources, including agronomic crops, plant
 24.24 and animal wastes, and native plants or trees.

24.25 The following areas should be prioritized and
 24.26 carried out in consultation with Minnesota
 24.27 producers, renewable energy, and bioenergy
 24.28 organizations:

24.29 (i) biofuel and other energy production from
 24.30 perennial crops, small grains, row crops, and
 24.31 forestry products in conjunction with the
 24.32 Natural Resources Research Institute (NRRI);

- 25.1 (ii) alternative bioenergy crops and cropping
25.2 systems; and
- 25.3 (iii) biofuel coproducts used for livestock feed;
- 25.4 (3) this appropriation includes funding for the
25.5 College of Food, Agricultural, and Natural
25.6 Resources Sciences to establish and provide
25.7 leadership for organic agronomic,
25.8 horticultural, livestock, and food systems
25.9 research, education, and outreach and for the
25.10 purchase of state-of-the-art laboratory,
25.11 planting, tilling, harvesting, and processing
25.12 equipment necessary for this project;
- 25.13 (4) this appropriation includes funding for
25.14 research efforts that demonstrate a renewed
25.15 emphasis on the needs of the state's agriculture
25.16 community. The following areas should be
25.17 prioritized and carried out in consultation with
25.18 Minnesota farm organizations:
- 25.19 (i) vegetable crop research with priority for
25.20 extending the Minnesota vegetable growing
25.21 season;
- 25.22 (ii) fertilizer and soil fertility research and
25.23 development;
- 25.24 (iii) soil, groundwater, and surface water
25.25 conservation practices and contaminant
25.26 reduction research;
- 25.27 (iv) discovering and developing plant varieties
25.28 that use nutrients more efficiently;
- 25.29 (v) breeding and development of turf seed and
25.30 other biomass resources in all three Minnesota
25.31 biomes;

- 26.1 (vi) development of new disease-resistant and
- 26.2 pest-resistant varieties of turf and agronomic
- 26.3 crops;
- 26.4 (vii) utilizing plant and livestock cells to treat
- 26.5 and cure human diseases;
- 26.6 (viii) the development of dairy coproducts;
- 26.7 (ix) a rapid agricultural response fund for
- 26.8 current or emerging animal, plant, and insect
- 26.9 problems affecting production or food safety;
- 26.10 (x) crop pest and animal disease research;
- 26.11 (xi) developing animal agriculture that is
- 26.12 capable of sustainably feeding the world;
- 26.13 (xii) consumer food safety education and
- 26.14 outreach;
- 26.15 (xiii) programs to meet the research and
- 26.16 outreach needs of organic livestock and crop
- 26.17 farmers; and
- 26.18 (xiv) alternative bioenergy crops and cropping
- 26.19 systems; and growing, harvesting, and
- 26.20 transporting biomass plant material; and
- 26.21 (5) by February 1, 2025, the Board of Regents
- 26.22 must submit a report to the legislative
- 26.23 committees and divisions with jurisdiction
- 26.24 over agriculture and higher education finance
- 26.25 on the status and outcomes of research and
- 26.26 initiatives funded in this paragraph.

26.27 (b) Health Sciences 29,204,000 9,204,000

- 26.28 (1) \$346,000 each year is to support up to 12
- 26.29 resident physicians in the St. Cloud Hospital
- 26.30 family practice residency program. The
- 26.31 program must prepare doctors to practice
- 26.32 primary care medicine in rural areas of the

27.1 state. The legislature intends this program to
 27.2 improve health care in rural communities,
 27.3 provide affordable access to appropriate
 27.4 medical care, and manage the treatment of
 27.5 patients in a more cost-effective manner. The
 27.6 remainder of this appropriation is for the rural
 27.7 physicians associates program; the Veterinary
 27.8 Diagnostic Laboratory; health sciences
 27.9 research; dental care; the Biomedical
 27.10 Engineering Center; and the collaborative
 27.11 partnership between the University of
 27.12 Minnesota and Mayo Clinic for regenerative
 27.13 medicine, research, clinical translation, and
 27.14 commercialization.

27.15 (2) \$20,000,000 the first year is for programs
 27.16 at the University of Minnesota Medical School
 27.17 Campus on the CentraCare Health System
 27.18 Campus in St. Cloud. This appropriation may
 27.19 be used for tuition support, a residency
 27.20 program, a rural health research program, a
 27.21 program to target scholarships to students from
 27.22 diverse backgrounds, and a scholarship
 27.23 program targeted at students who will practice
 27.24 in rural areas. This appropriation is available
 27.25 June 30, 2027, and must be spent on the
 27.26 CentraCare Health System Campus in the
 27.27 greater St. Cloud area.

27.28	<u>(c) College of Science and Engineering</u>	<u>1,140,000</u>	<u>1,140,000</u>
27.29	<u>For the geological survey and the talented</u>		
27.30	<u>youth mathematics program.</u>		

27.31	<u>(d) System Special</u>	<u>9,181,000</u>	<u>9,181,000</u>
27.32	<u>(1) For general research, the Labor Education</u>		
27.33	<u>Service, Natural Resources Research Institute,</u>		
27.34	<u>Center for Urban and Regional Affairs, Bell</u>		

28.1 Museum of Natural History, and the
 28.2 Humphrey exhibit. The base for this
 28.3 appropriation is \$8,181,000 for fiscal year
 28.4 2026 and each year thereafter.

28.5 (2) \$4,000,000 in fiscal year 2024 and
 28.6 \$4,000,000 in fiscal year 2025 are for the
 28.7 Natural Resources Research Institute to invest
 28.8 in applied research in natural resource
 28.9 stewardship and economic development to
 28.10 attract and retain top talent; provide matching
 28.11 funds for federal grants; upgrade facilities,
 28.12 equipment, and training; and expand
 28.13 entrepreneurial support and outreach efforts.

28.14 The base for this appropriation for fiscal year
 28.15 2026 and each year thereafter is \$3,000,000.

28.16 **(e) University of Minnesota and Mayo**
 28.17 **Foundation Partnership**

7,991,000

7,991,000

28.18 This appropriation is for the following
 28.19 activities:

28.20 (1) \$7,491,000 in fiscal year 2024 and
 28.21 \$7,491,000 in fiscal year 2025 are for the
 28.22 direct and indirect expenses of the
 28.23 collaborative research partnership between the
 28.24 University of Minnesota and the Mayo
 28.25 Foundation for research in biotechnology and
 28.26 medical genomics. An annual report on the
 28.27 expenditure of these funds must be submitted
 28.28 to the governor and the chairs of the legislative
 28.29 committees responsible for higher education
 28.30 finance by June 30 of each fiscal year.

28.31 (2) \$500,000 in fiscal year 2024 and \$500,000
 28.32 in fiscal year 2025 are to award competitive
 28.33 grants to conduct research into the prevention,
 28.34 treatment, causes, and cures of Alzheimer's
 28.35 disease and other dementias.

29.1 Subd. 5. Academic Health Center

29.2 The appropriation for Academic Health Center
 29.3 funding under Minnesota Statutes, section
 29.4 297F.10, is estimated to be \$22,250,000 each
 29.5 year.

29.6 Sec. 5. MAYO CLINIC

29.7 <u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>1,799,000</u>	<u>\$</u>	<u>1,799,000</u>
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29.8 The amounts that may be spent are specified
 29.9 in the following subdivisions.

29.10 <u>Subd. 2. Medical School</u>		<u>665,000</u>		<u>665,000</u>
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29.11 The state must pay a capitation each year for
 29.12 each student who is a resident of Minnesota.
 29.13 The appropriation may be transferred between
 29.14 each year of the biennium to accommodate
 29.15 enrollment fluctuations. It is intended that
 29.16 during the biennium the Mayo Clinic use the
 29.17 capitation money to increase the number of
 29.18 doctors practicing in rural areas in need of
 29.19 doctors.

