

CHAPTER 136A

HIGHER EDUCATION

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136A.001 MS 2006 [Renumbered 15.001]

OFFICE OF HIGHER EDUCATION

136A.002 DEFINITIONS.

Subdivision 1. **Scope.** For purposes of this chapter, the terms defined in this section have the meanings given them.

Subd. 2. **Office.** "Office" means the Office of Higher Education.

Subd. 3. **Commissioner.** "Commissioner" means the commissioner of the office.

Subd. 4. **Province and provincial.** "Province" and "provincial" mean the Canadian province of Manitoba.

Subd. 5. **Term.** "Term" means a quarter or semester, or the equivalent.

History: 2007 c 144 art 2 s 14; 2014 c 149 s 3,74

136A.01 OFFICE OF HIGHER EDUCATION.

Subdivision 1. **Creation.** The Office of Higher Education, which may also be known as the Minnesota Office of Higher Education, is created with a commissioner appointed by the governor with the advice and consent of the senate and serving at the pleasure of the governor.

Subd. 2. **Responsibilities.** (a) The 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 136A.82 to 136A.834;

(3) determining whether to enter into an interstate reciprocity agreement regarding postsecondary distance education;

(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 and reporting data on students and postsecondary institutions to develop and implement a process to measure and report on the effectiveness of postsecondary institutions;

(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.

(b) The office may match individual student data from the student record enrollment database with individual student financial aid data collected and maintained by the office in order to audit or evaluate federal or state supported education programs as permitted by United States Code, title 20, section 1232g(b)(3), and Code of Federal Regulations, title 34, section 99.35. The office shall not release data that personally identifies parents or students other than to employees and contractors of the office.

Subd. 3. **Incentive programs.** The commissioner is authorized to utilize incentive gifts including, but not limited to, gift cards in order to promote to the public the various programs administered by the office. The annual total expenditures for such incentive programs shall not exceed \$10,000.

History: 1965 c 809 s 32 subd 1; 1967 c 615 s 1; 1975 c 271 s 6; 1995 c 212 art 3 s 9; 2003 c 133 art 2 s 3; 2005 c 107 art 2 s 10,60; 2009 c 95 art 2 s 6; 2010 c 364 s 4; 2013 c 99 art 2 s 29; 2014 c 149 s 4,74; 2014 c 312 art 1 s 7; 2015 c 69 art 2 s 4,46; 2020 c 109 art 1 s 3

136A.011 [Repealed, 2005 c 107 art 2 s 61]

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

136A.03 EXECUTIVE OFFICERS; EMPLOYEES.

The office shall be under the administrative control of the commissioner. The commissioner shall serve in the unclassified service of the state civil service. The commissioner, or the commissioner's designated representative, on behalf of the office is authorized to sign contracts and execute all instruments necessary or appropriate to carry out the purposes of sections 136A.01 to 136A.178 for the office. The salary of the commissioner shall be established according to section 15A.0815. The commissioner 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 employee appointed by the commissioner to serve in the unclassified service as provided in this section must be 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: 1965 c 809 s 32 subd 6; 1967 c 615 s 1; 1967 c 895 s 3; 1975 c 271 s 6; 1983 c 299 s 21; 1986 c 444; 1995 c 212 art 3 s 11; 1997 c 183 art 3 s 11; 2Sp1997 c 3 s 18; 2003 c 133 art 2 s 5; 2005 c 107 art 2 s 60; 2013 c 99 art 2 s 29; 2014 c 149 s 5

136A.031 STUDENT ADVISORY COUNCIL.

Subdivision 1. [Repealed, 2005 c 107 art 2 s 61]

Subd. 2. [Repealed, 2013 c 99 art 2 s 30]

Subd. 3. **Student Advisory Council.** (a) A Student Advisory Council (SAC) to the office 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 State College Student Association and an officer of the Minnesota State College Student Association, one in a community college course of study and one in a technical college course of study; a student who is enrolled in a private nonprofit postsecondary institution, to be elected by students enrolled in Minnesota Private College Council institutions; a student who is enrolled in a private career school, to be elected by students enrolled in Minnesota private career schools; and a student who is enrolled in a Minnesota tribal college to be elected by students enrolled in Minnesota tribal colleges. If students from the private career schools or tribal colleges do not elect a representative, the commissioner must appoint a student representative. If students from the Minnesota Private College Council institutions do not elect a representative, the Minnesota Private College Council must appoint the private nonprofit representative. 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.

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

(c) The SAC shall:

- (1) bring to the attention of the office any matter that the SAC believes needs the attention of the office;
- (2) make recommendations to the office as it finds appropriate; and

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

Subd. 4. **Student representation.** The commissioner shall invite the council to nominate a student or students to serve on task forces created by the office, when appropriate.

Subd. 5. [Repealed, 2014 c 286 art 8 s 40]

History: 1995 c 212 art 3 s 12; 1Sp1995 c 3 art 16 s 13; 1999 c 214 art 2 s 4; 1Sp2001 c 1 art 2 s 7; 2003 c 130 s 12; 2003 c 133 art 2 s 6,7; 2005 c 107 art 2 s 11-14,60; 2007 c 144 art 2 s 15; 2013 c 99 art 2 s 29; 2014 c 286 art 3 s 2; 2015 c 69 art 2 s 5; 2020 c 109 art 1 s 4

136A.032 COMMUNITY AND COMMISSIONER PARTICIPATION IN POSTSECONDARY EDUCATION OF AMERICAN INDIANS.

Subdivision 1. **Definitions.** (a) The term used in this section has the meaning given in this subdivision.

(b) "Tribal Nations Education Committee" means the committee established through tribal directive, for which the commissioner consults on matters related to American Indian postsecondary education programs, policy, and all matters related to educating Minnesota's American Indian postsecondary students. The membership of the Tribal Nations Education Committee is determined by and at the sole discretion of the committee members, and nothing in this section authorizes the commissioner to dictate committee membership.

Subd. 2. **American Indian community involvement.** The commissioner must provide for the involvement of the Tribal Nations Education Committee, American Indian postsecondary students, and representatives of community groups in the establishment of programs, formation of policies, and all other matters related to the postsecondary education of Minnesota's American Indian students.

Subd. 3. **Consultation with the Tribal Nations Education Committee.** (a) The commissioner shall seek consultation with the Tribal Nations Education Committee regarding programs, policies, and all other matters related to the postsecondary education of Minnesota's American Indian students.

(b) Nothing in this subdivision prevents the commissioner from seeking consultation with individual tribal nations.

History: 2020 c 109 art 1 s 5

136A.035 [Repealed, 1983 c 299 s 36]

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

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

136A.0411 COLLECTING FEES.

The office may charge fees for seminars, conferences, workshops, services, and materials. The office may collect fees for registration and licensure of private institutions under sections 136A.61 to 136A.71 and 136A.82 to 136A.834. The money is appropriated to the office.

History: 1990 c 591 art 6 s 2; 1Sp1993 c 2 art 2 s 4; 1995 c 212 art 3 s 59; 2015 c 69 art 2 s 6,46

136A.0412 ACCEPTANCE OF PRIVATE FUNDS; APPROPRIATION.

The commissioner may accept donations, grants, bequests, and other gifts of money to carry out the purposes of section 136A.01. Donations, nonfederal grants, bequests, or other gifts of money accepted by

the commissioner must be deposited in an account in the special revenue fund and are appropriated to the commissioner for the purpose for which it was given.

History: 2016 c 189 art 1 s 7

136A.042 [Repealed, 1989 c 293 s 85]

136A.043 [Repealed, 1996 c 310 s 1]

136A.044 [Repealed, 1991 c 265 art 11 s 26]

136A.05 COOPERATION OF INSTITUTIONS OF HIGHER EDUCATION.

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

Subd. 2. [Repealed, 2014 c 149 s 75]

History: 1965 c 809 s 32 subd 8; 1967 c 615 s 1; 1975 c 271 s 6; 1975 c 390 s 2; 1987 c 401 s 14; 1989 c 293 s 22; 1990 c 591 art 6 s 3; 1995 c 212 art 3 s 14,59; 2005 c 107 art 2 s 60; 2014 c 149 s 6

136A.051 STUDENT RECORDS AND DATA.

When a nonpublic institution of higher education provides the office student data or records pursuant to section 136A.05, subdivision 1; 136A.121, subdivision 18; or 136A.1701, subdivision 11, the institution of higher education is not liable for a breach of confidentiality, disclosure, use, retention, or destruction of the student data or records, if the breach, disclosure, use, retention, or destruction results from actions or omissions of:

- (1) the office; or
- (2) persons provided access to the data or records by the office.

History: 2011 c 93 s 1; 2014 c 149 s 74

136A.055 DEVELOPMENTAL EDUCATION REPORTING.

(a) The commissioner must report on the department's website the following summary data on students who graduated from a Minnesota high school and are attending a public postsecondary institution in Minnesota, limited to the most recent academic school year:

- (1) the number of students placed in supplemental or developmental education;
- (2) the number of students who complete supplemental or developmental education within one academic year;
- (3) the number of students that complete gateway courses in one academic year; and
- (4) time to complete a degree or certificate at a postsecondary institution.

(b) Summary data must be aggregated by school district, high school, and postsecondary institution. Summary data must be disaggregated by race, ethnicity, free or reduced-price lunch eligibility, and age.

(c) The commissioner must post the initial data on the department's website on or before February 15, 2018, and must update the data at least annually thereafter.

History: 2017 c 89 art 2 s 5

136A.057 STUDENT TRANSFER REPORTING.

(a) The commissioner must report on the office's website summary data on students who, within the most recent academic year, withdrew from enrollment without completing a degree or credential program at a public postsecondary institution in Minnesota. The summary data must include whether the students who withdrew transferred to another institution and the institutions transferred to and from.

(b) Summary data must be aggregated by postsecondary institution and degree or credential program. Summary data must be disaggregated by race, ethnicity, Pell eligibility, and age.

(c) The commissioner must post the initial data on the office's website on or before February 15, 2022, and must update the data at least annually thereafter.

History: 1Sp2021 c 2 art 2 s 1

136A.06 FEDERAL FUNDS.

The 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 that are allocated to the state of Minnesota to support higher education programs, construction, or other activities and that require administration by a state higher education agency under any law enacted by the Congress of the United States that provides funds for higher education and requires administration by a state higher education agency; provided that no commitment shall be made that binds the legislature to make appropriations beyond current allocations of funds. The office may apply for, receive, accept, and disburse all administrative funds available to the office for administering federal funds to support higher education programs, construction, or other activities. The office also may apply for, receive, accept, and disburse any research, planning, or program funds that are available for purposes consistent with the provisions of this chapter. In making application for and administering federal funds the office may comply with any and all requirements of federal law and federal rules and regulations to enable it to receive and accept the funds. The expenditure of the funds shall be governed by the laws of the state, except insofar as federal regulations may otherwise provide. The office may contract with both public and private institutions in administering federal funds, and the contracts are not subject to chapter 16C. The federal money received by the office shall be deposited in the state treasury and, subject to section 3.3005, is appropriated to it for the purpose for which the money was received. The appropriation does not cancel and is available until expended.

History: 1965 c 809 s 32 subd 9; 1967 c 615 s 1; 1967 c 895 s 4; 1975 c 271 s 6; 1987 c 384 art 1 s 16; 1995 c 212 art 3 s 59; 1998 c 386 art 2 s 42; 2005 c 107 art 2 s 60; 2009 c 95 art 2 s 7; 2014 c 149 s 7

136A.07 [Repealed, 2007 c 144 art 2 s 52]

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

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

(b) "Province" and "provincial" mean the Canadian province of Manitoba.

(c) "Resident of this state" means a resident student as defined in section 136A.101, subdivision 8.

Subd. 2. **Authorization.** The office, in consultation with the commissioner of management and budget and each affected public postsecondary board, may enter into agreements, on subjects that include remission of nonresident tuition for designated categories of students at public postsecondary institutions, with appropriate state or provincial agencies and public postsecondary 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. 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 commissioner of the office to the commissioner of management and budget 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 commissioner of the office to the commissioner of management and budget 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 postsecondary boards, beyond enrollment funding adjustments, must be submitted to the commissioner of management and budget and to the chairs of the higher education finance divisions of the senate and house of representatives for review. The agreement remains valid unless it is disapproved in law.

Subd. 7. **Reporting.** The office must annually, before the last day in January, submit a report to the committees in the house of representatives and the senate with responsibility for higher education finance on:

(1) participation in the tuition reciprocity program by Minnesota students and students from other states attending Minnesota postsecondary institutions under a reciprocity agreement;

(2) reciprocity and resident tuition rates at each institution;

(3) interstate payments and obligations for each state participating in the tuition reciprocity program in the prior year; and

(4) summary statistics on number of graduates by institution, degree granted, and year of graduation for reciprocity students who attended Minnesota postsecondary institutions.

Subd. 8. [Repealed, 2007 c 144 art 2 s 52]

Subd. 9. **Appeal; resident status.** A student who does not meet the definition of resident after residing in Minnesota for 12 months may appeal to the commissioner by providing documentation on the student's reasons for residing in Minnesota. The commissioner may grant resident status for the purpose of this section to the student upon determining the documentation establishes that postsecondary education was not the student's principal reason for residing in Minnesota.

History: 1967 c 615 s 1; 1967 c 866 s 1; 1971 c 161 s 1; 1974 c 532 s 1; 1975 c 271 s 6; 1975 c 321 s 2; 1975 c 390 s 3; 1977 c 403 s 4,5; 1987 c 258 s 12; 1989 c 293 s 23; 1990 c 591 art 6 s 4; 1Sp1993 c 2 art 2 s 5,6; 1995 c 212 art 3 s 16; 2003 c 133 art 3 s 2; 2005 c 107 art 2 s 15,16,60; 2007 c 144 art 2 s 16; 2009 c 95 art 2 s 8,9; 2009 c 101 art 2 s 109; 2013 c 99 art 2 s 29; 2014 c 149 s 8,9

136A.09 [Repealed, 1989 c 293 s 85]

STUDENT GRANTS, AID, AND SCHOLARSHIPS

136A.091 SUMMER ACADEMIC ENRICHMENT PROGRAM.

Subdivision 1. **Establishment.** The summer academic enrichment program is established to enable elementary and secondary students to attend academic summer programs sponsored by postsecondary institutions and nonprofit organizations.

Subd. 2. **Eligibility.** To be eligible for a program stipend, a student shall:

- (1) be a resident of Minnesota;
- (2) attend an eligible office-approved program;
- (3) be in grades 3 through 12, but not have completed high school;
- (4) meet income requirements for free or reduced-price school meals; and
- (5) be 19 years of age or younger.

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

Subd. 4. **Eligible program sponsors.** (a) A program stipend may be used only at an eligible sponsor that is a postsecondary institution or nonprofit educational organization. A Minnesota public postsecondary institution is an eligible program sponsor. A private postsecondary institution is an eligible program sponsor if it:

(1) is accredited by an agency recognized by the United States Department of Education for purposes of eligibility to participate in title IV federal financial aid programs;

(2) offers an associate or baccalaureate degree program approved under sections 136A.61 to 136A.71; and

(3) is located in Minnesota.

(b) A nonprofit educational organization is an eligible program sponsor if it:

(1) is incorporated;

(2) has had favorable financial performance with federal or state funds; and

(3) has not had significant audit findings.

Subd. 5. **Eligible programs.** A program stipend may be used only for an eligible program. To be eligible, a program must:

(1) provide, as its primary purpose, academic instruction for student enrichment in core curricular areas of English and language arts, humanities, social studies, science, mathematics, fine arts, performing arts, and world languages and culture;

(2) not be offered for credit to postsecondary students;

(3) not provide remedial instruction;

(4) meet any other program requirements established by the office; and

(5) be approved by the commissioner.

Subd. 6. **Information.** The office shall assemble and distribute information about eligible student participants, program stipends, and eligible programs.

Subd. 7. **Administration.** The office shall determine the time and manner of program applications, program approval, stipend applications, and final awards.

Subd. 8. **Program evaluation.** Each program sponsor must annually submit a report to the office stating its program goals, activities, and stipend recipient eligibility and demographic information.

Subd. 9. **Report.** Annually, the office shall submit a report to the legislative committees with jurisdiction over higher education finance regarding the program providers, stipend recipients, and program activities. The report shall include information about the students served, the organizations providing services, program goals and outcomes, and student outcomes.

History: 2015 c 69 art 3 s 7

136A.095 MS 1969 [Repealed, 1971 c 862 s 6]

136A.095 GRANTS-IN-AID; PURPOSE.

The legislature finds and declares that the identification of men and women of the state who are economically disadvantaged and the encouragement of their educational development in eligible institutions of their choosing are in the best interests of the state and of the students.

History: 1971 c 226 s 1; 1971 c 862 s 1; 1Sp1985 c 11 s 28

136A.096 FINANCIAL AID GOALS.

The legislature directs the commissioner of the Office of Higher Education, in coordination with the Minnesota Department of Education and the Minnesota Association of Secondary School Principals, to set an annual goal for the percentage of Minnesota's high school seniors completing the Free Application for Federal Student Aid (FAFSA).

History: 2020 c 109 art 1 s 6

136A.10 [Repealed, 1971 c 862 s 6]

136A.101 DEFINITIONS.

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

Subd. 2. [Repealed, 2014 c 149 s 75]

Subd. 3. [Repealed, 2014 c 149 s 75]

Subd. 4. **Eligible institution.** "Eligible institution" means an institution that meets the eligibility requirements under section 136A.103.

Subd. 5. **Financial need.** "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.

Subd. 5a. **Assigned family responsibility.** "Assigned family responsibility" means the amount of a family's contribution to a student's cost of attendance, as determined by a federal need analysis. For dependent students, the assigned family responsibility is 79 percent of the parental contribution. For independent students with dependents other than a spouse, the assigned family responsibility is 71 percent of the student contribution. For independent students without dependents other than a spouse, the assigned family responsibility is 35 percent of the student contribution.

Subd. 6. [Repealed, 1989 c 293 s 85]

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

Subd. 7a. **Full time.** "Full time" means enrollment in a minimum of 15 credits per term.

Subd. 7b. **Half time.** "Half time" means enrollment in a minimum of six credits per term.

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

(1) a student who has resided in Minnesota for purposes other than postsecondary education for at least 12 months without being enrolled at a postsecondary 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 and the student is physically attending a Minnesota postsecondary educational institution;

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

(5) a member, spouse, or dependent of a member of the armed forces of the United States stationed in Minnesota on active federal military service as defined in section 190.05, subdivision 5c;

(6) a spouse or dependent of a veteran, as defined in section 197.447, if the veteran is a Minnesota resident;

(7) a person or spouse of a person who relocated to Minnesota from an area that is declared a presidential disaster area within the preceding 12 months if the disaster interrupted the person's postsecondary education;

(8) a person defined as a refugee under United States Code, title 8, section 1101(a)(42), who, upon arrival in the United States, moved to Minnesota and has continued to reside in Minnesota;

(9) a student eligible for resident tuition under section 135A.043; or

(10) an active member, or a spouse or dependent of that member, of the state's National Guard who resides in Minnesota or an active member, or a spouse or dependent of that member, of the reserve component of the United States armed forces whose duty station is located in Minnesota and who resides in Minnesota.

Subd. 9. **Independent student.** "Independent student" has the meaning given under title IV of the Higher Education Act of 1965, as amended, and applicable regulations.

Subd. 10. **Satisfactory academic progress.** "Satisfactory academic progress" means satisfactory academic progress as defined under Code of Federal Regulations, title 34, sections 668.16(e), 668.32(f), and 668.34, except that a student with an intellectual disability as defined in Code of Federal Regulations, title 34, section 668.231, enrolled in an approved comprehensive transition and postsecondary program under that section is subject to the institution's published satisfactory academic process standards for that program as approved by the Office of Higher Education.

Subd. 11. **Award year.** "Award year" has the meaning given in the Higher Education Act of 1965, title 4, section 481.20, as amended.

History: 1971 c 862 s 2; 1975 c 271 s 6; 1975 c 390 s 4; 1Sp1985 c 11 s 29; 1987 c 401 s 15; 1989 c 293 s 24-26; 1991 c 356 art 8 s 1-5; 1992 c 513 art 1 s 12; 1Sp1993 c 2 art 2 s 7,8; 1995 c 186 s 119; 1995 c 212 art 3 s 17-21,59; 1996 c 398 s 30; 1997 c 183 art 2 s 3; 1998 c 384 s 7; 1Sp2001 c 1 art 2 s 8,9; 2003 c 133 art 2 s 8; 2005 c 107 art 2 s 60; 2006 c 282 art 8 s 3; 2007 c 144 art 2 s 17,18; 2008 c 298 s 3; 2008 c 363 art 4 s 6; 2009 c 95 art 2 s 10; 2010 c 364 s 5,6; 2013 c 99 art 2 s 5,6; art 3 s 1; art 4 s 3; 2014 c 149 s 10-13; 2015 c 69 art 3 s 8; 2016 c 189 art 1 s 8,9; 2017 c 89 art 2 s 6; 2019 c 64 art 2 s 4; 1Sp2021 c 2 art 2 s 2

136A.103 INSTITUTION ELIGIBILITY REQUIREMENTS.

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

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

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

(b) A private institution must:

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

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

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

(ii) if an institution was participating in state student aid programs as of June 30, 2010, and the institution did not participate in the federal Pell Grant program by June 30, 2010, the institution must require every student who enrolls to sign a disclosure form, provided by the office, stating that the institution is not participating in the federal Pell Grant program.

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

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

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

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

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

History: 2010 c 364 s 7; 2017 c 89 art 3 s 2; 2020 c 109 art 3 s 1

136A.11 [Repealed, 1971 c 862 s 6]

136A.111 [Repealed, 1989 c 293 s 85]

136A.12 [Repealed, 1971 c 862 s 6]

136A.1201 MINNESOTA PROMISE.

Subdivision 1. **Financial aid policy.** It is the policy of the legislature to provide sufficient financial aid funding so that tuition and required fees to attend a public two-year college for a student from a low-income family are covered by state financial aid when combined with federal and other sources of aid.

Subd. 2. **Informational materials.** The office must prepare and distribute materials under section 136A.87 to promote the Minnesota Promise, the availability of financial aid, and the benefits of higher education.

History: 2009 c 95 art 2 s 11; 2014 c 149 s 74

136A.121 STATE GRANT PROGRAM.

Subdivision 1. [Repealed, 1989 c 293 s 85]

Subd. 2. **Eligibility for grants.** (a) An applicant is eligible to be considered for a grant, regardless of the applicant's sex, creed, race, color, national origin, or ancestry, under sections 136A.095 to 136A.131 if the office finds that the applicant:

(1) is a resident of the state of Minnesota;

(2) is a graduate of a secondary school or its equivalent, or is 17 years of age or over, and has met all requirements for admission as a student to an eligible college or technical college of choice as defined in sections 136A.095 to 136A.131;

(3) has met the financial need criteria established in Minnesota Rules;

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

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

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

(1) for active military service after December 31, 2002, because the student was ordered to active military service as defined in section 190.05, subdivision 5b or 5c;

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

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

Subd. 3. **Allocation.** Grants must be awarded on a funds available basis to those applicants who meet the office's requirements.

Subd. 4. [Repealed, 1989 c 293 s 85]

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 defined in section 136A.101; and

(3) the amount of a federal Pell grant award for which the grant applicant is eligible.

The minimum financial stipend is \$100 per academic year.

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

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

(c) 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), with no allowance for living and miscellaneous expenses.

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

Subd. 7. **Insufficient appropriation.** If the amount appropriated is determined by the office to be insufficient to make full awards to applicants under subdivision 5, awards must be reduced by:

(1) adding a surcharge to the applicant's assigned family responsibility, as defined in section 136A.101, subdivision 5a; and

(2) a percentage increase in the applicant's assigned student responsibility, as defined in subdivision 5.

The reduction under clauses (1) and (2) must be equal dollar amounts.

Subd. 7a. **Surplus appropriation.** If the amount appropriated is determined by the office to be more than sufficient to fund projected grant demand in the second year of the biennium, the office may increase the living and miscellaneous expense allowance in the second year of the biennium by up to an amount that retains sufficient appropriations to fund the projected grant demand. The adjustment may be made one or more times. In making the determination that there are more than sufficient funds, the office shall balance the need for sufficient resources to meet the projected demand for grants with the goal of fully allocating the appropriation for state grants. An increase in the living and miscellaneous expense allowance under this subdivision does not carry forward into a subsequent biennium.

Subd. 8. [Repealed, 1Sp1985 c 11 s 81]

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 the equivalent, excluding (1) courses taken from a Minnesota school or postsecondary institution which is not participating in the state grant program and from which a student transferred no credit, and (2) courses taken that qualify as developmental education or below college-level. A student enrolled in a two-year program at a four-year institution is only eligible for the tuition and fee maximums established by law for two-year institutions.

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 federal Pell grant for which a student would be eligible even if the student has exhausted the Pell grant for that fiscal year.

Subd. 9b. [Repealed, 2013 c 99 art 2 s 30]

Subd. 10. [Repealed, 1Sp1993 c 2 art 2 s 26]

Subd. 11. **Renewal conditions.** Each grant is renewable, contingent on continued residency in Minnesota, satisfactory academic progress, recommendation of the eligible institution currently attended, and evidence of continued need.

Subd. 12. **Annual application.** To continue to receive a grant, the student must apply for renewal each year.

Subd. 12a. **Free Application for Federal Student Aid (FAFSA) compliance.** All eligible institutions must implement policies and procedures that ensure that applicants are aware that they must annually complete the FAFSA to be eligible for financial aid.

Subd. 13. **Deadline.** The deadline for the office to accept applications for state grants for a term is 30 days after the start of that term.

Subd. 14. [Repealed, 1Sp1985 c 11 s 81]

Subd. 15. [Repealed, 1989 c 293 s 85]

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.

Subd. 17. **Independent student information.** The office shall inform students in its financial aid publications about the definition of independent student status and appeals to the financial aid administrator relating to the declaration of the status.

Subd. 18. **Data.** (a) An eligible institution must provide to the office data on student enrollment and federal and state financial aid.

(b) An institution or its agent must provide to the office aggregate and distributional financial or other data as determined by the commissioner that is directly related to the responsibilities of the office under this chapter. The commissioner may only request aggregate and distributional data after establishing and consulting with a data advisory task force to determine the need, content, and detail of the information. Data provided by nonpublic institutions under this paragraph is considered nonpublic data under chapter 13.

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

Subd. 20. **Institution reporting.** (a) Each institution receiving financial aid under this section must annually report to the office the following for each award level:

(1) enrollment and graduation data for all students, including subgroup information on state and federal Pell grant recipients; and

(2) the aggregate awarded financial aid information for all students, and cumulative debt of all graduates by race and ethnicity, gender, and income.

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

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

(2) other information and links that are useful to students and parents who are in the process of selecting a college or university. This information may include, but is not limited to, local occupational profiles.

(c) The office shall provide a standard format and instructions for institutions supplying the information required under paragraph (a).

(d) The office shall provide an electronic copy of the information provided on its Internet website under paragraph (b) to each public and private high school in the state and each workforce center operated by the Department of Employment and Economic Development. The copy must contain information formatted by institution so that comparison can be easily made between institutions. High schools are encouraged to make the information available to students, including through individual counseling sessions with students. Workforce centers shall make the information available to job seekers, those seeking career counseling, and others as determined by the centers.

Subd. 21. **Institutional prohibition.** An institution receiving financial aid under this section must not suspend or withdraw a student from class attendance and resources during a period of instruction due to an unpaid student account balance unless the student is eligible for a full tuition and fee refund. A period of instruction for the purposes of this subdivision means a new academic term that may be measured in semesters, trimesters, quarters, interim terms, mini terms, or one or more modules so that a student who begins attendance in that new academic term incurs additional tuition and fee charges beyond any outstanding student account balance due to the institution for prior completed terms of enrollment. An institution that measures a program in clock hours and that includes language in the enrollment contract between it and the student to only charge tuition by payment period, is also covered by this subdivision.

History: 1971 c 862 s 4; 1975 c 271 s 6; 1975 c 390 s 5; 1977 c 384 s 2; 1977 c 449 s 16; 1979 c 238 s 1-4; 1981 c 359 s 15,16; 1983 c 258 s 42; 1984 c 654 art 4 s 21; 1Sp1985 c 11 s 30-42; 1987 c 258 s 12; 1987 c 401 s 17,18; 1989 c 246 s 2; 1989 c 293 s 27; 1991 c 292 art 5 s 2; 1991 c 356 art 8 s 6-8; 1992 c 513 art 1 s 13; 1993 c 340 s 1; 1Sp1993 c 2 art 2 s 9,10; 1994 c 532 art 2 s 5; 1995 c 212 art 3 s 22-26,59; 1997 c 183 art 2 s 4,5; 1998 c 384 s 8; 1999 c 214 art 2 s 5; 1Sp2001 c 1 art 2 s 10,11; 2002 c 220 art 5 s 5; 2002 c 374 art 5 s 1; 2003 c 133 art 2 s 9-13; 2005 c 107 art 2 s 17-22; 2005 c 164 s 29; 1Sp2005 c 7 s 28; 2007 c 144 art 2 s 19,20; 2008 c 298 s 4; 2008 c 363 art 4 s 7; 2009 c 95 art 2 s 12-14; 2009 c 101 art 2 s 109; 2010 c 215 art 2 s 6; 1Sp2011 c 5 art 2 s 2; 2013 c 99 art 2 s 7,29; art 3 s 2; 2014 c 149 s 14,15,74; 2015 c 69 art 2 s 46; art 3 s 9; art 5 s 1,2; 2016 c 189 art 1 s 10; 2017 c 89 art 2 s 7; 2019 c 64 art 2 s 5; 2020 c 109 art 1 s 7; 1Sp2021 c 2 art 2 s 3-5

136A.1211 [Repealed, 2003 c 133 art 2 s 21]

136A.1215 GRANTS FOR STUDENTS WITH INTELLECTUAL AND DEVELOPMENTAL DISABILITIES.

Subdivision 1. **Establishment.** A program is established to provide financial assistance to students with intellectual and developmental disabilities that attend a Minnesota postsecondary institution.

Subd. 2. **Eligible students.** A postsecondary student is eligible for a grant under this section if the student:

- (1) meets the eligibility requirements in section 136A.121, subdivision 2;
- (2) is a student with an intellectual disability, as defined in Code of Federal Regulations, title 34, section 668.231, and is enrolled in a comprehensive transition and postsecondary program under that section; and
- (3) attends an eligible institution, as defined in section 136A.101, subdivision 4.

Subd. 3. **Application.** To receive a grant under this section, a student must apply in the form and manner specified by the commissioner.

Subd. 4. **Maximum grant amounts.** (a) The amount of a grant under this section equals the tuition and fees at the student's postsecondary institution, minus:

- (1) any Pell or state grants the student receives; and
 - (2) any institutional aid the student receives.
- (b) If appropriations are insufficient to provide the full amount calculated under paragraph (a) to all eligible applicants, the commissioner must reduce the maximum grant amount available to recipients.

Subd. 5. **Reporting.** By February 15 of each year, the commissioner of higher education must submit a report on the details of the program under this section to the legislative committees with jurisdiction over higher education finance and policy. The report must include the following information, broken out by postsecondary institution:

- (1) the number of students receiving an award;
- (2) the average and total award amounts; and
- (3) summary demographic data on award recipients.

