

1.1 Senator ..... moves to amend S.F. No. 4003 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 **"ARTICLE 1**  
1.4 **HIGHER EDUCATION POLICY**

1.5 Section 1. Minnesota Statutes 2023 Supplement, section 135A.121, subdivision 2, is  
1.6 amended to read:

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

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

1.10 (2) be either (i) a Minnesota resident for resident tuition purposes who is an enrolled  
1.11 member or citizen of a federally recognized American Indian Tribe or Canadian First Nation,  
1.12 or (ii) an enrolled member or citizen of a Minnesota Tribal Nation, regardless of resident  
1.13 tuition status; ~~and~~

1.14 (3) have not (i) obtained a baccalaureate degree, or (ii) been enrolled for ~~180 credits~~ 12  
1.15 semesters or the equivalent, excluding courses taken that qualify as developmental education  
1.16 or below college-level; and

1.17 (4) meet satisfactory academic progress as defined under section 136A.101, subdivision  
1.18 10.

1.19 Sec. 2. [135A.144] TRANSCRIPT ACCESS.

1.20 Subdivision 1. Definitions. (a) The terms defined in this subdivision apply to this section.

1.21 (b) "Debt" means any money, obligation, claim, or sum, due or owed, or alleged to be  
1.22 due or owed, from a student. Debt does not include the fee, if any, charged to all students  
1.23 for the actual costs of providing the transcripts.

1.24 (c) "School" means a public institution governed by the Board of Trustees of the  
1.25 Minnesota State Colleges and Universities, private postsecondary educational institution  
1.26 as defined under section 136A.62 or 136A.821, or public or private entity that is responsible  
1.27 for providing transcripts to current or former students of an educational institution.  
1.28 Institutions governed by the Board of Regents of the University of Minnesota are requested  
1.29 to comply with this section.

1.30 (d) "Transcript" means the statement of an individual's academic record, including  
1.31 official transcripts or the certified statement of an individual's academic record provided

2.1 by a school, and unofficial transcripts or the uncertified statement of an individual's academic  
2.2 record provided by a school.

2.3 Subd. 2. **Prohibited practices.** (a) A school must not refuse to provide a transcript for  
2.4 a current or former student because the student owes a debt to the school if:

2.5 (1) the debt owed is less than \$1,000;

2.6 (2) the student has entered into and, as determined by the institution, is in compliance  
2.7 with a payment plan with the school;

2.8 (3) the transcript request is made by a prospective employer for the student;

2.9 (4) the school has sent the debt for repayment to the Department of Revenue or to a  
2.10 collection agency, as defined in section 332.31, subdivision 3, external to the institution  
2.11 and the debt has not been returned to the institution unpaid; or

2.12 (5) the person is incarcerated at a Minnesota correctional facility.

2.13 (b) A school must not charge an additional or higher fee for obtaining a transcript or  
2.14 provide less favorable treatment of a transcript request because a student owes a debt to the  
2.15 originating school.

2.16 Subd. 3. **Institutional policy.** (a) A school that uses transcript issuance as a tool for debt  
2.17 collection must have a policy accessible to students that outlines how the school collects  
2.18 on debts owed to the school.

2.19 (b) A school shall seek to use transcript issuance as a tool for debt collection for the  
2.20 fewest number of cases possible and in a manner that allows for the quickest possible  
2.21 resolution of the debt benefitting the student's educational progress.

2.22 (c) By September 30 each year, beginning in 2024, an institution or system that uses  
2.23 transcript issuance as a tool for debt collection shall provide the Office of Higher Education  
2.24 with an updated copy of its policy under paragraph (a), and report the number of students,  
2.25 as of June 30 of that year, who were denied transcripts due to the student's debt.

2.26 Sec. 3. **[135A.1581] NAVIGATORS FOR PARENTING STUDENTS.**

2.27 Subdivision 1. **Applicability.** (a) This section applies to the following postsecondary  
2.28 institutions:

2.29 (1) institutions governed by the Board of Trustees of the Minnesota State Colleges and  
2.30 Universities; and

3.1 (2) private postsecondary institutions that offer in-person courses on a campus located  
3.2 in Minnesota and which are eligible institutions as defined in section 136A.103.

3.3 (b) Institutions governed by the Board of Regents of the University of Minnesota are  
3.4 requested to comply with this section.