29.20 <u>Subd. 3. Family Practice and Graduate</u> 29.21 <u>Residency Program</u>		<u>1,134,000</u>		<u>1,134,000</u>
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29.22 The state must pay stipend support for up to
 29.23 27 residents each year.

29.24 **ARTICLE 2**

29.25 **HIGHER EDUCATION PROVISIONS**

29.26 Section 1. [135A.121] AMERICAN INDIAN SCHOLARS.

29.27 Subdivision 1. Establishment. The American Indian Scholars program is established
 29.28 to provide a first-dollar tuition and fee free pathway for eligible Minnesota American Indian
 29.29 students to complete an undergraduate education.

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

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

30.1 (2) be either (i) a Minnesota resident for resident tuition purposes who is an enrolled
 30.2 member or citizen of a federally recognized American Indian Tribe or Canadian First Nation,
 30.3 or (ii) an enrolled member or citizen of a Minnesota Tribal Nation, regardless of resident
 30.4 tuition status; and

30.5 (3) have not (i) obtained a baccalaureate degree, or (ii) been enrolled for 180 credits or
 30.6 the equivalent, excluding courses taken that qualify as developmental education or below
 30.7 college-level.

30.8 Subd. 3. **Administration.** Minnesota State Colleges and Universities must and the
 30.9 University of Minnesota is requested to provide a full tuition and fee waiver to a student
 30.10 eligible under subdivision 2. Funds appropriated with reference to this section may be used
 30.11 to offset the institutional costs of the waivers; fund existing waivers, scholarships, or grant
 30.12 programs for students eligible under subdivision 2; provide student supports for eligible
 30.13 students; and administer these programs.

30.14 Subd. 4. **Reports.** (a) Each institution receiving funds under this section must annually
 30.15 report to the commissioner of the Office of Higher Education the following:

30.16 (1) how the systems or institutions have administered, distributed, and awarded the
 30.17 funds;

30.18 (2) enrollment and graduation data for all eligible students, including applicants and
 30.19 recipients of funds; and

30.20 (3) the aggregate awarded financial aid information for all recipients of funds under this
 30.21 program.

30.22 (b) Using the data submitted to the office by institutions pursuant to paragraph (a), as
 30.23 well as other data available to the office, the office shall provide the following on its website
 30.24 by placing a prominent link on its website home page:

30.25 (1) information made available in a searchable database, including but not limited to
 30.26 persistence and completion, debt of graduates, employment and wage information, and other
 30.27 relevant data for each institution subject to paragraph (a); and

30.28 (2) other information and links that are useful to students and parents who are in the
 30.29 process of selecting a college or university.

30.30 Sec. 2. **[135A.1365] ACCESS TO MENSTRUAL PRODUCTS.**

30.31 The Board of Trustees of the Minnesota State Colleges and Universities shall, and the
 30.32 Board of Regents of the University of Minnesota is requested to, provide students with

31.1 access to menstrual products at no charge. The products must be available in restrooms used
 31.2 by students. For purposes of this section, "menstrual products" means pads, tampons, or
 31.3 other similar products used in connection with the menstrual cycle.

31.4 Sec. 3. Minnesota Statutes 2022, section 135A.137, subdivision 2, is amended to read:

31.5 Subd. 2. **Designation approval.** ~~(a) The statewide student associations representing the~~
 31.6 ~~state community and technical colleges and the state universities~~ student advisory council
 31.7 under section 136A.031 shall create an application process and an award for institutions
 31.8 applying for grant funds. The student advisory council shall review applications and provide
 31.9 make recommendations to the commissioner. The commissioner shall have final approval
 31.10 for the designation at each state college and university, respectively and the award amount.

31.11 ~~(b) The University of Minnesota Student Association at each institution shall create an~~
 31.12 ~~application process and an award and provide final approval for the designation at each~~
 31.13 ~~University of Minnesota institution.~~

31.14 ~~(c) The Minnesota Association of Private College Students and the Student Advisory~~
 31.15 ~~Council member representing Tribal colleges pursuant to section 136A.031, subdivision 3,~~
 31.16 ~~shall create an application process and an award and provide final approval for the designation~~
 31.17 ~~at each nonprofit degree-granting institution.~~

31.18 Sec. 4. Minnesota Statutes 2022, section 135A.137, subdivision 3, is amended to read:

31.19 Subd. 3. **Competitive grant.** (a) Institutions eligible for a grant under this subdivision
 31.20 include public postsecondary institutions, nonprofit private postsecondary institutions, and
 31.21 Tribal colleges.

31.22 (b) The commissioner shall establish a competitive grant program to distribute grants
 31.23 to eligible institutions to meet and maintain the requirements under subdivision 1, paragraph
 31.24 (a). Initial grants shall be made to institutions that have not earned the designation and
 31.25 demonstrate a need for funding to meet the hunger-free campus designation requirements.
 31.26 Sustaining grants shall be made to institutions that have earned the designation and
 31.27 demonstrate both a partnership with a local food bank or organization that provides regular,
 31.28 on-campus food distributions and a need for funds to maintain the requirements under
 31.29 subdivision 1, paragraph (a).

31.30 (c) The commissioner shall give preference to applications for initial grants and to
 31.31 applications from institutions with the highest number of federal Pell Grant eligible students
 31.32 enrolled. The commissioner shall consider the head count at the institution when awarding

32.1 grants. The maximum grant award for an initial institution designation is ~~\$8,000~~ \$25,000.

32.2 The maximum grant award for sustaining an institution designation is ~~\$5,000~~ \$15,000.

32.3 (d) The commissioner, in collaboration with student associations representing eligible
32.4 institutions, shall create an application process and establish selection criteria for awarding
32.5 the grants.

32.6 (e) No more than 20 percent of the total grant awards each fiscal year shall be for grants
32.7 to nonprofit private postsecondary institutions.

32.8 **Sec. 5. [135A.161] INCLUSIVE HIGHER EDUCATION TECHNICAL ASSISTANCE**
32.9 **CENTER.**

32.10 Subdivision 1. Definitions. (a) For purposes of this section and section 135A.162, the
32.11 following terms have the meanings given.

32.12 (b) "Center" means the Inclusive Higher Education Technical Assistance Center.

32.13 (c) "Commissioner" means the commissioner of the Office of Higher Education.

32.14 (d) "Comprehensive transition and postsecondary program for students with intellectual
32.15 disabilities" means a degree, certificate, or nondegree program that is offered by an institution
32.16 of higher education for students with intellectual disabilities and approved by the United
32.17 States Department of Education.

32.18 (e) "Director" means the director of the Inclusive Higher Education Technical Assistance
32.19 Center.

32.20 (f) "Inclusive higher education" means institution-approved access to higher education
32.21 for students with an intellectual disability that allows for the same rights, privileges,
32.22 experiences, benefits, and outcomes that result from a college experience the same as a
32.23 matriculating student, resulting in a meaningful credential conferred by the institution of
32.24 higher education. Inclusive higher education includes:

32.25 (1) academic access and inclusive instruction;

32.26 (2) person-centered planning;

32.27 (3) career development;

32.28 (4) campus engagement;

32.29 (5) self-determination;

32.30 (6) paid internships and employment;

33.1 (7) on- or off-campus living, when available to other students;

33.2 (8) campus community clubs, events, and activity participation;

33.3 (9) peer mentors and support; and

33.4 (10) a degree, certificate, or nondegree credential.

33.5 (g) "National Coordinating Center" means the federally funded National Coordinating
 33.6 Center, as identified in United States Code, title 20, section 1140q, that provides training
 33.7 and technical assistance supporting evidence-based and student-centered research and
 33.8 practice for inclusive higher education initiatives for students with intellectual disabilities.

33.9 (h) "Office" means the Office of Higher Education.

33.10 (i) "Student with an intellectual disability" means a student with an intellectual disability
 33.11 as defined in Code of Federal Regulations, title 34, section 668.231.