History: 2017 c 89 art 2 s 8; 2019 c 64 art 2 s 6

136A.122 [Repealed, 2003 c 133 art 2 s 21]

136A.123 MN RECONNECT PROGRAM.

Subdivision 1. **Program administration.** The commissioner of the Office of Higher Education must, to the extent funds are available, administer a credential completion program for adult learners consistent with this section.

Subd. 2. **Definitions.** (a) For the purpose of this section, the terms defined in this subdivision have the meanings given them.

(b) "Cost of attendance" means tuition and required fees charged by the institution and the campus-based budget used for federal financial aid for food, housing, books, supplies, transportation, and miscellaneous expenses.

(c) "Eligible student" means an individual who:

(1) meets the eligibility requirements in section 136A.121, subdivision 2, paragraphs (a), clauses (1), (2), (4), and (5); and (b);

(2) is 25 years old or older and under 62;

(3) has previously completed a minimum of 15 credits in a certificate or degree-seeking program that have been accepted by a participating institution;

(4) has not enrolled in any Minnesota institution in the two academic years prior to enrollment at a participating institution;

(5) has not completed a certificate, diploma, or degree of 16 credits or longer in length prior to enrollment at a participating institution in this program;

(6) has enrolled in three or more credits each term;

(7) reports a family adjusted gross income of \$85,000 or less; and

(8) has applied for the grant on the form required by the commissioner.

(d) "Grant" means funds awarded under this section.

(e) "Participating institution" means a two-year institution within the Minnesota State Colleges and Universities system selected under subdivision 5.

(f) "Program" means a certificate, diploma, or degree program offered by a participating institution.

(g) To the extent not inconsistent with this section, the definitions in section 136A.101 apply to this section.

Subd. 3. Student application. Application for a grant must be made by a FAFSA or state aid application and any additional form required by the commissioner. Applications are due on a schedule set by the commissioner.

Subd. 4. Student grants. (a) The commissioner must, to the extent funds are available, make grants to eligible students to attend a program at a participating institution. The amount of a grant per spring or fall academic term is the lesser of \$1,000 or the difference between the cost of attendance and other scholarships or grants received by the student. If the appropriation is greater than the projected grants for the spring and fall terms, the commissioner may award grants up to \$1,000 per student for summer or interim terms.

(b) An eligible student may renew a student grant by applying for renewal on a form provided by the commissioner and on a schedule set by the commissioner. An eligible student may receive a student grant under this section for up to six semesters or the equivalent.

Subd. 5. Participating institutions. (a) A two-year institution within the Minnesota State Colleges and Universities system may apply to become a participating institution. The commissioner, in conjunction with a selection committee, shall select institutions through a competitive application process. Priority must be given to institutions participating in the most recently completed fiscal year.

(b) Participating institutions must:

(1) demonstrate a commitment to adult learners through adoption of best practice policies, programs, and services; and

(2) complete an adult learner assessment prior to participation.

Subd. 6. **Institutional grants.** Participating institutions may receive funds for student advising, resolving student financial holds, and improving services to eligible students.

History: 2019 c 64 art 2 s 7; 1Sp2021 c 2 art 2 s 6

136A.124 [Repealed, 2003 c 133 art 2 s 21]

136A.1241 FOSTERING INDEPENDENCE HIGHER EDUCATION GRANTS.

Subdivision 1. **Establishment.** The office must establish a grant program for individuals who satisfy the eligibility requirements under subdivision 3. Using available FAFSA or other state aid data, the office shall identify and inform eligible individuals, and the institutions for which the individuals have been accepted or are attending, of their eligibility for the foster grant. This program is established to provide an individual who is currently or was formerly in foster care with foster grants for up to five years for higher education costs.

Subd. 2. **Definitions.** (a) For purposes of this section, the terms in this subdivision have the meanings given.

(b) "Adoption" means adoption of an individual who has been in the care and custody of a responsible social services agency or Tribal social services agency and in foster care.

(c) "Eligible institution" means an eligible public institution or an eligible private institution.

(d) "Eligible private institution" or "private institution" means an institution eligible for state student aid under section 136A.103, paragraph (a), clause (2).

(e) "Eligible public institution" or "public institution" means an institution operated by the Board of Trustees of the Minnesota State Colleges and Universities or the Board of Regents of the University of Minnesota.

(f) "Foster care" has the meaning given in section 260C.007, subdivision 18.

(g) "Foster grant" means a grant under this section.

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

(i) "Recognized cost of attendance" means the amount calculated under subdivision 4.

(j) "Responsible social services agency" has the meaning given in section 260C.007, subdivision 27a.

(k) "Tribal social services agency" has the meaning given in section 260.755, subdivision 21.

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

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

- (1) meet the definition of a resident student under section 136A.101, subdivision 8;
- (2) be at least 13 years of age but fewer than 27 years of age;
- (3) after the individual's 13th birthday, be in or have been in foster care in Minnesota before, on, or after June 27, 2021, including any of the following:
 - (i) placement in foster care at any time while 13 years of age or older;
 - (ii) adoption from foster care at any time after reaching 13 years of age; or
 - (iii) placement from foster care with a permanent legal custodian at any time after reaching 13 years of age;
- (4) have graduated from high school or completed the equivalent as approved by the Department of Education;
- (5) have been accepted for admission to, or be currently attending, an eligible institution;
- (6) have submitted a FAFSA; and
- (7) be meeting satisfactory academic progress as defined under section 136A.101, subdivision 10.

Subd. 4. **Cost of attendance.** (a) The recognized cost of attendance for a public institution has the meaning given in Code of Federal Regulations, title 20, chapter 28, subchapter IV, part F, section 10871l.

(b) The recognized cost of attendance for a private institution equals the lesser of:

- (1) the cost of attendance for the institution as calculated under Code of Federal Regulations, title 20, chapter 28, subchapter IV, part F, section 10871l; or
- (2) for two-year programs, an amount equal to the highest recognized cost of attendance charged at a public two-year institution, or for four-year programs, an amount equal to the highest recognized cost of attendance at a public university.

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

- (1) the student aid index as calculated by the federal need analysis;
- (2) the amount of a federal Pell Grant award for which the applicant is eligible;
- (3) the amount of the state grant;
- (4) the Federal Supplemental Educational Opportunity Grant;
- (5) the sum of all Tribal scholarships;
- (6) the amount of any other state and federal gift aid;
- (7) the Education and Training Voucher Program;
- (8) extended foster care benefits under section 260C.451;

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

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

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

(c) An eligible private institution may opt out of participating in the foster grant program established under this section. To opt out, the institution shall provide notice to the office by September 1 for the next academic year.

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

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

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

(e) An undergraduate student who is eligible may apply for and receive a foster grant in any year of undergraduate study unless the student has obtained a baccalaureate degree or previously has been enrolled full time as defined in section 136A.101, subdivision 7a, or the equivalent for eight semesters or the equivalent, or received a foster grant for five years, whichever occurs first. A foster grant must not be awarded to a student for more than three years for a two-year degree, certificate, or diploma, or five years for a four-year undergraduate degree.

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

Subd. 6. Dissemination of information. (a) The office shall, by September 1, 2022, and September 1 each year thereafter, prepare and provide the information to be disseminated by responsible social services agencies, Tribal social services agencies, the office, the Department of Human Services, and eligible state and private institutions that:

(1) describes the availability of the program established under this section;

(2) explains how to participate in the program; and

(3) includes information on all available federal and state grants identified under subdivision 5.

(b) The office shall maintain and annually update the list of eligible private institutions that opt out under subdivision 5, paragraph (c), and post the list of the institutions on the office's website.

Subd. 7. Assistance from the Office of Higher Education. The office shall assist foster grant applicants eligible under subdivision 3 by providing assistance in:

(1) completing the foster grant application; and

(2) accessing and applying for available federal and state financial aid resources under subdivision 5.

Subd. 8. **Report.** (a) The office shall prepare an anonymized report to be submitted annually to the chairperson and minority chairperson of the legislative committees with jurisdiction over higher education that contains:

- (1) the number of students receiving foster grants and the institutions attended; and
- (2) annual retention and graduation data on students receiving foster grants.

(b) The report required under this subdivision may be combined with other legislatively required reporting. If submitted as a separate report, the report must be submitted by January 15.

[See Note.]

History: *1Sp2021 c 2 art 2 s 7*

NOTE: The first report under subdivision 8 must be submitted by January 15, 2024, unless included in other legislatively required reporting. Laws 2021, First Special Session chapter 2, article 2, section 7, the effective date.

136A.125 CHILD CARE GRANTS.

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

Subd. 2. **Eligible students.** (a) An applicant is eligible for a child care grant if the applicant:

- (1) is a resident of the state of Minnesota or the applicant's spouse is a resident of the state of Minnesota;
- (2) has a child 12 years of age or younger, or 14 years of age or younger who is disabled as defined in section 125A.02, and who is receiving or will receive care on a regular basis from a licensed or legal, nonlicensed caregiver;
- (3) is income eligible as determined by the office's policies and rules, but is not a recipient of assistance from the Minnesota family investment program;
- (4) has not received child care grant funds for a period of ten semesters or the equivalent;
- (5) is pursuing a nonsectarian program or course of study that applies to an undergraduate, graduate, or professional degree, diploma, or certificate;
- (6) is enrolled in at least one credit in an undergraduate program or one credit in a graduate or professional program in an eligible institution; and
- (7) is in good academic standing and making satisfactory academic progress.

(b) A student is entitled to an additional semester or equivalent of grant eligibility and will be considered to be in continuing enrollment status upon return if the student withdraws from enrollment:

- (1) for active military service after December 31, 2002, because the student was ordered to active military service as defined in section 190.05, subdivision 5b or 5c;
- (2) for a serious health condition, while under the care of a medical professional, that substantially limits the student's ability to complete the term; or

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

Subd. 3. **Eligible institution.** A Minnesota public postsecondary institution, a Minnesota private, baccalaureate degree-granting college or university, a Minnesota nonprofit two-year vocational technical school granting associate degrees, or a Minnesota postsecondary institution offering only graduate or professional degrees is eligible to receive child care funds from the office and disburse them to eligible students.

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

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

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

- (1) the academic year amount described in paragraph (a);
- (2) divided by the number of terms in the academic year; and
- (3) multiplied by the applicable enrollment factor:

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

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

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

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

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

Subd. 4a. **Rates charged.** Child care providers may not charge students receiving grants under this section a rate that is higher than the rate charged to private paying clients.

Subd. 4b. **Additional grants.** An additional term of child care grant may be awarded to an applicant attending classes outside of the regular academic year who meets the requirements in subdivisions 2 and 4. The annual maximum grant per eligible child must not exceed the calculated annual amount in subdivision 4, plus the additional amount in this subdivision, or the student's estimated annual child care cost for not more than 40 hours per week per eligible child, whichever is less.

Subd. 4c. **Unexpended balance.** Any unexpended appropriation in the child care grant program in the first year of a biennium shall be used to augment the maximum award in subdivision 4 in the second year of the biennium.

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.

Subd. 7. **Monitoring and reallocation.** The office shall establish procedures to (1) continually monitor the use of funds throughout the year; (2) identify areas of unmet need for grants; and (3) redistribute available funds in a timely manner to meet the needs of eligible recipients.

Subd. 8. **Information.** The office shall develop and provide information about the program to eligible postsecondary institutions, human service agencies, and potential applicants.

Subd. 9. **Report.** Institutions must submit reports, when requested by the office, on program activity including the number of students served, the child care costs, and the number of students on a waiting list for available funds. The reports must also include the institution's method of prioritizing applicants if insufficient funds are available.

History: 1989 c 293 s 28; 1991 c 356 art 8 s 9-13; 1994 c 532 art 2 s 6-9; 1994 c 647 art 8 s 26; 1995 c 212 art 3 s 27,28,59; 1997 c 85 art 4 s 4; 1997 c 183 art 2 s 6; 1998 c 397 art 11 s 3; 1999 c 159 s 25; 1999 c 214 art 2 s 7; 2000 c 489 art 11 s 4; 1Sp2001 c 1 art 2 s 13,14; 2003 c 133 art 2 s 14,15; 2005 c 56 s 1; 2005 c 107 art 2 s 23,24,60; 2007 c 144 art 2 s 21,22; 2013 c 99 art 2 s 8,9; 2014 c 149 s 16,17; 2015 c 69 art 2 s 7-9; 2016 c 189 art 1 s 11,12; 2017 c 89 art 2 s 9,10; 2020 c 109 art 1 s 8; 1Sp2021 c 2 art 2 s 8,9

136A.126 INDIAN SCHOLARSHIPS.

Subdivision 1. **Student eligibility.** The commissioner shall establish procedures for the distribution of scholarships to a Minnesota resident student as defined under section 136A.101, subdivision 8, who:

(1) is of one-fourth or more Indian ancestry or is an enrolled member or citizen of a federally recognized American Indian or Canadian First Nations tribe;

(2) has applied for other existing state and federal scholarship and grant programs;

(3) is meeting satisfactory academic progress as defined under section 136A.101, subdivision 10;

(4) is not in default, as defined by the office, of a federal or state student educational loan;

(5) if enrolled in an undergraduate program, is eligible or would be eligible to receive a federal Pell Grant or a state grant based on the federal needs analysis and is enrolled for nine semester credits per term or more, or the equivalent; and

(6) if enrolled in a graduate program, demonstrates a remaining financial need in the award amount calculation and is enrolled, per term, on a half-time basis or more as defined by the postsecondary institution.

Subd. 2. **Eligible programs.** Scholarships must be for enrollment at an eligible institution that is accredited. Scholarships may also be given to students attending eligible institutions that are in candidacy status for obtaining full accreditation, and are eligible for and receiving federal financial aid programs. Students are also eligible for scholarships when enrolled in eligible institutions that have joint programs with other accredited higher education institutions.

Subd. 3. **Cost of attendance.** The total cost of attendance shall include tuition and required fees charged by the institution and the campus-based budget used for federal financial aid for food, housing, books, supplies, transportation, and miscellaneous expenses.

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

- (1) the expected family contribution as calculated by the federal need analysis;
- (2) the amount of a federal Pell Grant award for which the applicant is eligible;
- (3) the amount of the state grant;
- (4) the federal Supplemental Educational Opportunity Grant;
- (5) the sum of all institutional grants, scholarships, tuition waivers, and tuition remission amounts;
- (6) the sum of all Tribal scholarships;
- (7) the amount of any other state and federal gift aid; and
- (8) the amount of any private grants or scholarships.

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

(c) Awards are limited as follows:

- (1) the maximum award for an undergraduate is \$4,000 per academic year;
- (2) the maximum award for a graduate student is \$6,000 per academic year; and
- (3) the minimum award for all students is \$100 per academic year.

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

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

Subd. 5. **Awarding procedure.** (a) Awards must be made on a first-come, first-served basis in the order complete applications are received. If there are multiple applications with identical completion dates, those applications are further sorted by application receipt date.

(b) Awards are made to eligible students until the appropriation is expended.

(c) Applicants not receiving a grant and for whom the office has received a completed application are placed on a waiting list in order of application completion date.

History: *Ex1959 c 71 art 5 s 36; 1971 c 176 s 1; 1977 c 384 s 1; 1983 c 258 s 28; 1Sp1985 c 11 s 12; 1988 c 629 s 28; 1988 c 718 art 3 s 3; 1993 c 224 art 9 s 32; art 13 s 40; 1993 c 374 s 23; 1997 c 192 s 20; 1998 c 397 art 2 s 107,164; 1998 c 398 art 5 s 55; 2000 c 489 art 3 s 4; 1Sp2001 c 6 art 2 s 49; 1Sp2005 c 5 art 2 s 70; 2007 c 146 art 2 s 28, 47; 2008 c 298 s 5; 2010 c 364 s 8,9; 2013 c 99 art 2 s 29; 2014 c 149 s 18-20; 1Sp2021 c 2 art 2 s 10,11*

136A.127 Subdivision 1. [Repealed, 2015 c 69 art 2 s 47]

Subd. 2. [Repealed, 2015 c 69 art 2 s 47]

Subd. 3. [Repealed, 2015 c 69 art 2 s 47]

Subd. 4. [Repealed, 2015 c 69 art 2 s 47]

Subd. 5. [Repealed, 2015 c 69 art 2 s 47]

Subd. 6. [Repealed, 2015 c 69 art 2 s 47]

Subd. 7. [Repealed, 2015 c 69 art 2 s 47]

Subd. 8. [Repealed, 2009 c 95 art 2 s 46]

Subd. 9. [Repealed, 2015 c 69 art 2 s 47]

Subd. 9b. [Repealed, 2015 c 69 art 2 s 47]

Subd. 10. [Repealed, 2015 c 69 art 2 s 47]

Subd. 10a. [Repealed, 2015 c 69 art 2 s 47]

Subd. 11. [Repealed, 2015 c 69 art 2 s 47]

Subd. 12. [Repealed, 2009 c 95 art 2 s 46]

Subd. 13. [Repealed, 2009 c 95 art 2 s 46]

Subd. 14. [Repealed, 2015 c 69 art 2 s 47]

136A.1274 UNDERREPRESENTED STUDENT TEACHER GRANTS.

Subdivision 1. **Establishment.** The commissioner of the Office of Higher Education must establish a grant program for student teaching stipends for low-income students who belong to an underrepresented racial or ethnic group.

Subd. 2. **Eligibility.** To be eligible for a grant under this section, a student teacher must:

(1) be enrolled in a Professional Educator Licensing and Standards Board-approved teacher preparation program that requires at least 12 weeks of student teaching in order to be recommended for any Tier 3 teaching license;

(2) demonstrate financial need based on criteria established by the commissioner under subdivision 3;

- (3) be meeting satisfactory academic progress as defined under section 136A.101, subdivision 10; and
- (4) belong to a racial or ethnic group underrepresented in the Minnesota teacher workforce.

Subd. 3. **Administration.** (a) The commissioner must establish an application process and other guidelines for implementing this program. The commissioner must notify grant recipients of their award amounts by the following dates:

- (1) for fall student teaching placements, recipients must be notified by August 15;
- (2) for spring student teaching placements, recipients must be notified by December 1; and
- (3) for summer student teaching placements, recipients must be notified by May 1.

These notification deadlines do not apply in cases where grants are awarded to student teachers who applied after application deadlines and funds remained after the initial round of grants were awarded.

(b) The commissioner must determine each academic year the stipend amount up to \$7,500 based on the amount of available funding, the number of eligible applicants, and the financial need of the applicants.

(c) The commissioner must give equal consideration to all eligible applicants regardless of the order the application was received before the application deadline.

(d) If there are insufficient funds to provide an award to all eligible applicants, the commissioner shall prioritize the awards to eligible applicants based on:

- (1) the financial need of an applicant; and
- (2) the statewide distribution of funds.

Subd. 4. **Reporting.** By February 15 of each year, the commissioner must submit a report on the details of the program under this section to the legislative committees with jurisdiction over E-12 and higher education finance and policy. The report must include the following information:

- (1) the number of eligible applicants and the number of teacher candidates receiving an award, each broken down by postsecondary institution;
- (2) the total number of awards, the total dollar amount of all awards, and the average award amount; and
- (3) other summary data identified by the commissioner as outcome indicators.

History: *1Sp2021 c 2 art 2 s 12*

136A.1275 STUDENT TEACHER GRANTS IN SHORTAGE AREAS.

Subdivision 1. **Establishment.** (a) The commissioner of the Office of Higher Education must establish a grant program for student teaching stipends for low-income students who intend to teach in a license shortage area or rural school district after graduating and receiving their teaching license.

(b) "License shortage area" means a licensure area that is identified as a shortage area by the Professional Educator Licensing and Standards Board in coordination with the commissioner using data collected for the teacher supply and demand report under section 122A.091, subdivision 5, provided that only licensure areas within the following fields may be identified as a license shortage area for purposes of this section:

- (1) English as a second language;
- (2) early childhood;
- (3) special education;
- (4) career and technical education;
- (5) science, technology, engineering, arts, and math; and
- (6) world languages.

(c) "Rural school district" means a school district with fewer than 30 resident pupil units under section 126C.05, subdivision 6, per square mile.

Subd. 2. **Eligibility.** To be eligible for a grant under this section, a student teacher must:

- (1) be enrolled in a Professional Educator Licensing and Standards Board-approved teacher preparation program that requires at least 12 weeks of student teaching;
- (2) demonstrate financial need based on criteria established by the commissioner under subdivision 3;
- (3) be meeting satisfactory academic progress as defined under section 136A.101, subdivision 10; and
- (4) intend to teach in a rural school district or intend to teach in a license shortage area. Intent to teach in a license shortage area must be verified based on the teacher license field the student is pursuing. To verify intent to teach in a rural school district, the student must submit to the commissioner a completed affidavit, prescribed by the commissioner, affirming the student's intent to teach in a rural district following graduation. Upon obtaining employment after graduating, the teacher shall report to the office the name of the school district in which the teacher is teaching.

Subd. 3. **Administration.** (a) The commissioner must establish an application process and other guidelines for implementing this program. The commissioner must notify grant recipients of their award amounts by the following dates:

- (1) for fall student teaching placements, recipients must be notified by August 15;
- (2) for spring student teaching placements, recipients must be notified by December 1; and
- (3) for summer student teaching placements, recipients must be notified by May 1.

These notification deadlines do not apply in cases where grants are awarded to student teachers who applied after application deadlines and funds remained after the initial round of grants were awarded.

(b) The commissioner must determine each academic year the stipend amount up to \$7,500 based on the amount of available funding, the number of eligible applicants, and the financial need of the applicants.

(c) The commissioner must give equal consideration to all eligible applicants regardless of the order the application was received before the application deadline.

(d) If there are insufficient funds to provide an award to all eligible applicants, the commissioner shall prioritize the awards to eligible participants based on:

- (1) the financial need of an applicant; and
- (2) whether the applicant intends to teach in both a rural school district and a license shortage area.

Subd. 4. **Reporting.** (a) By February 1 of each year, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over E-12 and higher education finance and policy. The report must include the following information:

- (1) the total number of awards, the total dollar amount of all awards, and the average award amount;
- (2) the number of eligible applicants and the number of student teachers receiving an award, each broken down by postsecondary institution;
- (3) the licensure areas and school districts in which the student teachers taught; and
- (4) other summary data identified by the commissioner as outcome indicators, including how many student teachers awarded a rural teacher grant were employed in a rural school district after graduation.

(b) By July 1 of each odd numbered year, the commissioner must update and post on the office's website a list of licensure shortage areas eligible for a grant under this section.

History: 2016 c 189 art 25 s 59; 2017 c 89 art 2 s 11; 1Sp2017 c 5 art 12 s 22; 2019 c 64 art 2 s 8,9; 2020 c 109 art 1 s 9; 1Sp2021 c 2 art 2 s 13

136A.1276 ALTERNATIVE TEACHER PREPARATION GRANT PROGRAM.

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

(b) "Alternative teacher preparation program" means an alternative teacher preparation program under section 122A.2451, subdivision 5, or an experimental teacher preparation program under section 122A.09, subdivision 10.

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

(d) "Program" means a teacher preparation curriculum leading to specific licensure areas.

(e) "Shortage area" means:

(1) licensure fields and economic development regions reported by the commissioner of education as experiencing a teacher shortage; and

(2) economic development regions where there is a shortage of licensed teachers who reflect the racial or ethnic diversity of students in the region.

(f) "Unit" means an institution or defined subdivision of the institution that has primary responsibility for overseeing and delivering teacher preparation programs.

Subd. 2. **Establishment; eligibility.** (a) The commissioner, in consultation with the Professional Educator Licensing and Standards Board, must establish and administer a program annually awarding grants to eligible alternative teacher preparation programs consistent with this section.

(b) To be eligible to receive a grant, an alternative teacher preparation program must certify that it:

(1) is working to fill Minnesota's teacher shortage areas; and

(2) is a school district, charter school, or nonprofit corporation organized under chapter 317A or under section 501(c)(3) of the Internal Revenue Code of 1986 for an education-related purpose that has been operating continuously for at least three years in Minnesota or any other state.

(c) The commissioner must give priority to applicants based in Minnesota when awarding grants under this section.

Subd. 3. **Use of grants.** (a) An alternative teacher preparation program receiving a grant under this section must use the grant to:

- (1) establish initial unit approval to become an alternative teacher preparation program;
- (2) expand alternative teacher preparation programs by expanding program approval to other licensure areas identified as shortage areas by the commissioner of education;
- (3) recruit, select, and train teachers who reflect the racial or ethnic diversity of students in Minnesota; or
- (4) establish professional development programs for teachers who have obtained teaching licenses through alternative teacher preparation programs.

An alternative teacher preparation program may expend grant funds on regional management and operations, development, and central support services, including financial support and support for technology and human services.

(b) An alternative teacher preparation program may use grant funds awarded under this section as a match for nonstate funds, subject to paragraph (a).

(c) Appropriations made to this program do not cancel and are available until expended.

Subd. 4. **Report.** An alternative teacher preparation program receiving a grant under this section must submit a report to the commissioner and the Professional Educator Licensing and Standards Board on the grantee's ability to fill teacher shortage areas and positively impact student achievement where data are available and do not identify individual teachers. A grant recipient must submit the report required under this subdivision by January 31, 2018, and each even-numbered year thereafter. The report must include disaggregated data regarding:

- (1) the racial and ethnic diversity of teachers and teacher candidates licensed through the program; and
- (2) program participant placement.

History: *1Sp2017 c 5 art 2 s 44; art 12 s 22; 2019 c 50 art 1 s 36*

136A.128 MS 2020 [Renumbered 119B.251]

136A.129 [Repealed, 1Sp2017 c 1 art 1 s 44]

136A.13 [Repealed, 1971 c 862 s 6]

136A.131 ACCOUNTING AND RECORDS.

Subdivision 1. **Accounts.** The office shall establish and maintain appropriate accounts and related records of each recipient of a grant.

Subd. 2. **Rules, payment and accounting.** The office shall provide by rule the method of payment of the grant awarded and prescribe a system of accounting to be kept by the institution selected by a recipient.

Subd. 3. **Certification to commissioner of management and budget.** Upon proper verification for payment of a grant, the office shall certify to the commissioner of management and budget the amount of

the current payment to be made to the grant recipient in conformance with the rule of the office governing the method of payment.

Subd. 4. Recovery of overpayments. (a) A recipient of a grant must reimburse the office for overpayment. The amount of reimbursement is the difference between the amount received and the amount of actual entitlement as calculated by the office after it makes its final findings under section 136A.121 and rules implemented under that section. The amount of reimbursement may include any costs or expenses, including reasonable attorney fees, incurred by the agency in collecting the debt. The reimbursement is recoverable from the recipient or the recipient's estate. The agency may institute a civil action, if necessary for recovery.

(b) The recipient must not receive additional awards until the overpayment is recovered or the recipient is making payments under an approved plan. Additional awards for which the recipient is eligible may be used to recover an unreimbursed overpayment.

History: 1971 c 862 s 5; 1973 c 492 s 14; 1975 c 271 s 6; 1989 c 293 s 30; 1995 c 212 art 3 s 59; 2009 c 101 art 2 s 109

136A.1311 CASH FLOW.

The office may ask the commissioner of management and budget to lend general fund money to the grant account to ease cash flow difficulties. The 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 management and budget for loans to the office.

History: 1991 c 356 art 8 s 14; 1995 c 212 art 3 s 59; 2005 c 107 art 2 s 60; 2009 c 101 art 2 s 109; 2014 c 149 s 22

136A.1312 FINANCIAL AID ADMINISTRATOR, PROFESSIONAL JUDGMENT.

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

History: 1996 c 398 s 31

136A.1313 FINANCIAL AID AUDITS.

Beginning with audits for fiscal year 1996, in place of the audits provided by the office, public institutions that administer state grants under decentralized delivery may arrange for audits of state financial aid awards and tuition reciprocity recipients in conjunction with their audits for federal financial aid. Audits must be conducted in compliance with guidelines and materials prepared by the office. The office shall develop a

review process including procedures for responding to audit exceptions. All other institutions under decentralized delivery may arrange for audits under this section beginning with audits for fiscal year 1997.

History: *1996 c 398 s 32*

136A.132 [Repealed, 1991 c 356 art 8 s 24]

136A.133 [Repealed, 1984 c 654 art 4 s 30]

136A.134 [Repealed, 1Sp1993 c 2 art 2 s 26]

136A.1351 [Repealed, 1990 c 591 art 4 s 9; 1991 c 356 art 8 s 24; 1995 c 234 art 8 s 48]

136A.1352 [Repealed, 1990 c 591 art 4 s 9; 1995 c 234 art 8 s 48]

136A.1353 [Repealed, 1990 c 591 art 4 s 9; 1995 c 234 art 8 s 48]

136A.1354 [Repealed, 1990 c 591 art 4 s 9; 1995 c 234 art 8 s 48]

136A.1355 [Renumbered 144.1494]

136A.1356 [Renumbered 144.1495]

136A.1357 [Renumbered 144.1496]

136A.1358 [Renumbered 144.1497]

136A.1359 [Repealed, 1999 c 214 art 2 s 24]

136A.136 [Repealed, 1999 c 214 art 2 s 24]

136A.14 [Repealed, 1989 c 293 s 85]

136A.141 [Repealed, 1989 c 293 s 85]

136A.142 [Repealed, 1989 c 293 s 85]

136A.143 [Repealed, 1992 c 513 art 1 s 28]

136A.144 [Repealed, 1983 c 258 s 72]

136A.145 [Repealed, 1983 c 258 s 72]

136A.146 [Repealed, 1983 c 258 s 72]

STUDENT LOAN PROGRAMS

136A.15 DEFINITIONS.

Subdivision 1. **Scope.** For purposes of sections 136A.15 to 136A.1702, the terms defined in this section have the meanings given them.

Subd. 2. MS 2018 [Repealed, 2019 c 64 art 2 s 45]

Subd. 3. [Repealed, 2014 c 149 s 75]

Subd. 4. [Repealed, 2014 c 149 s 75]

Subd. 5. [Repealed, 2014 c 149 s 75]

Subd. 6. **Eligible institution.** "Eligible institution" means an institution that meets the eligibility requirements under section 136A.155.

Subd. 7. MS 2018 [Repealed, 2019 c 64 art 2 s 45]

Subd. 8. **Eligible student.** "Eligible student" means a student who is officially registered or accepted for enrollment at an eligible institution in Minnesota or a Minnesota resident who is officially registered as a student or accepted for enrollment at an eligible institution in another state. Non-Minnesota residents are eligible students if they are enrolled or accepted for enrollment in a minimum of one course of at least 30 days in length during the academic year that requires physical attendance at an eligible institution located in Minnesota. Non-Minnesota resident students enrolled exclusively during the academic year in correspondence courses or courses offered over the Internet are not eligible students. Non-Minnesota resident students not physically attending classes in Minnesota due to enrollment in a study abroad program for 12 months or less are eligible students. Non-Minnesota residents enrolled in study abroad programs exceeding 12 months are not eligible students. An eligible student, for section 136A.1701, means a student who gives informed consent authorizing the disclosure of data specified in section 136A.162, paragraph (c), to a consumer credit reporting agency.

