

CHAPTER 136A

HIGHER EDUCATION SERVICES OFFICE;
FACILITIES AUTHORITY

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136A.01 HIGHER EDUCATION SERVICES OFFICE.

Subdivision 1. **Creation.** An office for higher education in the state of Minnesota, to be known as the Minnesota higher education services office or HESO, is created.

Subd. 2. **Responsibilities.** The higher education services office is responsible for:

- (1) necessary state level administration of financial aid programs, including accounting, auditing, and disbursing state and federal financial aid funds, and reporting on financial aid programs to the governor and the legislature;
- (2) approval, registration, licensing, and financial aid eligibility of private collegiate and career schools, under sections 136A.61 to 136A.71 and chapter 141;
- (3) administering the telecommunications council under Laws 1993, First Special Session chapter 2, article 5, section 2, the Learning Network of Minnesota, and the statewide library task force;
- (4) negotiating and administering reciprocity agreements;
- (5) publishing and distributing financial aid information and materials, and other information and materials under section 136A.87, to students and parents;
- (6) collecting and maintaining student enrollment and financial aid data;
- (7) administering the federal programs that affect students and institutions on a statewide basis; and
- (8) prescribing policies, procedures, and rules under chapter 14 necessary to administer the programs under its supervision.

History: 1995 c 212 art 3 s 9

136A.011 HIGHER EDUCATION SERVICES COUNCIL.

Subdivision 1. **Membership.** The higher education services council consists of eight citizens and one student appointed by the governor. In making appointments, the governor

shall consider the geographic, gender, and ethnic diversity in the state. No more than five members of the council may belong to the same political party. The student member must be a full-time student enrolled in a Minnesota post-secondary institution at the time of appointment. The student advisory council shall recommend two to four candidates for the student position. The governor is not bound by these recommendations. A nonstudent member of the council may not be an employee of or receive compensation from a public or private post-secondary institution while serving on the council. A student member may receive compensation as a student body officer or may be a recipient of financial aid, including work study, but may not otherwise be employed or compensated by a post-secondary institution while serving on the council.

The term of each citizen member is six years, and that of the student member is two years. As nearly as possible, one-third of the terms of the members must expire every two years. The compensation, removal of voting members, and filling of vacancies among voting members on the council is governed by section 15.0575, subdivisions 3, 4, and 5.

Subd. 2. Duties. The council shall:

(1) appoint the director of the higher education services office, as provided in section 136A.03;

(2) provide advice and review regarding the performance of the higher education services office in its duties and in any policies, procedures, or rules the office prescribes to perform its duties; and

(3) communicate with and make recommendations to the governor and the legislature.

History: 1995 c 212 art 3 s 10

136A.02 [Repealed, 1995 c 212 art 3 s 60]

136A.03 EXECUTIVE OFFICERS; EMPLOYEES.

The director of the higher education services office shall possess the powers and perform the duties as prescribed by the higher education services council and shall serve in the unclassified service of the state civil service. The salary of the director shall be established by the higher education services council according to section 15A.081, subdivision 1. The director shall be a person qualified by training or experience in the field of higher education or in financial aid administration. The director may appoint other professional employees who shall serve in the unclassified service of the state civil service. All other employees shall be in the classified civil service.

An officer or professional employee in the unclassified service as provided in this section is a person who has studied higher education or a related field at the graduate level or has similar experience and who is qualified for a career in financial aid and other aspects of higher education and for activities in keeping with the planning and administrative responsibilities of the office and who is appointed to assume responsibility for administration of educational programs or research in matters of higher education.

History: 1995 c 212 art 3 s 11

136A.031 ADVISORY GROUPS.

Subdivision 1. Appointment. The higher education services council may appoint advisory task forces as necessary to assist in the administration of the higher education services office responsibilities. The task forces' expiration and the terms, compensation, and removal of members are as provided in section 15.059.

Subd. 2. Higher education advisory council. A higher education advisory council (HEAC) is established. The HEAC is composed of the president and the senior vice-president for academic affairs of the University of Minnesota; the chancellor of the Minnesota state colleges and universities; the associate vice-chancellors of the state universities, community colleges, and technical colleges; the commissioner of children, families, and learning; the president of the private college council; and a representative from the Minnesota association of private post-secondary schools. The HEAC shall (1) bring to the attention of the higher education services council any matters that the HEAC deems necessary, and (2) review and comment upon matters before the council. The council shall refer all proposals to

the HEAC before submitting recommendations to the governor and the legislature. The council shall provide time for a report from the HEAC at each meeting of the council.

Subd. 3. Student advisory council. A student advisory council (SAC) to the higher education services council is established. The members of SAC shall include the chair of the University of Minnesota student senate, the state chair of the Minnesota state university student association, the president of the Minnesota community college student association, the president of the Minnesota technical college student association, the president of the Minnesota association of private college students, and a student who is enrolled in a private vocational school, to be appointed by the Minnesota association of private post-secondary schools. A member may be represented by a student designee who attends an institution from the same system that the absent member represents. The SAC shall select one of its members to serve as chair.

The higher education services council shall inform the SAC of all matters related to student issues under consideration and shall refer all proposals to the SAC before taking action or sending the proposals to the governor or legislature. The SAC shall report to the higher education services council quarterly and at other times that the SAC considers desirable. The SAC shall determine its meeting times, but it shall also meet with the council within 30 days after the director's request for a meeting.

The SAC shall:

- (1) bring to the attention of the higher education services council any matter that the SAC believes needs the attention of the council;
- (2) make recommendations to the higher education services council as it finds appropriate;
- (3) appoint student members to the higher education services council advisory groups as provided in subdivision 4; and
- (4) provide any reasonable assistance to the council.

Subd. 4. Student representation. If requested by the SAC, the director must place at least one student from an affected educational system on any task force created under subdivision 1. The student member or members shall be appointed by the SAC.