33.12 Subd. 2. **Establishment.** The commissioner must contract with the Institute on
 33.13 Community Integration at the University of Minnesota to establish the Inclusive Higher
 33.14 Education Technical Assistance Center. The purpose of the center is to increase access to
 33.15 self-sustaining postsecondary education options across Minnesota for students with an
 33.16 intellectual disability to earn meaningful credentials through degree, certificate, and
 33.17 nondegree initiatives leading to competitive integrated employment, genuine community
 33.18 membership, and more independent living. The center must:

33.19 (1) coordinate and facilitate the statewide initiative to expand and enhance inclusive
 33.20 higher education opportunities;

33.21 (2) provide expertise in inclusive higher education for students with an intellectual
 33.22 disability;

33.23 (3) provide technical assistance:

33.24 (i) to Minnesota institutions of higher education;

33.25 (ii) to local education agencies; and

33.26 (iii) as requested by the commissioner; and

33.27 (4) provide information to students with intellectual disabilities and their families.

33.28 Subd. 3. **Director; advisory committee.** (a) The center must name a director.

33.29 (b) The center must make hiring decisions based on the Institute on Community
 33.30 Integration's values of diversity and inclusion of staff with disabilities.

34.1 (c) The director must appoint an advisory committee and seek the committee's review
 34.2 and recommendations on broad programmatic direction. The advisory committee must be
 34.3 composed of 50 percent students with an intellectual disability. The remaining positions
 34.4 must be filled by family members, key stakeholders, and allies. The director must convene
 34.5 the advisory committee at least quarterly. The advisory committee shall:

34.6 (1) review and recommend inclusive higher education offerings;

34.7 (2) review and recommend updates to state policy and practice;

34.8 (3) document existing and potential funding sources; and

34.9 (4) identify obstacles and barriers to students with an intellectual disability to access
 34.10 inclusive higher education opportunities.

34.11 Subd. 4. **Responsibilities.** (a) The center must advise and offer technical assistance to
 34.12 all Minnesota institutions of higher education planning or offering an inclusive higher
 34.13 education initiative to operate in accordance with federal requirements, the model Program
 34.14 Accreditation Standards for Postsecondary Education Programs for Students with Intellectual
 34.15 Disabilities, and guiding principles for inclusive higher education as developed by the
 34.16 National Coordinating Center.

34.17 (b) The center must monitor federal and state law related to inclusive higher education
 34.18 and notify the governor, the legislature, and the Office of Higher Education of any change
 34.19 in law which may impact inclusive higher education.

34.20 (c) The center must provide technical assistance to institutions of higher education,
 34.21 administrators, faculty, and staff by:

34.22 (1) offering institution faculty and staff training and professional development to start,
 34.23 operate, or enhance their inclusive higher education initiative;

34.24 (2) providing faculty and staff with information, training, and consultation on the
 34.25 comprehensive transition and postsecondary program requirements, model Program
 34.26 Accreditation Standards for Postsecondary Education Programs for Students with Intellectual
 34.27 Disabilities, and guiding principles;

34.28 (3) organizing and offering learning community events, an annual inclusive higher
 34.29 education conference and community of practice events to share best practices, provide
 34.30 access to national experts, and address challenges and concerns;

35.1 (4) assisting institutions of higher education with identifying existing or potential funding
 35.2 sources for the institution of higher education, student financial aid, and funding for students
 35.3 with an intellectual disability; and

35.4 (5) advising faculty and staff with an inclusive higher education option of specific grant
 35.5 applications and funding opportunities.

35.6 (d) The center must disseminate information to students with an intellectual disability,
 35.7 their parents, and local education agencies, including but not limited to information about:

35.8 (1) postsecondary education options, services, and resources that are available at inclusive
 35.9 institutions of higher education;

35.10 (2) technical assistance and training provided by the center, the National Coordinating
 35.11 Center, and key stakeholder organizations and agencies; and

35.12 (3) mentoring, networking, and employment opportunities.

35.13 **Sec. 6. [135A.162] INCLUSIVE HIGHER EDUCATION GRANTS.**

35.14 Subdivision 1. **Establishment.** (a) The commissioner of the Office of Higher Education
 35.15 in collaboration with the director of the Inclusive Higher Education Technical Assistance
 35.16 Center must establish a competitive grant program for Minnesota institutions of higher
 35.17 education to develop new or enhance existing inclusive higher education initiatives to enroll
 35.18 or increase enrollment of students with an intellectual disability. The commissioner and
 35.19 director must collaborate to establish the grant program framework, including:

35.20 (1) minimum grant requirements;

35.21 (2) application format;

35.22 (3) criteria for evaluating applications;

35.23 (4) grant selection process;

35.24 (5) milestones and accountability; and

35.25 (6) reporting.

35.26 (b) The commissioner must send a description of the competitive grants, including
 35.27 materials describing the grant purpose and goals, an application, compliance requirements,
 35.28 and available funding to each institution of higher education that meets the requirements
 35.29 of subdivision 2, clauses (1) and (2).

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

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

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

36.3 Subd. 3. **Application.** (a) Applications must be made to the commissioner on a form
36.4 developed and provided by the commissioner. The commissioner must, to the greatest extent
36.5 possible, make the application form as short and simple to complete as is reasonably possible.
36.6 The commissioner must establish a schedule for applications and grants. The application
36.7 must include without limitation a written plan to develop or enhance a sustainable inclusive
36.8 higher education initiative that:

36.9 (1) offers the necessary supports to students with an intellectual disability to access the
36.10 same rights, privileges, experiences, benefits, and outcomes of a typically matriculating
36.11 student;

36.12 (2) includes the development of a meaningful credential for students with an intellectual
36.13 disability to attain upon successful completion of the student's postsecondary education;

36.14 (3) adopts admission standards that do not require a student with an intellectual disability
36.15 to complete a curriculum-based, achievement college entrance exam that is administered
36.16 nationwide;

36.17 (4) ensures that students with an intellectual disability:

36.18 (i) have access and choice in a wide array of academic courses to enroll in for credit or
36.19 audit that align with the student's interest areas and are attended by students without
36.20 disabilities;

36.21 (ii) have the option to live on or off campus in housing that is available to typically
36.22 matriculating students;

36.23 (iii) have access and support for genuine membership in campus life, including events,
36.24 social activities and organizations, institution facilities, and technology; and

36.25 (iv) are able to access and utilize campus resources available to typical matriculating
36.26 students;

36.27 (5) provides students with an intellectual disability with the supports and experiences
36.28 necessary to seek and sustain competitive integrated employment;

36.29 (6) develops and promotes the self-determination skills of students with an intellectual
36.30 disability;

37.1 (7) utilizes peer mentors who support enrolled students with an intellectual disability in
37.2 academic, campus engagement, residence life, employment, and campus clubs and
37.3 organizations;

37.4 (8) provides professional development and resources for university professors and
37.5 instructors to utilize universal design for learning and differentiated instruction that supports
37.6 and benefits all students; and

37.7 (9) presents a ten-year plan including student enrollment projections for sustainability
37.8 of an initiative that is financially accessible and equitable for all interested students with an
37.9 intellectual disability.

37.10 (b) Eligible institutions of higher education may apply for funding in subsequent years
37.11 for up to a total of ten years of funding.

37.12 (c) Receipt of grant funds does not preclude nor replace the provision of accommodation
37.13 for enrolled students with disabilities.

37.14 Subd. 4. **Grant account.** An inclusive higher education grant account is created in the
37.15 special revenue fund for depositing money appropriated to or received by the commissioner
37.16 for the program. Money deposited in the account is appropriated to the commissioner, does
37.17 not cancel, and is continuously available for grants under this section. The commissioner
37.18 may use up to five percent of the amount deposited into the account for the administration
37.19 of this section.

37.20 Subd. 5. **Grant awards.** (a) The commissioner must award grants to eligible institutions
37.21 of higher education on a competitive basis using criteria established in collaboration with
37.22 the center. The commissioner must consider and prioritize applicants that have submitted
37.23 for or received a comprehensive transition and postsecondary program designation, or
37.24 applicants with documented progress or intent toward submitting for federal approval. An
37.25 eligible institution of higher education may apply annually for and receive up to \$200,000
37.26 per year for four years and \$100,000 in subsequent years pending performance and the
37.27 funding limitation in subdivision 3, paragraph (b).