3.5 Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the  
3.6 meanings given.

3.7 (b) "Institutions of higher education" means an institution of higher education under  
3.8 subdivision 1.

3.9 (c) "Parenting student" means a student enrolled at an institution of higher education  
3.10 who is the parent or legal guardian of or can claim as a dependent a child under the age of  
3.11 18.

3.12 Subd. 3. **Navigators.** An institution of higher education must designate at least one  
3.13 employee of the institution to act as a college navigator for current or incoming students at  
3.14 the institution who are parenting students. The navigator must provide to the students  
3.15 information regarding support services and other resources available to the students at the  
3.16 institution, including:

3.17 (1) medical and behavioral health coverage and services;

3.18 (2) public benefit programs, including programs related to food security, affordable  
3.19 housing, and housing subsidies;

3.20 (3) parenting and child care resources;

3.21 (4) employment assistance;

3.22 (5) transportation assistance; and

3.23 (6) any other resources developed by the institution to assist the students, including  
3.24 student academic success strategies.

3.25 Subd. 4. **Report.** (a) By June 30, 2026, an institution of higher education must establish  
3.26 a process for collecting the parenting status of each enrolled student. By November 30,  
3.27 2025, the Office of Higher Education shall establish a process for collecting this information  
3.28 from institutions.

3.29 (b) Annually, beginning January 15, 2028, the Office of Higher Education must submit  
3.30 a report to the chairs and ranking minority members of the legislative committees with  
3.31 jurisdiction over higher education and children, youth, and families. The report must include  
3.32 the following for parenting students:

- 4.1 (1) summary demographic data;
- 4.2 (2) enrollment patterns;
- 4.3 (3) retention rates;
- 4.4 (4) completion rates;
- 4.5 (5) average cumulative debt at exit or graduation as possible; and
- 4.6 (6) time to completion.

4.7 Data must be disaggregated by institution, academic year, race and ethnicity, gender, and  
4.8 other factors determined to be relevant by the commissioner.

4.9 **Sec. 4. [135A.1582] PROTECTIONS FOR PREGNANT AND PARENTING**  
4.10 **STUDENTS.**

4.11 Subdivision 1. **Definition.** (a) For the purpose of this section, the following term has  
4.12 the meaning given.

4.13 (b) "Parenting student" means a student enrolled at a public college or university who  
4.14 is the parent or legal guardian of or can claim as a dependent a child under the age of 18.

4.15 Subd. 2. **Rights and protections.** (a) A Minnesota state college or university may not  
4.16 require and the University of Minnesota is requested not to require a pregnant or parenting  
4.17 student, solely because of the student's status as a pregnant or parenting student or due to  
4.18 issues related to the student's pregnancy or parenting, to:

- 4.19 (1) take a leave of absence or withdraw from the student's degree or certificate program;
- 4.20 (2) limit the student's studies;
- 4.21 (3) participate in an alternative program;
- 4.22 (4) change the student's major, degree, or certificate program; or
- 4.23 (5) refrain from joining or cease participating in any course, activity, or program at the  
4.24 college or university.

4.25 (b) A Minnesota state college or university shall provide and the University of Minnesota  
4.26 is requested to provide reasonable modifications to a pregnant student, including  
4.27 modifications that:

- 4.28 (1) would be provided to a student with a temporary medical condition; or

5.1 (2) are related to the health and safety of the student and the student's unborn child, such  
5.2 as allowing the student to maintain a safe distance from substances, areas, and activities  
5.3 known to be hazardous to pregnant women or unborn children.

5.4 (c) A Minnesota state college or university must and the University of Minnesota is  
5.5 requested to, for reasons related to a student's pregnancy, childbirth, or any resulting medical  
5.6 status or condition:

5.7 (1) excuse the student's absence;

5.8 (2) allow the student to make up missed assignments or assessments;

5.9 (3) allow the student additional time to complete assignments in the same manner as the  
5.10 institution allows for a student with a temporary medical condition; and

5.11 (4) provide the student with access to instructional materials and video recordings of  
5.12 lectures for classes for which the student has an excused absence under this section to the  
5.13 same extent that instructional materials and video recordings of lectures are made available  
5.14 to any other student with an excused absence.