History: 1995 c 212 art 3 s 12; 1Sp1995 c 3 art 16 s 13

136A.04 [Repealed, 1995 c 212 art 3 s 60]

136A.041 [Repealed, 1995 c 212 art 3 s 60]

136A.043 INFORMATION TECHNOLOGY.

The higher education services office shall initiate activities to coordinate state policy development regarding the use of information technology in post-secondary education instruction and administration.

History: 1995 c 212 art 3 s 13

136A.05 COOPERATION OF INSTITUTIONS OF HIGHER EDUCATION.

Subdivision 1. All public institutions of higher education and all state departments and agencies shall cooperate with and supply information requested by the higher education services office in order to enable it to carry out and perform its duties. Private post-secondary institutions are requested to cooperate and provide information.

Subd. 2. The higher education services office and public post-secondary institutions shall provide data, in a manner consistent with state and federal laws governing student records, to and as requested by the Minnesota house or senate for research projects and studies qualifying under Code of Federal Regulations, title 34, section 99.31(a)(6). Private post-secondary institutions are requested to cooperate and provide data. As a condition of receiving the data, the house or senate shall enter into an agreement with the board or institutions to ensure that the house or senate will not disclose any data that identify individuals.

History: 1995 c 212 art 3 s 14,59

136A.06 FEDERAL FUNDS.

The higher education services office is designated the state agency to apply for, receive, accept, and disburse to both public and private institutions of higher education all federal

funds which are allocated to the state of Minnesota to support higher education programs, construction, or other activities and which require administration by a state higher education agency under the Higher Education Facilities Act of 1963, and any amendments thereof, the Higher Education Act of 1965, and any amendments thereof, and any other law which provides funds for higher education and requires administration by a state higher education agency as enacted or may be enacted by the Congress of the United States; provided that no commitment shall be made that shall bind the legislature to make appropriations beyond current allocations of funds. The board may apply for, receive, accept, and disburse all administrative funds available to the board for administering federal funds to support higher education programs, construction, or other activities. The board also may apply for, receive, accept, and disburse any research, planning, or program funds which are available for purposes consistent with the provisions of this chapter. In making application for and administering federal funds the board may comply with any and all requirements of federal law and federal rules and regulations to enable it to receive and accept such funds. The expenditure of any such funds received shall be governed by the laws of the state, except insofar as federal regulations may otherwise provide. The board may contract with both public and private institutions in administering federal funds, and such contracts shall not be subject to the provisions of chapter 16B. All such money received by the board shall be deposited in the state treasury and are hereby appropriated to it annually for the purpose for which such funds are received. None of such moneys shall cancel but shall be available until expended.

History: 1995 c 212 art 3 s 59

136A.07 REPORTS.

The higher education services office shall report periodically to the governor and legislature concerning its activities. It shall file a formal report with the governor and legislature each even-numbered year so that the information, including recommendations, may be embodied in the governor's budget message to the legislature.

History: 1995 c 212 art 3 s 15

136A.08 RECIPROCAL AGREEMENTS RELATING TO NONRESIDENT TUITION WITH OTHER STATES OR PROVINCES.

Subdivision 1. Definitions. For the purposes of this section, the terms "province" and "provincial" mean the Canadian province of Manitoba.

Subd. 2. Authorization. The higher education services office, in consultation with the commissioner of finance and each affected public post-secondary board, may enter into agreements, on subjects that include remission of nonresident tuition for designated categories of students at public post-secondary institutions, with appropriate state or provincial agencies and public post-secondary institutions in other states or provinces. The agreements shall be for the purpose of the mutual improvement of educational advantages for residents of this state and other states or provinces with whom agreements are made.

Subd. 3. Wisconsin. A higher education reciprocity agreement with the state of Wisconsin may include provision for the transfer of funds between Minnesota and Wisconsin provided that an income tax reciprocity agreement between Minnesota and Wisconsin is in effect for the period of time included under the higher education reciprocity agreement. If this provision is included, the amount of funds to be transferred shall be determined according to a formula which is mutually acceptable to the office and a duly designated agency representing Wisconsin. The formula shall recognize differences in tuition rates between the two states and the number of students attending institutions in each state under the agreement. Any payments to Minnesota by Wisconsin shall be deposited by the office in the general fund of the state treasury. The amount required for the payments shall be certified by the director of the office to the commissioner of finance annually.

Subd. 4. North Dakota; South Dakota. A reciprocity agreement with North Dakota may include provision for the transfer of funds between Minnesota and North Dakota. If provision for transfer of funds between the two states is included, the amount of funds to be transferred shall be determined according to a formula which is mutually acceptable to the office and a duly designated agency representing North Dakota. In adopting a formula, the

office shall consider tuition rates in the two states and the number of students attending institutions in each state under the agreement. Any payment to Minnesota by North Dakota shall be deposited by the office in the general fund. The amount required for the payments shall be certified by the director of the office to the commissioner of finance annually. All provisions in this subdivision pertaining to North Dakota shall also be applied to South Dakota, and all authority and conditions granted for higher education reciprocity with North Dakota are also granted for higher education reciprocity with South Dakota.

Subd. 5. Financial aid. The office may enter into an agreement, with a state or province with which it has negotiated a reciprocity agreement for tuition, to permit students to receive student aid awards from the student's state or province of residence for attending an eligible institution in the other state or province.

Subd. 6. Approval. An agreement made by the office under this section is not valid as to a particular institution without the approval of that institution's state or provincial governing board. A valid agreement under this subdivision that incurs additional financial liability to the state or to any of the Minnesota public post-secondary boards, beyond enrollment funding adjustments, must be submitted to the commissioner of finance and to the chairs of the higher education finance divisions of the senate and house for review. The agreement remains valid unless it is disapproved in law.

History: 1995 c 212 art 3 s 16

136A.101 DEFINITIONS.

Subdivision 1. For purposes of sections 136A.095 to 136A.1311, the terms defined in this section have the meanings ascribed to them.