37.28 (b) A grant recipient must:

37.29 (1) adopt the model Program Accreditation Standards for Postsecondary Education
37.30 Programs for Students with Intellectual Disabilities and the inclusive higher education
37.31 guiding principles as developed by the National Coordinating Center;

37.32 (2) provide a 25 percent match for the grant funds, either monetary or in-kind; and

38.1 (3) collaborate with the Office of Higher Education, the center, and key stakeholders in
 38.2 the development of the inclusive higher education initiative.

38.3 Subd. 6. **Grantee reporting.** By August 1 and January 1 following a fiscal year in which
 38.4 a grant was received and for five years thereafter, the grantee must submit a report to the
 38.5 director that includes the status and outcomes of the initiative funded. The report must
 38.6 include performance indicators and information deemed relevant by the director and
 38.7 commissioner. The report must include the following performance indicators:

38.8 (1) student recruitment and number of students enrolled;

38.9 (2) student retainment effort and retention rate;

38.10 (3) initiative goals and outcomes;

38.11 (4) student attainment rate;

38.12 (5) graduated student employment rates and salary levels at year one and year five after
 38.13 completion; and

38.14 (6) additional performance indicators or information established under subdivision 1,
 38.15 paragraph (a), clauses (5) and (6).

38.16 Subd. 7. **Reporting.** The director must evaluate the development and implementation
 38.17 of the Minnesota inclusive higher education initiatives receiving a grant under this section.
 38.18 The director must submit an annual report by October 1 on the progress to expand Minnesota
 38.19 inclusive higher education options for students with intellectual disabilities to the
 38.20 commissioner and chairs and ranking minority members of the legislative committees with
 38.21 jurisdiction over higher education policy and finance. The report must include statutory and
 38.22 budget recommendations.

38.23 **EFFECTIVE DATE.** This section is effective July 1, 2023, except that the reporting
 38.24 requirements under subdivision 7 are effective July 1, 2024.

38.25 Sec. 7. Minnesota Statutes 2022, section 136A.031, subdivision 3, is amended to read:

38.26 Subd. 3. **Student Advisory Council.** (a) A Student Advisory Council (SAC) to the
 38.27 office is established. The members of SAC shall include: the chair of the University of
 38.28 Minnesota student senate; the state chair of the Minnesota State University Student
 38.29 Association; the president of the Minnesota State College Student Association and an officer
 38.30 of the Minnesota State College Student Association, one in a community college course of
 38.31 study and one in a technical college course of study; a student who is enrolled in a private
 38.32 nonprofit postsecondary institution, to be elected by students enrolled in Minnesota Private

39.1 College Council institutions; a student who is enrolled in a private career school, to be
 39.2 elected by students enrolled in Minnesota private career schools; and a student who is
 39.3 enrolled in a Minnesota tribal college to be elected by students enrolled in Minnesota tribal
 39.4 colleges. If students from the private career schools or tribal colleges do not elect a
 39.5 representative, the commissioner must appoint a student representative. If students from
 39.6 the Minnesota Private College Council institutions do not elect a representative, the
 39.7 Minnesota Private College Council must appoint the private nonprofit representative. A
 39.8 member may be represented by a student designee who attends an institution from the same
 39.9 system that the absent member represents. The SAC shall select one of its members to serve
 39.10 as chair.

39.11 (b) The office shall inform the SAC of all matters related to student issues under
 39.12 consideration. The SAC shall report to the office quarterly and at other times that the SAC
 39.13 considers desirable. The SAC shall determine its meeting times, but it shall also meet with
 39.14 the office within 30 days after the commissioner's request for a meeting.

39.15 (c) The SAC shall:

39.16 (1) bring to the attention of the office any matter that the SAC believes needs the attention
 39.17 of the office;

39.18 (2) fulfill the requirements under section 135A.137, subdivision 2;

39.19 (3) make recommendations to the office as it finds appropriate; and

39.20 ~~(3)~~ (4) approve student appointments by the office for each advisory group as provided
 39.21 in subdivision 4.

39.22 Sec. 8. Minnesota Statutes 2022, section 136A.101, subdivision 5a, is amended to read:

39.23 Subd. 5a. **Assigned family responsibility.** "Assigned family responsibility" means the
 39.24 amount of a family's contribution to a student's cost of attendance, as determined by a federal
 39.25 need analysis. For dependent students, the assigned family responsibility is 79 percent of
 39.26 the parental contribution. If the parental contribution is less than \$0, the assigned family
 39.27 responsibility is 100 percent of the parental contribution. For independent students with
 39.28 dependents other than a spouse, the assigned family responsibility is 71 percent of the student
 39.29 contribution. For independent students without dependents other than a spouse, the assigned
 39.30 family responsibility is 35 percent of the student contribution. If the student contribution is
 39.31 less than \$0, the assigned family responsibility is 100 percent of the student contribution.
 39.32 For a student registering for less than full time, the office shall prorate the assigned family

40.1 responsibility using the ratio of the number of credits the student is enrolled in to the number
 40.2 of credits for full-time enrollment.

40.3 Sec. 9. Minnesota Statutes 2022, section 136A.101, subdivision 7, is amended to read:

40.4 Subd. 7. **Student.** "Student" means a person who is enrolled for at least ~~three credits~~
 40.5 one credit per term, in a program or course of study that applies to a degree, diploma, or
 40.6 certificate. Credit equivalencies assigned by an institution that are applicable to federal Pell
 40.7 grant calculations shall be counted as part of a student's credit load.

40.8 Sec. 10. Minnesota Statutes 2022, section 136A.121, subdivision 6, is amended to read:

40.9 Subd. 6. **Cost of attendance.** (a) The recognized cost of attendance consists of: (1) an
 40.10 allowance specified in law for living and miscellaneous expenses, and (2) an allowance for
 40.11 tuition and fees equal to the lesser of the average tuition and fees charged by the institution,
 40.12 or a tuition and fee maximum if one is established in law. If no living and miscellaneous
 40.13 expense allowance is established in law, the allowance is equal to ~~109~~ 115 percent of the
 40.14 federal poverty guidelines for a one person household in Minnesota for nine months. If no
 40.15 tuition and fee maximum is established in law, the allowance for tuition and fees is equal
 40.16 to the lesser of: (1) the average tuition and fees charged by the institution, and (2) for
 40.17 two-year programs, an amount equal to the highest tuition and fees charged at a public
 40.18 two-year institution, or for four-year programs, an amount equal to the highest tuition and
 40.19 fees charged at a public university.

40.20 (b) For a student registering for less than full time, the office shall prorate the cost of
 40.21 attendance ~~to the actual number of credits for which the student is enrolled~~ using the ratio
 40.22 of the number of credits the student is enrolled in to the number of credits for full-time
 40.23 enrollment.

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

40.27 (d) For the purpose of this subdivision, "fees" include only those fees that are mandatory
 40.28 and charged to full-time resident students attending the institution. Fees do not include
 40.29 charges for tools, equipment, computers, or other similar materials where the student retains
 40.30 ownership. Fees include charges for these materials if the institution retains ownership. Fees
 40.31 do not include optional or punitive fees.

41.1 Sec. 11. Minnesota Statutes 2022, section 136A.121, subdivision 9, is amended to read:

41.2 Subd. 9. **Awards.** An undergraduate student who meets the office's requirements is
 41.3 eligible to apply for and receive a grant in any year of undergraduate study unless the student
 41.4 has obtained a baccalaureate degree or ~~previously has been enrolled full time or the equivalent~~
 41.5 ~~for eight semesters or the equivalent~~ previously has received a state grant award for 180
 41.6 credits or the equivalent, excluding (1) courses taken from a Minnesota school or
 41.7 postsecondary institution which is not participating in the state grant program and from
 41.8 which a student transferred no credit, and (2) courses taken that qualify as developmental
 41.9 education or below college-level. A student enrolled in a two-year program at a four-year
 41.10 institution is only eligible for the tuition and fee maximums established by law for two-year
 41.11 institutions.