Subd. 9. **Minnesota resident.** "Minnesota resident" means a student who meets one of the following conditions:

(1) a student who has resided in Minnesota for purposes other than postsecondary education for at least 12 months without being enrolled at a postsecondary 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 and the student is physically attending a Minnesota postsecondary educational institution; or

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

History: 1967 c 615 s 1; 1967 c 894 s 2; 1973 c 605 s 3,4; 1975 c 271 s 6; 1981 c 300 s 2; 1983 c 258 s 46; 1Sp1985 c 11 s 47; 1989 c 293 s 33-35; 1990 c 591 art 6 s 5; 1994 c 532 art 2 s 10; 1995 c 212 art 3 s 32,33,59; 2005 c 107 art 2 s 60; 2006 c 282 art 8 s 4; 2007 c 144 art 2 s 25,26; 2010 c 364 s 12; 2013 c 99 art 2 s 29; 2014 c 149 s 23; 2019 c 64 art 2 s 10

136A.155 ADDITIONAL INSTITUTION ELIGIBILITY REQUIREMENTS.

A postsecondary institution is an eligible institution for purposes of sections 136A.15 to 136A.1702, if the institution:

(1) meets the eligibility requirements under section 136A.103; or

(2) is operated publicly or privately in another state, is approved by the United States Secretary of Education, and, as determined by the office, maintains academic standards substantially equal to those of comparable institutions operated in this state.

History: 2010 c 364 s 13

136A.16 POWERS AND DUTIES OF OFFICE.

Subdivision 1. **Designation.** Notwithstanding chapter 16C, the office is designated as the administrative agency for carrying out the purposes and terms of sections 136A.15 to 136A.1704. The office may establish one or more loan programs.

Subd. 2. **Rules, policies, and conditions.** The office shall adopt policies and may prescribe appropriate rules and conditions to carry out the purposes of sections 136A.15 to 136A.1704.

Subd. 3. [Repealed, 2014 c 149 s 75]

Subd. 4. [Repealed, 2014 c 149 s 75]

Subd. 5. **Agencies.** The office may contract with loan servicers, collection agencies, credit bureaus, or any other person, to carry out the purposes of sections 136A.15 to 136A.1704.

Subd. 6. [Repealed, 2014 c 149 s 75]

Subd. 7. [Repealed, 2014 c 149 s 75]

Subd. 8. **Investment.** Money made available to the office that is not immediately needed for the purposes of sections 136A.15 to 136A.1704 may be invested by the office. The money must be invested in bonds, certificates of indebtedness, and other fixed income securities, except preferred stocks, which are legal investments for the permanent school fund. The money may also be invested in prime quality commercial paper that is eligible for investment in the state employees retirement fund. All interest and profits from such investments inure to the benefit of the office or may be pledged for security of bonds issued by the office or its predecessors.

Subd. 9. **Staff.** The office may employ the professional and clerical staff the commissioner deems necessary for the proper administration of the loan programs established and defined by sections 136A.15 to 136A.1704.

Subd. 10. [Repealed, 2014 c 149 s 75]

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

Subd. 12. **Records.** The office shall establish and maintain appropriate accounting and related records.

Subd. 13. **Subject to suit.** The office may sue and be sued.

Subd. 14. **Notes.** The office may sell at public or private sale, at the price or prices determined by the office, any note or other instrument or obligation evidencing or securing a loan made by the office or its predecessor, including the Minnesota Higher Education Coordinating Board and the Minnesota Higher Education Services Office.

Subd. 15. **Letters of credit; surety.** The office may obtain municipal bond insurance, letters of credit, surety obligations, or similar agreements from financial institutions.

Subd. 16. **Interest rate swaps and other agreements.** (a) The office may enter into interest rate exchange or swap agreements, hedges, forward purchase or sale agreements, or other comparable interest rate protection agreements with a third party in connection with the issuance or proposed issuance of bonds, outstanding bonds or notes, or existing comparable interest rate protection agreements.

(b) The agreements authorized by this subdivision include without limitation master agreements, options, or contracts to enter into those agreements in the future and related agreements, including, without limitation, agreements to provide credit enhancement, liquidity, or remarketing.

(c) The agreements authorized by this subdivision may be entered into on the basis of negotiation with a qualified third party or through a competitive proposal process on terms and conditions as and with covenants and provisions approved by the office and may include, without limitation:

(1) provisions establishing reserves;

(2) pledging assets or revenues of the office for current or other payments or termination payments;

(3) contracting with the other parties to the agreements to provide for the custody, collection, securement, investment, and payment of money of the office or money held in trust; or

(4) requiring the issuance of bonds or other agreements authorized by this section in the future.

(d) With respect to bonds or notes outstanding or proposed to be issued bearing interest at a variable rate, the office may agree to pay sums equal to interest at a fixed rate or at a different variable rate determined in accordance with a formula set out in the agreement on an amount not exceeding the outstanding principal amount of the bonds or notes at the time of payment in exchange for an agreement by the third party to pay sums equal to interest on a like amount at a variable rate determined according to a formula set out in the agreement.

(e) With respect to bonds or notes outstanding or proposed to be issued bearing interest at a fixed rate or rates, the office may agree to pay sums equal to interest at a variable rate determined in accordance with a formula set out in the agreement on an amount not exceeding the outstanding principal amount of the bonds or notes at the time of payment in exchange for an agreement by the third party to pay sums equal to interest on a like amount at a fixed rate or rates determined according to a formula set in the agreement.

(f) Subject to any applicable covenants of the office, payments required to be made by the office under the agreement, including termination payments, may be made from amounts pledged or available to pay debt service on the bonds or notes with respect to which the agreement was made or from assets of the loan capital fund of the office. The office may issue bonds or notes to provide for any payments, including, without limitation, a termination payment due or to become due under an agreement authorized under this section.

(g) The authority of the office to enter into interest rate protection agreements under this section is limited to agreements related to bonds and notes with an aggregate value of no more than \$20,000,000.

History: 1967 c 615 s 1; 1967 c 894 s 3; 1969 c 6 s 23; 1973 c 605 s 5,6; 1975 c 271 s 6; 1977 c 384 s 4-7; 1981 c 300 s 3-5; 1983 c 258 s 47; 1985 c 248 s 70; 1989 c 293 s 36-41; 1995 c 212 art 3 s 34,59; 1997 c 183 art 3 s 12-15; 1998 c 386 art 2 s 43; 2005 c 107 art 2 s 60; 2007 c 144 art 2 s 27,28; 2010 c 364 s 14; 2013 c 99 art 2 s 29; 2014 c 149 s 24,25; 2019 c 64 art 2 s 11-15

136A.161 [Repealed, 1983 c 258 s 72]

136A.162 CLASSIFICATION OF DATA.

(a) Except as provided in paragraphs (b) and (c), data on applicants for financial assistance collected and used by the office for student financial aid programs administered by that office are private data on individuals as defined in section 13.02, subdivision 12.

(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).

(c) The following data collected in the Minnesota supplemental loan program under sections 136A.1701 and 136A.1704 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: 1977 c 384 s 8; 1979 c 238 s 5; 1981 c 311 s 39; 1982 c 545 s 24; 1Sp1985 c 11 s 48; 1989 c 293 s 42; 1991 c 292 art 5 s 3; 1995 c 212 art 3 s 59; 2005 c 107 art 2 s 60; 2006 c 253 s 6; 2014 c 149 s 26; 2019 c 64 art 2 s 16

136A.17 [Repealed, 2014 c 149 s 75]

136A.1701 SUPPLEMENTAL AND ADDITIONAL LOANS.

Subdivision 1. **Establishment of program.** The 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.

Subd. 2. **Purpose of program.** The purpose of the loan programs under this section is to provide financial assistance for the postsecondary education of students who are eligible students whether or not such students qualify for a loan or loans under other provisions of sections 136A.15 to 136A.1702.

Loans granted to students may be used solely for educational purposes.

Subd. 3. **Compliance with Civil Rights Act.** The student loan programs shall be administered in compliance with title VI of the Civil Rights Act of 1964.

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

(b) The maximum loan amount to students must be determined annually by the office. Loan limits are defined based on the type of program enrollment, such as a certificate, an associate's degree, a bachelor's degree, or a graduate program. The aggregate principal amount of all loans made subject to this paragraph to a student as an undergraduate and graduate student must not exceed \$140,000. The amount of the loan must not exceed the cost of attendance as determined by the eligible institution less all other financial aid, including PLUS loans or other similar parent loans borrowed on the student's behalf.

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

Subd. 5. [Repealed, 2010 c 215 art 2 s 21]

Subd. 6. **Rate of interest.** The office shall determine the rate of interest to be charged on loans. The rate of interest on student loans however computed, shall not be subject to any provision of state law limiting the rate of interest to be charged for a loan of money.

Subd. 7. **Repayment of loans.** The office shall establish repayment procedures for loans made under this section in accordance with the policies, rules, and conditions authorized under section 136A.16, subdivision 2. The office will take into consideration the loan limits and current financial market conditions when establishing repayment terms.

Subd. 8. **Office powers.** The office may take, hold, and administer for any of its purposes, real or personal property and money, or any interest therein, and the income therefrom, either absolutely or in trust, for any purposes of the office. The office may acquire real or personal property or money for its purposes by purchase or lease and by gift, grant, bequest, devise, or loan, and may enter into contracts with profit or nonprofit corporations or institutions with the same or similar purposes as will benefit and improve the operation of the office and its loan programs.

Subd. 9. **Variable repayment schedules.** The office may establish variable loan repayment schedules consistent with the need and anticipated income streams of borrowers.

Subd. 9a. **Appeals.** The office shall develop an appeals process for recipients of loans made under this section who believe there is an unresolved error in the servicing of the loan. The office shall provide recipients with a description of the appeals process.

Subd. 10. **Prohibition on use of state money.** Except as provided in section 136A.1787, paragraph (a), no money originating from state sources in the state treasury shall be made available for student loans under this section and all student loans shall be made from money originating from nonstate sources.

Subd. 11. **Data.** (a) An eligible institution must provide to the office data on student enrollment and federal and state financial aid.

(b) An institution or its agent must provide to the office aggregate and distributional financial or other data as determined by the commissioner that is directly related to the responsibilities of the office under this chapter. The commissioner may only request aggregate and distributional data after establishing and consulting

with a data advisory task force to determine the need, content, and detail of the information. Data provided by nonpublic institutions under this paragraph is considered nonpublic data under chapter 13.

Subd. 12. MS 2018 [Repealed, 2019 c 64 art 2 s 45]

History: 1983 c 258 s 49; 1986 c 444; 1989 c 293 s 44-46; 1Sp1993 c 2 art 2 s 15,16; 1995 c 212 art 3 s 59; 2005 c 107 art 2 s 25,26,60; 2006 c 282 art 8 s 5,6; 2009 c 95 art 2 s 21; 2010 c 215 art 2 s 7,8; 2013 c 99 art 2 s 29; 2014 c 149 s 27; 2015 c 69 art 2 s 10,46; 2019 c 64 art 2 s 17; 2020 c 109 art 1 s 10

136A.1702 LEGISLATIVE OVERSIGHT.

The office shall notify the chairs of the legislative committees with primary jurisdiction over higher education finance of any proposed material change to any of its student loan programs, including loan refinancing under section 136A.1704, prior to making the change.

History: 1983 c 258 s 50; 1995 c 212 art 3 s 59; 2007 c 144 art 2 s 29; 2014 c 312 art 1 s 8

136A.1703 MS 2020 [Repealed, 1Sp2021 c 2 art 2 s 47]

136A.1704 STUDENT LOAN REFINANCING.

The office may refinance student and parent loans as provided by this section and on other terms and conditions the office prescribes. The office may establish credit requirements for borrowers and determine what types of student and parent loans will be eligible for refinancing. The refinanced loan need not have been made through a loan program administered by the office. Loans shall be made with available funds in the loan capital fund under section 136A.1785. The maximum amount of outstanding loans refinanced under this section may not exceed \$300,000,000. The maximum loan under this section may not exceed \$200,000.

History: 2014 c 312 art 1 s 9; 1Sp2021 c 2 art 2 s 14

136A.171 REVENUE BONDS; ISSUANCE; PROCEEDS.

The 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 office, outstanding at any one time, not including refunded bonds or otherwise defeased or discharged bonds, shall not exceed \$850,000,000. Proceeds from the issuance of bonds may be held and invested by the office pending disbursement in the form of loans. All interest and profits from the investments shall inure to the benefit of the office and shall be available to the office 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: 1973 c 605 s 12; 1975 c 271 s 6; 1975 c 390 s 6; 1977 c 384 s 15; 1979 c 238 s 6; 1980 c 537 s 1; 1981 c 300 s 9; 1995 c 212 art 3 s 59; 1997 c 183 art 3 s 16; 2003 c 133 art 3 s 3; 2005 c 107 art 2 s 60; 2014 c 149 s 28

136A.172 NEGOTIABLE NOTES; ISSUANCE; CONDITIONS.

The office may from time to time issue negotiable notes for the purpose of sections 136A.15 to 136A.178 and may from time to time renew any notes by the issuance of new notes, whether the notes to be renewed have or have not matured. The office may issue notes partly to renew notes or to discharge other obligations then outstanding and partly for any other purpose. The notes may be authorized, sold, executed, and delivered in the same manner as bonds. Any resolution or resolutions authorizing notes of the office or any issue thereof may contain any provisions which the office is authorized to include in any resolution or resolutions

authorizing revenue bonds of the office or any issue thereof, and the office may include in any notes any terms, covenants, or conditions which it is authorized to include in any bonds. All such notes shall be payable solely from the revenue of the office, subject only to any contractual rights of the holders of any of its notes or other obligations then outstanding.

History: 1973 c 605 s 13; 1975 c 271 s 6; 1978 c 706 s 53; 1989 c 293 s 47; 1995 c 212 art 3 s 59; 1997 c 7 art 1 s 73

136A.173 NEGOTIABILITY; BOND ANTICIPATION NOTES; PAYMENT; CONDITIONS.

Subdivision 1. **Revenue bonds and notes.** The office may from time to time issue revenue bonds for purposes of sections 136A.15 to 136A.178 and all such revenue bonds, notes, bond anticipation notes, or other obligations of the office issued pursuant to sections 136A.15 to 136A.178 shall be and are hereby declared to be negotiable for all purposes notwithstanding their payment from a limited source and without regard to any other law or laws. In anticipation of the sale of such revenue bonds, the office may issue negotiable bond anticipation notes and may renew the same from time to time, but the maximum maturity of any such note, including renewals thereof, shall not exceed five years from the date of issue of the original note. Such notes shall be paid from any revenues of the office available therefor and not otherwise pledged, or from the proceeds of sale of the revenue bonds of the office in anticipation of which they were issued. The notes shall be issued in the same manner as the revenue bonds. Such notes and the resolution or resolutions authorizing the same may contain any provisions, conditions, or limitations which a bond resolution or the office may contain.

Subd. 2. **Payment of bonds and notes.** The revenue bonds and notes of every issue shall be payable solely out of revenues of the office, subject only to any agreements with the holders of particular revenue bonds or notes pledging any particular revenues. Notwithstanding that revenue bonds and notes may be payable from a special fund, they shall be and be deemed to be, for all purposes, negotiable instruments, subject only to the provisions of the revenue bonds.

Subd. 3. **Issuance, terms, redemption.** The revenue bonds may be issued as serial bonds or as term bonds, or the office, in its discretion, may issue bonds of both types. The revenue bonds shall be authorized by resolution of the commissioner of the office and shall bear such date or dates, mature at such time or times, not exceeding 50 years from their respective dates, bear interest at such rate or rates, payable at such time or times, be in denominations, be in such form, either coupon or registered, carry such registration privileges, be executed in such manner, be payable in lawful money of the United States of America at such place or places, and be subject to such terms of redemption, as such resolution or resolutions may provide. The revenue bonds or notes may be sold at public or private sale for such price or prices as the office shall determine. Pending preparation of the definitive bonds, the office may issue interim receipts or certificates which shall be exchanged for such definite bonds.

Subd. 4. **Provisions of resolution authorizing bonds.** Any resolution or resolutions authorizing any revenue bonds or any issue of revenue bonds may contain provisions which shall be part of the contract with the holders of the revenue bonds to be authorized as to:

- (a) The setting aside of reserves or sinking funds, and the regulation and disposition thereof;
- (b) Limitations on the purpose to which the proceeds of sale of any issue of revenue bonds then or thereafter to be issued may be applied and pledging such proceeds to secure the payment of the revenue bonds or any issue of the revenue bonds;

(c) Limitations on the issuance of additional bonds, the terms upon which additional bonds may be issued and secured and the refunding of outstanding bonds;

(d) The procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds the holders of which must consent thereto, and the manner in which such consent may be given;

(e) Defining the acts or omissions to act which shall constitute a default in the duties of the office to holders of its obligations and providing the rights and remedies of such holders in the event of a default.

Subd. 5. **Liability.** Neither the members of the office nor any person executing the revenue bonds or notes shall be liable personally on the revenue bonds or notes or be subject to any personal liability or accountability by reason of the issuance thereof.

Subd. 6. **Other powers.** The office shall have power out of any funds available therefor to purchase its bonds or notes. The office may hold, pledge, cancel or resell such bonds, subject to and in accordance with agreements with bondholders.

History: 1973 c 605 s 14; 1975 c 271 s 6; 1978 c 706 s 54; 1989 c 293 s 48; 1995 c 212 art 3 s 59; 1997 c 7 art 1 s 73; 1997 c 183 art 3 s 17; 2013 c 99 art 2 s 29

136A.174 SECURITY FOR BONDS.

In the discretion of the office any revenue bonds issued under the provisions of sections 136A.15 to 136A.178 may be secured by a trust agreement by and between the office and a corporate trustee or trustees, which may be any trust company or bank having the powers of a trust company within the state. Such trust agreement or the resolution providing for the issuance of such revenue bonds may pledge or assign the revenues to be received or proceeds of any contract or contracts pledged or any portion thereof. Such trust agreement or resolution providing for the issuance of such revenue bonds may contain such provisions for protecting and enforcing the rights and remedies of the bondholders as may be reasonable and proper and not in violation of laws, including particularly such provisions as have hereinabove been specifically authorized to be included in any resolution or resolutions of the office authorizing revenue bonds thereof. Any bank or trust company incorporated under the laws of the state which may act as depository of the proceeds of bonds or of revenues or other moneys may furnish such indemnifying bonds or pledges such securities as may be required by the office. Any such trust agreement may set forth the rights and remedies of the bondholders and of the trustee or trustees and may restrict the individual right of action by bondholders. In addition to the foregoing, any such trust agreement or resolution may contain such other provisions as the office may deem reasonable and proper for the security of the bondholders.

History: 1973 c 605 s 15; 1975 c 271 s 6; 1978 c 706 s 55; 1989 c 293 s 49; 1995 c 212 art 3 s 59; 1997 c 7 art 1 s 73

136A.175 REFUNDING REVENUE BONDS; PROCEEDS; INVESTMENTS.

Subdivision 1. **Authorization.** The office is hereby authorized to provide for the issuance of revenue bonds of the office for the purpose of refunding any revenue bonds of the office then outstanding, including the payment of any redemption premium thereon and any interest accrued or to accrue to the earliest or any subsequent date of redemption, purchase or maturity of such revenue bonds.

Subd. 2. **Proceeds.** The proceeds of any such revenue bonds issued for the purpose of refunding outstanding revenue bonds may, in the discretion of the office, be applied to the purchase or retirement at maturity or redemption of such outstanding revenue bonds either on their earliest or any subsequent redemption

date or upon the purchase or at the maturity thereof and may, pending such application be placed in escrow to such purchase or retirement at maturity or redemption on such date as may be determined by the office.

Subd. 3. **Investment.** Any such escrowed proceeds, pending such use, may be invested and reinvested in direct obligations of the United States of America, or in certificates of deposit or time deposits secured by direct obligations of the United States of America, maturing at such time or times as shall be appropriate to assure the prompt payment, as to principal, interest and redemption premium, if any, of the outstanding revenue bonds to be so refunded. The interest, income and profits, if any, earned or realized on any such investment may also be applied to the payment of the outstanding revenue bonds to be so refunded. After the terms of the escrow have been fully satisfied and carried out, any balance of such proceeds and interest, income and profits, if any, earned or realized on the investments thereof may be returned to the office for use by it in any lawful manner.

Subd. 4. **Relation to other laws.** All such revenue bonds shall be subject to the provisions of sections 136A.15 to 136A.178 in the same manner and to the same extent as other revenue bonds issued pursuant to sections 136A.15 to 136A.178.

History: 1973 c 605 s 16; 1975 c 271 s 6; 1978 c 706 s 56; 1989 c 293 s 50; 1995 c 212 art 3 s 59; 1997 c 7 art 1 s 73

136A.176 BONDS NOT STATE OBLIGATIONS.

Bonds issued under authority of sections 136A.15 to 136A.178 do not, and shall state that they do not, represent or constitute a debt or pledge of the faith and credit of the state, grant to the owners or holders thereof any right to have the state levy any taxes or appropriate any funds for the payment of the principal thereof or interest thereon. Such bonds are payable and shall state that they are payable solely from the rentals, revenues, and other income, charges, and moneys as are pledged for their payment in accordance with the bond proceedings. The legislature intends not to appropriate money from the general fund to pay for these bonds.

History: 1973 c 605 s 17; 1978 c 706 s 57; 1989 c 293 s 51; 1990 c 610 art 2 s 4; 1997 c 7 art 1 s 73

136A.177 RIGHTS OF BONDHOLDERS.

Any holder of revenue bonds issued under the provisions of sections 136A.15 to 136A.178 or any of the coupons appertaining thereto, and the trustee or trustees under any trust agreement, except to the extent the rights herein given may be restricted by any resolution authorizing the issuance of, or any such trust agreement securing, such bonds, may, either at law or in equity, by suit, action, mandamus, or other proceedings, protect and enforce any and all rights under the laws of the state or granted hereunder or under such resolution or trust agreement, and may enforce and compel the performance of all duties required by sections 136A.15 to 136A.178 or by such resolution or trust agreement to be performed by the office or by any officer, employee or agent thereof, including the fixing, charging and collecting of the rates, rents, fees and charges herein authorized and required by the provisions of such resolution or trust agreement to be fixed, established and collected.

History: 1973 c 605 s 18; 1975 c 271 s 6; 1978 c 706 s 58; 1989 c 293 s 52; 1995 c 212 art 3 s 59; 1997 c 7 art 1 s 73

136A.178 LEGAL INVESTMENTS; AUTHORIZED SECURITIES.

Bonds issued by authority under the provisions of sections 136A.15 to 136A.178 are hereby made securities in which all public officers and public bodies of the state and its political subdivisions, all insurance

companies, trust companies, banking associations, investment companies, executors, administrators, trustees and other fiduciaries may properly and legally invest funds, including capital in their control or belonging to them; it being the purpose of this section to authorize the investment in such bonds of all sinking, insurance, retirement, compensation, pension and trust funds, whether owned or controlled by private or public persons or officers; provided, however, that nothing contained in this section may be construed as relieving any person, firm, or corporation from any duty of exercising due care in selecting securities for purchase or investment; and provided further, that in no event shall assets of pension funds of public employees of the state of Minnesota or any of its agencies, board or subdivisions, whether publicly or privately administered, be invested in bonds issued under the provisions of sections 136A.15 to 136A.178. Such bonds are hereby constituted "authorized securities" within the meaning and for the purposes of section 50.14. Such bonds are hereby made securities which may properly and legally be deposited with and received by any state or municipal officer or any agency or political subdivision of the state for any purpose for which the deposit of bonds or obligations of the state now or may hereafter be authorized by law.

History: 1973 c 605 s 19; 1978 c 706 s 59; 1989 c 293 s 53; 1997 c 7 art 1 s 73

136A.1785 LOAN CAPITAL FUND.

The office may deposit and hold assets derived from the operation of its student loan programs and refinanced education loans authorized by this chapter in a fund known as the loan capital fund. Assets in the loan capital fund are available to the office solely for carrying out the purposes and terms of sections 136A.15 to 136A.1704, including, but not limited to, making student loans authorized by this chapter, refinancing education loans authorized by this chapter, paying administrative expenses associated with the operation of its student loan programs, repurchasing defaulted student loans, and paying expenses in connection with the issuance of revenue bonds authorized under this chapter. Assets in the loan capital fund may be invested as provided in sections 11A.24 and 136A.16, subdivision 8. All interest and earnings from the investment of the loan capital fund inure to the benefit of the fund and are deposited into the fund.

History: 2005 c 107 art 2 s 28; 2014 c 312 art 1 s 10

136A.1787 SELF LOAN REVENUE BONDS ANNUAL CERTIFICATE OF NEED.

(a) In order to ensure the payment of the principal of and interest on bonds and notes of the office and the continued maintenance of the loan capital fund under section 136A.1785, the office shall annually determine and certify to the governor, on or before December 1, the amount, if any:

(1) needed to restore the loan capital fund to the minimum amount required by a resolution or indenture relating to any bonds or notes of the office, not exceeding the maximum amount of principal and interest to become due and payable in any subsequent year on all bonds or notes which are then outstanding;

(2) determined by the office to be needed in the current or immediately following fiscal year, with other funds pledged and estimated to be received during that year, for the payment of the principal and interest due and payable in that year on all outstanding bonds and notes; and

(3) needed to restore any debt service reserve fund securing any outstanding bonds or notes of the office to the amount required in a resolution or indenture relating to such outstanding bonds or notes.

(b) If the office determines the need under paragraph (a), clause (2), to be for the immediately following fiscal year, the governor shall include and submit the amounts certified by the office in accordance with this section to the legislature in the governor's budget for the immediately following fiscal year. If the office determines the need under paragraph (a), clause (1), (2), or (3), to be for the current fiscal year, the governor

shall include and submit the amounts certified in a governor's supplemental budget if the regular budget for that year has previously been enacted.

History: 2009 c 95 art 2 s 22; 1Sp2011 c 5 art 2 s 3

136A.1788 STUDENT LOAN DEBT COUNSELING.

Subdivision 1. **Grant.** A program is established under the Office of Higher Education to provide a grant to a Minnesota-based nonprofit qualified debt counseling organization to provide individual student loan debt repayment counseling to borrowers who are Minnesota residents concerning loans obtained to attend a postsecondary institution. The number of individuals receiving counseling may be limited to those capable of being served with available appropriations for that purpose. A goal of the counseling program is to provide two counseling sessions to at least 75 percent of borrowers receiving counseling.

The purpose of the counseling is to assist borrowers to:

- (1) understand their loan and repayment options;
- (2) manage loan repayment; and
- (3) develop a workable budget based on the borrower's full financial situation regarding income, expenses, and other debt.

Subd. 2. **Qualified debt counseling organization.** A qualified debt counseling organization is an organization that:

- (1) has experience in providing individualized student loan counseling;
- (2) employs certified financial counselors; and
- (3) is based in Minnesota and has offices at multiple rural and metropolitan area locations in the state to provide in-person counseling.

Subd. 3. **Grant application and award.** (a) Applications for a grant shall be on a form created by the commissioner and on a schedule set by the commissioner. Among other provisions, the application must include a description of:

- (1) the characteristics of borrowers to be served;
- (2) the services to be provided and a timeline for implementation of the services;
- (3) how the services provided will help borrowers manage loan repayment;
- (4) specific program outcome goals and performance measures for each goal; and
- (5) how the services will be evaluated to determine whether the program goals were met.

(b) The commissioner shall select one grant recipient for a two-year award every two years. A grant may be renewed biennially.

Subd. 4. **Program evaluation.** (a) The grant recipient must submit a report to the commissioner by January 15 of the second year of the grant award. The report must evaluate and measure the extent to which program outcome goals have been met.

(b) The grant recipient must collect, analyze, and report on participation and outcome data that enable the office to verify the outcomes.

(c) The evaluation must include information on the number of borrowers served with on-time student loan payments, the number who brought their loans into good standing, the number of student loan defaults, the number who developed a monthly budget plan, and other information required by the commissioner. Recipients of the counseling must be surveyed on their opinions about the usefulness of the counseling and the survey results must be included in the report.

Subd. 5. Report to legislature. By February 1 of the second year of each grant award, the commissioner must submit a report to the committees in the legislature with jurisdiction over higher education finance regarding grant program outcomes.

History: 2019 c 64 art 2 s 18

136A.1789 AVIATION DEGREE LOAN FORGIVENESS PROGRAM.

Subdivision 1. **Definitions.** (a) For purposes of this section, the terms in this subdivision have the meanings given them.

(b) "Qualified aircraft technician" means an individual who (1) has earned an associate's or bachelor's degree preparing individuals to obtain an aviation mechanic's certificate from the Federal Aviation Administration from a postsecondary institution located in Minnesota, and (2) has obtained an aviation mechanic's certificate from the Federal Aviation Administration.

(c) "Qualified education loan" means a government, commercial, or foundation loan used by an individual for actual costs paid for tuition and reasonable educational and living expenses related to the postsecondary education of the qualified aircraft technician or qualified pilot.

(d) "Qualified pilot" means an individual who (1) has earned an associate's or bachelor's degree preparing individuals to obtain an airline transport pilot certificate from a postsecondary institution located in Minnesota, and (2) is in the process of obtaining or has obtained an airline transport pilot certificate.

Subd. 2. Creation of account. (a) An aviation degree loan forgiveness program account is established in the special revenue fund to provide qualified pilots and qualified aircraft technicians with financial assistance in repaying qualified education loans. The commissioner must use money from the account to establish and administer the aviation degree loan forgiveness program.

(b) Money in the aviation degree loan forgiveness program account is appropriated to the commissioner for purposes of this section, does not cancel, and is available until expended.

Subd. 3. Eligibility. (a) To be eligible to participate in the loan forgiveness program under this section, an individual must:

- (1) be a qualified pilot or qualified aircraft technician;
- (2) have qualified education loans;
- (3) reside in Minnesota; and
- (4) submit an application to the commissioner in the form and manner prescribed by the commissioner.

(b) An applicant selected to participate must sign a contract to agree to serve a five-year full-time service obligation according to subdivision 4. To complete the service obligation, the applicant must work full time

in Minnesota as a qualified pilot or qualified aircraft technician. A participant must complete one year of service under this paragraph for each year the participant receives an award under this section.

Subd. 4. **Service obligation.** (a) Before receiving loan repayment disbursements and as requested, a participant must verify to the commissioner that the participant is employed in a position that fulfills the service obligation as required under subdivision 3, paragraph (b).

(b) If a participant does not fulfill the required service obligation, the commissioner must collect from the participant the total amount paid to the participant under the loan forgiveness program plus interest at a rate established according to section 270C.40. The commissioner must deposit the money collected in the aviation degree loan forgiveness account. The commissioner must allow waivers of all or part of the money owed the commissioner as a result of a nonfulfillment penalty if emergency circumstances prevented fulfillment of the minimum service commitment.

Subd. 5. **Loan forgiveness.** (a) The commissioner may select eligible applicants each year for participation in the aviation degree loan forgiveness program, within the limits of available funding. Applicants are responsible for securing their own qualified education loans.

(b) For each year that the participant meets the eligibility requirements under subdivision 3, the commissioner must make annual disbursements directly to:

(1) a selected qualified pilot of \$5,000 or the balance of the participant's qualified education loans, whichever is less; and

(2) a selected qualified aircraft technician of \$3,000 or the balance of the participant's qualified education loans, whichever is less.

(c) An individual may receive disbursements under this section for a maximum of five years.