Subd. 2. "Office" means the Minnesota higher education services office.

Subd. 3. "Director" means the director of the Minnesota higher education services office.

[For text of subd 4, see M.S.1994]

Subd. 5. "Financial need" means the demonstrated need of the applicant for financial assistance to meet the recognized costs of attending the eligible institution of choice as determined from financial information on the applicant and, if required, on the applicant's parents, by the federal need analysis.

[For text of subs 7 to 7b, see M.S.1994]

Subd. 8. "Resident student" means a student who meets one of the following conditions:

(1) an independent student who has resided in Minnesota for purposes other than post-secondary education for at least 12 months without being enrolled at a post-secondary educational institution for more than five credits in any term;

(2) a dependent student whose parent or legal guardian resides in Minnesota at the time the student applies;

(3) a student who graduated from a Minnesota high school, if the student was a resident of Minnesota during the student's period of attendance at the Minnesota high school; or

(4) a student who, after residing in the state for a minimum of one year, earned a high school equivalency certificate in Minnesota.

[For text of subd 9, see M.S.1994]

Subd. 10. "Satisfactory academic progress" means that:

(1) at a point between a student's first and second academic year of attendance at an institution, the student has at least a cumulative grade point average of C or its equivalent, or academic standing consistent with the institution's graduation requirements; and

(2) by the end of the first term of the third and fourth academic year of attendance, (i) the student has a cumulative grade point average of at least a C or its equivalent, (ii) the student's advisor certifies that the student has reviewed the general education requirements necessary for graduation and is making satisfactory progress toward completing them, and (iii) the student's advisor certifies that the student has chosen a major and reviewed the requirements necessary for completion of the major.

History: 1995 c 186 s 119; 1995 c 212 art 3 s 17-21

136A.121 GRANTS.

[For text of subds 2 and 3, see M.S.1994]

Subd. 5. Grant stipends. The grant stipend shall be based on a sharing of responsibility for covering the recognized cost of attendance by the applicant, the applicant's family, and the government. The amount of a financial stipend must not exceed a grant applicant's recognized cost of attendance, as defined in subdivision 6, after deducting the following:

(1) the assigned student responsibility of at least 50 percent of the cost of attending the institution of the applicant's choosing;

(2) the assigned family responsibility, as determined by the federal need analysis, which for (i) dependent students, is the parental contribution as calculated by the federal need analysis, and for (ii) independent students, is the student contribution as determined by the federal need analysis; and

(3) the amount of a federal Pell grant award for which the grant applicant is eligible. The minimum financial stipend is \$300 per academic year.

Subd. 6. Cost of attendance. (a) The recognized cost of attendance consists of allowances specified in law for room and board and miscellaneous expenses, and

(1) for public institutions, tuition and fees charged by the institution; or

(2) for private institutions, an allowance for tuition and fees equal to the lesser of the actual tuition and fees charged by the institution, or the private institution tuition maximums established in law.

(b) For the purpose of paragraph (a), clause (2), the private institution tuition maximum for two- and four-year, private, residential, liberal arts, degree-granting colleges and universities must be the same.

(c) For a student attending less than full time, the office shall prorate the recognized cost of attendance to the actual number of credits for which the student is enrolled.

The recognized cost of attendance for a student who is confined to a Minnesota correctional institution shall consist of the tuition and fee component in paragraph (a), clause (1) or (2), with no allowance for living expenses.

[For text of subd 7, see M.S.1994]

Subd. 9. Awards. An undergraduate student who meets the office's requirements is eligible to apply for and receive a grant in any year of undergraduate study unless the student has obtained a baccalaureate degree or previously has been enrolled full time or the equivalent for eight semesters or 12 quarters, excluding courses taken from a Minnesota school or post-secondary institution which is not participating in the state grant program and from which a student transferred no credit.

Subd. 9a. Full-year grants. Students may receive state grants for four consecutive quarters or three consecutive semesters during the course of a single fiscal year. In calculating a state grant for the fourth quarter or third semester, the office must use the same calculation as it would for any other term, except that the calculation must subtract any Pell grant for which a student would be eligible even if the student has exhausted the Pell grant for that fiscal year.

[For text of subds 11 to 13, see M.S.1994]

Subd. 16. How applied; order. Grants awarded under this section must be applied to educational costs in the following order: tuition, fees, books, supplies, and other expenses. Unpaid portions of the awards revert to the grant account.

[For text of subd 17, see M.S.1994]

History: 1995 c 212 art 3 s 22-26

136A.122 STATE UNIVERSITIES; AKITA CAMPUS GRANTS.

The higher education services office may provide grants to Minnesota resident students participating in the Akita program. Grants must be awarded on the same basis as other state

grants, except that the cost of attendance must be adjusted to incorporate the state university tuition level and the Akita fee level. An individual grant must not exceed the state grant maximum award for a student at a four-year private college.

History: 1995 c 212 art 3 s 59

136A.125 CHILD CARE GRANTS.

Subdivision 1. Establishment. A child care grant program is established under the supervision of the higher education services office. The program makes money available to eligible students to reduce the costs of child care while attending an eligible post-secondary institution. The board shall develop policies and adopt rules as necessary to implement and administer the program.

[For text of subs 2 and 3, see M.S.1994]

Subd. 4. Amount and length of grants. The amount of a child care grant must be based on:

- (1) the income of the applicant and the applicant's spouse, if any;
- (2) the number in the applicant's family, as defined by the board; and
- (3) the number of eligible children in the applicant's family.

The maximum award to the applicant shall be \$1,700 for each eligible child per academic year. The office shall prepare a chart to show the amount of a grant that will be awarded per child based on the factors in this subdivision. The chart shall include a range of income and family size.