41.12 Sec. 12. Minnesota Statutes 2022, section 136A.121, subdivision 13, is amended to read:

41.13 Subd. 13. **Deadline.** The deadline for the office to accept applications for state grants
 41.14 for a term is ~~30 days after the start of that term~~ June 30 of the fiscal year for which the
 41.15 student applies for a grant.

41.16 Sec. 13. Minnesota Statutes 2022, section 136A.121, subdivision 19, is amended to read:

41.17 Subd. 19. **Reporting.** By November 1 and February 15, the office must provide, to the
 41.18 committees of the legislature with jurisdiction over higher education finance and policy,
 41.19 updated ~~state grant~~ spending projections for the state grant and the Minnesota Commitment
 41.20 to Higher Education Act, taking into account the most current and projected enrollment and
 41.21 tuition and fee information, economic conditions, and other relevant factors. Before
 41.22 submitting state grant spending projections, the office must meet and consult with
 41.23 representatives of public and private postsecondary institutions, the Department of
 41.24 Management and Budget, the Governor's Office, legislative staff, and financial aid
 41.25 administrators.

41.26 Sec. 14. Minnesota Statutes 2022, section 136A.1241, subdivision 5, is amended to read:

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

41.31 (1) the ~~student aid index as calculated by~~ results of the federal need analysis;

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

- 42.1 (3) the amount of the state grant;
- 42.2 (4) the Federal Supplemental Educational Opportunity Grant;
- 42.3 (5) the sum of all Tribal scholarships;
- 42.4 (6) the amount of any other state and federal gift aid;
- 42.5 (7) the Education and Training Voucher Program;
- 42.6 (8) extended foster care benefits under section 260C.451;
- 42.7 (9) the amount of any private grants or scholarships, excluding grants and scholarships
42.8 provided by the private institution of higher education in which the eligible student is
42.9 enrolled; and
- 42.10 (10) for public institutions, the sum of all institutional grants, scholarships, tuition
42.11 waivers, and tuition remission amounts.
- 42.12 (b) The foster grant shall be paid directly to the eligible institution where the student is
42.13 enrolled.
- 42.14 (c) An eligible private institution may opt out of participating in the foster grant program
42.15 established under this section. To opt out, the institution shall provide notice to the office
42.16 by September 1 for the next academic year.
- 42.17 (d) An eligible private institution that does not opt out under paragraph (c) and accepts
42.18 the student's application to attend the institution must provide institutional grants,
42.19 scholarships, tuition waivers, or tuition remission in an amount equal to the difference
42.20 between:
- 42.21 (1) the institution's cost of attendance as calculated under subdivision 4, paragraph (b),
42.22 clause (1); and
- 42.23 (2) the sum of the foster grant under this subdivision and the sum of the amounts in
42.24 paragraph (a), clauses (1) to (9).
- 42.25 (e) An undergraduate student who is eligible may apply for and receive a foster grant
42.26 in any year of undergraduate study unless the student has obtained a baccalaureate degree
42.27 or previously has been enrolled full time as defined in section 136A.101, subdivision 7a,
42.28 or the equivalent for eight semesters or the equivalent, or received a foster grant for five
42.29 years, whichever occurs first. A foster grant must not be awarded to a student for more than
42.30 three years for a two-year degree, certificate, or diploma, or five years for a four-year
42.31 undergraduate degree.

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

43.4 Sec. 15. Minnesota Statutes 2022, section 136A.125, subdivision 4, is amended to read:

43.5 Subd. 4. **Amount and length of grants.** (a) The maximum award to the applicant shall
 43.6 be \$6,500 for each eligible child per academic year, except that the campus financial aid
 43.7 officer may apply to the office for approval to increase grants by up to ten percent to
 43.8 compensate for higher market charges for infant care in a community.

43.9 (b) Applicants with ~~expected family~~ contributions at or below the qualifying ~~expected~~
 43.10 ~~family~~ contribution as determined by the federal need analysis for the federal Pell Grant,
 43.11 as determined by the commissioner, qualify for the maximum award. Applicants with
 43.12 ~~expected family~~ contributions as determined by the federal need analysis exceeding that
 43.13 threshold but less than 200 percent of the qualifying ~~expected family~~ contribution receive
 43.14 an amount proportional to their ~~expected family~~ contribution as determined by the
 43.15 commissioner.

43.16 (c) The academic year award amount must be disbursed by academic term using the
 43.17 following formula:

43.18 (1) the academic year amount described in paragraph (a);

43.19 (2) divided by the number of terms in the academic year; and

43.20 (3) multiplied by the applicable enrollment factor:

43.21 (i) 1.00 for undergraduate students enrolled in 12 or more semester credits or the
 43.22 equivalent or for graduate students enrolled in six or more semester credits or the equivalent;

43.23 (ii) 0.75 for undergraduate students enrolled in nine, ten, or 11 semester credits or the
 43.24 equivalent or for graduate students enrolled in five semester credits or the equivalent;

43.25 (iii) 0.50 for undergraduate students enrolled in six, seven, or eight semester credits or
 43.26 the equivalent or for graduate students enrolled in three or four semester credits or the
 43.27 equivalent; and

43.28 (iv) 0.25 for undergraduate students enrolled in at least one but less than six semester
 43.29 credits or the equivalent or for graduate students enrolled in one or two semester credits or
 43.30 the equivalent.

44.1 (d) Payments shall be made each academic term to the student or to the child care
 44.2 provider, as determined by the institution. Institutions may make payments more than once
 44.3 within the academic term.

44.4 Sec. 16. [136A.1251] STUDENT-PARENT SUPPORT INITIATIVE.

44.5 Subdivision 1. **Grants.** (a) To address the needs and support the educational goals of
 44.6 expectant and parenting college students across Minnesota, the commissioner shall award
 44.7 grants and provide support services to institutions and partnering entities that assist expectant
 44.8 parents and parents of young children. Grants shall be awarded to postsecondary institutions,
 44.9 professional organizations, community-based organizations, or other applicants deemed
 44.10 appropriate by the commissioner. Grants must be used to offer services to support the
 44.11 academic goals, health, and well-being of student parents. Services and costs eligible for
 44.12 grant funding include but are not limited to:

44.13 (1) program development costs;

44.14 (2) costs related to the start-up of on-campus child care;

44.15 (3) evaluation and data collection; and

44.16 (4) direct assistance to student parents including:

44.17 (i) scholarships;

44.18 (ii) basic needs support; and

44.19 (iii) expenses related to child care.

44.20 (b) Postsecondary institutions may act as the fiscal agents in partnership with a local
 44.21 nongovernmental agency, child care center, or other organization that serves student parents.

44.22 Subd. 2. **Application process.** The commissioner shall develop a grant application
 44.23 process. The commissioner shall support projects in a manner that attempts to ensure eligible
 44.24 students throughout the state have access to program services.

44.25 Subd. 3. **Health-related supports.** The commissioner, in partnership with the Department
 44.26 of Health, shall provide health-related supports. Activities for health-related supports include:

44.27 (1) ensuring programs, services, and materials are medically accurate, age appropriate,
 44.28 culturally and linguistically appropriate, and inclusive of all populations;

44.29 (2) working with community health care providers and other service support organizations
 44.30 that serve the target population for this program; and

45.1 (3) providing technical assistance and training for institutional parent support center
 45.2 staff on how to conduct screenings and referrals for the health concerns of student parents,
 45.3 including alcohol misuse, substance use disorders, depression, anxiety, intimate partner
 45.4 violence, tobacco and nicotine, and other health concerns.