(d) The participant must provide the commissioner with verification that the full amount of the loan repayment disbursement received by the participant has been applied toward the designated qualified education loan. After each disbursement, verification must be received by the commissioner and approved before the next repayment disbursement is made.

(e) If the participant receives a disbursement in the participant's fifth year of eligibility, the participant must provide the commissioner with verification that the full amount of the participant's final loan repayment disbursement was applied toward the designated qualified education loan. If a participant does not provide the verification as required under this paragraph within 12 months of receipt of the final disbursement, the commissioner must collect from the participant the total amount paid to the participant under the loan forgiveness program plus interest at a rate established according to section 270C.40. The commissioner must deposit the money collected in the aviation degree loan forgiveness program account.

Subd. 6. **Rules.** The commissioner may adopt rules to implement this section.

History: 2017 c 89 art 2 s 12; 2018 c 207 s 1; 2019 c 64 art 2 s 19-21

136A.179 [Repealed, 1996 c 310 s 1]

136A.1791 TEACHER SHORTAGE LOAN REPAYMENT PROGRAM.

Subdivision 1. **Definitions.** (a) The terms used in this section have the meanings given them in this subdivision.

(b) "Qualified educational loan" means a government, commercial, or foundation loan for actual costs paid for tuition and reasonable educational and living expenses related to a teacher's preparation or further education, only if the further education will result in the teacher decreasing the gap in a new shortage area.

(c) "School district" means an independent school district, special school district, intermediate district, education district, special education cooperative, service cooperative, a cooperative center for vocational education, or a charter school located in Minnesota.

(d) "Teacher" means an individual holding a teaching license issued by the Professional Educator Licensing and Standards Board who is employed by a school district to provide classroom instruction.

(e) "Commissioner" means the commissioner of the Office of Higher Education unless indicated otherwise.

(f) "License shortage area" has the meaning given in section 136A.1275, subdivision 1, paragraph (b).

(g) "Racial or ethnic group underrepresented in the teacher workforce" means a racial or ethnic group for which the aggregate percentage of Minnesota teachers of that racial or ethnic group is lower than the aggregate percentage of Minnesota kindergarten through grade 12 students of that racial or ethnic group.

(h) "Rural school district" means a school district with fewer than 30 resident pupil units under section 126C.05, subdivision 6, per square mile.

Subd. 2. **Program established; administration.** The commissioner shall establish and administer a teacher shortage loan repayment program.

Subd. 3. [Repealed by amendment, 1Sp2021 c 2 art 2 s 15]

Subd. 3a. **Eligibility.** To be eligible for a disbursement under this section, a teacher must belong to a racial or ethnic group underrepresented in the Minnesota teacher workforce, teach in a rural school district, or teach in a license shortage area.

Subd. 4. **Application for loan repayment.** Each applicant for loan repayment, according to rules adopted by the commissioner, shall:

(1) apply for teacher shortage loan repayment and promptly submit any additional information required by the commissioner; and

(2) submit to the commissioner a completed affidavit, prescribed by the commissioner, affirming the teacher is teaching in: (i) a license shortage area; or (ii) a rural school district.

Subd. 5. **Amount of loan repayment.** (a) To the extent funding is available, the annual amount of teacher shortage loan repayment for an approved applicant shall not exceed \$1,000 or the cumulative balance of the applicant's qualified educational loans, including principal and interest, whichever amount is less.

(b) Recipients must secure their own qualified educational loans. Teachers who graduate from an approved teacher preparation program or teachers who add a licensure field, consistent with the teacher shortage requirements of this section, are eligible to apply for the loan repayment program.

(c) No teacher shall receive more than five annual awards.

Subd. 6. **Disbursement.** (a) The commissioner must make annual disbursements directly to the participant of the amount for which a participant is eligible, for each year that a participant is eligible.

(b) Within 60 days of the disbursement date, the participant must provide the commissioner with verification that the full amount of loan repayment disbursement has been applied toward the designated loans. A participant that previously received funds under this section but has not provided the commissioner with such verification is not eligible to receive additional funds.

Subd. 7. **Penalties.** (a) A teacher who submits a false or misleading application or other false or misleading information to the commissioner may:

(1) have his or her teaching license suspended or revoked under section 122A.20;

(2) be disciplined by the teacher's employing school district; or

(3) be required by the commissioner to repay the total amount of the loan repayment he or she received under this program, plus interest at a rate established under section 270C.40.

(b) The commissioner must deposit any repayments received under paragraph (a) in the fund established in subdivision 8.

Subd. 8. **Account established.** A teacher shortage loan repayment account is created in the special revenue fund for depositing money appropriated to or received by the commissioner for the program. Money deposited in the account is appropriated to the commissioner, does not cancel, and is continuously available for loan repayment under this section.

Subd. 9. **Annual reporting.** By February 1 of each year, the commissioner must report to the chairs of the kindergarten through grade 12 and higher education committees of the legislature on the number of individuals who received loan repayment under this section, the race or ethnicity of the teachers participating in the program, the licensure areas and school districts in which the teachers taught, the average amount paid to a teacher participating in the program, and other summary data identified by the commissioner as outcome indicators.

Subd. 10. **Rulemaking.** The commissioner shall adopt rules under chapter 14 to administer this section.

History: 2015 c 69 art 3 s 10; 2016 c 189 art 1 s 13-15; 1Sp2017 c 5 art 2 s 45-47; art 3 s 30; 2018 c 207 s 2; 2020 c 109 art 1 s 11,12; 1Sp2021 c 2 art 2 s 15

136A.1792 PROMOTION OF FEDERAL PUBLIC SERVICE LOAN FORGIVENESS PROGRAMS.

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

(b) "Employer" means an organization, agency, or entity that is a public service organization under Code of Federal Regulations, title 34, part 685, section 219, provided that the following are not employers:

(1) a federal or tribal government organization, agency, or entity; and

(2) a tribal college or university.

(c) "Employment certification form" means the form used by the United States Department of Education to certify an individual's employment at a public service organization for the purposes of the federal public service loan forgiveness program.

(d) "Federal loan forgiveness program" means a loan forgiveness program offered under Code of Federal Regulations, title 34, part 685.

(e) "Public service loan forgiveness program" means the loan forgiveness program under Code of Federal Regulations, title 34, part 685, section 219.

(f) "Public service organization" means a public service organization under Code of Federal Regulations, title 34, part 685, section 219.

Subd. 2. Promotion of federal public service loan forgiveness programs. (a) The commissioner must develop and distribute informational materials designed to increase awareness of federal public service loan forgiveness programs among Minnesota residents who are eligible for those programs. At a minimum, the commissioner must develop and distribute informational materials that public service organizations may use to promote awareness of the federal public service loan forgiveness program, including:

(1) a one-page letter addressed to individuals who may be eligible for the public service loan forgiveness program that briefly summarizes the program, provides information on what an eligible individual must do in order to participate, and recommends that they contact their student loan servicer or servicers for additional information;

(2) a detailed fact sheet describing the public service loan forgiveness program; and

(3) a document containing answers to frequently asked questions about the public service loan forgiveness program.

(b) In place of developing and publishing an informational document required under paragraph (a), the commissioner may distribute a document published by a federal agency that meets the requirements of paragraph (a).

Subd. 3. Publication of informational materials. The commissioner must make the informational materials required under subdivision 2 available on the office's website and must verify each biennium that the informational materials contain current information. The commissioner must update and correct any informational materials that the commissioner finds inaccurate or outdated.

Subd. 4. Employer information. (a) An employer must provide an employee with information about the employee's potential eligibility for the federal public service loan forgiveness program. An employer must annually provide to each employee in written or electronic form the one-page letter, fact sheet, and frequently asked questions required under subdivision 2. In addition, an employer must provide a newly hired employee with that information within two weeks of the employee's first day of employment.

(b) At an employee's request, an employer must provide the employee with a copy of the employment certification form.

History: 2016 c 189 art 1 s 16

136A.1793 PROMOTION OF TEACHER LOAN FORGIVENESS PROGRAMS.

The commissioner shall provide information to public and private teacher education programs concerning public and private student loan programs that provide for full or partial repayment forgiveness. Teacher education programs must provide the information furnished by the commissioner to their teacher education students.

History: 2016 c 189 art 1 s 17

136A.1794 AGRICULTURAL EDUCATION LOAN FORGIVENESS PROGRAM.

Subdivision 1. **Definitions.** (a) For purposes of this section, the terms in this subdivision have the meanings given.

(b) "Qualified education loan" means a government, commercial, or foundation loan for actual costs paid for tuition, reasonable education expenses, and reasonable living expenses related to the graduate or undergraduate education of a qualified teacher.

(c) "Qualified teacher" means a teacher licensed under chapter 122A who:

(1) is employed in a nonadministrative position teaching agricultural education in any grade from grades 5 through 12 at a Minnesota school during the current year; and

(2) has completed an undergraduate or graduate program in agricultural education at a college or university approved by the state of Minnesota to prepare persons for teacher licensure.

(d) "School" means the following:

(1) a school or program operated by a school district or a group of school districts;

(2) a tribal contract school eligible to receive aid according to section 124D.83;

(3) a charter school; or

(4) a private school.

Subd. 2. **Account; appropriation.** An agricultural education loan forgiveness account is established in the special revenue fund to provide qualified teachers with financial assistance to repay qualified education loans. Money in the account, including interest, is appropriated to the commissioner for purposes of this section.

Subd. 3. **Eligibility.** (a) To be eligible to participate in the loan forgiveness program under this section, an individual must:

(1) be a qualified teacher;

(2) have qualified education loans; and

(3) submit an application to the commissioner in the form and manner prescribed by the commissioner.

(b) An applicant selected to participate must sign a contract to agree to serve a minimum one-year full-time service obligation according to subdivision 4. To complete the service obligation, the applicant must work full time in Minnesota as a qualified teacher. A participant must complete one year of service under this paragraph for each year the participant receives an award under this section.

Subd. 4. **Service obligation.** (a) Before receiving loan repayment disbursements and as requested, a participant must verify to the commissioner that the participant is employed in a position that fulfills the service obligation as required under subdivision 3, paragraph (b).

(b) If a participant does not fulfill the required service obligation, the commissioner must collect from the participant the total amount paid to the participant under the loan forgiveness program plus interest at a rate established according to section 270C.40. The commissioner must deposit the money collected in the agricultural education loan forgiveness account. The commissioner must allow waivers of all or part of the

money owed the commissioner as a result of a nonfulfillment penalty if emergency circumstances prevented fulfillment of the minimum service commitment.

Subd. 5. **Loan forgiveness.** (a) The commissioner may select eligible applicants each year for participation in the agricultural education loan forgiveness program, within the limits of available funding. Applicants are responsible for securing their own qualified education loans.

(b) The commissioner must make annual disbursements directly to the eligible participant of \$3,000 or the balance of the participant's qualified education loans, whichever is less, for each year that the participant meets the eligibility requirements under subdivision 3, up to a maximum of five years.

(c) The participant must provide the commissioner with verification that the full amount of the loan repayment disbursement received by the participant has been applied toward the designated qualified education loan. After each disbursement, verification must be received by the commissioner and approved before the next repayment disbursement is made.

History: 2017 c 89 art 2 s 13

136A.1795 LARGE ANIMAL VETERINARIAN LOAN FORGIVENESS PROGRAM.

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

(b) "Veterinarian" means an individual who has been awarded a doctor of veterinary medicine degree from the College of Veterinary Medicine, University of Minnesota.

(c) "Designated rural area" means an area in Minnesota outside the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington, excluding the cities of Duluth, Mankato, Moorhead, Rochester, and St. Cloud.

(d) "Emergency circumstances" means those conditions that make it impossible for the participant to fulfill the service commitment, including death, total and permanent disability, or temporary disability lasting more than two years.

(e) "Qualified educational loan" means a government, commercial, or foundation loan for actual costs paid for tuition, reasonable education expenses, and reasonable living expenses related to the education of a veterinarian.

Subd. 2. **Establishment; administration.** (a) The commissioner shall establish and administer a loan forgiveness program for large animal veterinarians who:

- (1) agree to practice in designated rural areas that are considered underserved; and
- (2) work full time in a practice that is at least 50 percent involved with the care of food animals.

(b) A large animal veterinarian loan forgiveness program account is established in the special revenue fund. Money in the account is appropriated to the commissioner to establish and administer the program under this section. Appropriations to the commissioner for the program are for transfer to the account. Appropriations from the account do not cancel and are available until expended.

Subd. 3. **Eligibility.** (a) To be eligible to participate in the loan forgiveness program, an individual must:

(1) be a veterinarian who has been awarded a veterinary medicine degree within three years of submitting an application under this section, or be enrolled in the veterinarian degree program and making satisfactory progress in the College of Veterinary Medicine, University of Minnesota; and

(2) submit an application to the commissioner in the form and manner prescribed by the commissioner.

(b) An applicant selected to participate must sign a contract agreeing to complete a five-year service obligation to practice as required under subdivision 2, paragraph (a).

Subd. 4. Loan forgiveness. (a) The commissioner may select eligible applicants each year for participation in the loan forgiveness program, within the limits of available funding. Applicants are responsible for securing their own qualified educational loans.

(b) The commissioner must select participants based on their suitability for practice serving the designated rural area, as indicated by experience or training. The commissioner must give preference to applicants closest to completing their training.

(c) The commissioner must make annual disbursements directly to the participant of \$15,000 or the balance of the participant's qualifying educational loans, whichever is less, for each year that a participant meets the service obligation required under subdivision 3, paragraph (b), up to a maximum of five years.

(d) Before receiving loan repayment disbursements and as requested, the participant must complete and return to the commissioner a confirmation of practice form provided by the commissioner verifying that the participant is practicing as required under subdivision 2, paragraph (a). The participant must provide the commissioner with verification that the full amount of loan repayment disbursement received by the participant has been applied toward the designated loans. After each disbursement, verification must be received by the commissioner and approved before the next loan repayment disbursement is made.

(e) Participants who move their practice remain eligible for loan repayment as long as they practice as required under subdivision 2, paragraph (a).

Subd. 5. Penalty for nonfulfillment. If a participant does not fulfill the required minimum commitment of service required under subdivision 3, paragraph (b), the commissioner must collect from the participant the total amount paid to the participant under the loan forgiveness program plus interest at a rate established according to section 270C.40. The commissioner must deposit the money collected in the state general fund. The commissioner must allow waivers of all or part of the money owed the commissioner as a result of a nonfulfillment penalty if emergency circumstances prevented fulfillment of the service obligation.

Subd. 6. Rules. The commissioner may adopt rules to implement this section.

History: 2009 c 95 art 2 s 23; 2013 c 99 art 2 s 29; 2014 c 149 s 29-32; 2017 c 89 art 3 s 3; 2018 c 207 s 3; 2020 c 109 art 1 s 13

TRIBAL COLLEGE SUPPLEMENTAL GRANT ASSISTANCE

136A.1796 TRIBAL COLLEGE SUPPLEMENTAL GRANT ASSISTANCE.

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

(b) "Nonbeneficiary student" means a resident of Minnesota who is enrolled in a tribally controlled college but is not an enrolled member of a federally recognized Indian tribe.

(c) "Tribally controlled college" means an accredited institution of higher education located in this state that is formally controlled by or has been formally sanctioned or chartered by the governing body of a federally recognized Indian tribe, or a combination of federally recognized Indian tribes. Tribally controlled college does not include any institution or campus subject to the jurisdiction of the Board of Trustees of the Minnesota State Colleges and Universities or the Board of Regents of the University of Minnesota.

Subd. 2. **Eligibility; grant assistance.** (a) A tribally controlled college is eligible to receive supplemental grant assistance from the office, as provided in this section, for nonbeneficiary student enrollment if the college is not otherwise eligible to receive federal grant funding for those students under United States Code, title 25, section 1808.

(b) The office shall make grants to tribally controlled colleges to defray the costs of education associated with the enrollment of nonbeneficiary students. Grants made pursuant to this section must be provided directly to the recipient college.

Subd. 3. **Grant application.** To receive a grant under this section, a tribally controlled college must submit an application in the manner required by the office. Upon submission of a completed application indicating that the tribally controlled college is eligible, the office shall distribute to the college, during each year of the biennium, a grant of \$5,300 for each nonbeneficiary student on a full-time equivalent basis. If the amount appropriated for grants under this section is insufficient to cover the total amount of grant eligibility, the office shall distribute a prorated amount per nonbeneficiary student on a full-time equivalent basis.

Subd. 4. **Reporting by recipient institutions.** Each tribally controlled college receiving a grant under this section shall provide to the office, on an annual basis, an accurate and detailed account of the expenditures of the grant funds received by the college, and a copy of the college's most recent audit report and documentation of the enrollment status and ethnic status of each nonbeneficiary student for which grant assistance is sought under this section.

History: 2013 c 99 art 2 s 11; 2014 c 149 s 33-35

PRIVATE COLLEGES

136A.18 LEGISLATIVE FINDING, DECLARATION, AND DIRECTIVE.

The legislature has found and hereby declares that private colleges in Minnesota have the capacity for educating significant numbers of Minnesota residents and that providing for the education of Minnesota residents in private colleges, rather than in state institutions of higher education, results in a savings of tax money. The Minnesota private colleges are encouraged to facilitate the education of significant numbers of Minnesota residents in private colleges located in Minnesota.

History: 1971 c 850 s 1; 1983 c 258 s 51

136A.19 [Repealed, 1983 c 258 s 72]

136A.20 [Repealed, 1983 c 258 s 72]

136A.21 [Repealed, 1983 c 258 s 72]

136A.22 [Repealed, 1983 c 258 s 72]

136A.225 [Repealed, 1989 c 293 s 85]

COLLEGE POWERS

136A.23 TRUSTEES OF INCORPORATED COLLEGES MAY PRESCRIBE COURSE OF STUDY; ANNUAL REPORT.

The trustees of any incorporated college or seminary, in addition to their other powers, may prescribe its course of study and discipline, grant such literary honors and degrees as are usually granted by similar institutions, and give suitable diplomas in evidence thereof. They may make all rules, ordinances, and bylaws necessary and proper to carry into effect its powers. They may require the treasurer and other officers and agents to give bonds. Every such college shall be subject to visitation and examination by the office, and shall annually report such information as the office deems necessary.

History: 1975 c 90 s 1; 1975 c 271 s 6; 1995 c 212 art 3 s 59

WORK-STUDY PROGRAMS

136A.231 EDUCATION; POSTSECONDARY STUDENTS; WORK-STUDY PROGRAMS.

The legislature has found and hereby declares that a state work-study program is in the best interests of the state in that such a program can (1) assist in meeting the financial needs of students (2) provide the opportunity for students to obtain valuable learning service experiences and (3) assist governmental and nonprofit service agencies by providing student assistance at low cost.

History: 1973 c 682 s 1; 1975 c 430 s 1

136A.232 ADMINISTRATION; AGREEMENTS WITH EDUCATIONAL FACILITIES.

The office shall develop and administer a work-study program. The office shall enter into agreements with institutions of postsecondary education.

History: 1973 c 682 s 2; 1975 c 271 s 6; 1975 c 430 s 2; 1995 c 212 art 3 s 59; 2005 c 107 art 2 s 60; 2014 c 149 s 36

136A.233 WORK-STUDY GRANTS.

Subdivision 1. **Allocation to institutions.** The office shall allocate work-study money to eligible postsecondary institutions according to the resident full-time equivalent enrollment of all eligible postsecondary 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 office, 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 office 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 postsecondary 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 postsecondary institution as determined by a postsecondary institution according to guidelines established by the office.

(d) "Eligible employer" means any eligible postsecondary institution, any nonprofit, nonsectarian agency or state institution located in the state of Minnesota, a disabled person or a person over 65 who employs a student to provide personal services in or about the person's residence, or a private, for-profit employer employing a student as an intern in a position directly related to the student's field of study that will enhance the student's knowledge and skills in that field.

(e) "Eligible postsecondary institution" means any postsecondary 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 under title IV of the Higher Education Act of 1965, as amended, 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.

Subd. 3. **Payments.** Work-study payments shall be made to eligible students by postsecondary institutions as provided in this subdivision.

(a) Students shall be selected for participation in the program by the postsecondary institution on the basis of student financial need.

(b) In selecting students for participation, priority must be given to students enrolled for at least 12 credits. In each academic year, a student may be awarded work-study payments for one period of nonenrollment or less than half-time enrollment if the student will enroll on at least a half-time basis during the following academic term.

(c) Students will be paid for hours actually worked and the maximum hourly rate of pay shall not exceed the maximum hourly rate of pay permitted under the federal college work-study program.

(d) Minimum pay rates will be determined by an applicable federal or state law.

(e) The office shall annually establish a minimum percentage rate of student compensation to be paid by an eligible employer.

(f) Each postsecondary institution receiving money for state work-study grants shall make a reasonable effort to place work-study students in employment with eligible employers outside the institution. However, a public employer other than the institution may not terminate, lay off, or reduce the working hours of a permanent employee for the purpose of hiring a work-study student, or replace a permanent employee who is on layoff from the same or substantially the same job by hiring a work-study student.

(g) The percent of the institution's work-study allocation provided to graduate students shall not exceed the percent of graduate student enrollment at the participating institution.

(h) An institution may use up to 30 percent of its allocation for student internships with private, for-profit employers.

Subd. 4. **Cooperation with local schools.** Each campus using the state work study program is encouraged to cooperate with its local public elementary and secondary schools to place college work study students in activities in the schools, such as tutoring. Students must be placed in meaningful activities that directly assist students in kindergarten through grade 12 in meeting graduation standards. College students shall work

under direct supervision; therefore, school hiring authorities are not required to request criminal background checks on these students under section 123B.03.

History: 1973 c 682 s 3; 1975 c 271 s 6; 1975 c 430 s 3; 1976 c 239 s 50; 1977 c 384 s 16; 1981 c 65 s 1; 1Sp1985 c 11 s 49; 1986 c 444; 1987 c 384 art 2 s 1; 1987 c 401 s 22,23; 1989 c 293 s 55; 1991 c 356 art 8 s 21; 1Sp1993 c 2 art 2 s 17; 1994 c 532 art 2 s 11,12; 1995 c 212 art 3 s 35,59; 1997 c 183 art 2 s 9-11; 1998 c 397 art 11 s 3; 2005 c 56 s 1; 2005 c 107 art 2 s 60; 2007 c 144 art 2 s 30; 2013 c 99 art 2 s 10; 2014 c 149 s 37-39

136A.234 [Repealed, 1Sp1993 c 2 art 2 s 26]

136A.235 [Repealed, 1983 c 15 s 33]

136A.236 [Repealed, 1983 c 258 s 72]

136A.237 [Repealed, 1983 c 258 s 72]

136A.241 [Renumbered 136G.01]

136A.242 Subdivision 1. [Renumbered 136G.03, subdivision 1]

Subd. 2. [Renumbered 136G.03, subd 4]

Subd. 3. [Renumbered 136G.03, subd 5]

Subd. 4. [Renumbered 136G.03, subd 6]

Subd. 5. [Renumbered 136G.03, subd 9]

Subd. 6. [Renumbered 136G.03, subd 15]

Subd. 7. [Renumbered 136G.03, subd 16]

Subd. 8. [Renumbered 136G.03, subd 23]

Subd. 9. [Renumbered 136G.03, subd 27]

136A.243 [Renumbered 136G.05]

136A.244 [Renumbered 136G.07]

136A.245 Subdivision 1. [Renumbered 136G.11, subdivision 1]

Subd. 2. [Renumbered 136G.11, subd 2]

Subd. 3. [Renumbered 136G.11, subd 5]

Subd. 4. [Renumbered 136G.11, subd 6]

Subd. 5. [Renumbered 136G.11, subd 7]

Subd. 6. [Renumbered 136G.11, subd 8]

136A.246 DUAL TRAINING COMPETENCY GRANTS.

Subdivision 1. **Program created.** The commissioner shall make grants for the training of employees to achieve the competency standard for an occupation identified by the commissioner of labor and industry

under section 175.45 and Laws 2014, chapter 312, article 3, section 21. An individual must, no later than the commencement of the training, be an employee of the employer seeking a grant to train that individual.

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

(b) "Competency standard" has the meaning given in section 175.45, subdivision 2.

(c) "Eligible training" means training provided by an eligible training provider that:

(1) includes training to meet one or more identified competency standards;

(2) is instructor-led for a majority of the training; and

(3) results in the employee receiving an industry-recognized degree, certificate, or credential.

(d) "Eligible training provider" means an institution:

(1) operated by the Board of Trustees of the Minnesota State Colleges and Universities or the Board of Regents of the University of Minnesota;

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

(3) exempt from the provisions of section 136A.822 to 136A.834 or 136A.61 to 136A.71 as approved by the office.

(e) "Industry-recognized degrees, certificates, or credentials" means:

(1) certificates, diplomas, or degrees issued by a postsecondary institution;

(2) registered apprenticeship certifications or certificates;

(3) occupational licenses or registrations;

(4) certifications issued by, or recognized by, industry or professional associations; and

(5) other certifications as approved by the commissioner.

Subd. 2. **Eligible grantees.** An employer or an organization representing the employer is eligible to apply for a grant to train employees if the employer has an employee who is in or is to be trained to be in an occupation for which a competency standard has been identified and the employee has not attained the competency standard prior to the commencement of the planned training. A grantee must have an agreement with an eligible training provider to provide eligible training prior to payment of the grant.

Subd. 3. **Eligible training provider.** The Office of Higher Education and the Department of Labor and Industry must cooperate in maintaining an inventory of degree, certificate, and credential programs that provide training to meet competency standards. The inventory must be posted on each agency's website with contact information for each program. The postings must be updated periodically.

Subd. 4. **Application.** Applications must be made to the commissioner on a form provided by the commissioner. The commissioner must, to the extent possible, make the application form as short and simple to complete as is reasonably possible. The commissioner shall establish a schedule for applications and grants. The application must include, without limitation:

(1) the projected number of employee trainees;

(2) the competency standard for which training will be provided;

(3) the credential the employee will receive upon completion of training;

(4) the name and address of the eligible training provider;

(5) the period of the training; and

(6) the cost of the training charged by the eligible training provider. The cost of training includes tuition, fees, and required books and materials.

An application may be made for training of employees of multiple employers either by the employers or by an organization on their behalf.

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

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

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

(2) the competency standards developed by the commissioner of labor and industry as part of the Minnesota PIPELINE Project;

(3) the per employee cost of training;

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

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

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

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

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

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

Subd. 7. Payment of grant. (a) The commissioner shall pay the grant to the employer after the employer presents satisfactory evidence to the commissioner that the employer has paid the eligible training provider.

(b) If an employer demonstrates that it is not able to pay for the training in advance, the commissioner shall make grant payments directly to the eligible training provider.

Subd. 8. Grant amounts. (a) The maximum grant for an application is \$150,000. A grant may not exceed \$6,000 per year for a maximum of four years per employee.

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

Subd. 9. **Reporting.** Commencing in 2017, the commissioner shall annually by February 1 report on the activity of the grant program for the preceding fiscal year to the chairs of the legislative committees with jurisdiction over workforce policy and finance. At a minimum, the report must include:

- (1) research and analysis on the costs and benefits of the grants for employees and employers;
- (2) the number of employees who commenced training and the number who completed training; and
- (3) recommendations, if any, for changes to the program.

Subd. 10. **Dual training account.** A dual training account is created in the special revenue fund in the state treasury. The commissioner shall deposit into the account appropriations made for the purposes of this section. Money in the account is appropriated to the commissioner for the purposes for which it was appropriated.

Subd. 11. **Administration expenses.** The commissioner may expend up to five percent of the appropriation made for the purposes of this section for administration of this section.

History: 2015 c 69 art 3 s 11; 2016 c 86 s 1; 2016 c 189 art 1 s 18,19; 1Sp2017 c 5 art 10 s 7; 1Sp2021 c 2 art 2 s 16-24

FACILITIES AUTHORITY

136A.25 CREATION.

A state agency known as the Minnesota Higher Education Facilities Authority is hereby created.

History: 1971 c 868 s 1

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 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.

Subd. 1a. **Private College Council member.** The president of the Minnesota Private College Council, or the president's designee, shall serve without compensation as an advisory, nonvoting member of the authority.

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 office, and the president of the Private College Council, shall be as provided in section 15.0575.

History: 1971 c 868 s 2; 1973 c 758 s 1; 1975 c 271 s 6; 1976 c 134 s 40; 1983 c 258 s 52; 1984 c 654 art 4 s 22; 1989 c 293 s 56; 1995 c 212 art 3 s 36,37; 2005 c 107 art 2 s 60; 2014 c 149 s 74

136A.27 POLICY.

It is hereby declared that for the benefit of the people of the state, the increase of their commerce, welfare and prosperity and the improvement of their health and living conditions it is essential that this and future generations of youth be given the fullest opportunity to learn and to develop their intellectual and mental capacities; that it is essential that institutions of higher education within the state be provided with appropriate additional means to assist such youth in achieving the required levels of learning and development of their intellectual and mental capacities and be enabled to refinance outstanding indebtedness incurred to provide existing facilities used for such purposes in order to preserve and enhance the utilization of facilities for purposes of higher education, to extend or adjust maturities in relation to the resources available for their payment, and to save interest costs and thereby reduce tuition, fees and charges; and that it is the purpose of sections 136A.25 to 136A.42 to provide a measure of assistance and an alternative method to enable institutions of higher education in the state to provide the facilities and structures which are sorely needed to accomplish the purposes of sections 136A.25 to 136A.42, all to the public benefit and good, to the extent and manner provided herein.

History: *1971 c 868 s 3; 1973 c 758 s 2*

136A.28 DEFINITIONS.

Subdivision 1. **Scope.** In sections 136A.25 to 136A.42, the following words and terms shall, unless the context otherwise requires, have the meanings ascribed to them.

Subd. 2. **Authority.** "Authority" means the Higher Education Facilities Authority created by sections 136A.25 to 136A.42.

Subd. 3. **Project.** "Project" means a structure or structures available for use as a dormitory or other student housing facility, a dining hall, student union, administration building, academic building, library, laboratory, research facility, classroom, athletic facility, health care facility, child care facility, and maintenance, storage, or utility facility and other structures or facilities related thereto or required or useful for the instruction of students or the conducting of research or the operation of an institution of higher education, whether proposed, under construction, or completed, including parking and other facilities or structures essential or convenient for the orderly conduct of such institution for higher education, and shall also include landscaping, site preparation, furniture, equipment and machinery, and other similar items necessary or convenient for the operation of a particular facility or structure in the manner for which its use is intended but shall not include such items as books, fuel, supplies, or other items the costs of which are customarily deemed to result in a current operating charge, and shall not include any facility used or to be used for sectarian instruction or as a place of religious worship nor any facility which is used or to be used primarily in connection with any part of the program of a school or department of divinity for any religious denomination.

Subd. 4. **Cost.** "Cost," as applied to a project or any portion thereof financed under the provisions of sections 136A.25 to 136A.42, means all or any part of the cost of construction, acquisition, alteration, enlargement, reconstruction and remodeling of a project including all lands, structures, real or personal property, rights, rights-of-way, franchises, easements and interests acquired or used for or in connection with a project, the cost of demolishing or removing any buildings or structures on land so acquired, including the cost of acquiring any lands to which such buildings or structures may be moved, the cost of all machinery and equipment, financing charges, interest prior to, during and for a period after completion of such construction and acquisition, provisions for reserves for principal and interest and for extensions, enlargements, additions and improvements, the cost of architectural, engineering, financial and legal services, plans,

specifications, studies, surveys, estimates of cost and of revenues, administrative expenses, expenses necessary or incident to determining the feasibility or practicability of constructing the project and such other expenses as may be necessary or incident to the construction and acquisition of the project, the financing of such construction and acquisition and the placing of the project in operation.