[For text of subs 4a and 4b, see M.S.1994]

Subd. 5. [Repealed, 1995 c 212 art 3 s 60]

Subd. 6. Yearly allocations to institutions. The office shall base yearly allocations on the need for funds using relevant factors as determined by the office in consultation with the institutions. Up to five percent of the money spent on students' child care awards, as determined by the office, may be used for an institution's administrative expenses related to the child care grant program. Any money designated, but not used, for this purpose must be reallocated to child care grants. An institution may carry forward or backward ten percent of its annual allocation to be used for awards in the previous or subsequent academic year.

[For text of subs 7 to 9, see M.S.1994]

History: 1995 c 212 art 3 s 27,28,59

136A.1311 CASH FLOW.

The higher education services office may ask the commissioner of finance to lend general fund money to the grant account to ease cash flow difficulties. The higher education services office must first certify to the commissioner that there will be adequate refunds to the account to repay the loan. The commissioner shall use the refunds to make repayment to the general fund of the full amount loaned. Money necessary to meet cash flow difficulties in the state grant program is appropriated to the commissioner of finance for loans to the higher education services office.

History: 1995 c 212 art 3 s 59

136A.1352 [Repealed, 1990 c 591 art 4 s 9]

136A.1353 [Repealed, 1990 c 591 art 4 s 9]

136A.1354 [Repealed, 1990 c 591 art 4 s 9]

136A.1355 RURAL PHYSICIANS.

Subdivision 1. Creation of account. A rural physician education account is established in the health care access fund. The higher education services office shall use money from the account to establish a loan forgiveness program for medical students agreeing to practice in designated rural areas, as defined by the commissioner.

Subd. 2. Eligibility. To be eligible to participate in the program, a prospective physician must submit a letter of interest to the higher education services office. A student or resident who is accepted must sign a contract to agree to serve at least three of the first five years following residency in a designated rural area.

Subd. 3. Loan forgiveness. For fiscal years beginning on and after July 1, 1995, the higher education services office may accept up to four applicants who are fourth year medical students, three applicants who are pediatric residents, and four applicants who are family practice residents, and one applicant who is an internal medicine resident, per fiscal year for participation in the loan forgiveness program. If the higher education services office does not receive enough applicants per fiscal year to fill the number of residents in the specific areas of practice, the resident applicants may be from any area of practice. The eight resident applicants may be in any year of training; however, priority must be given to the following categories of residents in descending order: third year residents, second year residents, and first year residents. Applicants are responsible for securing their own loans. Applicants chosen to participate in the loan forgiveness program may designate for each year of medical school, up to a maximum of four years, an agreed amount, not to exceed \$10,000, as a qualified loan. For each year that a participant serves as a physician in a designated rural area, up to a maximum of four years, the higher education services office shall annually pay an amount equal to one year of qualified loans. Participants who move their practice from one designated rural area to another remain eligible for loan repayment. In addition, if a resident participating in the loan forgiveness program serves at least four weeks during a year of residency substituting for a rural physician to temporarily relieve the rural physician of rural practice commitments to enable the rural physician to take a vacation, engage in activities outside the practice area, or otherwise be relieved of rural practice commitments, the participating resident may designate up to an additional \$2,000, above the \$10,000 maximum, for each year of residency during which the resident substitutes for a rural physician for four or more weeks.

Subd. 4. Penalty for nonfulfillment. If a participant does not fulfill the required three-year minimum commitment of service in a designated rural area, the higher education services office shall collect from the participant the amount paid by the commissioner under the loan forgiveness program. The higher education services office shall deposit the money collected in the rural physician education account established in subdivision 1. The commissioner shall allow waivers of all or part of the money owed the commissioner if emergency circumstances prevented fulfillment of the three-year service commitment.

Subd. 5. Loan forgiveness; underserved urban communities. For fiscal years beginning on and after July 1, 1995, the higher education services office may accept up to four applicants who are either fourth year medical students, or residents in family practice, pediatrics, or internal medicine per fiscal year for participation in the urban primary care physician loan forgiveness program. The resident applicants may be in any year of residency training; however, priority will be given to the following categories of residents in descending order: third year residents, second year residents, and first year residents. If the higher education services office does not receive enough qualified applicants per fiscal year to fill the number of slots for urban underserved communities, the slots may be allocated to students or residents who have applied for the rural physician loan forgiveness program in subdivision 1. Applicants are responsible for securing their own loans. For purposes of this provision, "qualifying educational loans" are government and commercial loans for actual costs paid for tuition, reasonable education expenses, and reasonable living expenses related to the graduate or undergraduate education of a health care professional. Applicants chosen to participate in the loan forgiveness program may designate for each year of medical school, up to a maximum of four years, an agreed amount, not to exceed \$10,000, as a qualified loan. For each year that a participant serves as a physician in a designated underserved urban area, up to a maximum of four years, the higher education services office shall annually pay an amount equal to one year of qualified loans. Participants who move their practice from one designated underserved urban community to another remain eligible for loan repayment.

History: 1990 c 591 art 4 s 9; 1995 c 212 art 3 s 59; 1995 c 234 art 8 s 23,24,48

136A.1356 MIDLEVEL PRACTITIONERS.

Subdivision 1. **Definitions.** For purposes of this section, the following definitions apply:

(a) "Designated rural area" has the definition developed in rule by the higher education services office.

(b) "Midlevel practitioner" means a nurse practitioner, nurse-midwife, nurse anesthetist, advanced clinical nurse specialist, or physician assistant.

(c) "Nurse-midwife" means a registered nurse who has graduated from a program of study designed to prepare registered nurses for advance practice as nurse-midwives.

(d) "Nurse practitioner" means a registered nurse who has graduated from a program of study designed to prepare registered nurses for advance practice as nurse practitioners.

(e) "Physician assistant" means a person registered under chapter 147A.

Subd. 2. **Creation of account.** A midlevel practitioner education account is established in the health care access fund. The higher education services office shall use money from the account to establish a loan forgiveness program for midlevel practitioners agreeing to practice in designated rural areas.