45.5 Subd. 4. **Report and evaluation.** By August 1 of each odd-numbered year, the
 45.6 commissioner shall submit a report to the chairs and ranking minority members of the
 45.7 legislative committees with jurisdiction over higher education finance regarding the grant
 45.8 recipients and their activities. The report shall include information about the students served,
 45.9 the organizations providing services, program activities, program goals, and outcomes.

45.10 Sec. 17. Minnesota Statutes 2022, section 136A.126, subdivision 4, is amended to read:

45.11 Subd. 4. **Award amount.** (a) Each student shall be awarded a scholarship based on the
 45.12 federal need analysis. Applicants are encouraged to apply for all other sources of financial
 45.13 aid. The amount of the award must not exceed the applicant's cost of attendance, as defined
 45.14 in subdivision 3, after ~~deducting~~ accounting for:

45.15 (1) ~~the expected family contribution as calculated by~~ results of the federal need analysis;

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

45.17 (3) the amount of the state grant;

45.18 (4) the federal Supplemental Educational Opportunity Grant;

45.19 (5) the sum of all institutional grants, scholarships, tuition waivers, and tuition remission
 45.20 amounts;

45.21 (6) the sum of all Tribal scholarships;

45.22 (7) the amount of any other state and federal gift aid; and

45.23 (8) the amount of any private grants or scholarships.

45.24 (b) The award shall be paid directly to the postsecondary institution where the student
 45.25 receives federal financial aid.

45.26 (c) Awards are limited as follows:

45.27 (1) the maximum award for an undergraduate is \$4,000 per academic year;

45.28 (2) the maximum award for a graduate student is \$6,000 per academic year; and

45.29 (3) the minimum award for all students is \$100 per academic year.

46.1 (d) Scholarships may not be given to any Indian student for more than three years of
 46.2 study for a two-year degree, certificate, or diploma program or five years of study for a
 46.3 four-year degree program at the undergraduate level and for more than five years at the
 46.4 graduate level. Students may acquire only one degree per level and one terminal graduate
 46.5 degree. Scholarships may not be given to any student for more than ten years including five
 46.6 years of undergraduate study and five years of graduate study.

46.7 (e) Scholarships may be given to an eligible student for four quarters, three semesters,
 46.8 or the equivalent during the course of a single fiscal year. In calculating the award amount,
 46.9 the office must use the same calculation it would for any other term.

46.10 Sec. 18. Minnesota Statutes 2022, section 136A.1312, is amended to read:

46.11 **136A.1312 FINANCIAL AID ADMINISTRATOR, PROFESSIONAL JUDGMENT.**

46.12 Nothing in this chapter or in the office's rules shall be interpreted as limiting the ability
 46.13 of student financial aid administrators, on the basis of adequate documentation, to ~~make~~
 46.14 ~~necessary adjustments to the cost of attendance and expected family contribution~~
 46.15 ~~computations~~ adjust a student's dependency status or elements of a student's cost of attendance
 46.16 for federal needs analysis calculation to allow for treatment of individual students with
 46.17 special circumstances, with the exception of the cost of attendance defined under section
 46.18 136A.121, subdivision 6. In addition, nothing in this chapter or in the office's rules shall be
 46.19 interpreted as limiting the ability of the student financial aid administrator to use
 46.20 supplementary information about the financial status of eligible applicants with special
 46.21 circumstances in selecting recipients of state financial aid and determining the amount of
 46.22 awards. Nothing in this section precludes a financial aid administrator from establishing an
 46.23 appeals process for other extenuating circumstances.

46.24 Sec. 19. **[136A.1465] MINNESOTA COMMITMENT TO HIGHER EDUCATION**
 46.25 **ACT.**

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

46.27 (1) "eligible student" means a resident student under section 136A.101, subdivision 8,
 46.28 who is enrolled in any public postsecondary educational institution or Tribal college;

46.29 (2) "gift aid" means all financial aid designated for the student's educational expenses,
 46.30 including a grant, scholarship, tuition waiver, fellowship stipend, or other third-party
 46.31 payment, that is not a loan or pursuant to a work-study program;

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

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

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

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

47.7 (7) "tuition and fees" means the actual tuition and fees charged by an institution.

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

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

47.12 (2) has an adjusted gross household income below \$80,000;

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

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

47.15 (5) is meeting satisfactory academic progress as defined in section 136A.101, subdivision
 47.16 10.

47.17 Subd. 3. **Scholarship.** (a) Beginning in the 2024-2025 academic year, scholarships shall
 47.18 be awarded to eligible students in an amount not to exceed 100 percent of tuition and fees
 47.19 after grants and other scholarships are deducted.

47.20 (b) For the 2024-2025, 2025-2026, and 2026-2027 academic years, if funds remain after
 47.21 scholarships are awarded under paragraph (a), grants shall be awarded to Pell grant eligible
 47.22 students in an amount equal to 100 percent of tuition and fees plus 50 percent of the student's
 47.23 Pell grant after other grants and scholarships are deducted. The commissioner may adjust
 47.24 the grant amount based on the availability of funds.

47.25 Subd. 3a. **Maintain current levels of institutional assistance.** (a) Commencing with
 47.26 the 2024-2025 academic year, a public postsecondary educational institution shall not reduce
 47.27 the institutional gift aid offered or awarded to a student who is eligible to receive funds
 47.28 under this program unless the student's gift aid exceeds the student's annual cost of
 47.29 attendance.

47.30 (b) The public postsecondary educational institution may reduce the institutional gift
 47.31 aid offer of a student who is eligible to receive funds under this program by no more than
 47.32 the amount of the student's gift aid that is in excess of the student's annual cost of attendance.

48.1 (c) The public postsecondary educational institution shall not consider receipt or
48.2 anticipated receipt of funds under this program when considering a student for qualification
48.3 for institutional gift aid.

48.4 (d) To ensure financial aid is maximized, a public postsecondary educational institution
48.5 is encouraged to implement efforts to avoid scholarship displacement through consultation
48.6 with the Office of Higher Education and students to avoid situations where institutional gift
48.7 aid can only be used for specific purposes.

48.8 **Subd. 4. Duration of scholarship authorized; scholarship paid to institution. (a)**
48.9 Each scholarship is for a period of one semester. A scholarship may be renewed provided
48.10 that the eligible student continues to meet the conditions of eligibility.

48.11 (b) Scholarships may be provided to an eligible student for up to 60 credits for the
48.12 completion of a certificate or an associate degree and up to 120 credits for the completion
48.13 of a bachelor's degree. The maximum credits for which a student is eligible is a total of 120
48.14 credits.

48.15 (c) The commissioner shall determine a time frame by which the eligible student must
48.16 complete the credential.

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

48.19 **Subd. 5. Termination of scholarship authorized.** A scholarship is terminated upon
48.20 occurrence of:

48.21 (1) failure to meet satisfactory academic progress as defined in section 136A.101,
48.22 subdivision 10; or

48.23 (2) substantial noncompliance by the eligible student with the requirements of the
48.24 program.

48.25 **Subd. 5a. Institutions administering certain financial aid programs.** Public
48.26 postsecondary institutions and Tribal colleges administering institutional financial aid
48.27 programs for students with an adjusted gross household income below \$80,000 that provide
48.28 student awards for up to or more than 100 percent of tuition, 100 percent of tuition and fees,
48.29 or 100 percent of the cost of attendance, shall provide the Office of Higher Education with
48.30 student level data on the recipients of those awards and the program funds awarded per
48.31 term. The information under this subdivision is necessary for the office to accurately complete
48.32 reporting requirements under Minnesota Statutes, section 136A.121, subdivision 19.

49.1 Subd. 6. **Account established; appropriation.** An account is created in the special
 49.2 revenue fund for receiving money to provide scholarship awards. Money deposited in the
 49.3 account is appropriated to the commissioner of the Office of Higher Education for scholarship
 49.4 awards.

49.5 Subd. 7. **Office administration.** The office is authorized to administer the program. If
 49.6 funds are insufficient, the office shall determine the scholarship amount or number of
 49.7 scholarships awarded. If a student withdraws or is no longer enrolled during a semester in
 49.8 which a scholarship was awarded, the office may determine how this will affect the
 49.9 scholarship.