Subd. 5. **Bonds.** "Bonds," or "revenue bonds" means revenue bonds of the authority issued under the provisions of sections 136A.25 to 136A.42, including revenue refunding bonds, notwithstanding that the same may be secured by mortgage or the full faith and credit of a participating institution for higher education or any other lawfully pledged security of a participating institution for higher education.

Subd. 6. **Institution of higher education.** "Institution of higher education" means a nonprofit educational institution within the state authorized to provide a program of education beyond the high school level.

Subd. 7. **Participating institution of higher education.** "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: 1971 c 868 s 4; 1978 c 706 s 61; 1990 c 610 art 1 s 47,48; 1Sp1995 c 2 art 1 s 38

136A.29 POWERS; DUTIES.

Subdivision 1. **Purpose.** The purpose of the authority shall be to assist institutions of higher education in the construction, financing, and refinancing of projects. The exercise by the authority of the powers conferred by sections 136A.25 to 136A.42, shall be deemed and held to be the performance of an essential public function. For the purpose of sections 136A.25 to 136A.42, the authority shall have the powers and duties set forth in subdivisions 2 to 23.

Subd. 2. **Election of officers.** The authority shall annually elect one of its members as chair, one as vice-chair, and one as secretary, as well as elect additional officers deemed necessary by the authority.

Subd. 3. **Employees.** 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 office participate.

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

Subd. 5. **Rules.** The authority is authorized and empowered to adopt rules for the conduct of its business.

Subd. 6. **Projects; generally.** The authority is authorized and empowered to determine the location and character of any project to be financed under the provisions of sections 136A.25 to 136A.42, and to construct, reconstruct, remodel, maintain, manage, enlarge, alter, add to, repair, operate, lease, as lessee or lessor, and regulate the same, to enter into contracts for any or all of such purposes, to enter into contracts for the

management and operation of a project, and to designate a participating institution of higher education as its agent to determine the location and character of a project undertaken by such participating institution of higher education under the provisions of sections 136A.25 to 136A.42 and as the agent of the authority, to construct, reconstruct, remodel, maintain, manage, enlarge, alter, add to, repair, operate, lease, as lessee or lessor, and regulate the same, and as the agent of the authority, to enter into contracts for any or all of such purposes, including contracts for the management and operation of such project. Contracts of the authority or of a participating institution of higher education to acquire or to construct, reconstruct, remodel, maintain, enlarge, alter, add to, or repair projects shall not be subject to the provisions of chapter 16C or section 574.26, or any other public contract or competitive bid law.

Subd. 7. **Property.** The authority is authorized and empowered to acquire by gift or purchase and hold and mortgage real estate and interests therein and personal property to be used as a project or a part thereof.

Subd. 8. **Projects; other powers.** The authority is authorized and empowered to purchase, construct, reconstruct, enlarge, improve, furnish and equip and lease, sell, exchange, and otherwise dispose of projects or parts thereof.

Subd. 9. **Revenue bonds; limit.** The authority is authorized and empowered to issue revenue bonds whose aggregate principal amount at any time shall not exceed \$1,300,000,000 and to issue notes, bond anticipation notes, and revenue refunding bonds of the authority under the provisions of sections 136A.25 to 136A.42, to provide funds for acquiring, constructing, reconstructing, enlarging, remodeling, renovating, improving, furnishing, or equipping one or more projects or parts thereof.

Subd. 10. **Revenue bonds; issuance, purpose, conditions.** The authority is authorized and empowered to issue revenue bonds to acquire projects from or to make loans to participating institutions of higher education and thereby refinance outstanding indebtedness incurred by participating institutions of higher education to provide funds for the acquisition, construction or improvement of a facility before or after the enactment of sections 136A.25 to 136A.42, but otherwise eligible to be and being a project thereunder, whenever the authority finds that such refinancing will enhance or preserve such participating institutions and such facilities or utilization thereof for educational purposes or extend or adjust maturities to correspond to the resources available for their payment, or reduce the tuition, charges or fees imposed on students for the use of the facilities of such participating institutions of higher education or costs met by federal or state public funds, or enhance or preserve educational programs and research or the acquisition or improvement of other facilities eligible to be a project or part thereof by the participating institution of higher education. The amount of revenue bonds to be issued to refinance outstanding indebtedness of a participating institution of higher education shall not exceed the lesser of (a) the fair value of the project to be acquired by the authority from the institution or mortgaged to the authority by the institution or (b) the amount of the outstanding indebtedness including any premium thereon and any interest accrued or to accrue to the date of redemption and any legal, fiscal and related costs in connection with such refinancing and reasonable reserves, as determined by the authority. The provisions of this subdivision do not prohibit the authority from issuing revenue bonds within and charged against the limitations provided in subdivision 9 to provide funds for improvements, alteration, renovation, or extension of the project refinanced.

Subd. 11. **Contracts.** The authority is authorized and empowered to enter into contracts and execute all instruments necessary or appropriate to carry out the purposes of sections 136A.25 to 136A.42.

Subd. 12. **Rents, fees, and charges.** The authority is authorized and empowered generally, to fix and revise from time to time and charge and collect rates, rents, fees and charges for the use of and for the services furnished or to be furnished by a project or any portion thereof and to contract with any person, partnership, association or corporation or other body public or private in respect thereof.

Subd. 13. **Pledge.** The authority is authorized and empowered to pledge, assign, hypothecate, or otherwise encumber as security for the bonds, the rentals, revenues, and other income, charges, and moneys realized from the use, lease, sale, or other disposition of one or more projects or parts thereof as may be designated in the bond proceedings and enter into trust agreements or indentures of mortgage for the benefit of bondholders.

Subd. 14. **Rules for use of projects.** The authority is authorized and empowered to establish rules for the use of a project or any portion thereof and to designate a participating institution of higher education as its agent to establish rules for the use of a project undertaken for such participating institution of higher education.

Subd. 15. **Consultants.** The authority is authorized and empowered to employ consulting engineers, architects, attorneys, accountants, construction and financial experts, superintendents, managers, and such other employees and agents as may be necessary in its judgment, and to fix their compensation.

Subd. 16. **Acceptance of loans, grants, and aid.** The authority is authorized and empowered to receive and accept from any public agency loans or grants for or in aid of the acquisition, construction, or refinancing of a project or any portion thereof, and to receive and accept loans, grants, aid or contributions from any source of either money, property, labor or other things of value to be held, used and applied only for the purposes for which such loans, grants, aid and contributions are made.

Subd. 17. **Agreements with units of government.** The authority is authorized and empowered to enter into appropriate arrangements with any federal or state department or agency, county, township, municipal corporation, or other political subdivision, taxing district, or public body or agency for the planning and installation of streets, roads, alleys, water supply and distribution facilities, storm and sanitary sewage collection and disposal facilities, and other necessary appurtenances to a project.

Subd. 18. **Insurance.** The authority is authorized and empowered to purchase fire and extended coverage and liability insurance for a project, and any other insurance the authority may agree to provide under the bond proceedings. The authority is not a municipality subject to the provisions of sections 466.01 to 466.15.

Subd. 19. **Surety.** Before the issuance of any revenue bonds under the provisions of sections 136A.25 to 136A.42, any member or officer of the authority authorized by resolution of the authority to handle funds or sign checks of the authority shall be covered under a surety or fidelity bond in an amount to be determined by the authority. Each such bond shall be conditioned upon the faithful performance of the duties of the office of the member or officer, shall be executed by a surety company authorized to transact business in the state of Minnesota as surety. The cost of each such bond shall be paid by the authority.

Subd. 20. **Sale, lease, and disposal of property.** The authority is authorized and empowered to sell, lease, release or otherwise dispose of real and personal property or interests therein, or a combination thereof, acquired by the authority under authority of sections 136A.25 to 136A.42 and no longer needed for the purposes of such chapter or of the authority, and grant such easements and other rights in, over, under, or across a project as will not interfere with its use of such property. Such sale, lease, release, disposition, or grant may be made without competitive bidding and in such manner for such consideration as the authority in its judgment deems appropriate.

Subd. 21. **Loans.** The authority is authorized and empowered to make loans to any participating institution of higher education for the cost of a project in accordance with an agreement between the authority and the participating institution of higher education; provided that no such loan shall exceed the total cost of the project as determined by the participating institution of higher education and approved by the authority.

Subd. 22. **Costs, expenses, and other charges.** The authority is authorized and empowered to charge to and apportion among participating institutions of higher education its administrative costs and expenses incurred in the exercise of the powers and duties conferred by sections 136A.25 to 136A.42.

Subd. 23. **Other powers.** The authority is authorized and empowered to do all things necessary or convenient to carry out the purposes of sections 136A.25 to 136A.42.

History: 1971 c 868 s 5; 1973 c 758 s 3; 1975 c 271 s 6; 1978 c 793 s 63; 1983 c 258 s 53,54; 1984 c 544 s 89; 1985 c 248 s 70; 1986 c 444; 1989 c 293 s 57; 1992 c 513 art 1 s 16; 1992 c 545 art 1 s 1; 1995 c 212 art 3 s 59; 1997 c 183 art 3 s 18; 1998 c 386 art 2 s 44; 2000 c 260 s 20; 2000 c 386 s 1; 2003 c 133 art 2 s 16; 2005 c 107 art 2 s 60; 2007 c 144 art 2 s 31; 2010 c 215 art 2 s 9; 2014 c 149 s 74

136A.30 SOURCE OF PAYMENT OF EXPENSES.

All expenses incurred in carrying out the provisions of sections 136A.25 to 136A.42, shall be payable solely from funds provided under the authority of sections 136A.25 to 136A.42, and no liability shall be incurred by the authority hereunder beyond the extent to which money shall have been provided under the provisions of sections 136A.25 to 136A.42.

History: 1971 c 868 s 6

136A.31 NOTES OF THE AUTHORITY.

The authority may from time to time issue negotiable notes for the purpose of sections 136A.25 to 136A.42, and may from time to time renew any notes by the issuance of new notes, whether the notes to be renewed have or have not matured. The authority may issue notes partly to renew notes or to discharge other obligations then outstanding and partly for any other purpose. The notes may be authorized, sold, executed and delivered in the same manner as bonds. Any resolution or resolutions authorizing notes of the authority or any issue thereof may contain any provisions which the authority is authorized to include in any resolution or resolutions authorizing revenue bonds of the authority or any issue thereof, and the authority may include in any notes any terms, covenants or conditions which it is authorized to include in any bonds. All such notes shall be payable solely from the revenue of the authority, subject only to any contractual rights of the holders of any of its notes or other obligations then outstanding.

History: 1971 c 868 s 7

136A.32 BONDS OF THE AUTHORITY.

Subdivision 1. **Bonds; generally.** The authority may from time to time issue revenue bonds for purposes of sections 136A.25 to 136A.42, and all such revenue bonds, notes, bond anticipation notes or other obligations of the authority issued pursuant to sections 136A.25 to 136A.42 shall be and are hereby declared to be negotiable for all purposes notwithstanding their payment from a limited source and without regard to any other law or laws. In anticipation of the sale of such revenue bonds, the authority may issue negotiable bond anticipation notes and may renew the same from time to time, but the maximum maturity of any such note, including renewals thereof, shall not exceed five years from the date of issue of the original note. Such notes shall be paid from any revenues of the authority available therefor and not otherwise pledged, or from the proceeds of sale of the revenue bonds of the authority in anticipation of which they were issued. The notes shall be issued in the same manner as the revenue bonds. Such notes and the resolution or resolutions authorizing the same may contain any provisions, conditions or limitations which a bond resolution or the authority may contain.

Subd. 2. Payment of bonds and notes. The revenue bonds and notes of every issue shall be payable solely out of revenues of the authority, subject only to any agreements with the holders of particular revenue bonds or notes pledging any particular revenues. Notwithstanding that revenue bonds and notes may be payable from a special fund, they shall be and be deemed to be, for all purposes, negotiable instruments, subject only to the provisions of the revenue bonds.

Subd. 3. Issuance, conditions, sale. The revenue bonds may be issued as serial bonds or as term bonds, or the authority, in its discretion, may issue bonds of both types. The revenue bonds shall be authorized by resolution of the members of the authority and shall bear such date or dates, mature at such time or times, not exceeding 50 years from their respective dates, bear interest at such rate or rates, payable at such time or times, be in denominations, be in such form, either coupon or registered, carry such registration privileges, be executed in such manner, be payable in lawful money of the United States of America at such place or places, and be subject to such terms of redemption, as such resolution or resolutions may provide. The revenue bonds or notes may be sold at public or private sale for such price or prices as the authority shall determine. Pending preparation of the definitive bonds, the authority may issue interim receipts or certificates which shall be exchanged for such definite bonds. Bonds or notes may be executed by the manual or facsimile signatures of two officers of the authority, and the facsimile of any seal adopted by the authority may be imprinted thereon, so long as the signature of either one such officer is a manual signature or as the bonds are authenticated by the manual signature of an authorized officer of a corporate trustee appointed to authenticate the bonds under a trust agreement with the authority.

Subd. 4. Provisions of resolution authorizing bonds. Any resolution or resolutions authorizing any revenue bonds or any issue of revenue bonds may contain provisions, which shall be a part of the contract with the holders of the revenue bonds to be authorized, as to:

(1) pledging all or any part of the revenues of a project or projects, any revenue producing contract or contracts made by the authority with any individual partnership, corporation or association or other body, public or private, to secure the payment of the revenue bonds or of any particular issue of revenue bonds, subject to such agreements with bondholders as may then exist;

(2) the rentals, fees and other charges to be charged, and the amounts to be raised in each year thereby, and the use and disposition of the revenues;

(3) the setting aside of reserves or sinking funds, and the regulation and disposition thereof;

(4) limitations on the right of the authority or its agent to restrict and regulate the use of the project;

(5) limitations on the purpose to which the proceeds of sale of any issue of revenue bonds then or thereafter to be issued may be applied and pledging such proceeds to secure the payment of the revenue bonds or any issue of the revenue bonds;

(6) limitations on the issuance of additional bonds, the terms upon which additional bonds may be issued and secured and the refunding of outstanding bonds;

(7) the procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds the holders of which must consent thereto, and the manner in which such consent may be given;

(8) limitations on the amount of moneys derived from the project to be expended for operating, administrative or other expenses of the authority;

(9) defining the acts or omissions to act which shall constitute a default in the duties of the authority to holders of its obligations and providing the rights and remedies of such holders in the event of a default;

(10) the mortgaging of a project and the site thereof for the purpose of securing the bondholders.

Subd. 5. **Liability.** Neither the members of the authority nor any person executing the revenue bonds or notes shall be liable personally on the revenue bonds or notes or be subject to any personal liability or accountability by reason of the issuance thereof.

Subd. 6. **Other powers.** The authority shall have power out of any funds available therefor to purchase its bonds or notes. The authority may hold, pledge, cancel or resell such bonds, subject to and in accordance with agreements with bondholders.

Subd. 7. **Investment.** The authority may invest any bond proceeds, sinking funds or reserves in any securities authorized for investment of funds of municipalities pursuant to sections 118A.04 and 118A.05, including securities described in section 475.67, subdivision 8. In addition, such bond proceeds, sinking funds and reserves may be:

(1) deposited in time deposits of any state or national bank subject to the limitations and requirements of chapter 118A; or

(2) invested in repurchase agreements with, providing for the repurchase of securities described in the preceding sentence by, a bank qualified as a depository of money of the authority, a national or state bank in the United States that is a member of the Federal Reserve System and whose combined capital and surplus equals or exceeds \$10,000,000, or a reporting dealer to the Federal Reserve Bank of New York. Power to make any such investment or deposit is subject to the provisions of any applicable covenant or restriction in a resolution or trust agreement of the authority.

History: 1971 c 868 s 8; 1973 c 758 s 4,5; 1984 c 654 art 4 s 23; 1996 c 399 art 2 s 3; 1997 c 219 s 2

136A.33 TRUST AGREEMENT.

In the discretion of the authority any revenue bonds issued under the provisions of sections 136A.25 to 136A.42, may be secured by a trust agreement by and between the authority and a corporate trustee or trustees, which may be any trust company or bank having the powers of a trust company within the state. Such trust agreement or the resolution providing for the issuance of such revenue bonds may pledge or assign the revenues to be received or proceeds of any contract or contracts pledged and may convey or mortgage the project or any portion thereof. Such trust agreement or resolution providing for the issuance of such revenue bonds may contain such provisions for protecting and enforcing the rights and remedies of the bondholders as may be reasonable and proper and not in violation of laws, including particularly such provisions as have hereinabove been specifically authorized to be included in any resolution or resolutions of the authority authorizing revenue bonds thereof. Any bank or trust company incorporated under the laws of the state which may act as depository of the proceeds of bonds or of revenues or other moneys may furnish such indemnifying bonds or pledges such securities as may be required by the authority. Any such trust agreement may set forth the rights and remedies of the bondholders and of the trustee or trustees and may restrict the individual right of action by bondholders. In addition to the foregoing, any such trust agreement or resolution may contain such other provisions as the authority may deem reasonable and proper for the security of the bondholders. All expenses incurred in carrying out the provisions of such trust agreement or resolution may be treated as a part of the cost of the operation of a project.

History: 1971 c 868 s 9

136A.34 REVENUE REFUNDING BONDS.

Subdivision 1. **Bonds; generally.** The authority is hereby authorized to provide for the issuance of revenue bonds of the authority for the purpose of refunding any revenue bonds of the authority then outstanding, including the payment of any redemption premium thereon and any interest accrued or to accrue to the earliest or any subsequent date of redemption, purchase or maturity of such revenue bonds, and, if deemed advisable by the authority, for the additional purpose of paying all or any part of the cost of constructing and acquiring additions, improvements, extensions or enlargements of a project or any portion thereof.

Subd. 2. **Proceeds.** The proceeds of any such revenue bonds issued for the purpose of refunding outstanding revenue bonds may, in the discretion of the authority, be applied to the purchase or retirement at maturity or redemption of such outstanding revenue bonds either on their earliest or any subsequent redemption date or upon the purchase or at the maturity thereof and may, pending such application be placed in escrow to such purchase or retirement at maturity or redemption on such date as may be determined by the authority.

Subd. 3. **Investment.** Any such escrowed proceeds, pending such use, may be invested and reinvested in direct obligations of the United States of America, or in certificates of deposit or time deposits secured by direct obligations of the United States of America, maturing at such time or times as shall be appropriate to assure the prompt payment, as to principal, interest and redemption premium, if any, of the outstanding revenue bonds to be so refunded. The interest, income and profits, if any, earned or realized on any such investment may also be applied to the payment of the outstanding revenue bonds to be so refunded. After the terms of the escrow have been fully satisfied and carried out, any balance of such proceeds and interest, income and profits, if any, earned or realized on the investments thereof may be returned to the authority for use by it in any lawful manner.

Subd. 4. **Additional purpose; improvements.** The portion of the proceeds of any such revenue bonds issued for the additional purpose of paying all or any part of the cost of constructing and acquiring additions, improvements, extensions or enlargements of a project may be invested or deposited in time deposits as provided in section 136A.32, subdivision 7.

Subd. 5. **Relation to other laws.** All such revenue bonds shall be subject to the provisions of sections 136A.25 to 136A.42, in the same manner and to the same extent as other revenue bonds issued pursuant to sections 136A.25 to 136A.42.

History: 1971 c 868 s 10; 1973 c 758 s 6

136A.35 BONDS ARE NOT STATE OBLIGATION.

Bonds issued under authority of sections 136A.25 to 136A.42 do not, and shall state that they do not, represent or constitute a debt or pledge of the faith and credit of the state, grant to the owners or holders thereof any right to have the state levy any taxes or appropriate any funds for the payment of the principal thereof or interest thereon. Such bonds are payable and shall state that they are payable solely from the rentals, revenues, and other income, charges, and moneys as are pledged for their payment in accordance with the bond proceedings. The legislature intends not to appropriate money from the general fund to pay for these bonds.

History: 1971 c 868 s 11; 1990 c 610 art 2 s 5

136A.36 REVENUES.

The authority may fix, revise, charge and collect rates, rents, fees and charges for the use of and for the services furnished or to be furnished by each project and to contract with any person, partnership, association or corporation, or other body, public or private, in respect thereof. Such rates, rents, fees and charges shall be fixed and adjusted in respect of the aggregate of rates, rents, fees and charges from such project so as to provide funds sufficient with other revenues, if any:

(1) to pay the cost of maintaining, repairing and operating the project and each and every portion thereof, to the extent that the payment of such cost has not otherwise been adequately provided for;

(2) to pay the principal of and the interest on outstanding revenue bonds of the authority issued in respect of such project as the same shall become due and payable; and

(3) to create and maintain reserves required or provided for in any resolution authorizing, or trust agreement securing, such revenue bonds of the authority. Such rates, rents, fees and charges shall not be subject to supervision or regulation by any department, commission, board, body, bureau or agency of this state other than the authority. A sufficient amount of the revenues derived in respect of a project, except such part of such revenues as may be necessary to pay the cost of maintenance, repair and operation and to provide reserves and for renewals, replacements, extensions, enlargements and improvements as may be provided for in the resolution authorizing the issuance of any revenue bonds of the authority or in the trust agreement securing the same, shall be set aside at such regular intervals as may be provided in such resolution or trust agreement in a sinking or other similar fund which is hereby pledged to, and charged with, the payment of the principal of and the interest on such revenue bonds as the same shall become due, and the redemption price or the purchase price of bonds retired by call or purchase as therein provided. Such pledge shall be valid and binding from the time when the pledge is made; the rates, rents, fees and charges and other revenues or other moneys so pledged and thereafter received by the authority shall immediately be subject to the lien of such pledge without physical delivery thereof or further act, and the lien of any such pledge shall be valid and binding as against all parties having claims of any kind against the authority, irrespective of whether such parties have notice thereof. Neither the resolution nor any trust agreement by which a pledge is created need be filed or recorded except in the records of the authority. The use and disposition of moneys to the credit of such sinking or other similar fund shall be subject to the provisions of the resolution authorizing the issuance of such bonds or of such trust agreement. Except as may otherwise be provided in such resolution or such trust agreement, such sinking or other similar fund shall be a fund for all such revenue bonds issued to finance a project or projects at one or more participating institutions of higher education without distinction or priority of one over another; provided the authority in any such resolution or trust agreement may provide that such sinking or other similar fund shall be the fund for a particular project at an institution of higher education and for the revenue bonds issued to finance a particular project and may, additionally, permit and provide for the issuance of revenue bonds having a subordinate lien in respect of the security herein authorized to other revenue bonds of the authority and, in such case, the authority may create separate or other similar funds in respect of such subordinate lien bonds.

History: 1971 c 868 s 12

136A.37 REMEDIES OF BONDHOLDERS AND TRUSTEES.

Any holder of revenue bonds issued under the provisions of sections 136A.25 to 136A.42, or any of the coupons appertaining thereto, and the trustee or trustees under any trust agreement, except to the extent the rights herein given may be restricted by any resolution authorizing the issuance of, or any such trust agreement securing, such bonds, may, either at law or in equity, by suit, action, mandamus, or other proceedings, protect

and enforce any and all rights under the laws of the state or granted hereunder or under such resolution or trust agreement, and may enforce and compel the performance of all duties required by sections 136A.25 to 136A.42, or by such resolution or trust agreement to be performed by the authority or by any officer, employee or agent thereof, including the fixing, charging and collecting of the rates, rents, fees and charges herein authorized and required by the provisions of such resolution or trust agreement to be fixed, established and collected.

History: *1971 c 868 s 13*

136A.38 BONDS ELIGIBLE FOR INVESTMENT.

Bonds issued by authority under the provisions of sections 136A.25 to 136A.42, are hereby made securities in which all public officers and public bodies of the state and its political subdivisions, all insurance companies, trust companies, banking associations, investment companies, executors, administrators, trustees and other fiduciaries may properly and legally invest funds, including capital in their control or belonging to them; it being the purpose of this section to authorize the investment in such bonds of all sinking, insurance, retirement, compensation, pension and trust funds, whether owned or controlled by private or public persons or officers; provided, however, that nothing contained in this section may be construed as relieving any person, firm, or corporation from any duty of exercising due care in selecting securities for purchase or investment; and provide further, that in no event shall assets of pension funds of public employees of the state of Minnesota or any of its agencies, boards or subdivisions, whether publicly or privately administered, be invested in bonds issued under the provisions of sections 136A.25 to 136A.42. Such bonds are hereby constituted "authorized securities" within the meaning and for the purposes of Minnesota Statutes 1969, section 50.14. Such bonds are hereby made securities which may properly and legally be deposited with and received by any state or municipal officer or any agency or political subdivision of the state for any purpose for which the deposit of bonds or obligations of the state now or may hereafter be authorized by law.

History: *1971 c 868 s 14*

136A.39 EXEMPTION FROM TAXES AND OTHER RESTRICTIONS.

The exercise of the powers granted by sections 136A.25 to 136A.42, will be in all respects for the benefit of the people of this state, for the increase of their commerce, welfare and prosperity, and for the improvement of their health and living conditions, and as the operation and maintenance of a project by the authority or its agent will constitute the performance of an essential public function, neither the authority nor its agent shall be required to pay any taxes or assessments upon or in respect of a project or any property acquired or used by the authority or its agent under the provisions of sections 136A.25 to 136A.42, or upon the income therefrom.

History: *1971 c 868 s 15; 1983 c 213 s 8*

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 16C. The authority shall not be subject to the provisions of chapter 14, including section 14.386 in connection with the adoption of any rules, rents, fees or charges or with the exercise of any other powers or duties.

History: *1971 c 868 s 16; 1973 c 758 s 7; 1982 c 424 s 130; 1985 c 248 s 70; 1995 c 186 s 41; 1995 c 233 art 2 s 56; 1997 c 187 art 5 s 18; 1998 c 386 art 2 s 45*

136A.41 CONFLICT OF INTEREST.

Notwithstanding any other law to the contrary it shall not be or constitute a conflict of interest for a trustee, director, officer or employee of any participating institution of higher education, financial institution, investment banking firm, brokerage firm, commercial bank or trust company, architecture firm, insurance company, construction company, or any other firm, person or corporation to serve as a member of the authority, provided such trustee, director, officer or employee shall abstain from deliberation, action and vote by the authority in each instance where the business affiliation of any such trustee, director, officer or employee is involved.

History: *1971 c 868 s 17; 1973 c 758 s 8*

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 office.

History: *1971 c 868 s 18; 1975 c 271 s 6; 1983 c 258 s 55; 1995 c 212 art 3 s 38; 2005 c 107 art 2 s 60; 2014 c 149 s 74*

136A.51 [Repealed, 1989 c 293 s 85]

136A.52 [Repealed, 1989 c 293 s 85]

136A.53 [Repealed, 1989 c 293 s 85]

136A.55 [Repealed, 1989 c 293 s 85]

**MINNESOTA PRIVATE AND OUT-OF-STATE PUBLIC
POSTSECONDARY EDUCATION ACT****136A.61 POLICY.**

The legislature has found and hereby declares that the availability of legitimate courses and programs leading to academic degrees offered by responsible private nonprofit and for-profit institutions of postsecondary education and the existence of legitimate private colleges and universities are in the best interests of the people of this state. The legislature has found and declares that the state can provide assistance and protection for persons choosing private institutions and programs, by establishing policies and procedures to assure the authenticity and legitimacy of private postsecondary education institutions and programs. The legislature has also found and declares that this same policy applies to any private and public postsecondary educational institution located in another state or country which offers or makes available to a Minnesota resident any course, program or educational activity which does not require the leaving of the state for its completion.

History: *1975 c 201 s 1; 1978 c 603 s 1; 2007 c 144 art 3 s 1; 2015 c 69 art 2 s 11*

136A.615 CITATION.

Sections 136A.61 to 136A.71 may be cited as the "Minnesota Private and Out-of-State Public Postsecondary Education Act."

History: *2007 c 144 art 3 s 2*

136A.62 DEFINITIONS.

Subdivision 1. **Words, terms, and phrases.** The following words, terms, and phrases shall have the meanings ascribed to them in this section for the purposes of sections 136A.61 to 136A.71.

Subd. 2. [Repealed, 2014 c 149 s 75]

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

(1) any partnership, company, firm, society, trust, association, corporation, or any combination thereof, which (i) is, owns, or operates a private, nonprofit postsecondary education institution; (ii) is, owns, or operates a private, for-profit postsecondary education institution; or (iii) provides a postsecondary instructional program or course leading to a degree whether or not for profit;

(2) any public or private postsecondary educational institution located in another state or country which offers or makes available to a Minnesota resident any course, program or educational activity which does not require the leaving of the state for its completion; or

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

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.

Subd. 6. **Online platform service.** An online platform service is a nondegree granting entity that provides online access to schools as defined in subdivision 3, to enable the schools to offer online training, courses, or programs.

Subd. 7. **Entity.** "Entity" means a specific school or campus location.

History: 1975 c 201 s 2; 1975 c 271 s 6; 1978 c 603 s 2; 1985 c 248 s 70; 1995 c 212 art 3 s 39,59; 2005 c 107 art 2 s 60; 2007 c 144 art 3 s 3; 2010 c 364 s 15; 2013 c 99 art 2 s 12; 2017 c 89 art 3 s 4

136A.63 REGISTRATION.

Subdivision 1. **Annual registration.** All schools located within Minnesota and all schools located outside Minnesota which offer degree programs or courses within Minnesota shall register annually with the office.

Subd. 2. **Sale of an institution.** Within 30 days of a change of its ownership a school must submit a registration renewal application, all usual and ordinary information and materials for an initial registration, and applicable registration fees for a new institution. For purposes of this subdivision, "change of ownership" means a merger or consolidation with a corporation; a sale, lease, exchange, or other disposition of all or

substantially all of the assets of a school; the transfer of a controlling interest of at least 51 percent of the school's stock; the school enters receivership; or a change in the nonprofit or for-profit status of a school.

History: 1975 c 201 s 3; 1975 c 271 s 6; 1978 c 603 s 3; 1995 c 212 art 3 s 59; 2007 c 144 art 3 s 4; 2015 c 69 art 2 s 12; 1Sp2021 c 2 art 2 s 25

136A.64 INFORMATION REQUIRED FOR REGISTRATION.

