

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

S.F. No. 245

(SENATE AUTHORS: DRAHEIM)

DATE
01/12/2023

D-PG
174 Introduction and first reading
Referred to Higher Education

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to higher education; modifying institution requirements for the state grant
1.3 program; requiring a report; amending Minnesota Statutes 2022, section 136A.103.

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

1.5 Section 1. Minnesota Statutes 2022, section 136A.103, is amended to read:

1.6 **136A.103 INSTITUTION ELIGIBILITY REQUIREMENTS.**

1.7 Subdivision 1. Requirements. (a) A postsecondary institution is eligible for state student
1.8 aid under chapter 136A and sections 197.791 and 299A.45, if the institution is located in
1.9 this state and:

1.10 (1) is operated by this state or the Board of Regents of the University of Minnesota; or

1.11 (2) is operated privately and, as determined by the office, meets the requirements of
1.12 paragraph (b).

1.13 (b) A private institution must:

1.14 (1) maintain academic standards substantially equivalent to those of comparable
1.15 institutions operated in this state;

1.16 (2) be licensed or registered as a postsecondary institution by the office; and

1.17 (3)(i) by July 1, 2010, participate in the federal Pell Grant program under Title IV of
1.18 the Higher Education Act of 1965, Public Law 89-329, as amended; or

1.19 (ii) if an institution was participating in state student aid programs as of June 30, 2010,
1.20 and the institution did not participate in the federal Pell Grant program by June 30, 2010,

2.1 the institution must require every student who enrolls to sign a disclosure form, provided
2.2 by the office, stating that the institution is not participating in the federal Pell Grant program.

2.3 (c) An institution that offers only graduate-level degrees or graduate-level nondegree
2.4 programs is an eligible institution if the institution is licensed or registered as a postsecondary
2.5 institution by the office.

2.6 (d) An eligible institution under paragraph (b), clause (3), item (ii), that changes
2.7 ownership as defined in section 136A.63, subdivision 2, must participate in the federal Pell
2.8 Grant program within four calendar years of the first ownership change to continue eligibility.

2.9 (e) An institution that loses its eligibility for the federal Pell Grant program is not an
2.10 eligible institution. The office may terminate an institution's eligibility to participate in state
2.11 student aid programs effective the date of the loss of eligibility for the federal Pell Grant
2.12 program.

2.13 (f) An institution must maintain adequate administrative and financial standards and
2.14 compliance with all state statutes, rules, and administrative policies related to state financial
2.15 aid programs.

2.16 (g) The office may terminate a postsecondary institution's eligibility to participate in
2.17 state student aid programs if the institution is terminated from participating in federal
2.18 financial aid programs by the United States Department of Education for a violation of laws,
2.19 regulations, or participation agreements governing federal financial aid programs.

2.20 Subd. 2. **Additional information required.** (a) In addition to the requirements under
2.21 subdivision 1, in order to be eligible for state student aid, private for-profit institutions shall
2.22 prominently display in the institution's catalog and brochure and on its website targeted
2.23 toward prospective students the following information in order for the prospective student
2.24 to make an informed decision:

2.25 (1) job placement rates for the institution's specific fields of study; and

2.26 (2) gainful employment outcomes, including median earnings of graduates.

2.27 (b) The Office of Higher Education shall develop a job placement rate, gainful
2.28 employment outcomes, and median earnings metric for purposes of paragraph (a). The
2.29 institutions affected by the requirement under paragraph (a) must report job placement and
2.30 earnings information according to the Office of Higher Education metrics. The Office of
2.31 Higher Education shall randomly audit the institutions to ensure compliance and report
2.32 noncompliance to the legislative committees with jurisdiction over higher education.