Subd. 3. **Eligibility.** To be eligible to participate in the program, a prospective midlevel practitioner must submit a letter of interest to the higher education services office prior to or while attending a program of study designed to prepare the individual for service as a midlevel practitioner. A midlevel practitioner student who is accepted into this program must sign a contract to agree to serve at least two of the first four years following graduation from the program in a designated rural area.

Subd. 4. **Loan forgiveness.** The higher education services office may accept up to eight applicants per year for participation in the loan forgiveness program. Applicants are responsible for securing their own loans. Applicants chosen to participate in the loan forgiveness program may designate for each year of midlevel practitioner study, up to a maximum of two years, an agreed amount, not to exceed \$7,000, as a qualified loan. For purposes of this provision, "qualifying educational loans" are government and commercial loans for actual costs paid for tuition, reasonable education expenses, and reasonable living expenses related to the graduate or undergraduate education of a health care professional. For each year that a participant serves as a midlevel practitioner in a designated rural area, up to a maximum of four years, the higher education services office shall annually repay an amount equal to one-half a qualified loan. Participants who move their practice from one designated rural area to another remain eligible for loan repayment.

Subd. 5. **Penalty for nonfulfillment.** If a participant does not fulfill the service commitment required under subdivision 4 for full repayment of all qualified loans, the higher education services office shall collect from the participant 100 percent of any payments made for qualified loans and interest at a rate established according to section 270.75. The higher education services office shall deposit the money collected in the midlevel practitioner education account established in subdivision 2. The commissioner shall allow waivers of all or part of the money owed the commissioner if emergency circumstances prevented fulfillment of the required service commitment.

History: 1995 c 205 art 2 s 2; 1995 c 212 art 3 s 59; 1995 c 234 art 8 s 25,26

136A.1357 NURSES IN NURSING HOMES OR ICFMRS.

[For text of subd 1, see M.S.1994]

Subd. 2. **Eligibility.** To be eligible to participate in the loan forgiveness program, a person planning to enroll or enrolled in a program of study designed to prepare the person to become a registered nurse or licensed practical nurse must submit a letter of interest to the commissioner before completion of a nursing education program. Before completion of the program, the applicant must sign a contract in which the applicant agrees to practice nursing for at least one of the first two years following completion of the nursing education program providing nursing services in a licensed nursing home or intermediate care facility for persons with mental retardation or related conditions.

Subd. 3. **Loan forgiveness.** The commissioner may accept up to ten applicants a year. Applicants are responsible for securing their own loans. For each year of nursing education,

for up to two years, applicants accepted into the loan forgiveness program may designate an agreed amount, not to exceed \$3,000, as a qualified loan. For each year that a participant practices nursing in a nursing home or intermediate care facility for persons with mental retardation or related conditions, up to a maximum of two years, the commissioner shall annually repay an amount equal to one year of qualified loans. Participants who move from one nursing home or intermediate care facility for persons with mental retardation or related conditions to another remain eligible for loan repayment.

Subd. 4. Penalty for nonfulfillment. If a participant does not fulfill the service commitment required under subdivision 3 for full repayment of all qualified loans, the higher education services office shall collect from the participant 100 percent of any payments made for qualified loans and interest at a rate established according to section 270.75. The commissioner shall deposit the collections in the health care access fund to be credited to the account established in subdivision 1. The commissioner may grant a waiver of all or part of the money owed as a result of a nonfulfillment penalty if emergency circumstances prevented fulfillment of the required service commitment.

Subd. 5. Rules. The commissioner shall adopt rules to implement this section.

History: 1995 c 212 art 3 s 59

136A.1358 RURAL CLINICAL SITES FOR NURSE PRACTITIONER EDUCATION.

[For text of subd 1, see M.S.1994]

Subd. 2. Establishment. A grant program is established under the authority of the higher education services office to provide grants to colleges or schools of nursing located in Minnesota that operate programs of study designed to prepare registered nurses for advanced practice as nurse practitioners.

[For text of subd 3, see M.S.1994]

Subd. 4. Responsibility of nursing programs. (a) Colleges or schools of nursing interested in participating in the grant program must apply to the higher education services office, according to the policies established by the commissioner. Applications submitted by colleges or schools of nursing must include a detailed proposal for achieving the goals listed in subdivision 3, a plan for encouraging sufficient applications from rural applicants to meet the requirements of paragraph (b), and any additional information required by the commissioner.

(b) Each college or school of nursing, as a condition of accepting a grant, shall make at least 25 percent of the openings in each nurse practitioner entering class available to applicants who live in rural areas and desire to practice as a nurse practitioner in rural areas. This requirement is effective beginning with the fall 1994 entering class and remains in effect for each biennium thereafter for which a college or school of nursing is awarded a grant renewal. The commissioner may exempt colleges or schools of nursing from this requirement if the college or school can demonstrate, to the satisfaction of the commissioner, that the nurse practitioner program did not receive enough applications or acceptance letters from qualified rural applicants to meet the requirement.

(c) Colleges or schools of nursing participating in the grant program shall report to the higher education services office on their program activity as requested by the board.

Subd. 5. Responsibilities of the higher education services office. (a) The commissioner shall establish an application process for interested colleges and schools of nursing, and shall require colleges and schools of nursing to submit grant applications to the commissioner by November 1, 1993. The commissioner may award up to two grants for the biennium ending June 30, 1995.

(b) In selecting grant recipients, the commissioner shall consider:

(1) the likelihood that an applicant's grant proposal will be successful in achieving the program goals listed in subdivision 3;

(2) the potential effectiveness of the college's or school's plan to encourage applications from rural applicants; and

(3) the academic quality of the college's or school's program of education for nurse practitioners.

(c) The commissioner shall notify grant recipients of an award by December 1, 1993, and shall disburse the grants by January 1, 1994. The commissioner may renew grants if a college or school of nursing demonstrates that satisfactory progress has been made during the past biennium toward achieving the goals listed in subdivision 3.