Subdivision 1. **Schools to provide information.** 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 the following which shall be accompanied by an affidavit attesting to its accuracy and truthfulness:

- (1) articles of incorporation, constitution, bylaws, or other operating documents;
- (2) a duly adopted statement of the school's mission and goals;
- (3) evidence of current school or program licenses granted by departments or agencies of any state;
- (4) compliance audits and audited financial statements that meet the requirements of Code of Federal Regulations, title 34, section 668.23; United States Code, title 20, chapter 28, section 1094; Code of Federal Regulations, title 2, subpart A, part 200, subpart F, under 200.501 and 200.503; and United States Code, title 31, chapter 75;
- (5) all current promotional and recruitment materials and advertisements; and
- (6) the current school catalog and, if not contained in the catalog:
 - (i) the members of the board of trustees or directors, if any;
 - (ii) the current institutional officers;
 - (iii) current full-time and part-time faculty with degrees held or applicable experience;
 - (iv) a description of all school facilities;
 - (v) a description of all current course offerings;
 - (vi) all requirements for satisfactory completion of courses, programs, and degrees;
 - (vii) the school's policy about freedom or limitation of expression and inquiry;
 - (viii) a current schedule of fees, charges for tuition, required supplies, student activities, housing, and all other standard charges;
 - (ix) the school's policy about refunds and adjustments;
 - (x) the school's policy about granting credit for prior education, training, and experience;
 - (xi) the school's policies about student admission, evaluation, suspension, and dismissal; and
 - (xii) the school's disclosure to students on the student complaint process under section 136A.672.

Subd. 2. **Financial records.** The office shall not disclose financial records or accreditation reports 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.

Subd. 3. **Additional information.** If the office is unable to determine the nature and activities of a school on the basis of the information in subdivision 1, the office shall notify the school of additional information needed.

Subd. 4. **Verification of information.** The office may verify the accuracy of submitted information by inspection, visitation, or any other means it considers necessary.

Subd. 5. **Public information.** All information submitted to the office is public information except financial records, student complaint data, and accreditation records and reports. Except for accreditation reports, the office may disclose any records or information submitted to the office:

- (1) to law enforcement officials; or
- (2) in connection with a legal or administrative proceeding to:
 - (i) defend its decision to approve or disapprove granting of degrees or the use of a name;
 - (ii) defend its decision to revoke the institution's approval; or
 - (iii) enforce a requirement of law.

Subd. 6. **Late registration penalty.** Applications for renewal for any registration received after the deadline date specified in the renewal materials provided by the office are subject to a late fee equal to 20 percent of the annual registration renewal fee.

Subd. 7. **Out-of-state expenses.** A school shall reimburse the office for actual costs associated with a site evaluation visit outside Minnesota if the visit is necessary under subdivision 1 or 3.

Subd. 8. **Disclosure.** Schools must disclose on their website, student handbook, and student catalog the student complaint process under section 136A.672 to students.

History: 1975 c 201 s 4; 1975 c 271 s 6; 1978 c 603 s 4; 1982 c 424 s 130; 1995 c 212 art 3 s 59; 2007 c 144 art 3 s 5; 2019 c 64 art 2 s 22-24; 2020 c 109 art 3 s 2

136A.645 SCHOOL CLOSURE.

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

- (1) a notice of closure, including the name of the school, the name of the school owner, an active mailing address and telephone number that the school owner may be reached at after the school physically closes, the name of the school director, and the planned date for termination of postsecondary operations;
- (2) a report of all students currently enrolled and all students enrolled within the prior 120 days, including the following information for each student: name, address, school email address, alternate email address, program of study, number of credits completed, number of credits remaining, and enrollment status at closure;
- (3) a report of refunds due to any student and the amount due;
- (4) a written statement from the school's owner or designee affirming that all recruitment efforts, school marketing, advertisement, solicitation, and enrollment of new students has ceased;

(5) a copy of any communication between the school's accreditors about the school closure;

(6) confirmation that the requirements for student records under section 136A.68 have been satisfied, including:

(i) the planned date for the transfer of the student records;

(ii) confirmation of the name and address of the organization to receive and hold the student records; and

(iii) the official at the organization receiving the student records who is designated to provide official copies of records or transcripts upon request;

(7) academic information, including the school's most recent catalog, all course syllabi, and faculty credential information; and

(8) copies of any teach-out, transfer, or train-out agreement between the school and a new school for students to be able to complete their studies. A teach-out fulfills the original contract or agreement between the closing school and the student. If a teach-out is arranged for another approved school to do the remaining occupational training, that other school must (i) provide comparable education and training and (ii) agree that students transferring from the closing school pay only what the cost of tuition and fees remain unpaid according to the terms and conditions in the enrollment agreement entered into between the student and the closing school.

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

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

(2) announces it is closed or closing;

(3) files for bankruptcy; or

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

(c) When a school is deemed to have ceased operations, the office shall provide the school a reasonable time to correct student records and grant credentials. After that time, the office must revoke the school's registration. This revocation is not appealable under section 136A.65, subdivision 8.

History: 2007 c 144 art 3 s 6; 2010 c 364 s 16; 2019 c 64 art 2 s 25; 1Sp2021 c 2 art 2 s 26

136A.646 ADDITIONAL SECURITY.

(a) New institutions that have been granted conditional approval for degrees or names to allow them the opportunity to apply for and receive accreditation under section 136A.65, subdivision 7, shall provide a surety bond in a sum equal to ten percent of the net revenue from tuition and fees in the registered institution's prior fiscal year, but in no case shall the bond be less than \$10,000.

(b) Any registered institution that is notified by the United States Department of Education that it has fallen below minimum financial standards and that its continued participation in Title IV will be conditioned upon its satisfying either the Zone Alternative, Code of Federal Regulations, title 34, section 668.175, paragraph (f), or a Letter of Credit Alternative, Code of Federal Regulations, title 34, section 668.175, paragraph (c), shall provide a surety bond in a sum equal to the "letter of credit" required by the United

States Department of Education in the Letter of Credit Alternative, but in no event shall such bond be less than \$10,000 nor more than \$250,000. If the letter of credit required by the United States Department of Education is higher than ten percent of the Title IV, Higher Education Act program funds received by the institution during its most recently completed fiscal year, the office shall reduce the office's surety requirement to represent ten percent of the Title IV, Higher Education Act program funds received by the institution during its most recently completed fiscal year, subject to the minimum and maximum in this paragraph.

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

- (1) a sum equal to the amount of the required surety bond in cash;
- (2) securities, as may be legally purchased by savings banks or for trust funds, in an aggregate market value equal to the amount of the required surety bond; or
- (3) an irrevocable letter of credit issued by a financial institution to the amount of the required surety bond.

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

(e) In the event of a school closure, the additional security must first be used to destroy any private educational data under section 13.32 left at a physical campus in Minnesota after all other governmental agencies have recovered or retrieved records under their record retention policies. Any remaining funds must then be used to reimburse tuition and fee costs to students that were enrolled at the time of the closure or had withdrawn in the previous 120 calendar days but did not graduate. Priority for refunds will be given to students in the following order:

- (1) cash payments made by the student or on behalf of a student;
- (2) private student loans; and
- (3) Veteran Administration education benefits that are not restored by the Veteran Administration. If there are additional security funds remaining, the additional security funds may be used to cover any administrative costs incurred by the office related to the closure of the school.

History: 2007 c 144 art 3 s 7; 2010 c 364 s 17; 2013 c 99 art 2 s 13; 2017 c 89 art 3 s 5; 2019 c 64 art 2 s 26; 2020 c 109 art 3 s 3

136A.65 APPROVAL OF DEGREES AND NAME.

Subdivision 1. **Prohibition.** No school subject to registration shall grant a degree unless such degree and its underlying curriculum are approved by the office, nor shall any school subject to registration use the name "college" or "university" in its name without approval by the office.

Subd. 1a. **Accreditation; requirement.** (a) A school must not be registered unless the school has institutional accreditation by an agency recognized by the United States Department of Education for purposes of eligibility to participate in Title IV federal financial aid programs. Any registered school undergoing institutional accreditation shall inform the office of site visits by the accrediting agency and provide office staff the opportunity to attend the visits, excluding any exit interviews. The institution must provide the office with a copy of the final report upon request of the office.

(b) A school must not be authorized to offer any degree unless the program has programmatic accreditation or the school has institutional accreditation by an agency recognized by the United States Department of

Education for purposes of eligibility to participate in Title IV federal financial aid programs. Any program offered by a registered school that does not have institutional accreditation and is undergoing programmatic accreditation shall inform the office of site visits by the accrediting agency and provide office staff the opportunity to attend the visits, excluding any exit interviews. The school must provide the office with a copy of the final report by the accreditor upon request of the office.

Subd. 2. **Procedures.** 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. **Application.** A school subject to registration shall be granted approval to use the term "college" or "university" in its name if it was organized, operating, and using such term in its name on or before August 1, 2007, and if it meets the other policies and standards for approval established by the office.

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

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

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

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

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

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

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

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

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

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

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

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

(iii) current schedules of fees, charges for tuition, required supplies, student activities, housing, and all other standard charges;

- (iv) policies regarding refunds and adjustments for withdrawal or modification of enrollment status; and
- (v) procedures and standards used for selection of recipients and the terms of payment and repayment for any financial aid program;

(10) the school must not withhold a student's official transcript because the student is in arrears or in default on any loan issued by the school to the student if the loan qualifies as an institutional loan under United States Code, title 11, section 523(a)(8)(b); and

(11) the school has a process to receive and act on student complaints.

(b) An application for degree approval must also include:

- (i) title of degree and formal recognition awarded;
- (ii) location where such degree will be offered;
- (iii) proposed implementation date of the degree;
- (iv) admissions requirements for the degree;
- (v) length of the degree;
- (vi) projected enrollment for a period of five years;
- (vii) the curriculum required for the degree, including course syllabi or outlines;
- (viii) statement of academic and administrative mechanisms planned for monitoring the quality of the proposed degree;
- (ix) statement of satisfaction of professional licensure criteria, if applicable;
- (x) documentation of the availability of clinical, internship, externship, or practicum sites, if applicable; and
- (xi) statement of how the degree fulfills the institution's mission and goals, complements existing degrees, and contributes to the school's viability.

Subd. 5. Requirements for degree and nondegree program approval. For each degree and nondegree program a school offers to a student, where the student does not leave Minnesota for the major portion of the program or course leading to the degree or nondegree award, the school must have:

- (1) for degree programs:
 - (i) qualified teaching personnel to provide the educational programs for each degree for which approval is sought;
 - (ii) appropriate educational programs leading to each degree for which approval is sought;
 - (iii) appropriate and accessible library, laboratory, and other physical facilities to support the educational program for each degree for which approval is sought; and
 - (iv) a rationale showing that degree programs are consistent with the school's mission and goals; and
- (2) for nondegree programs:

- (i) qualified teaching personnel to provide the educational programs for which approval is sought;
- (ii) appropriate educational programs leading to each award for which approval is sought;
- (iii) appropriate and accessible library, laboratory, and other physical facilities to support the educational program for which approval is sought; and
- (iv) a rationale showing that programs are consistent with the school's mission and goals.

Nondegree programs that are a part of an approved degree shall not require additional review or approval; they shall be considered approved as a part of the degree approval. Any nondegree program offered by a degree-granting school that is not a part of an approved degree shall be subject to clause (2), items (i) to (iv).

Subd. 6. Name. A degree-granting school may use the term "academy" or "institute" in its name without meeting any additional requirements. A school may use the term "college" in its name if it offers at least one program leading to an associate or higher degree. A school may use the term "university" in its name if it offers at least one program leading to a master's or doctorate degree.

Subd. 7. Conditional approval. (a) The office may grant a school a one-year conditional approval for a degree or use of a term in its name if doing so would be in the best interests of currently enrolled students or prospective students. Conditional approval of a degree or use of a term under this paragraph must not exceed a period of three years.

(b) The office may grant new schools with their physical location in Minnesota and programs a one-year conditional approval for degrees or use of a term in its name to allow the school the opportunity to apply for and receive accreditation as required in subdivision 1a. Conditional approval of a school or program under this paragraph must not exceed a period of five years. A new school or program granted conditional approval may be allowed to continue in order to complete an accreditation process upon terms and conditions the office determines.

(c) The office may grant a registered school a one-year conditional approval for degrees or use of a term in its name to allow the school the opportunity to apply for and receive accreditation as required in subdivision 1a if the school's accrediting agency is no longer recognized by the United States Department of Education for purposes of eligibility to participate in Title IV federal financial aid programs. The office must not grant conditional approvals under this paragraph to a school for a period of more than five years.

(d) The office may grant a registered school a one-year conditional approval for degrees or use of a term in its name to allow the school to change to a different accrediting agency recognized by the United States Department of Education for purposes of eligibility to participate in Title IV federal financial aid programs. The office must not grant conditional approvals under this paragraph to a school for a period of more than five years.

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

- (1) revoke, suspend, or refuse to renew registration;
- (2) refuse approval of a school's degree; and
- (3) refuse approval of the use of a regulated term in its name.

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

- (1) violating the provisions of sections 136A.61 to 136A.71;
- (2) providing false, misleading, or incomplete information to the office;
- (3) presenting information about the school which is false, fraudulent, misleading, deceptive, or inaccurate in a material respect to students or prospective students;
- (4) refusing to allow reasonable inspection or to supply reasonable information after a written request by the office has been received;
- (5) failing to have enrollment within the last two years at the school;
- (6) failing to have any enrollment within two years of a program's approval, except for programs that require extensive approval processes by the United States Department of Education, or the program's institutional or programmatic accreditor; or
- (7) having been administratively determined by the commissioner or judicially determined to have committed fraud or any other material violation of law involving federal, state, or local government funds.

(c) Any order refusing, revoking, or suspending a school's registration, approval of a school's degree, or use of a regulated term in the school's name is appealable in accordance with chapter 14. The request must be in writing and made to the office within 30 days of the date the school is notified of the action of the office. If a school has been operating and its registration has been revoked, suspended, or refused by the office, the order is not effective until the final determination of the appeal, unless immediate effect is ordered by the court.

History: 1975 c 201 s 5; 1975 c 271 s 6; 1978 c 603 s 5; 1982 c 424 s 130; 1995 c 212 art 3 s 59; 2007 c 144 art 3 s 8; 2008 c 298 s 8-12; 2013 c 99 art 2 s 14; 2014 c 149 s 40; 2015 c 69 art 2 s 13,14; 2017 c 89 art 3 s 6-8; 2020 c 109 art 1 s 14; art 3 s 4-6

136A.653 EXEMPTIONS.

Subdivision 1. **Application.** A school that seeks an exemption under this section from the provisions of sections 136A.61 to 136A.71 must apply to the office to establish that the school meets the requirements of an exemption. An exemption expires two years from the date of approval or when a school adds a new program or makes a modification equal to or greater than 25 percent to an existing educational program. If a school is reapplying for an exemption, the application must be submitted to the office 90 days before the current exemption expires. This exemption shall not extend to any school that uses any publication or advertisement that is not truthful and gives any false, fraudulent, deceptive, inaccurate, or misleading impressions about the school or its personnel, programs, services, or occupational opportunities for graduates for promotion and student recruitment. Exemptions denied under this section are subject to appeal under section 136A.65, subdivision 8, paragraph (c). If an appeal is initiated, the denial of the exemption is not effective until the final determination of the appeal, unless immediate effect is ordered by the court.

Subd. 1a. **Private career schools.** A school that is subject to licensing by the office under sections 136A.82 to 136A.834 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 sections 136A.82 to 136A.834 is final for the purposes of this exemption.

Subd. 2. Educational program; nonprofit organizations. Educational programs which are sponsored by a bona fide and nonprofit trade, labor, business, professional or fraternal organization, which programs are conducted solely for that organization's membership or for the members of the particular industries or professions served by that organization, and which are not available to the public on a fee basis, are exempted from the provisions of sections 136A.61 to 136A.71.

Subd. 3. Educational program; business firms. Educational programs which are sponsored by a business firm for the training of its employees or the employees of other business firms with which it has contracted to provide educational services at no cost to the employees are exempted from the provisions of sections 136A.61 to 136A.71.

Subd. 3a. Tuition-free educational courses. A school, including a school using an online platform service, offering training, courses, or programs is exempt from sections 136A.61 to 136A.71, to the extent tuition, fees, and any other charges for a student to participate do not exceed two percent of the most recent average undergraduate tuition and required fees as of January 1 of the current year charged for full-time students at all degree-granting institutions as published annually by the United States Department of Education as of January 1 of each year. To qualify for an exemption, a school or online platform service must prominently display a notice comparable to the following: "IMPORTANT: Each educational institution makes its own decision regarding whether to accept completed coursework for credit. Check with your university or college."

Subd. 4. Voluntary submission. Any school or program exempted from the provisions of sections 136A.61 to 136A.71 by the provisions of this section may voluntarily submit to the provisions of those sections.

Subd. 5. Higher Learning Commission accredited institutions in Minnesota. (a) A postsecondary institution accredited by the Higher Learning Commission or its successor with its primary physical location in Minnesota is exempt from the provisions of sections 136A.61 to 136A.71, including related fees, when it creates new or modifies existing:

- (1) majors, minors, concentrations, specializations, and areas of emphasis within approved degrees;
- (2) nondegree programs within approved degrees;
- (3) underlying curriculum or courses;
- (4) modes of delivery; and
- (5) locations.

(b) The institution must annually notify the commissioner of the exempt actions listed in paragraph (a) and, upon the commissioner's request, must provide additional information about the action.

(c) The institution must notify the commissioner within 60 days of a program closing.

(d) Nothing in this subdivision exempts an institution from the annual registration and degree approval requirements of sections 136A.61 to 136A.71.

History: 1978 c 603 s 6; 1Sp1993 c 2 art 2 s 18; 1995 c 212 art 3 s 59; 2013 c 99 art 2 s 15; 2015 c 69 art 2 s 46; 2017 c 89 art 2 s 14; art 3 s 9; 2018 c 182 art 1 s 37; 2020 c 109 art 3 s 7; 1Sp2021 c 2 art 2 s 27

136A.657 EXEMPTION; RELIGIOUS SCHOOLS.

Subdivision 1. **Exemption.** (a) A program is exempt from the provisions of sections 136A.61 to 136A.71 if it is:

(1) offered by a school or any department or branch of a school that is substantially owned, operated, or supported by a bona fide church or religious organization;

(2) primarily designed for, aimed at and attended by persons who sincerely hold or seek to learn the particular religious faith or beliefs of that church or religious organization; and

(3) primarily intended to prepare its students to become ministers of, to enter into some other vocation closely related to, or to conduct their lives in consonance with, the particular faith of that church or religious organization.

(b) A school or a department or branch of a school is exempt from the provisions of sections 136A.61 to 136A.71 if all of its programs are exempt under paragraph (a).

Subd. 2. **Limitation.** (a) This exemption shall not extend to any program or school or to any department or branch of a school that through advertisements or solicitations represents to any students or prospective students that the school, its aims, goals, missions or purposes or its programs are different from those described in subdivision 1.

(b) This exemption shall not extend to any school that represents to any student or prospective student that the major purpose of its programs is to:

(1) prepare the student for a vocation not closely related to that particular religious faith; or

(2) provide the student with a general educational program recognized by other schools or the broader educational, business or social community as being substantially equivalent to the educational programs offered by schools or departments or branches of schools that are not exempt from sections 136A.61 to 136A.71, and rules adopted pursuant thereto.

(c) This exemption shall not extend to any school that uses any publication or advertisement that is not truthful and gives any false, fraudulent, deceptive, inaccurate, or misleading impressions about the school; its personnel, programs, or services; or occupational opportunities for its graduates for promotion and student recruitment. Exemptions denied under this section are subject to appeal under section 136A.65, subdivision 8, paragraph (c). If an appeal is initiated, the denial of the exemption is not effective until the final determination of the appeal, unless immediate effect is ordered by the court.

Subd. 3. **Scope.** 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.

Subd. 4. **Statement required; religious nature.** Any degree awarded upon completion of a religiously exempt program shall include descriptive language to make the religious nature of the award clear.

Subd. 5. **Application.** A school that seeks an exemption under this section from the provisions of sections 136A.61 to 136A.71 must apply to the office to establish that the school meets the requirements of an exemption. An exemption expires two years from the date of approval or when a school adds a new program or makes a modification equal to or greater than 25 percent to an existing educational program. If a school

is reapplying for an exemption, the application must be submitted to the office 90 days before the current exemption expires.

History: 1978 c 603 s 7; 1995 c 212 art 3 s 59; 2007 c 144 art 3 s 9; 2015 c 69 art 2 s 15,16; 2017 c 89 art 3 s 10; 2020 c 109 art 1 s 15-17; art 3 s 8

136A.658 EXEMPTION; STATE AUTHORIZATION RECIPROCITY AGREEMENT SCHOOLS.

(a) The office may participate in an interstate reciprocity agreement regarding postsecondary distance education if it determines that participation is in the best interest of Minnesota postsecondary students.

(b) If the office decides to participate in an interstate reciprocity agreement, an institution that meets the following requirements is exempt from the provisions of sections 136A.61 to 136A.71:

(1) the institution is situated in a state which is also participating in the interstate reciprocity agreement;

(2) the institution has been approved to participate in the interstate reciprocity agreement by the institution's home state and other entities with oversight of the interstate reciprocity agreement; and

(3) the institution has elected to participate in and operate in compliance with the terms of the interstate reciprocity agreement.

(c) If the office participates in an interstate reciprocity agreement and the office is responsible for the administration of that interstate reciprocity agreement, which may include the approval of applications for membership of in-state institutions to participate in the interstate reciprocity agreement, the office shall collect reasonable fees sufficient to recover, but not exceed, its costs to administer the interstate reciprocity agreement. The office processing fees for approving an in-state institution application shall be as follows:

(1) \$750 for institutions with fewer than 2,500 full-time enrollment;

(2) \$3,000 for institutions with 2,501 to 20,000 full-time enrollment; and

(3) \$7,500 for institutions with greater than 20,001 full-time enrollment.

Full-time enrollment is established using the previous year's full-time enrollment as established in the United States Department of Education Integrated Postsecondary Education Data System.

History: 2014 c 312 art 1 s 11; 2020 c 109 art 3 s 9

136A.66 LIST OF REGISTERED INSTITUTIONS.

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

History: 1975 c 201 s 6; 1975 c 271 s 6; 1995 c 212 art 3 s 59; 2007 c 144 art 3 s 10; 2008 c 298 s 13

136A.67 REGISTRATION 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 the state of Minnesota, except a school which is duly registered with the office, or any of its officials or employees, may represent in advertising and shall disclose in catalogues, applications, and enrollment materials that the school is registered with the office by prominently displaying the following statement: "(Name of school) is registered with the Minnesota Office of Higher Education pursuant to sections 136A.61 to 136A.71. Registration is not an endorsement of the institution. Credits earned at the institution may not transfer to all other institutions." In addition, all registered schools

shall publish in the school catalog or student handbook the name, street address, telephone number, and website address of the office.

History: 1975 c 201 s 7; 1975 c 271 s 6; 1995 c 212 art 3 s 59; 2007 c 144 art 3 s 11; 2008 c 298 s 14; 2014 c 149 s 74; 2015 c 69 art 2 s 17; 2017 c 89 art 3 s 11

136A.672 STUDENT COMPLAINTS.

Subdivision 1. **Authority.** The office has the authority to review and take appropriate action on student complaints from schools covered under the provisions of sections 136A.61 to 136A.71.

Subd. 2. **Complaint.** A complaint must be in writing, be signed by a student, and state how the school's policies and procedures or sections 136A.61 to 136A.71 were violated. Student complaints shall be limited to complaints that occurred within six years from the date the concern should have been discovered with reasonable effort and after the student has utilized the school's internal complaint process. Students do not have to utilize a school's internal complaint process before the office has authority when the student is alleging fraud or misrepresentation. The office shall not investigate grade disputes, student conduct proceedings, disability accommodation requests, and discrimination claims, including Title IX complaints.

Subd. 3. **Investigation.** The office shall initiate an investigation upon receipt of a complaint within the authority of subdivision 2. A school involved in an investigation shall be informed of the alleged violations and the processes of the investigation. A school involved in an investigation shall respond to the alleged violations and provide requested documentation to the office. Upon completing an investigation, the office shall inform the school and the student of the investigation outcome.

Subd. 4. **Penalties.** If violations are found, the office may require remedial action by the school or assign a penalty under section 136A.705. Remedial action may include student notification of violations, adjustments to the school's policies and procedures, and tuition or fee refunds to impacted students.

Subd. 5. **Appeals.** Any order requiring remedial action by the school or assigning a penalty under section 136A.705 is appealable in accordance with chapter 14. The request for an appeal must be made in writing to the office within 30 days of the date the school is notified of the action of the office. The court shall award costs and reasonable attorney fees in a contested chapter 14 hearing to the office if: (1) the office substantially prevails on the merits in an action brought under this section; and (2) the school has a net income from student tuition, fees, and other required institutional charges collected from the last fiscal year of \$1,000,000 or greater.

Subd. 6. **Private information.** Student complaint data are private data on individuals, as defined in section 13.02, subdivision 12. The office may disclose student complaint data as provided in section 136A.64, subdivision 5.

History: 2017 c 89 art 3 s 12; 2019 c 64 art 2 s 27

136A.675 RISK ANALYSIS.

Subdivision 1. **Standard development and usage.** (a) To screen and detect whether an institution may not be financially or administratively responsible, the office shall develop financial and nonfinancial indicators. The development of financial and nonfinancial indicators shall use industry standards as guidance.

(b) Annually, the office must provide a copy of the financial and nonfinancial indicators to each registered institution and post a list of reviewed indicators on the office website.

(c) The office shall use regularly reported data submitted to the federal government or other regulatory or accreditation agencies wherever possible.

(d) The office must use the indicators in this subdivision to identify institutions at potential risk of being unable to meet the standards established under sections 136A.646; 136A.64, subdivision 3; 136A.65, subdivisions 1a and 4, paragraph (a), clauses (1), (2), (3), and (7); and 136A.685 and thus unlikely to meet its financial obligations or complete its academic terms for the next 18 months.

Subd. 2. **Additional reporting.** (a) In addition to the information required for the indicators in subdivision 1, an institution must notify the office within ten business days if any of the events in paragraphs (b) to (e) occur.

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

(1) the institution defaulted on a debt payment or covenant and has not received a waiver of the violation from the financial institution within 60 days;

(2) for institutions with a federal composite score of less than 1.5, the institution's owner withdraws equity that directly results in a composite score of less than 1.0, unless the withdrawal is a transfer between affiliated entities included in a common composite score;

(3) the United States Department of Education requires a 25 percent or greater Letter of Credit, except when the Letter of Credit is imposed due to a change of ownership;

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

(5) the institution receives written notification that it violated the United States Department of Education's revenue requirement under United States Code, title 20, section 1094(a)(24), as amended; or

(6) the institution receives written notification by the United States Department of Education that it has fallen below minimum financial standards and that its continued participation in Title IV is conditioned upon satisfying either the Zone Alternative, Code of Federal Regulations, title 34, section 668.175, paragraph (f), or a Letter of Credit Alternative, Code of Federal Regulations, title 34, section 668.175, paragraph (c).

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

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

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

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

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

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

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

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

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

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

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

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

Subd. 3. Determination procedures. (a) The office shall conduct a systematic evaluation under this paragraph and make a preliminary determination as to whether action under paragraph (e) is necessary, if the office: (1) identifies a potential risk under subdivision 1, paragraph (d); (2) receives notification from an institution under subdivision 2; or (3) identifies other exigent circumstances impacting the institution that may deny students a reasonable opportunity to complete their education program at the institution or through an alternate institution with minimal disruption. The systematic evaluation must, to the extent practicable, be a collaboration between the office and the institution. The office must request additional context and information from the institution that demonstrates the administrative and financial responsibility of the institution. If the institution is not financially or administratively responsible, a contingency plan must be implemented either collaboratively or as part of a final determination under paragraph (e), clause (4).

(b) The office shall provide notice in writing to the institution of the preliminary determination. The notice shall provide the analysis used by the office to make the determination, a request for the institution to provide additional context and information that demonstrates the administrative and financial responsibility of the institution not provided under paragraph (a), any potential action the office may take under paragraph (e), and a deadline for responding to the notice. The institution shall have no fewer than ten business days to respond to the preliminary determination.

(c) The response from the institution to provide additional context and information must be written and may include a collaborative consultation with the office. In its response, the institution shall provide additional context, financial data, and other information, including but not limited to evidence of sound business practices, institutional financial health, compliance with the requirements of sections 136A.61 to 136A.71, or sufficient and timely plans to cure any noncompliance or to manage financial health and risk.

(d) If the institution does not respond to the office's notice and request for additional context and information within the time required, the office's preliminary determination shall become final and the office may take any of the actions specified in the notice required by paragraph (e). If the institution responds to the office's notice, the office must reevaluate the preliminary determination. The office shall use the additional context and information provided by the institution to make a final determination and determine which actions under paragraph (e), if any, are necessary to mitigate risk to students and state financial aid under this chapter.

(e) The office may use a final determination to:

- (1) revoke, suspend, or refuse to renew registration, approval of an institution's degree, or use of a regulated term in its name under section 136A.65, subdivision 8;
 - (2) require periodic monitoring and submission of reports on the institution's administrative and financial responsibility to ascertain whether compliance and financial risk improves;
 - (3) require periodic collaborative consultations with the institution on noncompliance with sections 136A.61 to 136A.71, or how the institution is managing financial health and risk;
 - (4) require the institution to submit contingency plans such as teach-out plans or transfer pathways for students;
 - (5) prohibit the institution from accepting tuition and fee payments made through cash, alternative loans, or the equivalent, prior to the add/drop period of the current period of instruction;
 - (6) prohibit the institution from enrolling new students;
 - (7) initiate alternative processes and communications with students enrolled at the institution;
 - (8) require a surety bond under section 136A.646; or
 - (9) submit institution closure information under section 136A.645.
- (f) The office shall provide to the institution written notice of the final determination and the actions taken under paragraph (e).

Subd. 4. **Data classification.** Data under this section shall be classified as financial records under section 136A.64, subdivision 2, except for the following data, which shall be public:

- (1) a final determination that is subject to action under subdivision 3, paragraph (e), clauses (1), (5), (6), and (7), and a summary of the reasons for the determination; and
- (2) data received by the office under subdivision 2, paragraph (b), clauses (2), (4), and (6); paragraph (c), clauses (1) and (2); and paragraphs (d) and (e).

History: 2007 c 144 art 3 s 12; 1Sp2021 c 2 art 2 s 28

136A.68 RECORDS.

- (a) A registered school shall maintain a permanent record for each student for 50 years from the last date of the student's attendance. A registered school offering distance instruction to a student located in Minnesota shall maintain a permanent record for each Minnesota student for 50 years from the last date of the student's attendance. Records include a student's academic transcript, documents, and files containing student data about academic credits earned, courses completed, grades awarded, degrees awarded, and periods of attendance.
- (b) A registered school shall maintain records required for professional licensure in Minnesota that are not included in paragraph (a) for ten years from the last date of the student's attendance or the number of years required by an institutional or programmatic accreditor, whichever is greater.
- (c) To preserve permanent records, a school shall submit a plan that meets the following requirements:
 - (1) at least one copy of the records must be held in a secure, fireproof depository or duplicate records must be maintained off site in a secure location and in a manner approved by the office;

(2) an appropriate official must be designated to provide a student with copies of records or a transcript upon request;

(3) an alternative method approved by the office of complying with clauses (1) and (2) must be established if the school ceases to exist; and

(4) if the school has no binding agreement approved by the office for preserving student records, a continuous surety bond or an irrevocable letter of credit issued by a financial institution must be filed with the office in an amount not to exceed \$20,000. The bond or irrevocable letter of credit shall run to the state of Minnesota. In the event of a school closure, the surety bond or irrevocable letter of credit must be used by the office to retrieve, recover, maintain, digitize, and destroy academic records.