5.15 (d) A Minnesota state college or university must and the University of Minnesota is  
5.16 requested to allow a pregnant or parenting student to:

5.17 (1) take a leave of absence; and

5.18 (2) if in good academic standing at the time the student takes a leave of absence, return  
5.19 to the student's degree or certificate program in good academic standing without being  
5.20 required to reapply for admission.

5.21 (e) If a public college or university provides early registration for courses or programs  
5.22 at the institution for any group of students, the Minnesota state college or university must  
5.23 provide and the University of Minnesota is requested to provide early registration for those  
5.24 courses or programs for pregnant or parenting students in the same manner.

5.25 Subd. 3. **Policy on discrimination.** Each Minnesota state college or university must  
5.26 adopt and the University of Minnesota is requested to adopt a policy for students on  
5.27 pregnancy and parenting discrimination. The policy must:

5.28 (1) include the contact information of the Title IX coordinator who is the designated  
5.29 point of contact for a student requesting each protection or modification under this section.  
5.30 Contact information must include the Title IX coordinator's name, phone number, email,  
5.31 and office;

6.1 (2) be posted in an easily accessible, straightforward format on the college or university's  
6.2 website; and

6.3 (3) be made available annually to faculty, staff, and employees of the college or  
6.4 university.

6.5 Subd. 4. **Administration.** The commissioner of the Office of Higher Education must,  
6.6 in consultation with the Board of Trustees of the Minnesota State Colleges and Universities  
6.7 and the Board of Regents of the University of Minnesota, establish guidelines, as necessary,  
6.8 to administer this section. The guidelines must establish minimum periods for which a  
6.9 pregnant or parenting student must be given a leave of absence under subdivision 2, paragraph  
6.10 (d). In establishing the minimum periods, the Office of Higher Education shall consider the  
6.11 maximum amount of time a student may be absent without significantly interfering with  
6.12 the student's ability to complete the student's degree or certificate program.

6.13 Sec. 5. Minnesota Statutes 2023 Supplement, section 135A.161, is amended by adding a  
6.14 subdivision to read:

6.15 Subd. 5. **Reporting.** The director must evaluate the development and implementation  
6.16 of the Minnesota inclusive higher education initiatives receiving a grant under section  
6.17 135A.162. The director must submit an annual report by October 1 on the progress to expand  
6.18 Minnesota inclusive higher education options for students with intellectual disabilities to  
6.19 the commissioner and chairs and ranking minority members of the legislative committees  
6.20 with jurisdiction over higher education policy and finance. The report must include statutory  
6.21 and budget recommendations.

6.22 Sec. 6. Minnesota Statutes 2023 Supplement, section 135A.162, subdivision 2, is amended  
6.23 to read:

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

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

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

7.1 Sec. 7. **[135A.163] STUDENTS WITH DISABILITIES; ACCOMMODATIONS;**  
7.2 **GENERAL REQUIREMENTS.**

7.3 Subdivision 1. **Short title.** This act may be cited as the "Minnesota Respond, Innovate,  
7.4 Succeed, and Empower (RISE) Act."

7.5 Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the  
7.6 meanings given.

7.7 (b) "Institution of higher education" means a public institution of higher education,  
7.8 Tribal colleges, and private institutions of higher education that receive federal funding.  
7.9 The Board of Regents of the University of Minnesota is requested to comply with this  
7.10 section.

7.11 (c) "Plain language" is communication the audience can understand the first time the  
7.12 audience reads or hears it.

7.13 (d) "Student with a disability" is an admitted or enrolled student who meets the definition  
7.14 of an individual with a disability under the Americans with Disabilities Act and includes a  
7.15 student with an intellectual disability as defined in Code of Federal Regulations, title 34,  
7.16 section 668.231, who is admitted or enrolled in a comprehensive transition and postsecondary  
7.17 program.

7.18 Subd. 3. **Students with disabilities policy; dissemination of policy.** Each institution  
7.19 of higher education shall adopt a policy making self-disclosure by a student with a disability  
7.20 sufficient proof of a disability, which starts the interactive process for reasonable  
7.21 accommodations under subdivision 4.

7.22 Subd. 4. **Establishment of reasonable accommodation; documentation.** (a) An  
7.23 institution of higher education shall engage in an interactive process to document the student's  
7.24 accommodation needs to establish a reasonable accommodation. An institution may request  
7.25 documentation as part of the interactive process to establish accommodations for the student  
7.26 with a disability.