49.10 Subd. 8. **Report.** The commissioner of higher education shall submit a preliminary
 49.11 report by September 1, 2025, and an annual report beginning February 15, 2026, to the
 49.12 chairs and ranking minority members of the legislative committees with jurisdiction over
 49.13 higher education, on the details of the program, including the:

49.14 (1) status of the scholarship fund; and

49.15 (2) Minnesota Commitment to Higher Education Act participation data aggregated for
 49.16 each eligible institution to show the:

49.17 (i) number of eligible students who received scholarships in the prior academic year;

49.18 (ii) average and total award amounts;

49.19 (iii) summary demographic data on award recipients;

49.20 (iv) total number of students enrolled in eligible institutions in the prior academic year;

49.21 (v) retention rates of participating students; and

49.22 (vi) number of eligible students who graduated with a degree and, for each eligible
 49.23 student, the number of consecutive semesters and nonconsecutive semesters attended prior
 49.24 to graduation.

49.25 **EFFECTIVE DATE.** This section is effective July 1, 2024.

49.26 Sec. 20. Minnesota Statutes 2022, section 136A.1791, subdivision 3a, is amended to read:

49.27 Subd. 3a. **Eligibility.** To be eligible for a disbursement under this section, a teacher must
 49.28 belong to a racial or ethnic group underrepresented in the Minnesota teacher workforce;
 49.29 To the extent that funds are available, eligibility extends to teachers who teach in a rural
 49.30 school district; or teach in a license shortage area.

50.1 Sec. 21. Minnesota Statutes 2022, section 136A.246, subdivision 5, is amended to read:

50.2 Subd. 5. **Grant criteria.** (a) The commissioner shall make at least an approximately
50.3 equal dollar amount of grants for training for employees whose work site is projected to be
50.4 outside the metropolitan area as defined in section 473.121, subdivision 2, as for employees
50.5 whose work site is projected to be within the metropolitan area.

50.6 (b) In determining the award of grants, the commissioner must consider, among other
50.7 factors:

50.8 (1) the aggregate state and regional need for employees with the competency to be
50.9 trained;

50.10 (2) the competency standards developed by the commissioner of labor and industry as
50.11 part of the Minnesota ~~PIPELINE Project~~ dual-training pipeline program;

50.12 (3) the per employee cost of training;

50.13 (4) the additional employment opportunities for employees because of the training;

50.14 (5) the on-the-job training the employee receives;

50.15 (6) the employer's demonstrated ability to recruit, train, and retain employees who are
50.16 recent high school graduates or who recently passed high school equivalency tests;

50.17 (7) projected increases in compensation for employees receiving the training; ~~and~~

50.18 (8) the amount of employer training cost match, if required, on both a per employee and
50.19 aggregate basis; and

50.20 (9) the employer's demonstrated ability to recruit, train, and retain employees who are
50.21 employees of color, American Indian employees, and employees with disabilities.

50.22 Sec. 22. Minnesota Statutes 2022, section 136A.246, subdivision 6, is amended to read:

50.23 Subd. 6. **Employer match.** A large employer must pay for at least 25 percent of the
50.24 ~~eligible training provider's charge for the eligible training to the provider~~ cost of training.
50.25 For the purpose of this subdivision, a "large employer" means a business with more than
50.26 \$25,000,000 in annual gross revenue in the previous calendar year.

50.27 Sec. 23. Minnesota Statutes 2022, section 136A.246, subdivision 8, is amended to read:

50.28 Subd. 8. **Grant amounts.** (a) The maximum grant for an application for the cost of
50.29 training is \$150,000. The maximum grant for an application for trainee support is ten percent
50.30 of the grant amount for the cost of training. The maximum total grant per application is

51.1 \$165,000. A grant may not exceed \$6,000 per year for a maximum of ~~four years~~ \$24,000
 51.2 per employee.

51.3 (b) An employee who is attending an eligible training provider that is an institution under
 51.4 section 136A.103 must apply for Pell and state grants as a condition of payment for training
 51.5 that employee under this section.

51.6 Sec. 24. [136A.84] DIRECT ADMISSIONS PROGRAM.

51.7 Subdivision 1. Authorization. The commissioner shall administer the direct admissions
 51.8 program in consultation with stakeholders, including Minnesota State Colleges and
 51.9 Universities, the University of Minnesota, the Student Advisory Council under section
 51.10 136A.031, the Minnesota Department of Education, the Minnesota Association of Secondary
 51.11 School Principals, and the Minnesota School Board Association, to automatically offer
 51.12 conditional admission into an eligible public or nonprofit institution as defined under section
 51.13 136A.103, paragraph (a), located in Minnesota, to Minnesota high school seniors based on
 51.14 a student's high school grade point average, high school and college transcript information,
 51.15 standardized tests, statewide assessments, and other measures as determined by stakeholders.

51.16 Subd. 2. Implementation. The program shall establish and, to the extent feasible,
 51.17 implement a process for leveraging existing kindergarten through grade 12 and higher
 51.18 education student information systems to automate the admissions process for students. The
 51.19 program must specifically evaluate the impact this process has on outcomes for students
 51.20 with lower levels of college knowledge, low-income students, and students from populations
 51.21 underserved in higher education. The office shall attempt to achieve statewide representation
 51.22 and may prioritize program participants to include high schools with a significant number
 51.23 of students of color, low-income students, or both.

51.24 Subd. 3. Information. The commissioner shall provide information about the Minnesota
 51.25 state grant program and the Minnesota commitment to higher education act and encourage
 51.26 students to determine their eligibility for financial aid based on FAFSA and state financial
 51.27 aid application completion.

51.28 Subd. 4. Report. Annually, by February 1, the Office of Higher Education shall report
 51.29 to the legislative committees with jurisdiction over kindergarten through grade 12 education
 51.30 finance and policy and higher education on activities occurring under this section. The report
 51.31 must include but is not limited to information about implementation, recommendations, and
 51.32 outcomes.

52.1 Sec. 25. Minnesota Statutes 2022, section 136F.38, subdivision 3, is amended to read:

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

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

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

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

52.22 Sec. 26. Minnesota Statutes 2022, section 175.45, subdivision 1, is amended to read:

52.23 Subdivision 1. **Duties; goal.** The commissioner of labor and industry shall convene
52.24 industry representatives, identify occupational competency standards, and provide technical
52.25 assistance to develop dual-training programs. The competency standards shall be identified
52.26 for employment in occupations in advanced manufacturing, health care services, information
52.27 technology, ~~and~~ agriculture, transportation, and child care. Competency standards are not
52.28 rules and are exempt from the rulemaking provisions of chapter 14, and the provisions in
52.29 section 14.386 concerning exempt rules do not apply.

53.1 Sec. 27. Minnesota Statutes 2022, section 354B.23, subdivision 3, is amended to read:

53.2 Subd. 3. **Employer contribution rate.** The employer contribution rate on behalf of
 53.3 participants in the individual retirement account plan is ~~six percent~~ the following percentage
 53.4 of salary:-

53.5	<u>from July 1, 1993, to June 30, 2023</u>	<u>6</u>
53.6	<u>from July 1, 2023, to June 30, 2024</u>	<u>6.55</u>
53.7	<u>from July 1, 2024, to June 30, 2025</u>	<u>7.1</u>
53.8	<u>from July 1, 2025, to June 30, 2026</u>	<u>7.65</u>
53.9	<u>from July 1, 2026, to June 30, 2027</u>	<u>7.65</u>
53.10	<u>after June 30, 2027</u>	<u>8.75</u>

53.11 Sec. 28. **POSTSECONDARY STUDENT BASIC NEEDS WORKING GROUP;**
 53.12 **REPORT.**

53.13 Subdivision 1. **Direction.** By September 1, 2023, the commissioner of the Office of
 53.14 Higher Education shall convene a working group on postsecondary student basic needs.
 53.15 The commissioner shall invite representatives from Minnesota State Colleges and
 53.16 Universities, the University of Minnesota, nonprofit private colleges, Tribal colleges and
 53.17 universities, student organizations, faculty and staff bargaining units, state agencies, and
 53.18 other interested parties as determined by the commissioner to participate in the working
 53.19 group.