History: 1975 c 201 s 8; 1975 c 271 s 6; 1995 c 212 art 3 s 59; 2007 c 144 art 3 s 13; 2017 c 89 art 3 s 13; 1Sp2021 c 2 art 2 s 29

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

(a) The office may revoke, or deny an application for, registration or degree or name approval to a school if there has been a criminal, civil, or administrative adjudication of fraud or misrepresentation in Minnesota or in another state or jurisdiction against the school or its owner, officers, agents, or sponsoring organization. If the adjudication was related to a particular academic program, the office may revoke or deny an application for:

(1) degree approval for the program only;

(2) registration for the school; or

(3) name approval for the school.

(b) The adjudication of fraud or misrepresentation is 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," "college," "institute," or "university" in its name.

History: 1995 c 212 art 3 s 40; 1996 c 366 s 1; 2014 c 149 s 41; 2017 c 89 art 2 s 15

136A.69 FEES.

Subdivision 1. **Registration fees.** (a) The office shall collect reasonable registration fees that are sufficient to recover, but do not exceed, its costs of administering the registration program. The office shall charge the fees listed in paragraphs (b) and (c) for new registrations.

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

associate degree	\$2,000
baccalaureate degree	\$2,500

master's degree	\$3,000
doctorate degree	\$3,500

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

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

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

Subd. 2. [Repealed, 2010 c 215 art 2 s 21]

Subd. 3. **Degree or nondegree program addition fee.** The office processing fees for adding a degree or nondegree program are as follows:

nondegree program that is part of existing degree	-0-
nondegree program that is not a part of an existing degree	\$250 each
majors, specializations, emphasis areas, concentrations, and other similar areas of emphasis	\$250 each
associate degrees	\$500 each
baccalaureate degrees	\$500 each
master's degrees	\$750 each
doctorate degrees	\$2,000 each

Subd. 4. **Visit or consulting fee.** If the office determines that a fact-finding visit or outside consultant is necessary to review, investigate, or evaluate any degree or nondegree program or the institution for statutory compliance with the Minnesota Private and Out-of-State Public Postsecondary Education Act, the office shall be reimbursed for the expenses incurred related to the review as follows:

- (1) \$400 for the team base fee or for a paper review conducted by a consultant if the office determines that a fact-finding visit is not required;
- (2) \$300 for each day or part thereof on site per team member; and
- (3) the actual cost of customary meals, lodging, and related travel expenses incurred by team members.

Subd. 5. **Modification fee.** The fee for modification of any existing degree or nondegree program is \$100 and is due if there is:

(1) an increase or decrease of 25 percent or more from the original date of program approval, in clock hours, credit hours, or calendar length of an existing degree or nondegree program;

(2) a change in academic measurement from clock hours to credit hours or vice versa; or

(3) an addition or alteration of courses that represent a 25 percent change or more in the objectives, content, or methods of delivery.

History: 1975 c 201 s 9; 1975 c 271 s 6; 1989 c 293 s 58; 1Sp1993 c 2 art 2 s 19; 1995 c 212 art 3 s 41; 2003 c 133 art 2 s 17; 2007 c 144 art 3 s 14; 2008 c 298 s 15; 2010 c 215 art 2 s 10-12; 2020 c 109 art 3 s 10,11

136A.70 [Repealed, 1Sp1993 c 2 art 2 s 26]

136A.705 PENALTY.

The commissioner may assess fines for violations of a provision of sections 136A.61 to 136A.71. Each day's failure to comply with a provision of sections 136A.61 to 136A.71 shall be a separate violation and fines shall not exceed \$500 per day per violation. Amounts received under this section must be deposited in the special revenue fund and are appropriated to the office for the purposes in sections 136A.61 to 136A.71.

History: 2007 c 144 art 3 s 15; 2013 c 99 art 2 s 29; 2014 c 149 s 74

136A.71 INJUNCTION.

Upon application of the attorney general the district courts shall have jurisdiction to enjoin any violations of sections 136A.61 to 136A.71.

History: 1975 c 201 s 11

136A.80 [Renumbered 135A.51]

136A.81 [Renumbered 135A.52]

PRIVATE CAREER SCHOOLS

136A.82 CITATION.

Sections 136A.82 to 136A.834 may be cited as the "Private Career School Act."

History: 1999 c 214 art 3 s 1; 2015 c 69 art 2 s 46

136A.821 DEFINITIONS.

Subdivision 1. **Words, terms and phrases.** The following words, terms and phrases shall have the meanings ascribed to them in this section.

Subd. 2. **Office of Higher Education or office.** "Office of Higher Education" or "office" means the Minnesota Office of Higher Education.

Subd. 3. **Solicitor.** "Solicitor" means a person who for a salary or for commission, acts as an agent, independent contractor, salesperson, or counselor in recruiting students for a program using any method, at any place except on the actual business premises of the private career school, other than only providing public information at the invitation or permission of a private career school or educational organization.

Subd. 4. **Person.** "Person" means any individual, partnership, company, firm, society, trust, association, or corporation or any combination thereof.

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

Subd. 6. **Course.** "Course" means any classroom or distance instruction; any subunit of a program; or any combination thereof.

Subd. 7. **Multiple location.** "Multiple location" means any site where classes or administrative services are provided to students and that has a street address that is different than the street address found on the private career school's license.

Subd. 8. **Placement service.** "Placement service" means a service offered or advertised by a private career school for the purpose of assisting the student in obtaining employment.

Subd. 9. **Program.** "Program" means any course or grouping of courses that is advertised or listed in a private career school's catalog, brochures, electronic display, or other publications, or for which the private career school grants a formal recognition.

Subd. 10. **Distance education private career school.** "Distance education private career school" means a private career school that establishes, keeps, or maintains a facility or location where a program is offered through distance instruction.

Subd. 11. **Distance instruction.** "Distance instruction" means any method of instruction outside the traditional in-classroom instruction, including, but not limited to, the use of the United States mail and other correspondence; Internet and other online computer-based education; or CD-ROM self-instruction.

Subd. 12. **Electronic display.** "Electronic display" means text, images, or sound rendered via any electronic device designed to present information, whether generated by the device or transmitted from another source.

Subd. 13. **Compliance audit.** "Compliance audit" means an audit of a school's compliance with federal requirements related to its participation in federal Title IV student aid programs or other federal grant programs performed under either Uniform Grant Guidance, including predecessor Federal Circular A-133, or the United States Department of Education's audit guide, Audits of Federal Student Financial Assistance Programs at Participating Institutions and Institution Servicers.

Subd. 14. **Entity.** "Entity" means a specific school or campus location.

Subd. 15. **Higher-level entity.** "Higher-level entity" means a corporate parent or ultimate parent company or, in the case of a public school, the larger public system of which an entity is a part.

Subd. 16. **Audited financial statements.** "Audited financial statements" means the financial statements of an entity or higher-level entity that have been examined by a certified public accountant or an equivalent government agency for public entities that include (1) an auditor's report, a statement of financial position, an income statement, a statement of cash flows, and notes to the financial statements or (2) the required equivalents for public entities as determined by the Financial Accounting Standards Board, the Governmental Accounting Standards Board, or the Securities and Exchange Commission.

Subd. 17. **Review-level engagement.** "Review-level engagement" means a service performed by a certified public accountant that provides limited assurance that there are no material modifications that need

to be made to an entity's financial statements in order for them to conform to generally accepted accounting principles. Review-level engagement provides fewer assurances than those reported under audited financial statements.

Subd. 18. **Clock hour.** "Clock hour" means a period of time consisting of a 50- to 60-minute class, lecture, or recitation in a 60-minute period; a 50- to 60-minute faculty-supervised laboratory, shop training, or internship in a 60-minute period; or 60 minutes of preparation in a correspondence course. If a school seeks to determine the number of clock hours in an educational program by aggregating the number of minutes in that program, it must divide those minutes by 60.

Subd. 19. **Student record.** "Student record" means a transcript or record of student attendance in a program that includes, at a minimum, the student's name, the student's address, the school's name, the school's address, the title of the course or program, the total number of hours or courses completed, the dates of enrollment and attendance, the grade record of each course, any credential awarded, and the cumulative grade for the program.

History: 1969 c 866 s 1; 1973 c 714 s 1,2; 1986 c 444; 1992 c 513 art 1 s 18,28; 1995 c 212 art 3 s 59; 1999 c 214 art 3 s 2-8; 2005 c 107 art 2 s 60; art 3 s 1; 2007 c 144 art 3 s 16,17; 2015 c 69 art 2 s 20-22,46; 2017 c 89 art 3 s 14-18; 2019 c 64 art 2 s 28,29

136A.822 LICENSURE.

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

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

Subd. 3. **Refunds.** If a contract is deemed unenforceable under subdivision 2, a private career school must refund tuition, fees, and other charges received from a student or on behalf of a student within 30 days of receiving written notification and demand for refund from the office.

Subd. 4. **Application.** Application for a license shall be on forms prepared and furnished by the office, and shall include the following and other information as the office may require:

- (1) the title or name of the private career school, ownership and controlling officers, members, managing employees, and director;
- (2) the specific programs which will be offered and the specific purposes of the instruction;
- (3) the place or places where the instruction will be given;
- (4) a listing of the equipment available for instruction in each program;
- (5) the maximum enrollment to be accommodated with equipment available in each specified program;
- (6) the qualifications of instructors and supervisors in each specified program;
- (7) financial documents related to the entity's and higher-level entity's most recently completed fiscal year:
 - (i) annual gross revenues from all sources;

(ii) financial statements subjected to a review-level engagement or, if requested by the office, audited financial statements;

(iii) a school's most recent compliance audit, if applicable; and

(iv) a current balance sheet, income statement, and adequate supporting documentation, prepared and certified by an independent public accountant or CPA;

(8) copies of all media advertising and promotional literature and brochures or electronic display currently used or reasonably expected to be used by the private career school;

(9) copies of all Minnesota enrollment agreement forms and contract forms and all enrollment agreement forms and contract forms used in Minnesota; and

(10) gross income earned in the preceding year from student tuition, fees, and other required institutional charges.

Subd. 5. **Certification.** Each application shall be signed and certified to under oath by the proprietor if the applicant is a proprietorship, by the managing partner if the applicant is a partnership, or by the authorized officers of the applicant if the applicant is a corporation, association, company, firm, society or trust.

Subd. 6. **Bond.** (a) No license shall be issued to any private career school which maintains, conducts, solicits for, or advertises within the state of Minnesota any program, unless the applicant files with the office a continuous corporate surety bond written by a company authorized to do business in Minnesota conditioned upon the faithful performance of all contracts and agreements with students made by the applicant.

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

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

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

(d) In lieu of bond, the applicant may deposit with the commissioner of management and budget a sum equal to the amount of the required surety bond in cash, an irrevocable letter of credit issued by a financial

institution equal to the amount of the required surety bond, or securities as may be legally purchased by savings banks or for trust funds in an aggregate market value equal to the amount of the required surety bond.

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

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

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

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

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

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

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

(iv) maintain and support the private career school;

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

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

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

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

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

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

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

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

Subd. 9. Fees and terms of license. An application for an initial license under sections 136A.821 to 136A.833 shall be accompanied by a nonrefundable application fee as provided in section 136A.824 that is sufficient to recover, but not exceed, the administrative costs of the office.

All licenses shall expire one year from the date issued by the office, except as provided in section 136A.823.

Subd. 10. Catalog, brochure, or electronic display. Before a license is issued to a private career school, the private career school shall furnish to the office a catalog, brochure, or electronic display including:

- (1) identifying data, such as volume number and date of publication;
- (2) name and address of the private career school and its governing body and officials;
- (3) a calendar of the private career school showing legal holidays, beginning and ending dates of each course quarter, term, or semester, and other important dates;
- (4) the private career school policy and regulations on enrollment including dates and specific entrance requirements for each program;
- (5) the private career school policy and regulations about leave, absences, class cuts, make-up work, tardiness, and interruptions for unsatisfactory attendance;
- (6) the private career school policy and regulations about standards of progress for the student including the grading system of the private career school, the minimum grades considered satisfactory, conditions for interruption for unsatisfactory grades or progress, a description of any probationary period allowed by the private career school, and conditions of reentrance for those dismissed for unsatisfactory progress;
- (7) the private career school policy and regulations about student conduct and conditions for dismissal for unsatisfactory conduct;
- (8) a detailed schedule of fees, charges for tuition, books, supplies, tools, student activities, laboratory fees, service charges, rentals, deposits, and all other charges;
- (9) the private career school policy and regulations, including an explanation of section 136A.827, about refunding tuition, fees, and other charges if the student does not enter the program, withdraws from the program, or the program is discontinued;
- (10) a description of the available facilities and equipment;
- (11) a course outline syllabus for each course offered showing course objectives, subjects or units in the course, type of work or skill to be learned, and approximate time, hours, or credits to be spent on each subject or unit;
- (12) the private career school policy and regulations about granting credit for previous education and preparation;

(13) a notice to students relating to the transferability of any credits earned at the private career school to other institutions;

(14) a procedure for investigating and resolving student complaints;

(15) the name and address of the office; and

(16) the student complaint process and rights under section 136A.8295.

A private career school that is exclusively a distance education school is exempt from clauses (3) and (5).

Subd. 11. Placement records. (a) Before a license is reissued to a private career school that offers, advertises or implies a placement service, the private career school shall file with the office for the past year and thereafter at reasonable intervals determined by the office, a certified copy of the private career school's placement record, containing a list of graduates, a description of their jobs, names of their employers, and other information as the office may prescribe.

(b) Each private career school that offers a placement service shall furnish to each prospective student, upon request, prior to enrollment, written information concerning the percentage of the previous year's graduates who were placed in the occupation for which prepared or in related employment.

Subd. 12. Permanent student records. (a) A private career school licensed under sections 136A.82 to 136A.834 and located in Minnesota shall maintain a permanent student record for each student for 50 years from the last date of the student's attendance. A private career school licensed under this chapter and offering distance instruction to a student located in Minnesota shall maintain a permanent record for each Minnesota student for 50 years from the last date of the student's attendance. Records include school transcripts, documents, and files containing student data about academic credits earned, courses completed, grades awarded, degrees awarded, and periods of attendance.

(b) A private career school licensed under sections 136A.82 to 136A.834 and located in Minnesota shall maintain a permanent student record required for professional licensure in Minnesota for each student for ten years from the last date of the student's attendance or the number of years required by an institutional or programmatic accreditor, whichever is greater. A private career school licensed under this chapter and offering distance instruction to a student located in Minnesota shall maintain records required for professional licensure in Minnesota that are not included in paragraph (a) for each Minnesota student for ten years from the last date of the student's attendance or the number of years required by an institutional or programmatic accreditor, whichever is greater.

To preserve permanent student records, a private career school shall submit a plan that meets the following requirements:

(1) at least one copy of the records must be held in a secure, fireproof depository;

(2) an appropriate official must be designated to provide a student with copies of records or a transcript upon request;

(3) an alternative method, approved by the office, of complying with clauses (1) and (2) must be established if the private career school ceases to exist; and

(4) a continuous surety bond or irrevocable letter of credit issued by a financial institution must be filed with the office in an amount not to exceed \$20,000 if the private career school has no binding agreement approved by the office, for preserving student records. The bond or irrevocable letter of credit shall run to

the state of Minnesota. In the event of a school closure, the surety bond or irrevocable letter of credit must be used by the office to retrieve, recover, maintain, digitize, and destroy academic records.

Subd. 13. Private career schools licensed by another state agency or board. A private career school required to obtain a private career school license due to the use of "academy," "institute," "college," or "university" in its name or licensed for the purpose of participating in state financial aid under chapter 136A, and which is also licensed by another state agency or board shall be required to satisfy only the requirements of subdivisions 4, clauses (1), (2), (3), (5), (7), (8), and (10); 5; 6, paragraph (b), clause (2); 8, clauses (1), (4), (7), (8), and (9); 9; 10; and 12. If a school is licensed to participate in state financial aid under this chapter, the school must follow the refund policy in section 136A.827, even if that section conflicts with the refund policy of the licensing agency or board. A distance education private career school located in another state, or a school licensed to recruit Minnesota residents for attendance at a school outside of this state, or a school licensed by another state agency as its primary licensing body, may continue to use the school's name as permitted by its home state or its primary licensing body.

History: 1969 c 866 s 5; 1971 c 781 s 1,2; 1973 c 714 s 3-9; 1980 c 559 s 1; 1Sp1985 c 11 s 67-70; 1986 c 444; 1989 c 329 art 12 s 4; 1990 c 562 art 3 s 9,10; 1991 c 265 art 8 s 10; 1992 c 513 art 1 s 27; 1Sp1993 c 2 art 2 s 21; 1995 c 212 art 3 s 43,59; 1996 c 366 s 2; 1999 c 214 art 3 s 9-18; 2003 c 112 art 2 s 50; 2005 c 107 art 2 s 60; art 3 s 2-6; 2007 c 144 art 3 s 18-23; 2008 c 298 s 21,22; 2009 c 101 art 2 s 109; 2010 c 364 s 19-21; 2015 c 69 art 2 s 23,46; 2017 c 89 art 3 s 19-22; 2019 c 64 art 2 s 30-32; 1Sp2021 c 2 art 2 s 30

136A.8225 SCHOOL CLOSURE.

(a) When a school intends to cease postsecondary education operations, announces its closure, or is informed by the office that the office anticipates the school's closure due to its licensure status or ability to meet criteria for approval under section 136A.822, subdivision 8, the school must provide the office:

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

(2) a report of all students currently enrolled and all students enrolled within the prior 120 days, including the following information for each student: name, address, school email address, alternate email address, program of study, number of credits completed, number of credits remaining, and enrollment status at closure;

(3) a report of refunds due to any student and the amount due;

(4) a written statement from the school's owner or designee affirming that all recruitment efforts, school marketing, advertisement, solicitation, and enrollment of new students has ceased;

(5) a copy of any communication between the school's accreditors about the school closure;

(6) confirmation that the requirements for student records under section 136A.822, subdivision 12, have been satisfied, including:

(i) the planned date for the transfer of the student records;

(ii) confirmation of the name and address of the organization to receive and hold the student records; and

(iii) the official at the organization receiving the student records who is designated to provide official copies of records or transcripts upon request;

(7) academic information, including the school's most recent catalog, all course syllabi, and faculty credential information; and

(8) copies of any teach-out, transfer, or train-out agreement between the school and a new school for students to be able to complete their studies. A teach-out fulfills the original contract or agreement between the closing school and the student. If a teach-out is arranged for another approved school to do the remaining occupational training, that other school must (i) provide comparable education and training and (ii) agree that students transferring from the closing school pay only what the cost of tuition and fees remain unpaid according to the terms and conditions in the enrollment agreement entered into between the student and the closing school.

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

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

(2) announces it is closed or closing;

(3) files for bankruptcy; or

(4) fails to complete a renewal application when required under section 136A.823, subdivision 3.

(c) When a school is deemed to have ceased operations, the office shall provide the school a reasonable time to correct student records and grant credentials. After that time, the office must revoke the school's license. This revocation is not appealable under section 136A.829, subdivision 2.

History: 2019 c 64 art 2 s 33; 1Sp2021 c 2 art 2 s 31

136A.823 LICENSE RENEWAL.

Subdivision 1. **Application.** Application for renewal of a license must be made at least 60 days before expiration of the current license on a form provided by the office. A renewal application shall be accompanied by a nonrefundable fee as provided in section 136A.824 that is sufficient to recover, but does not exceed, the administrative costs of the office.

Subd. 2. MS 2020 [Repealed, 1Sp2021 c 2 art 2 s 47]

Subd. 3. **Change of ownership.** Within 30 days of a change of ownership, a school must submit a registration renewal application, the information and materials for an initial registration under section 136A.822, subdivision 4, and the applicable registration fees for a new institution under section 136A.824, subdivision 1. For purposes of this subdivision, "change of ownership" means: a merger or consolidation with a corporation; a sale, lease, exchange, or other disposition of all or substantially all of the assets of a school; the transfer of a controlling interest of at least 51 percent of the school's stock; entering into receivership; or a change in the nonprofit or for-profit status of a school.

History: 1999 c 214 art 3 s 19; 2005 c 107 art 3 s 7; 2010 c 364 s 22; 2015 c 69 art 2 s 24,46; 1Sp2021 c 2 art 2 s 32

136A.824 FEES.

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

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

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

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

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

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

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

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

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

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

Subd. 3. **Program addition fee.** The office processing fee for adding a program to those that are currently offered by the private career school is \$500 per program.

Subd. 4. **Visit or consulting fee.** If the office determines that a fact-finding visit or outside consultant is necessary to review, investigate, or evaluate any new or revised program or the private career school for statutory compliance with the Private Career School Act, the office shall be reimbursed for the expenses incurred related to the review as follows:

(1) \$400 for the team base fee or for a paper review conducted by a consultant if the office determines that a fact-finding visit is not required;

(2) \$300 for each day or part thereof on site per team member; and

(3) the actual cost of customary meals, lodging, and related travel expenses incurred by team members.

Subd. 5. **Modification fee.** The fee for modification of any existing program is \$100 and is due if there is:

(1) an increase or decrease of 25 percent or more, from the original date of program approval, in clock hours, credit hours, or calendar length of an existing program;

(2) a change in academic measurement from clock hours to credit hours or vice versa; or

(3) an addition or alteration of courses that represent a 25 percent change or more in the objectives, content, or methods of delivery.

Subd. 6. **Solicitor permit fee.** The solicitor permit fee is \$350 and must be paid annually.

Subd. 7. **Multiple location fee.** Private career schools wishing to operate at multiple locations must pay:

- (1) \$250 per location, for locations two to five; and
- (2) an additional \$100 for each location over five.

Subd. 8. **Student transcript fee.** The fee for a student transcript requested from a closed private career school whose records are held by the office is \$15, with a maximum of five transcripts per request.

Subd. 9. **Public office documents; copies.** The rate for copies of any public office document shall be 50 cents per page.

History: 2005 c 107 art 3 s 8; 2007 c 144 art 3 s 24; 2010 c 215 art 2 s 14; 2015 c 69 art 2 s 25,46; 2020 c 109 art 3 s 12

136A.825 PERMITS FOR SOLICITORS.

Subdivision 1. **Required.** A solicitor representing a private career school must obtain a solicitor's permit from the office before soliciting students to enroll in the private career school. Such permit shall expire one year following the date of issuance. Application for renewal of permit shall be made annually.

Subd. 2. **Application for permit.** (a) The application for the permit shall state the full name, address, previous employment, and such other information concerning the solicitor applicant as the office may require.

(b) The application shall have attached to it a certified affidavit signed by a private career school official and the solicitor attesting to the fact that the applicant has been furnished a copy, has read and has knowledge of the provisions of this chapter and Minnesota Rules.

Subd. 3. **Refusal of permit.** No permit shall be issued to any solicitor unless such solicitor files with the office a continuous corporate surety bond in the sum of \$2,000 conditioned upon the faithful performance of all contracts and agreements with the students made by the solicitor. Such bonds shall run to the state of Minnesota and to any person who may have cause of action against the applicant arising at any time after the bond is filed and before it is canceled for breach of any contract or agreement made by the solicitor with any student. The aggregate liability of the surety for all breaches of the conditions of the bond shall not exceed the principal sum of \$2,000. The surety of any such bond may cancel it upon giving 60 days' notice in writing to the office and shall be relieved of liability for any breach of condition occurring after the effective date of cancellation. In lieu of bond, the solicitor may deposit with the commissioner of management and budget the sum of \$2,000.

Subd. 4. **Additional permits.** A solicitor representing more than one private career school must obtain a separate permit for each private career school represented; however when a solicitor represents private career schools having a common ownership, only one permit shall be required.

Subd. 5. **Fee.** The initial and renewal application for each permit shall be accompanied by a nonrefundable fee under section 136A.824.

Subd. 6. **Contract; validity.** Any contract entered into by a solicitor for a licensed private career school shall be unenforceable in any action brought thereon if the solicitor does not hold a valid permit as required by this section.

History: 1969 c 866 s 6; 1971 c 781 s 3; 1973 c 714 s 10,11; 1Sp1985 c 11 s 71,72; 1989 c 329 art 12 s 5; 1991 c 265 art 8 s 11; 1992 c 513 art 1 s 27; 1Sp1993 c 2 art 2 s 22,23; 1995 c 212 art 3 s 59; 1996 c

366 s 3; 1999 c 214 art 3 s 20; 2003 c 112 art 2 s 50; 2005 c 107 art 3 s 9; 2009 c 101 art 2 s 109; 2015 c 69 art 2 s 26,46

136A.826 INFORMATION TO STUDENTS.

Subdivision 1. **Catalog, brochure, or electronic display.** A private career school or its agent must provide the catalog, brochure, or electronic display required in section 136A.822, subdivision 10, to a prospective student in a time or manner that gives the prospective student at least five days to read the catalog, brochure, or electronic display before signing a contract or enrollment agreement or before being accepted by a private career school that does not use a written contract or enrollment agreement.

Subd. 2. **Contract information.** A contract or enrollment agreement used by a private career school must include at least the following:

- (1) the name and address of the private career school, clearly stated;
- (2) a clear and conspicuous disclosure that the agreement is a legally binding instrument upon written acceptance of the student by the private career school unless canceled under section 136A.827;
- (3) the private career school's cancellation and refund policy that shall be clearly and conspicuously entitled "Buyer's Right to Cancel";
- (4) a clear statement of total cost of the program including tuition and all other charges;
- (5) the name and description of the program, including the number of hours or credits of classroom instruction, or distance instruction, that shall be included; and
- (6) a clear and conspicuous explanation of the form and means of notice the student should use in the event the student elects to cancel the contract or sale, the effective date of cancellation, and the name and address, email address, or phone number of the seller to which the notice should be sent or delivered.

The contract or enrollment agreement must not include a wage assignment provision or a confession of judgment clause.

Subd. 3. **Contract copies.** Immediately upon signing of the enrollment agreement or the contract by a prospective student, the private career school or agent shall furnish to the prospective student an exact duplicate copy of the enrollment agreement or contract.

History: *1999 c 214 art 3 s 21; 2007 c 144 art 3 s 25; 2015 c 69 art 2 s 27,46; 2017 c 89 art 3 s 23*

136A.827 REFUNDS.

Subdivision 1. **Student.** For the purposes of this section, "student" means the party to the contract, whether the party is the student, the student's parent or guardian, or other person on behalf of the student.

Subd. 1a. **Notice; right to refund.** Every private career school shall notify each student, in writing, of acceptance or rejection. In the event that the student is rejected by the private career school, all tuition, fees and other charges shall be refunded.

Subd. 1b. **Short-term programs.** Licensed private career schools conducting programs not exceeding 40 hours in length shall not be required to make a full refund once a program has commenced and shall be allowed to prorate any refund based on the actual length of the program as stated in the private career school catalog or advertisements and the number of hours attended by the student.

Subd. 2. Private career schools using written contracts. (a) Notwithstanding anything to the contrary, a private career school that uses a written contract or enrollment agreement shall refund all tuition, fees and other charges paid by a student, if the student gives notice of cancellation within five business days after the day on which the contract was executed regardless of whether the program has started.

(b) When a student has been accepted by the private career school and has entered into a contractual agreement with the private career school and gives notice of cancellation following the fifth business day after the date of execution of contract, but before the start of the program in the case of resident private career schools, or before the first lesson has been serviced by the private career school in the case of distance education private career schools, all tuition, fees and other charges, except 15 percent of the total cost of the program but not to exceed \$50, shall be refunded to the student.

Subd. 3. Notice; amount. (a) A private career school shall refund all tuition, fees and other charges paid by a student if the student gives notice of cancellation within five business days after the day on which the student is accepted by the private career school regardless of whether the program has started.

(b) When a student has been accepted by the private career school and gives notice of cancellation following the fifth business day after the day of acceptance by the private career school, but before the start of the program, in the case of resident private career schools, or before the first lesson has been serviced by the private career school, in the case of distance education private career schools, all tuition, fees and other charges, except 15 percent of the total cost of the program but not to exceed \$50, shall be refunded to the student.

Subd. 4. Proration. (a) When a student has been accepted by a private career school and gives notice of cancellation after the program of instruction has begun, the student is entitled to a refund if, at the last documented date of attendance, the student has not completed at least 75 percent of the entire program of instruction. For purposes of this subdivision, program of instruction is calculated under paragraph (c) or (d). Program of instruction does not mean one term, a payment period, a module, or any other portion of the entire instructional program.

(b) A notice of cancellation from a student under this subdivision must be confirmed in writing by the private career school and mailed to the student's last known address. The confirmation from the school must state that the school has withdrawn the student from enrollment, and if this action was not the student's intent, the student must contact the school.

(c) The length of a program of instruction for a program that has a defined calendar start and end date that does not change after the program has begun equals the number of days from the first scheduled date of the program through the last scheduled date of the program. To calculate the completion percentage, divide the number of calendar days from the first date of the program through the student's last documented date of attendance by the length of the program of instruction, and truncate the result after the second digit following the decimal point. If the completion percentage is less than 75 percent, the private career school may retain:

(1) tuition, fees, and charges equal to the total of tuition, fees, and charges multiplied by the completion percentage; plus

(2) the initial program application fees, not to exceed \$50; plus

(3) the lesser of (i) 25 percent of the total tuition, or (ii) \$100.

(d) The length of a program of instruction for a program that is measured in clock hours equals the number of clock hours the student was scheduled to attend. To calculate the completion percentage, divide

the number of clock hours that the student actually attended by the length of the program of instruction, and truncate the result after the second digit following the decimal point. If the completion percentage is less than 75 percent, the private career school may retain:

(1) tuition, fees, and charges equal to the total of tuition, fees, and charges multiplied by the completion percentage; plus

(2) the initial program application fees, not to exceed \$50; plus

(3) the lesser of (i) 25 percent of the total tuition, or (ii) \$100.

Subd. 5. Equipment and supplies. The fair market retail price, if separately stated in the catalog and contract or enrollment agreement, of equipment or supplies furnished to the student, which the student fails to return in condition suitable for resale, and which may reasonably be resold, within ten business days following cancellation may be retained by the private career school and may be deducted from the total cost for tuition, fees and all other charges when computing refunds.

An overstatement of the fair market retail price of any equipment or supplies furnished the student shall be considered inconsistent with this provision.

Subd. 6. Time of refund. Each private career school shall acknowledge in writing any valid notice of cancellation within ten business days after the receipt of such notice and within 30 business days shall refund to the student any amounts due and arrange for termination of the student's obligation to pay any sum in excess of that due under the cancellation and refund policy.

Subd. 7. Limitation. A private career school cannot make its refund policy conditional upon compliance with the school's regulations or rules of conduct.

Subd. 8. Cancellation occurrence. Notice of cancellation shall be the date a student notifies a private career school of the student's intention to withdraw or otherwise leave the program of study. The student is not required to provide a written notice. The private career school may require a student to provide the student's notification only to specific offices or personnel at the school as long as this requirement is documented as part of the "Student's Right to Cancel" in all places that the information appears, including on the private career school's website. The date of the notice of cancellation may or may not be the same date as the student's last documented date of attendance. If a student has not attended class for a period of 14 consecutive days without contacting the private career school to provide notice of cancellation or otherwise make arrangements concerning the absence, the student is considered to have withdrawn from the private career school for all purposes as of the student's last documented date of attendance.