7.27 (b) The following documentation submitted by either an admitted or an enrolled student  
7.28 is sufficient documentation for the interactive process to establish reasonable accommodations  
7.29 for a student with a disability:

7.30 (1) documentation that the individual has had an individualized education program (IEP).  
7.31 The institution of higher education may request additional documentation from an individual  
7.32 who has had an IEP if the IEP was not in effect immediately before the date when the  
7.33 individual exited high school;

8.1 (2) documentation that the individual has received services or accommodations under  
8.2 a section 504 plan. The institution of higher education may request additional documentation  
8.3 from an individual who has received services or accommodations provided to the individual  
8.4 under a section 504 plan if the section 504 plan was not in effect immediately before the  
8.5 date when the individual exited high school;

8.6 (3) documentation of a plan or record of service for the individual from a private school,  
8.7 a local educational agency, a state educational agency, or an institution of higher education  
8.8 provided under a section 504 plan or in accordance with the Americans with Disabilities  
8.9 Act of 1990;

8.10 (4) a record or evaluation from an appropriately qualified health or other service  
8.11 professional who is knowledgeable about the individual's condition, finding that the  
8.12 individual has a disability;

8.13 (5) a plan or record of a disability from another institution of higher education;

8.14 (6) documentation of a disability due to military service; or

8.15 (7) additional information from an appropriately qualified health or other service  
8.16 professional who is knowledgeable about the student's condition and can clarify the need  
8.17 for a new accommodation not included in subdivision 4, paragraph (b), clauses (1) to (6).

8.18 (c) An institution of higher education may establish less burdensome criteria to determine  
8.19 reasonable accommodations for an enrolled or admitted student with a disability.

8.20 (d) An institution of higher education shall include a representative list of potential  
8.21 reasonable accommodations and disability resources for individuals with a disability that  
8.22 is accessible to applicants, students, parents, and faculty in plain language accessible formats.  
8.23 This information must be available in languages that reflect the primary languages of the  
8.24 institution's student body. The information must be provided during the student application  
8.25 process, student orientation, in academic catalogs, and the institution's public website. The  
8.26 reasonable accommodations and disability resources available to students are individualized  
8.27 and not limited to the list.

8.28 Subd. 5. **Higher education requirements for students with disabilities.** Institutions  
8.29 of higher education shall:

8.30 (1) before the beginning of each academic term, offer an opportunity for admitted students  
8.31 to self-identify as having a disability for which they may request an accommodation. The  
8.32 person or office responsible for arranging accommodations at the institution must initiate

9.1 contact with any student who has self-identified under this clause. This does not preclude  
9.2 a student from requesting an accommodation for a disability at any other time;

9.3 (2) not require a student to be reevaluated for or submit documentation to prove the  
9.4 presence of a permanent disability if the student previously provided proof of their disability  
9.5 status and is not requesting any new accommodations;

9.6 (3) if a course instructor cannot provide an accommodation because it would  
9.7 fundamentally alter the nature of that course, require an instructor to provide a notification  
9.8 detailing why an accommodation cannot be provided to the student and submit that  
9.9 information to the student and the person or office responsible for arranging accommodations;  
9.10 and

9.11 (4) provide a student with a disability who is denied accommodations the option to  
9.12 include the person or office responsible for arranging accommodations in the institution's  
9.13 grievance or appeal process, to resolve equitable access barriers and prevent academic or  
9.14 financial penalty due to no fault of the student.

9.15 **EFFECTIVE DATE.** This section is effective January 1, 2025.

9.16 **Sec. 8. [135A.195] ADMISSIONS APPLICATIONS; LEGACY ADMISSIONS AND**  
9.17 **ADMISSIONS BASED ON DONOR STATUS PROHIBITED.**

9.18 (a) For the purpose of this section, "legacy status" means the familial relationship of an  
9.19 individual applying for admission to an institution of higher education to an alumnus of the  
9.20 institution.

9.21 (b) No public or private institution of higher education in Minnesota shall provide any  
9.22 manner of preferential treatment in the admissions decision to any student applicant on the  
9.23 basis of a student's legacy status or a student's familial relationship to any donor to such  
9.24 institution. The Board of Regents of the University of Minnesota is requested to comply  
9.25 with this section.