53.20 Subd. 2. **Duties.** The working group must review, assess, and make specific
 53.21 recommendations on strategies to meet the basic needs of higher education students. The
 53.22 report must include a comprehensive plan on how to identify, assess, and support students
 53.23 who are experiencing housing and food insecurity. The report may also include proposals
 53.24 for substantive and technical amendments to Minnesota Statutes, chapters 135A to 137, and
 53.25 any other laws that relate to higher education. The working group may also make specific
 53.26 recommendations with regard to policy changes for the Office of Higher Education and
 53.27 postsecondary institutions.

53.28 Subd. 3. **Report to legislature.** The commissioner of higher education shall submit a
 53.29 report detailing the working group's findings and recommendations to the chairs and ranking
 53.30 minority members of the legislative committees having jurisdiction over higher education
 53.31 policy and finance by September 1, 2024.

54.1 Sec. 29. **REPORT ON MINNESOTA STATE COLLEGES AND UNIVERSITIES**
 54.2 **COURSE PLACEMENT PRACTICES.**

54.3 Subdivision 1. **Review.** (a) The Office of Higher Education shall document, review, and
 54.4 analyze college admission and course placement policies, practices, and assessments used
 54.5 by the Minnesota State Colleges and Universities system. The review shall seek to determine
 54.6 if policies, practices, and assessments used have:

54.7 (1) adverse consequences for a student and their family, including burdensome economic
 54.8 and related costs of delaying their degree plans;

54.9 (2) hindered the participation of students;

54.10 (3) hindered the placement, retention, or timely college graduation of students; and

54.11 (4) excluded students from admission thereby hindering their full participation in higher
 54.12 education.

54.13 (b) The review must consider impacts for various student communities, including but
 54.14 not limited to Indigenous students, English as a second language (ESL) students, and students
 54.15 of color.

54.16 Subd. 2. **Determination.** Utilizing the review conducted under subdivision 1, the
 54.17 commissioner shall determine whether:

54.18 (1) students, including Indigenous students, ESL students, and students of color, are:

54.19 (i) denied admission;

54.20 (ii) disproportionately assigned to enroll in developmental courses; or

54.21 (iii) delayed or deterred in their educational progress; and

54.22 (2) policies, practices, and instruments:

54.23 (i) are disproportionately reliant on test scores;

54.24 (ii) impose barriers for students in terms of enrollment, retention, and completion; and

54.25 (iii) may be culturally biased.

54.26 Subd. 3. **Recommendation.** The commissioner shall recommend changes based on the
 54.27 information obtained in subdivisions 1 and 2 to existing measures, instruments, and placement
 54.28 practices. By February 1, 2024, the commissioner shall provide a preliminary report and
 54.29 by February 1, 2025, report the recommendations and findings to the chairs and ranking
 54.30 minority members of the legislative committees with jurisdiction over higher education.

55.1 The commissioner shall seek external advice and expertise to address the above reviews,
 55.2 determinations, findings, and recommendations.

55.3 **Sec. 30. FINANCIAL REVIEW OF GRANT AND BUSINESS SUBSIDY**

55.4 **RECIPIENTS.**

55.5 Subdivision 1. **Definitions.** (a) As used in this section, the following terms have the
 55.6 meanings given.

55.7 (b) "Grant" means a grant or business subsidy funded by an appropriation in this act.

55.8 (c) "Grantee" means a business entity as defined in Minnesota Statutes, section 5.001.

55.9 Subd. 2. **Financial information required; determination of ability to perform.** Before
 55.10 an agency awards a competitive, legislatively-named, single source, or sole source grant,
 55.11 the agency must assess the risk that a grantee cannot or would not perform the required
 55.12 duties. In making this assessment, the agency must review the following information:

55.13 (1) the grantee's history of performing duties similar to those required by the grant,
 55.14 whether the size of the grant requires the grantee to perform services at a significantly
 55.15 increased scale, and whether the size of the grant will require significant changes to the
 55.16 operation of the grantee's organization;

55.17 (2) for a grantee that is a nonprofit organization, the grantee's Form 990 or Form 990-EZ
 55.18 filed with the Internal Revenue Service in each of the prior three years. If the grantee has
 55.19 not been in existence long enough or is not required to file Form 990 or Form 990-EZ, the
 55.20 grantee must demonstrate to the grantor's satisfaction that the grantee is exempt and must
 55.21 instead submit the grantee's most recent board-reviewed financial statements and
 55.22 documentation of internal controls;

55.23 (3) for a for-profit business, three years of federal and state tax returns, current financial
 55.24 statements, certification that the business is not under bankruptcy proceedings, and disclosure
 55.25 of any liens on its assets. If a business has not been in business long enough to have three
 55.26 years of tax returns, the grantee must demonstrate to the grantor's satisfaction that the grantee
 55.27 has appropriate internal financial controls;

55.28 (4) evidence of registration and good standing with the secretary of state under Minnesota
 55.29 Statutes, chapter 317A, or other applicable law;

55.30 (5) if the grantee's total annual revenue exceeds \$750,000, the grantee's most recent
 55.31 financial audit performed by an independent third party in accordance with generally accepted
 55.32 accounting principles; and

56.1 (6) certification, provided by the grantee, that none of its principals have been convicted
56.2 of a financial crime.

56.3 Subd. 3. **Additional measures for some grantees.** The agency may require additional
56.4 information and must provide enhanced oversight for grants that have not previously received
56.5 state or federal grants for similar amounts or similar duties and so have not yet demonstrated
56.6 the ability to perform the duties required under the grant on the scale required.

56.7 Subd. 4. **Assistance from administration.** An agency without adequate resources or
56.8 experience to perform obligations under this section may contract with the commissioner
56.9 of administration to perform the agency's duties under this section.

56.10 Subd. 5. **Agency authority to not award grant.** If an agency determines that there is
56.11 an appreciable risk that a grantee receiving a competitive, single source, or sole source grant
56.12 cannot or would not perform the required duties under the grant agreement, the agency must
56.13 notify the grantee and the commissioner of administration and give the grantee an opportunity
56.14 to respond to the agency's concerns. If the grantee does not satisfy the agency's concerns
56.15 within 45 days, the agency must not award the grant.

56.16 Subd. 6. **Legislatively-named grantees.** If an agency determines that there is an
56.17 appreciable risk that a grantee receiving a legislatively-named grant cannot or would not
56.18 perform the required duties under the grant agreement, the agency must notify the grantee,
56.19 the commissioner of administration, the chair and ranking minority members of the Ways
56.20 and Means Committee in the house of representatives, the chair and ranking minority
56.21 members of the Finance Committee in the senate, and the chairs and ranking minority
56.22 members of the committees in the house of representatives and the senate with primary
56.23 jurisdiction over the bill in which the money for the grant was appropriated. The agency
56.24 must give the grantee an opportunity to respond to the agency's concerns. If the grantee
56.25 does not satisfy the agency's concerns within 45 days, the agency must delay award of the
56.26 grant until adjournment of the next regular or special legislative session.

56.27 Subd. 7. **Subgrants.** If a grantee will disburse the money received from the grant to
56.28 other organizations to perform duties required under the grant agreement, the agency must
56.29 be a party to agreements between the grantee and a subgrantee. Before entering agreements
56.30 for subgrants, the agency must perform the financial review required under this section with
56.31 respect to the subgrantees.

56.32 Subd. 8. **Effect.** The requirements of this section are in addition to other requirements
56.33 imposed by law, the commissioner of administration under Minnesota Statutes, sections
56.34 16B.97 to 16B.98, or agency grant policy.