Subd. 9. Date of execution. The date of execution of the contract or enrollment agreement shall be presumed to be the date of delivery of the notice of acceptance; and if delivered by mail, the postmark date of the letter of acceptance.

Subd. 10. Instrument not to be negotiated. A private career school shall not negotiate any promissory instrument received as payment of tuition or other charge prior to completion of 50 percent of the program, except that prior to that time, instruments may be transferred by assignment to purchasers who shall be subject to all defenses available against the private career school named as payee.

Subd. 11. Cancellation of enrollment. If a student's enrollment in a private career school is canceled for any reason, the private career school shall notify any agency known to the private career school to be providing financial aid to the student of the cancellation within 30 days.

Subd. 12. **Closed private career school.** In the event a private career school closes for any reason during a term and interrupts and terminates classes during that term, all tuition for the term shall be refunded to the students or the appropriate state or federal agency or private lender that provided any funding for the term and any outstanding obligation of the student for the term is canceled.

History: 1973 c 714 s 12; 1980 c 559 s 2,3; 1986 c 444; 1996 c 366 s 4; 1999 c 214 art 3 s 22-28; 2005 c 107 art 3 s 10-14; 2007 c 144 art 3 s 26,27; 2015 c 69 art 2 s 28-38,46; 2017 c 89 art 3 s 24,25; 2020 c 109 art 1 s 18; 1Sp2021 c 2 art 2 s 33,34

136A.828 PROHIBITIONS.

Subdivision 1. **Disclosure required; advertisement restricted.** Private career schools, agents of private career schools, and solicitors may not advertise or represent in writing or orally that the private career school is approved or accredited by the state of Minnesota, except that any private career school, agent, or solicitor may represent in advertisements and shall disclose in catalogues, applications, and enrollment materials that the private career school is duly licensed by the state by prominently displaying the following statement:

"(Name of private career school) is licensed as a private career school with the Minnesota Office of Higher Education pursuant to Minnesota Statutes, sections 136A.821 to 136A.832. Licensure is not an endorsement of the institution. Credits earned at the institution may not transfer to all other institutions."

Subd. 2. **Unlawful designation.** No private career school organized after November 15, 1969, shall apply to itself either as a part of its name or in any other manner the designation of "college" or "university." Operating private career schools now using such designation may continue use thereof.

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

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

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

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

(e) If placement statistics are used in advertising or other promotional materials, the school must be able to substantiate the statistics with school records. These records must be made available to the office upon request. A school is prohibited from reporting the following in placement statistics:

- (1) a student required to receive a job offer or start a job to be classified as a graduate;
- (2) a graduate if the graduate held a position before enrolling in the program, unless graduating enabled the graduate to maintain the position or the graduate received a promotion or raise upon graduation;
- (3) a graduate who works less than 20 hours per week; and
- (4) a graduate who is not expected to maintain the position for at least 180 days.

(f) A school shall not use endorsements, commendations, or recommendations by a student in favor of a school except with the consent of the student and without any offer of financial or other material compensation. Endorsements may be used only when they portray current conditions.

(g) A school may advertise that the school or its programs have been accredited by an accrediting agency recognized by the United States Department of Education or the Council for Higher Education Accreditation, but shall not advertise any other accreditation unless approved by the office. The office may approve an institution's advertising of accreditation that is not recognized by the United States Department of Education or the Council for Higher Education if that accreditation is industry specific. Clear distinction must be made when the school is in candidacy or application status versus full accreditation.

(h) A school may advertise that financial aid is available, including a listing of the financial aid programs in which the school participates, but federal or state financial aid shall not be used as a primary incentive in advertisement, promotion, or recruitment.

(i) A school may advertise placement or career assistance, if offered, but shall not use the words "wanted," "help wanted," or "trainee," either in the headline or the body of the advertisement.

(j) A school shall not be advertised under any "help wanted," "employment," or similar classification.

(k) A school shall not falsely claim that it is conducting a talent hunt, contest, or similar test.

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

Subd. 4. **Acceptance of contracts.** No private career school shall accept contracts, enrollment agreements or enrollment applications from an agent or solicitor who does not have a current permit.

Subd. 5. **Improbable program completion or employment.** A private career school, agent, or solicitor shall not enroll a prospective student when it is obvious that the prospective student is unlikely to successfully complete a program or is unlikely to qualify for employment in the vocation or field for which the preparation is designed unless this fact is affirmatively disclosed to the prospective student. If a prospective student expresses a desire to enroll after such disclosure, a disclaimer may be obtained by the private career school. The disclaimer shall be signed by the student and shall state substantially one or both of the following: "I am fully aware that it is unlikely I will be able to successfully complete the program" and "I am fully aware of the improbability or impossibility that I will qualify for employment in the vocation or field for which the program was designed."

Subd. 6. **Financial aid payments.** (a) All private career schools must collect, assess, and distribute funds received from loans or other financial aid as provided in this subdivision.

(b) Student loans or other financial aid funds received from federal, state, or local governments or administered in accordance with federal student financial assistance programs under title IV of the Higher Education Act of 1965, as amended, United States Code, title 20, chapter 28, must be collected and applied as provided by applicable federal, state, or local law or regulation.

(c) Student loans or other financial aid assistance received from a bank, finance or credit card company, or other private lender must be collected or disbursed as provided in paragraphs (d) and (e).

(d) Loans or other financial aid payments for amounts greater than \$3,000 must be disbursed:

(1) in two equal disbursements, if the term length is more than four months. The loan or payment amounts may be disbursed no earlier than the first day the student attends class with the remainder to be disbursed halfway through the term; or

(2) in three equal disbursements, if the term length is more than six months. The loan or payment amounts may be disbursed no earlier than the first day the student attends class, one-third of the way through the term, and two-thirds of the way through the term.

(e) Loans or other financial aid payments for amounts less than \$3,000 may be disbursed as a single disbursement on the first day a student attends class, regardless of term length.

(f) No private career school may enter into a contract or agreement with, or receive any money from, a bank, finance or credit card company, or other private lender, unless the private lender follows the requirements for disbursements provided in paragraphs (d) and (e).

(g) No private career school may withhold an official transcript for arrears or default on any loan made by the private career school to a student if the loan qualifies as an institutional loan under United States Code, title 11, section 523(a)(8)(b).

History: 1969 c 866 s 8; 1973 c 714 s 13-15; 1Sp1985 c 11 s 73; 1986 c 444; 1992 c 513 art 1 s 27; 1995 c 212 art 3 s 59; 1999 c 214 art 3 s 29,30; 2005 c 107 art 2 s 60; art 3 s 15,16; 2007 c 144 art 3 s 28; 2008 c 298 s 23; 2010 c 364 s 23; 2015 c 69 art 2 s 39,46; 2017 c 89 art 3 s 26

136A.829 REVOCATION OF LICENSE OR PERMIT.

Subdivision 1. **Grounds.** The office may, after notice and upon providing an opportunity for a hearing, under chapter 14 if requested by the parties adversely affected, refuse to issue, refuse to renew, revoke, or suspend a license or solicitor's permit for any of the following grounds:

- (1) violation of any provisions of sections 136A.821 to 136A.833 or any rule adopted by the office;
- (2) furnishing to the office false, misleading, or incomplete information;
- (3) presenting to prospective students information relating to the private career school that is false, fraudulent, deceptive, substantially inaccurate, or misleading;
- (4) refusal to allow reasonable inspection or supply reasonable information after written request by the office;
- (5) having been administratively determined by the commissioner or judicially determined to have committed fraud or any other material violation of law involving federal, state, or local government funds;
- (6) the existence of any circumstance that would be grounds for the refusal of an initial or renewal license under section 136A.822; or
- (7) using fraudulent or coercive practices, whether in the course of business in this state or elsewhere.

Subd. 2. **Appeal.** Any order refusing, revoking, or suspending a private career school's license or a solicitor's permit is appealable in accordance with chapter 14. Where a private career school has been operating and its license has been revoked, suspended, or refused by the office, the order is not effective until the final determination of the appeal unless immediate effect is ordered by the court.

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

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

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

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

History: 1969 c 866 s 9; 1973 c 714 s 16,17; 1982 c 424 s 130; 1983 c 247 s 61; 1985 c 248 s 70; 1986 c 444; 1992 c 513 art 1 s 27; 1995 c 212 art 3 s 59; 1996 c 366 s 5; 1999 c 214 art 3 s 31; 2005 c 107 art 3 s 17; 2015 c 69 art 2 s 40,46; 2020 c 109 art 1 s 19; art 3 s 13

136A.8295 STUDENT COMPLAINTS.

Subdivision 1. **Authority.** The office has the authority to review and take appropriate action on student complaints from schools covered under the provisions of sections 136A.822 to 136A.834.

Subd. 2. **Complaint.** A complaint must be in writing, be signed by a student, and state how the school's policies and procedures or sections 136A.822 to 136A.834 were violated. Student complaints shall be limited to complaints that occurred within six years from the date the concern should have been discovered with reasonable effort and after the student has utilized the school's internal complaint process. Students do not have to utilize a school's internal complaint process before the office has authority when the student is alleging fraud or misrepresentation. The office shall not investigate grade disputes, student conduct proceedings, disability accommodation requests, and discrimination claims, including Title IX complaints.

Subd. 3. **Investigation.** The office shall initiate an investigation upon receipt of a complaint within the authority of subdivision 2. A school involved in an investigation shall be informed of the alleged violations and the processes of the investigation. A school involved in an investigation shall respond to the alleged violations and provide requested documentation to the office. Upon completion of an investigation, the office shall inform the school and the student of the investigation outcome.

Subd. 4. **Penalties.** If violations are found, the office may require remedial action by the school or assign a penalty under section 136A.832. Remedial action may include student notification of violations, adjustments to the school's policies and procedures, and tuition or fee refunds to impacted students.

Subd. 5. **Appeals.** Any order requiring remedial action by the school or assigning a penalty under section 136A.832 is appealable in accordance with chapter 14. The request for an appeal must be made in writing to the office within 30 days of the date the school is notified of the action of the office. The court shall award costs and reasonable attorney fees in a contested chapter 14 hearing to the office if: (1) the office substantially prevails on the merits in an action brought under this section; and (2) the school has a net income from student tuition, fees, and other required institutional charges collected from the last fiscal year of \$1,000,000 or greater.

Subd. 6. **Disclosure.** Schools must disclose on their website, student handbook, and student catalog the student complaint process under this section to students.

Subd. 7. **Private information.** Student complaint data are private data on individuals, as defined in section 13.02, subdivision 12. The office may disclose student complaint data to law enforcement officials or in connection with a legal or administrative proceeding commenced to enforce a requirement of law.

History: 2017 c 89 art 3 s 27; 2019 c 64 art 2 s 34,35

136A.83 INSPECTION.

(a) The office or a delegate may inspect the instructional books and records, classrooms, dormitories, tools, equipment and classes of any private career school or applicant for license at any reasonable time. The office may require the submission of audited financial statements. The office or a delegate may inspect the financial books and records of the private career school. In no event shall such financial information be used by the office to regulate or set the tuition or fees charged by the private career school.

(b) Data obtained from an inspection of the financial records of a private career school or submitted to the office as part of a license application or renewal are nonpublic data as defined in section 13.02, subdivision 9. Data obtained from inspections may be disclosed to other members of the office, to law enforcement officials, or in connection with a legal or administrative proceeding commenced to enforce a requirement of law.

History: 1969 c 866 s 10; 1973 c 714 s 18; 1986 c 444; 1992 c 513 art 1 s 27; 1995 c 212 art 3 s 59; 1999 c 227 s 13; 2005 c 107 art 3 s 18; 2015 c 69 art 2 s 41,46; 2017 c 89 art 3 s 28

136A.831 INJUNCTION.

Upon application of the attorney general the district courts shall have jurisdiction to enjoin any violation of sections 136A.821 to 136A.833.

History: 1969 c 866 s 11; 1999 c 214 art 3 s 32; 2015 c 69 art 2 s 46

136A.832 PENALTY.

The commissioner may assess fines for violations of sections 136A.821 to 136A.834. Each day's failure to comply with sections 136A.821 to 136A.834 shall be a separate violation and fines shall not exceed \$500 per day per violation. Amounts received under this section must be deposited in the special revenue fund and are appropriated to the office for the purposes of sections 136A.821 to 136A.834.

History: 1969 c 866 s 12; 1971 c 23 s 13; 1973 c 714 s 19; 1Sp1985 c 11 s 74; 1999 c 214 art 3 s 33; 2007 c 144 art 3 s 29; 2013 c 99 art 2 s 29; 2015 c 69 art 2 s 42,46

136A.833 EXEMPTIONS.

Subdivision 1. **Application for exemptions.** A school that seeks an exemption from the provisions of sections 136A.822 to 136A.834 for the school and all of its programs or some of its programs must apply to the office to establish that the school meets the requirements of an exemption. An exemption expires two years from the date of approval or when a school adds a new program or makes a modification equal to or greater than 25 percent to an existing educational program. If a school is reapplying for an exemption, the application must be submitted to the office 90 days before the current exemption expires. This exemption shall not extend to any school that uses any publication or advertisement that is not truthful and gives any false, fraudulent, deceptive, inaccurate, or misleading impressions about the school or its personnel, programs,

services, or occupational opportunities for its graduates for promotion and student recruitment. Exemptions denied under this section are subject to appeal under section 136A.65, subdivision 8, paragraph (c). If an appeal is initiated, the denial of the exemption is not effective until the final determination of the appeal, unless immediate effect is ordered by the court.

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

- (1) public postsecondary institutions;
- (2) postsecondary institutions registered under sections 136A.61 to 136A.71;
- (3) private career schools of nursing accredited by the state Board of Nursing or an equivalent public board of another state or foreign country;
- (4) private schools complying with the requirements of section 120A.22, subdivision 4;
- (5) courses taught to students in a valid apprenticeship program taught by or required by a trade union;
- (6) private career schools exclusively engaged in training physically or mentally disabled persons for the state of Minnesota;
- (7) private career schools licensed by boards authorized under Minnesota law to issue licenses except private career schools required to obtain a private career school license due to the use of "academy," "institute," "college," or "university" in their names;
- (8) private career schools and educational programs, or training programs, contracted for by persons, firms, corporations, government agencies, or associations, for the training of their own employees, for which no fee is charged the employee;
- (9) private career schools engaged exclusively in the teaching of purely avocational, recreational, or remedial subjects as determined by the office except private career schools required to obtain a private career school license due to the use of "academy," "institute," "college," or "university" in their names unless the private career school used "academy" or "institute" in its name prior to August 1, 2008;
- (10) classes, courses, or programs conducted by a bona fide trade, professional, or fraternal organization, solely for that organization's membership;
- (11) programs in the fine arts provided by organizations exempt from taxation under section 290.05 and registered with the attorney general under chapter 309. For the purposes of this clause, "fine arts" means activities resulting in artistic creation or artistic performance of works of the imagination which are engaged in for the primary purpose of creative expression rather than commercial sale or employment. In making this determination the office may seek the advice and recommendation of the Minnesota Board of the Arts;
- (12) classes, courses, or programs intended to fulfill the continuing education requirements for licensure or certification in a profession, that have been approved by a legislatively or judicially established board or agency responsible for regulating the practice of the profession, and that are offered exclusively to an individual practicing the profession;
- (13) classes, courses, or programs intended to prepare students to sit for undergraduate, graduate, postgraduate, or occupational licensing and occupational entrance examinations;
- (14) classes, courses, or programs providing 16 or fewer clock hours of instruction that are not part of the curriculum for an occupation or entry level employment except private career schools required to obtain

a private career school license due to the use of "academy," "institute," "college," or "university" in their names;

(15) classes, courses, or programs providing instruction in personal development, modeling, or acting;

(16) training or instructional programs, in which one instructor teaches an individual student, that are not part of the curriculum for an occupation or are not intended to prepare a person for entry level employment;

(17) private career schools with no physical presence in Minnesota, as determined by the office, engaged exclusively in offering distance instruction that are located in and regulated by other states or jurisdictions if the distance education instruction does not include internships, externships, field placements, or clinical placements for residents of Minnesota; and

(18) private career schools providing exclusively training, instructional programs, or courses where tuition, fees, and any other charges for a student to participate do not exceed \$100.

History: 1969 c 866 s 15; 1973 c 714 s 20; 1977 c 59 s 1; 1980 c 559 s 4; 1989 c 209 art 1 s 13; art 2 s 1; 1990 c 562 art 3 s 11; 1992 c 513 art 1 s 27; 1995 c 212 art 3 s 59; 1998 c 397 art 11 s 3; 1999 c 214 art 3 s 34; 2005 c 56 s 1; 2005 c 107 art 3 s 19; 2007 c 144 art 3 s 30; 2008 c 298 s 24; 2012 c 270 s 11; 2013 c 99 art 2 s 20; 2015 c 69 art 2 s 43,46; 2017 c 89 art 3 s 29; 2020 c 109 art 3 s 14

136A.834 EXEMPTION; RELIGIOUS SCHOOLS.

Subdivision 1. **Exemption.** (a) A program is exempt from the provisions of sections 136A.821 to 136A.832 if it is:

(1) offered by a private career school or any department or branch of a private career school that is substantially owned, operated, or supported by a bona fide church or religious organization;

(2) primarily designed for, aimed at, and attended by persons who sincerely hold or seek to learn the particular religious faith or beliefs of that church or religious organization; and

(3) primarily intended to prepare its students to become ministers of, to enter into some other vocation closely related to, or to conduct their lives in consonance with the particular faith of that church or religious organization.

(b) Any private career school or any department or branch of a private career school is exempt from the provisions of sections 136A.821 to 136A.832 if all of its programs are exempt under paragraph (a).

Subd. 2. **Limitations.** (a) An exemption shall not extend to any private career school, department or branch of a private career school, or program of a private career school that through advertisements or solicitations represents to any students or prospective students that the school, its aims, goals, missions, purposes, or programs are different from those described in subdivision 1.

(b) An exemption shall not extend to any private career school or program that represents to any student or prospective student that the major purpose of its programs is to:

(1) prepare the student for a vocation not closely related to that particular religious faith; or

(2) provide the student with a general educational program recognized by other private career schools or the broader educational, business, or social community as being substantially equivalent to the educational programs offered by private career schools or departments or branches of private career schools which are

not religious in nature and are not exempt from sections 136A.82 to 136A.834 and from rules adopted under sections 136A.82 to 136A.834.

(c) This exemption shall not extend to any school that uses any publication or advertisement that is not truthful and gives any false, fraudulent, deceptive, inaccurate, or misleading impressions about the school or its personnel, programs, services, or occupational opportunities for graduates for promotion and student recruitment. Exemptions denied under this section are subject to appeal under section 136A.65, subdivision 8, paragraph (c). If an appeal is initiated, the denial of the exemption is not effective until the final determination of the appeal, unless immediate effect is ordered by the court.

Subd. 3. **Scope.** Nothing in sections 136A.82 to 136A.834 or the rules adopted under them shall be interpreted as permitting the office to determine the truth or falsity of any particular set of religious beliefs.

Subd. 4. **Descriptive language required.** Any certificate, diploma, degree, or other formal recognition awarded upon completion of any religiously exempt program shall include such descriptive language as to make the religious nature of the award clear.

Subd. 5. **Application.** A school that seeks an exemption from the provisions of sections 136A.82 to 136A.834 must apply to the office to establish that the school meets the requirements of an exemption. An exemption expires two years from the date of approval or when a school adds a new program or makes a modification equal to or greater than 25 percent to an existing educational program. If a school is reapplying for an exemption, the application must be submitted to the office 90 days before the current exemption expires.

History: 2007 c 144 art 3 s 31; 2015 c 69 art 2 s 46; 2017 c 89 art 3 s 30; 2020 c 109 art 1 s 20; art 3 s 15

POST-HIGH SCHOOL PLANNING PROGRAM

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

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

136A.861 INTERVENTION FOR COLLEGE ATTENDANCE PROGRAM GRANTS.

Subdivision 1. **Grants.** (a) The commissioner shall award grants to foster postsecondary attendance and retention by providing outreach services to historically underserved students in grades six through 12 and historically underrepresented college students. Grants must be awarded to programs that provide precollege services, including, but not limited to:

- (1) academic counseling;
- (2) mentoring;
- (3) fostering and improving parental involvement in planning for and facilitating a college education;
- (4) services for students with English as a second language;
- (5) academic enrichment activities;
- (6) tutoring;
- (7) career awareness and exploration;

(8) orientation to college life;

(9) assistance with high school course selection and information about college admission requirements; and

(10) financial aid counseling.

(b) To the extent there are sufficient applications, the commissioner shall award an approximate equal amount of grants for program-eligible students who are from communities located outside the metropolitan area, as defined in section 473.121, subdivision 2, as for students from communities within the metropolitan area. If necessary to achieve the approximately equal metropolitan area and nonmetropolitan area allocation, the commissioner may award a preference to a nonmetropolitan area application in the form of five points on a one hundred point application review scale.

(c) Grants shall be awarded to postsecondary institutions, professional organizations, community-based organizations, or others deemed appropriate by the commissioner.

(d) Grants shall be awarded for one year and may be renewed for a second year with documentation to the office of successful program outcomes.

Subd. 2. **Eligible students.** (a) Eligible students include students in grades six through 12 who meet one or more of the following criteria:

(1) are counted under section 1124(c) of the Elementary and Secondary Education Act of 1965 (Title I);

(2) are eligible for free or reduced-price lunch under the National School Lunch Act;

(3) receive assistance under the Temporary Assistance for Needy Families Law (Title I of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996); or

(4) are a member of a group traditionally underrepresented in higher education.

(b) Eligible undergraduate students include those who met the student eligibility criteria as 6th through 12th graders.

Subd. 3. **Application process.** (a) The commissioner shall develop a grant application process. The commissioner shall attempt to support projects in a manner that ensures that eligible students throughout the state have access to program services.

(b) The grant application must include, at a minimum, the following information:

(1) a description of the characteristics of the students to be served reflective of the need for services listed in subdivision 1;

(2) a description of the services to be provided and a timeline for implementation of the activities;

(3) a description of how the services provided will foster postsecondary attendance and support postsecondary retention;

(4) a description of how the services will be evaluated to determine whether the program goals were met; and

(5) other information as identified by the commissioner.

Grant recipients must specify both program and student outcome goals, and performance measures for each goal.

Subd. 4. **Match required.** Applicants are required to match the grant amount dollar-for-dollar. The match may be in cash or an in-kind contribution.

Subd. 5. **Review committee.** The commissioner must establish and convene a grant selection committee to review applications and award grants. The members of the committee may include representatives of postsecondary institutions, school districts, organizations providing precollege outreach services, and others deemed appropriate by the commissioner.

Subd. 6. **Program evaluation.** Each grant recipient must annually submit a report to the office delineating its program and student outcome goals, and activities implemented to achieve the stated outcomes. The goals must be clearly stated and measurable. Grant recipients are required to collect, analyze, and report on participation and outcome data that enable the office to verify that the program goals were met. The office shall maintain:

(1) information about successful precollege program and undergraduate student retention program activities for dissemination to individuals throughout the state interested in adopting or replicating successful program practices; and

(2) data on the success of the funded projects in increasing the high school graduation, college participation, and college graduation rates of students served by the grant recipients. The office may convene meetings of the grant recipients, as needed, to discuss issues pertaining to the implementation of precollege services and undergraduate retention programs.

Subd. 7. **Report.** By January 15 of each odd-numbered year, the office shall submit a report to the committees in the legislature with jurisdiction over higher education finance regarding the grant recipients and their activities. The report shall include information about the students served, the organizations providing services, program activities, program goals and outcomes, and program revenue sources and funding levels.

History: 2005 c 107 art 2 s 29,60; 2007 c 144 art 2 s 32-35; 2013 c 99 art 2 s 29; 2014 c 149 s 42-44; 2015 c 69 art 3 s 12

136A.862 [Repealed, 2015 c 69 art 2 s 47]

136A.87 PLANNING INFORMATION FOR POSTSECONDARY EDUCATION.

(a) The office shall make available to all residents beginning in 7th grade through adulthood information about planning and preparing for postsecondary opportunities. Information must be provided to all 7th grade students and their parents annually by September 30 about planning for their postsecondary education. The office may also provide information to high school students and their parents, to adults, and to out-of-school youth.

(b) The office shall gather and share information with students and parents about the dual credit acceptance policies of each Minnesota public and private college and university. The office shall gather and share information related to the acceptance policies for concurrent enrollment courses, postsecondary enrollment options courses, advanced placement courses, and international baccalaureate courses. This information must be shared on the office's website and included in the information under paragraph (a).

(c) The information provided under paragraph (a) may include the following:

(1) the need to start planning early;

(2) the availability of assistance in educational planning from educational institutions and other organizations;

(3) suggestions for studying effectively during high school;

(4) high school courses necessary to be adequately prepared for postsecondary education;

(5) encouragement to involve parents actively in planning for all phases of education;

(6) information about postsecondary education and training opportunities existing in the state, their respective missions and expectations for students, their preparation requirements, admission requirements, and student placement;

(7) ways to evaluate and select postsecondary institutions;

(8) the process of transferring credits among Minnesota postsecondary institutions and systems;

(9) the costs of postsecondary education and the availability of financial assistance in meeting these costs, including specific information about the Minnesota Promise;

(10) the interrelationship of assistance from student financial aid, public assistance, and job training programs;

(11) financial planning for postsecondary education; and

(12) postsecondary education options for students with intellectual and developmental disabilities.

History: 1978 c 782 s 3; 1987 c 401 s 27; 1Sp1993 c 2 art 2 s 20; 1995 c 212 art 3 s 59; 2009 c 95 art 2 s 24; 2015 c 69 art 2 s 18; 2016 c 189 art 1 s 20; 2019 c 64 art 2 s 36; 1Sp2019 c 11 art 2 s 23

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

INSTITUTIONAL GRANTS

136A.901 SPINAL CORD INJURY AND TRAUMATIC BRAIN INJURY RESEARCH GRANT PROGRAM.

Subdivision 1. **Grant program.** (a) The commissioner shall establish a grant program to award grants to institutions in Minnesota for research into spinal cord injuries and traumatic brain injuries. Grants shall be awarded to conduct research into new and innovative treatments and rehabilitative efforts for the functional improvement of people with spinal cord and traumatic brain injuries. Research topics may include, but are not limited to, pharmaceutical, medical device, brain stimulus, and rehabilitative approaches and techniques. The commissioner, in consultation with the advisory council established under section 136A.902, shall award 50 percent of the grant funds for research involving spinal cord injuries and 50 percent to research involving traumatic brain injuries. In addition to the amounts appropriated by law, the commissioner may accept additional funds from private and public sources. Amounts received from these sources are appropriated to the commissioner for the purposes of issuing grants under this section.

(b) A spinal cord and traumatic brain injury grant account is established in the special revenue fund. Money in the account is appropriated to the commissioner to make grants and to administer the grant program under this section. Appropriations to the commissioner for the program are for transfer to the account. Appropriations from the account do not cancel and are available until expended.

Subd. 2. **Report.** By January 15, 2016, and each January 15 thereafter, the commissioner shall submit a report to the chairs and ranking minority members of the senate and house of representatives committees having jurisdiction over the Office of Higher Education, specifying the institutions receiving grants under this section and the purposes for which the grant funds were used.

History: 2015 c 69 art 3 s 13; 2018 c 207 s 4

136A.902 SPINAL CORD AND TRAUMATIC BRAIN INJURY ADVISORY COUNCIL.

Subdivision 1. **Membership.** The commissioner shall appoint a 14-member advisory council consisting of:

- (1) one member representing the University of Minnesota Medical School;
- (2) one member representing the Mayo Medical School;
- (3) one member representing the Courage Kenny Rehabilitation Center;
- (4) one member representing Hennepin County Medical Center;
- (5) one member who is a neurosurgeon;
- (6) one member who has a spinal cord injury;
- (7) one member who is a family member of a person with a spinal cord injury;
- (8) one member who has a traumatic brain injury;
- (9) one member who is a veteran who has a spinal cord injury;
- (10) one member who is a veteran who has a traumatic brain injury;
- (11) one member who is a family member of a person with a traumatic brain injury;
- (12) one member who is a physician specializing in the treatment of spinal cord injury;
- (13) one member who is a physician specializing in the treatment of traumatic brain injury; and
- (14) one member representing Gillette Children's Specialty Healthcare.

Subd. 2. **Organization.** The advisory council shall be organized and administered under section 15.059, except that subdivision 2 shall not apply. Except as provided in subdivision 4, the commissioner shall appoint council members to two-year terms and appoint one member as chair. The advisory council does not expire.

Subd. 3. **First appointments and first meeting.** The commissioner shall appoint the first members of the council by September 1, 2015. The chair shall convene the first meeting by November 1, 2015.

Subd. 4. **Terms of initial council members.** The commissioner shall designate six of the initial council members to serve one-year terms and six to serve two-year terms.

Subd. 5. **Conflict of interest.** Council members must disclose in a written statement any financial interest in any organization that the council recommends to receive a grant. The written statement must accompany the grant recommendations and must explain the nature of the conflict. The council is not subject to policies developed by the commissioner of administration under section 16B.98.

Subd. 6. **Duties.** The advisory council shall:

- (1) develop criteria for evaluating and awarding the research grants under section 136A.901;
- (2) review research proposals and make recommendations by January 15 of each year to the commissioner for purposes of awarding grants under section 136A.901; and
- (3) perform other duties as authorized by the commissioner.

History: 2015 c 69 art 3 s 14; 2017 c 89 art 2 s 16

136A.91 CONCURRENT ENROLLMENT GRANTS.

Subdivision 1. **Grants.** (a) The Office of Higher Education must establish a competitive grant program for postsecondary institutions to expand concurrent enrollment opportunities. To the extent that there are qualified applicants, the commissioner of the Office of Higher Education shall distribute grant funds to ensure:

- (1) eligible students throughout the state have access to concurrent enrollment programs; and
- (2) preference for grants that expand programs is given to programs already at capacity.

(b) The commissioner may award grants under this section to postsecondary institutions for any of the following purposes:

- (1) to develop new concurrent enrollment courses under section 124D.09, subdivision 10, that satisfy the elective standard for career and technical education; or
- (2) to expand the existing concurrent enrollment programs already offered by the postsecondary institution by:
 - (i) creating new sections within the same high school;
 - (ii) offering the existing course in new high schools; or
 - (iii) supporting the preparation, recruitment, and success of students who are underrepresented in concurrent enrollment classrooms.

Subd. 2. **Application.** The commissioner shall develop a grant application process. A grant applicant must:

- (1) specify the purpose under subdivision 1, paragraph (b), for which the institution is applying;
- (2) specify both program and student outcome goals;
- (3) include student feedback in the development of new programs or the expansion of existing programs; and
- (4) demonstrate a commitment to equitable access to concurrent enrollment coursework for all eligible high school students.

Subd. 3. **Report.** By December 1 of each year, the office shall submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education regarding:

- (1) the amount of funds granted under each clause of subdivision 1, paragraph (b);
- (2) the courses developed by grant recipients and the number of students who enrolled in the courses under subdivision 1, paragraph (b), clause (1); and

(3) the programs expanded and the number of students who enrolled in programs under subdivision 1, paragraph (b), clause (2).

History: *1Sp2021 c 2 art 2 s 35; 2022 c 55 art 1 s 35*