History: 1995 c 212 art 3 s 59

136A.1359 GRANTS FOR NURSING STUDENTS WHO ARE PERSONS OF COLOR.

Subdivision 1. Establishment. A nursing grant program is established under the authority of the higher education services office to provide grants to students who are persons of color who are entering or enrolled in an educational program that leads to licensure as a registered nurse, or advanced nursing education.

Subd. 2. Eligibility. To be eligible to receive a grant, a student shall be:

- (1) a citizen of the United States or permanent resident of the United States;
- (2) a resident of the state of Minnesota;
- (3) an Asian Pacific-American, African-American, American Indian, or Hispanic-American (Latino, Chicano, or Puerto Rican);
- (4) entering or enrolled in a nursing program in Minnesota that leads to licensure as a registered nurse, a baccalaureate degree in nursing, a master's degree in nursing, or program of advanced nursing education; and
- (5) eligible under any additional criteria established by the school, college, or program of nursing in which the student is enrolled.

The grant must be awarded for one academic year but is renewable for a maximum of six semesters or nine quarters of full-time study, or their equivalent.

Subd. 3. Responsibility of nursing programs. Each school, college, or program of nursing that wishes to participate in the student nursing grant program shall apply to the higher education services office for grant money, according to policies established by the office. A school, college, or program of nursing shall establish criteria to use in awarding the grants. The criteria must include consideration of the likelihood of a student's success in completing the nursing educational program and must give priority to students with the greatest financial need. Each grant must be for a minimum of \$2,000 but not exceed \$4,000. Each school, college, or program of nursing shall agree that the money awarded through this grant program must not be used to replace any other grant or scholarship money for which the student would be otherwise eligible.

Subd. 4. Responsibilities of the higher education services office. The higher education services office shall distribute money each year to Minnesota schools, colleges, or programs of nursing that lead to licensure as a registered nurse. Money not used by a recipient nursing program must be returned to the higher education services office for redistribution under this section. The board shall establish an application process for interested schools, colleges, or programs of nursing.

History: 1995 c 212 art 3 s 29-31,59

136A.136 NURSING GRANT PROGRAM.

Subdivision 1. Establishment. A nursing grant program is established under the supervision of the higher education services office and the administration of the metropolitan healthcare foundation's project LINC (Ladders in Nursing Careers) to provide grants to Minnesota health care facility employees seeking to complete a baccalaureate or master's degree in nursing.

Subd. 2. Responsibility of metropolitan healthcare foundation's project linc. The metropolitan healthcare foundation's project LINC shall administer the grant program and award grants to eligible health care facility employees. To be eligible to receive a grant, a person must be:

- (1) an employee of a health care facility located in Minnesota, whom the facility has recommended to the metropolitan healthcare foundation's project LINC for consideration;

(2) working part time, up to 32 hours per pay period, for the health care facility, while maintaining full salary and benefits;

(3) enrolled full time in a Minnesota school or college of nursing to complete a baccalaureate or master's degree in nursing; and

(4) a resident of the state of Minnesota.

The grant must be awarded for one academic year but is renewable for a maximum of six semesters or nine quarters of full-time study, or their equivalent. The grant must be used for tuition, fees, and books. Priority in awarding grants shall be given to persons with the greatest financial need. The health care facility may require its employee to commit to a reasonable postprogram completion of employment at the health care facility as a condition for the financial support the facility provides.

Subd. 3. Responsibility of higher education services office. The higher education services office shall distribute money each year, contingent upon an appropriation, to the metropolitan healthcare foundation's project LINC to be used to award grants under this section, provided that the higher education services office shall not distribute the money unless the metropolitan healthcare foundation's project LINC matches the money with an equal amount from nonstate sources. The metropolitan healthcare foundation's project LINC shall expend nonstate money prior to expending state money and shall return to the higher education services office all state money not used each year for nursing program grants to be redistributed under this section. The metropolitan healthcare foundation's project LINC shall report to the higher education services office on its program activity as requested by the office.

History: 1995 c 212 art 2 s 6

136A.15 DEFINITIONS.

[For text of subs 1 and 2, see M.S.1994]

Subd. 3. "Office" means the Minnesota higher education services office.

Subd. 4. "Director" means the director of the Minnesota higher education services office.

[For text of subs 5 to 9, see M.S.1994]

History: 1995 c 212 art 3 s 32,33

136A.16 POWERS AND DUTIES OF BOARD.

Subdivision 1. Notwithstanding chapter 16B, the Minnesota higher education services office is designated as the administrative agency for carrying out the purposes and terms of sections 136A.15 to 136A.1702. The office may establish one or more loan programs.

[For text of subs 2 to 10, see M.S.1994]

Subd. 11. [Repealed, 1995 c 212 art 2 s 22]

[For text of subd 12, see M.S.1994]

History: 1995 c 212 art 3 s 34

136A.162 CLASSIFICATION OF DATA.

All data on applicants for financial assistance collected and used by the higher education services office for student financial aid programs administered by that board shall be classified as private data on individuals under section 13.02, subdivision 12. Exceptions to this classification are that:

(a) the names and addresses of program recipients or participants are public data;

(b) data on applicants may be disclosed to the commissioner of human services to the extent necessary to determine eligibility under section 136A.121, subdivision 2, clause (5); and

(c) the following data collected in the Minnesota supplemental loan program under section 136A.1701 may be disclosed to a consumer credit reporting agency only if the borrower

and the cosigner give informed consent, according to section 13.05, subdivision 4, at the time of application for a loan:

- (1) the lender–assigned borrower identification number;
- (2) the name and address of borrower;
- (3) the name and address of cosigner;
- (4) the date the account is opened;
- (5) the outstanding account balance;
- (6) the dollar amount past due;
- (7) the number of payments past due;
- (8) the number of late payments in previous 12 months;
- (9) the type of account;
- (10) the responsibility for the account; and
- (11) the status or remarks code.