9.26 **Sec. 9. [136A.053] CONSOLIDATED STUDENT AID REPORTING.**

9.27 (a) The commissioner of the Office of Higher Education shall report annually beginning  
9.28 February 15, 2026, to the chairs and ranking minority members of the legislative committees  
9.29 with jurisdiction over higher education, on the details of programs administered under  
9.30 sections 136A.091 to 136A.1276, 136A.1465, and 136A.231 to 136A.246, including the:

9.31 (1) total funds appropriated and expended;

- 10.1 (2) total number of students applying for funds;
- 10.2 (3) total number of students receiving funds;
- 10.3 (4) average and total award amounts;
- 10.4 (5) summary demographic data on award recipients;
- 10.5 (6) retention rates of award recipients;
- 10.6 (7) completion rates of award recipients;
- 10.7 (8) average cumulative debt at exit or graduation; and
- 10.8 (9) average time to completion.
- 10.9 (b) Data must be disaggregated by program, institution, aid year, race and ethnicity,
- 10.10 gender, income, family type, dependency status, and any other factors determined to be
- 10.11 relevant by the commissioner. The commissioner must report any additional data and
- 10.12 outcomes relevant to the evaluation of programs administered under sections 136A.091 to
- 10.13 136A.1276 and 136A.231 to 136A.246 as evidenced by activities funded under each program.

10.14 Sec. 10. Minnesota Statutes 2022, section 136A.091, subdivision 3, is amended to read:

10.15 Subd. 3. **Financial need.** Need for financial assistance is based on student eligibility for

10.16 free or reduced-price school meals under the national school lunch program. Student

10.17 eligibility shall be verified by sponsors of approved academic programs. The office shall

10.18 award stipends for students within the limits of available appropriations for this section. If

10.19 the amount appropriated is insufficient, the office shall allocate the available appropriation

10.20 in the manner it determines. A stipend must not exceed \$1,000 per student.

10.21 Sec. 11. **[136A.097] ORDER OF AID CALCULATIONS.**

10.22 The commissioner must calculate aid for programs in the order of their original enactment

10.23 from oldest to most recent. The commissioner may determine the order of calculating state

10.24 financial aid if:

- 10.25 (1) a student is eligible for multiple state financial aid programs; and
- 10.26 (2) two or more of those programs calculate funding after accounting for other state aid.
- 10.27 If the commissioner determines that a greater amount of financial aid would be available
- 10.28 to students by calculating aid in a particular order, the commissioner may calculate aid in
- 10.29 that order.

- 11.1 Sec. 12. Minnesota Statutes 2022, section 136A.1241, subdivision 3, is amended to read:
- 11.2 Subd. 3. **Eligibility.** (a) An individual who is eligible for the Education and Training
- 11.3 Voucher Program is eligible for a foster grant.
- 11.4 (b) If the individual is not eligible for the Education and Training Voucher Program, in
- 11.5 order to receive a foster grant, an individual must:
- 11.6 (1) meet the definition of a resident student under section 136A.101, subdivision 8;
- 11.7 (2) be at least 13 years of age but fewer than 27 years of age;
- 11.8 (3) after the individual's 13th birthday, be in or have been in foster care in Minnesota
- 11.9 before, on, or after June 27, 2021, including any of the following:
- 11.10 (i) placement in foster care at any time while 13 years of age or older;
- 11.11 (ii) adoption from foster care at any time after reaching 13 years of age; or
- 11.12 (iii) placement from foster care with a permanent legal custodian at any time after
- 11.13 reaching 13 years of age;
- 11.14 (4) have graduated from high school or completed the equivalent as approved by the
- 11.15 Department of Education;
- 11.16 (5) have been accepted for admission to, or be currently attending, an eligible institution;
- 11.17 (6) have submitted a FAFSA; ~~and~~
- 11.18 (7) be meeting satisfactory academic progress as defined under section 136A.101,
- 11.19 subdivision 10;
- 11.20 (8) not be in default, as defined by the office, of any federal or state student educational
- 11.21 loan;
- 11.22 (9) not be more than 30 days in arrears in court-ordered child support that is collected
- 11.23 or enforced by the public authority responsible for child support enforcement or, if the
- 11.24 applicant is more than 30 days in arrears in court-ordered child support that is collected or
- 11.25 enforced by the public authority responsible for child support enforcement, be complying
- 11.26 with a written payment agreement under section 518A.69 or order for arrearages; and
- 11.27 (10) not have been convicted of or pled nolo contendere or guilty to a crime involving
- 11.28 fraud in obtaining federal Title IV funds within the meaning of Code of Federal Regulations,
- 11.29 subtitle B, chapter VI, part 668, subpart C.