History: 1995 c 212 art 3 s 59

136A.1701 SUPPLEMENTAL AND ADDITIONAL LOANS.

Subdivision 1. **Establishment of program.** The higher education services office may provide for programs of loans which may be made in lieu of or in addition to loans authorized under sections 136A.15 to 136A.1702 and applicable provisions of federal law as provided in this section.

[For text of subs 2 to 10, see M.S.1994]

History: 1995 c 212 art 3 s 59

136A.171 REVENUE BONDS; ISSUANCE; PROCEEDS.

The higher education services office may issue revenue bonds to obtain funds for loans made in accordance with the provisions of this chapter. The aggregate amount of revenue bonds, issued directly by the board, outstanding at any one time, not including refunded bonds or otherwise defeased or discharged bonds, shall not exceed \$550,000,000. Proceeds from the issuance of bonds may be held and invested by the board pending disbursement in the form of loans. All interest and profits from the investments shall inure to the benefit of the board and shall be available to the board for the same purposes as the proceeds from the sale of revenue bonds including, but not limited to, costs incurred in administering loans under this chapter and loan reserve funds.

History: 1995 c 212 art 3 s 59

136A.232 ADMINISTRATION; AGREEMENTS WITH EDUCATIONAL FACILITIES.

The higher education services office shall develop and administer a work–study program. The board shall enter into agreements with institutions of post–secondary education.

History: 1995 c 212 art 3 s 59

136A.233 WORK–STUDY GRANTS.

Subdivision 1. **Allocation to institutions.** The higher education services office shall allocate work–study money to eligible post–secondary institutions according to the resident full–time equivalent enrollment of all eligible post–secondary institutions that apply to participate in the program, and the amount of the allocation that an institution spent during the previous academic year. Each institution wishing to participate in the work–study program must submit, in accordance with policies and procedures established by the board, an estimate of the amount of funds needed by the institution. Any funds allocated to an institution that exceed the actual need of the institution shall be reallocated by the board to other institutions. An institution may carry forward or backward the same percentage of its initial allocation that is authorized under federal work–study provisions.

Subd. 2. Definitions. For purposes of sections 136A.231 to 136A.233, the words defined in this subdivision have the meanings ascribed to them.

(a) "Eligible student" means a Minnesota resident enrolled or intending to enroll at least half time in a degree, diploma, or certificate program in a Minnesota post-secondary institution.

(b) "Minnesota resident" means a student who meets the conditions in section 136A.101, subdivision 8.

(c) "Financial need" means the need for financial assistance in order to attend a post-secondary institution as determined by a post-secondary institution according to guidelines established by the higher education services office.

(d) "Eligible employer" means any eligible post-secondary institution and any non-profit, nonsectarian agency or state institution located in the state of Minnesota, including state hospitals, and also includes a handicapped person or a person over 65 who employs a student to provide personal services in or about the residence of the handicapped person or the person over 65.

(e) "Eligible post-secondary institution" means any post-secondary institution eligible for participation in the Minnesota state grant program as specified in section 136A.101, subdivision 4.

(f) "Independent student" has the meaning given it in the Higher Education Act of 1965, United States Code, title 20, section 1070a-6, and applicable regulations.

(g) "Half-time" for undergraduates has the meaning given in section 136A.101, subdivision 7b, and for graduate students is defined by the institution.

[For text of subd 3, see M.S.1994]

History: 1995 c 212 art 3 s 35,59

136A.26 MEMBERSHIPS; OFFICERS; COMPENSATION; REMOVAL.

Subdivision 1. Membership. The Minnesota higher education facilities authority shall consist of eight members appointed by the governor with the advice and consent of the senate, and a representative of the higher education services office.

All members to be appointed by the governor shall be residents of the state. At least two members must reside outside the metropolitan area as defined in section 473.121, subdivision 2. At least one of the members shall be a person having a favorable reputation for skill, knowledge, and experience in the field of state and municipal finance; and at least one shall be a person having a favorable reputation for skill, knowledge, and experience in the building construction field; and at least one of the members shall be a trustee, director, officer, or employee of an institution of higher education.

[For text of subd 1a, see M.S.1994]

Subd. 2. Term; compensation; removal. The membership terms, compensation, removal of members, and filling of vacancies for authority members other than the representative of the higher education services office, and the president of the private college council, shall be as provided in section 15.0575.

History: 1995 c 212 art 3 s 36,37

136A.28 DEFINITIONS.

[For text of subs 1 to 6, see M.S.1994]

Subd. 7. "Participating institution of higher education" means an institution of higher education that, under the provisions of sections 136A.25 to 136A.42, undertakes the financing and construction or acquisition of a project or undertakes the refunding or refinancing of obligations or of a mortgage or of advances as provided in sections 136A.25 to 136A.42. Community colleges and technical colleges may be considered participating institutions of higher education for the purpose of financing and constructing child care facilities and parking facilities.

History: 1Sp1995 c 2 art 1 s 38

136A.29 POWERS; DUTIES.

[For text of subs 1 and 2, see M.S.1994]

Subd. 3. The authority is authorized and empowered to appoint and employ employees as it may deem necessary to carry out its duties, determine the title of the employees so employed, and fix the salary of said employees. Employees of the authority shall participate in retirement and other benefits in the same manner that employees in the unclassified service of the higher education services office participate.

Subd. 4. By mutual agreement between the authority and the higher education services office, authority staff employees may also be members of the board staff. By mutual agreement, authority employees may be provided office space in the office of the higher education services office, and said employees may make use of equipment, supplies, and office space, provided that the authority fully reimburses the higher education services office for salaries and for space, equipment, supplies, and materials used. In the absence of such mutual agreement between the authority and the higher education services office, the authority may maintain an office at such place or places as it may designate.

[For text of subs 5 to 23, see M.S.1994]

History: 1995 c 212 art 3 s 59

136A.40 ADMINISTRATION.

The administration of sections 136A.25 to 136A.42, shall be under the authority independent of other departments and agencies and notwithstanding chapter 16B. The authority shall not be subject to the provisions of sections 14.02, 14.04 to 14.28, 14.38, 14.44 to 14.45, and 14.57 to 14.62 in connection with the adoption of any rules, rents, fees or charges or with the exercise of any other powers or duties.

History: 1995 c 186 s 41; 1995 c 233 art 2 s 56

136A.42 ANNUAL REPORT.

The authority shall keep an accurate account of all of its activities and all of its receipts and expenditures and shall annually report to the higher education services office.

History: 1995 c 212 art 3 s 38

136A.62 DEFINITIONS.

[For text of subd 1, see M.S.1994]

Subd. 2. **Office.** "Office" means the Minnesota higher education services office.

[For text of subd 3, see M.S.1994]

Subd. 4. **Degree.** "Degree" means any award given by a school for completion of a program or course which is designated by the term degree, associate, bachelor, baccalaureate, masters, or doctorate, or any other award which the office shall include by rule.

Subd. 5. **Records.** "Records" means those school documents and files containing student data relating to academic credits, grades, degrees awarded, periods of attendance, and such other matters as the office shall determine by rule.

History: 1995 c 212 art 3 s 39,59

136A.63 REGISTRATION.

All schools located within Minnesota and all schools located outside Minnesota which offer programs or courses within Minnesota shall register annually with the office.

History: 1995 c 212 art 3 s 59

136A.64 INFORMATION.

Subdivision 1. As a basis for registration, schools shall provide the office with such information as the office needs to determine the nature and activities of the school, including

but not limited to, requirements for admission, enrollments, tuition charge, refund policies, curriculum, degrees granted, and faculty employed. The office shall have the authority to verify the accuracy of the information submitted to it by inspection or any other means it deems necessary.

Subd. 2. The office shall not disclose financial records provided to it by a school pursuant to this section except for the purpose of defending, at hearings pursuant to chapter 14, or other appeal proceedings, its decision to approve or not to approve the granting of degrees or the use of a name by the school. Section 15.17, subdivision 4, shall not apply to such records.

History: 1995 c 212 art 3 s 59

136A.65 APPROVAL OF DEGREES AND NAME.

Subdivision 1. No school subject to registration shall grant a degree unless such degree is approved by the office, nor shall any school subject to registration use the name "college," "academy," "institute" or "university" in its name without approval by the office.

Subd. 2. The office shall establish procedures for approval, including notice and an opportunity for a hearing pursuant to chapter 14 if such approval is not granted. If a hearing is requested, no disapproval shall take effect until after such hearing.

Subd. 3. A school subject to registration shall be granted approval to use the term "college," "academy," "institute" or "university" in its name whether or not it offers a program leading to a degree, if it was organized, operating and using such term in its name on or before August 1, 1975, and if it meets the other policies and standards for approval established by the office.

History: 1995 c 212 art 3 s 59

136A.653 EXEMPTIONS.

Subdivision 1. A school that is subject to licensing by the office under chapter 141, is exempt from the provisions of sections 136A.61 to 136A.71. The determination of the office as to whether a particular school is subject to regulation under chapter 141 is final for the purposes of this exemption.

[For text of subs 2 to 4, see M.S.1994]

History: 1995 c 212 art 3 s 59

136A.657 EXEMPTION; RELIGIOUS SCHOOLS.

[For text of subs 1 and 2, see M.S.1994]

Subd. 3. Nothing in sections 136A.61 to 136A.71, or the rules adopted pursuant thereto, shall be interpreted as permitting the office to determine the truth or falsity of any particular set of religious beliefs.

History: 1995 c 212 art 3 s 59

136A.66 LIST.

The office shall maintain a list of schools authorized to grant degrees and schools authorized to use the name "college," "academy," "institute" or "university," and shall make such list available to the public.

History: 1995 c 212 art 3 s 59

136A.67 UNAUTHORIZED REPRESENTATIONS.

No school and none of its officials or employees shall advertise or represent in any manner that such school is approved or accredited by the office or state of Minnesota except that any school which is duly registered with the office, or any of its officials or employees, may represent that the school is registered with the office.

History: 1995 c 212 art 3 s 59

136A.68 RECORDS.

After August 1, 1975, all schools located in this state must maintain permanent records of all students enrolled therein at any time. The office may require schools to provide a plan acceptable to the office for preserving all such records for at least ten years. The office may require that such plan include the filing of a continuous surety bond or a deposit of funds in trust in an amount not to exceed \$20,000 for the purpose of preserving records after such school ceases to exist.

History: 1995 c 212 art 3 s 59

136A.685 PRIVATE INSTITUTIONS; ADJUDICATION OF FRAUD OR MISREPRESENTATION.

The office shall not provide registration or degree or name approval to a school if there has been a criminal or civil adjudication of fraud or misrepresentation in Minnesota or in another state or jurisdiction against the school or its owner, officers, agents, or sponsoring organization. Such an adjudication of fraud or misrepresentation shall be sufficient cause for the office to determine that a school:

(1) does not qualify for exemption under section 136A.657; or

(2) is not approved to grant degrees or to use the term "academy," "institute," or "university" in its name.

History: 1995 c 212 art 3 s 40

136A.69 FEES.

The office shall collect reasonable registration fees that are sufficient to recover, but do not exceed, its costs of administering the registration program.

History: 1995 c 212 art 3 s 41

136A.80 [Renumbered section 135A.51]

136A.81 [Renumbered section 135A.52]

136A.85 [Repealed, 1995 c 212 art 3 s 60]

136A.86 [Repealed, 1995 c 212 art 3 s 60]

136A.88 [Repealed, 1995 c 212 art 3 s 60]