12.1 Sec. 13. Minnesota Statutes 2023 Supplement, section 136A.1241, subdivision 5, is  
12.2 amended to read:

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

12.7 (1) the results of the federal need analysis;

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

12.9 (3) the amount of the state grant;

12.10 (4) the Federal Supplemental Educational Opportunity Grant;

12.11 (5) the sum of all Tribal scholarships;

12.12 (6) the amount of any other state and federal gift aid;

12.13 (7) the Education and Training Voucher Program;

12.14 (8) extended foster care benefits under section 260C.451;

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

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

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

12.22 (c) An eligible private institution may opt out of participating in the foster grant program  
12.23 established under this section. To opt out, the institution shall provide notice to the office  
12.24 by March 1 for the next academic year. An institution that opts out of participating, but  
12.25 participated in the program a previous year, must hold harmless currently enrolled recipients  
12.26 by continuing to provide the benefit under paragraph (d) as long as the student remains  
12.27 eligible.

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

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

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

13.5 (e) An undergraduate student who is eligible may apply for and receive a foster grant  
13.6 in any year of undergraduate study unless the student has obtained a baccalaureate degree  
13.7 or received foster grant funds for a period of ten full-time semesters or the equivalent for a  
13.8 four-year undergraduate degree. A foster grant student enrolled in a two-year degree,  
13.9 certificate, or diploma program may apply for and receive a foster grant in any year of  
13.10 undergraduate study unless the student has obtained a baccalaureate degree or received  
13.11 foster grant funds for a period of six full-time semesters or the equivalent.

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

13.15 (g) Students who received the foster grant in the previous year will be given priority.  
13.16 Awards must be made on a first-come, first-served basis in the order complete applications  
13.17 are received. If there are multiple applications with identical completion dates, those  
13.18 applications must be further sorted by application receipt date. Awards must be made to  
13.19 eligible students until the appropriation is expended. Applicants not receiving a grant and  
13.20 for whom the office has received a completed application must be placed on a waiting list  
13.21 in order of application completion date.

13.22 Sec. 14. Minnesota Statutes 2023 Supplement, section 136A.1465, subdivision 1, is  
13.23 amended to read:

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

13.25 (1) "eligible student" means a resident student under section 136A.101, subdivision 8,  
13.26 who is enrolled in any public postsecondary educational institution or Tribal college and  
13.27 who meets the eligibility requirements in subdivision 2;

13.28 (2) "gift aid" ~~means all~~ includes:

13.29 (i) all federal financial aid that is not a loan or pursuant to a work-study program;

13.30 (ii) state financial aid, unless designated for other expenses, that is not a loan or pursuant  
13.31 to a work-study program;

14.1 (iii) institutional financial aid designated for the student's educational expenses, including  
 14.2 a grant, scholarship, tuition waiver, fellowship stipend, or other third-party payment, unless  
 14.3 designated for other expenses, that is not a loan or pursuant to a work-study program; and

14.4 (iv) all private financial aid that is not a loan or pursuant to a work-study program.

14.5 Financial aid from the state, public postsecondary educational institutions, and Tribal colleges  
 14.6 that is specifically designated for other expenses is not gift aid for purposes of the North  
 14.7 Star Promise scholarship.

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

14.9 (3) "other expenses" includes books, required supplies, child care, emergency assistance,  
 14.10 food, and housing;

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

14.13 (5) "recognized cost of attendance" has the meaning given in Code of Federal Regulations,  
 14.14 title 20, chapter 28, subchapter IV, part F, section 108711;

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

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

14.19 (7) "tuition and fees" means the actual tuition and mandatory fees charged by an  
 14.20 institution.

14.21 Sec. 15. Minnesota Statutes 2023 Supplement, section 136A.1465, subdivision 2, is  
 14.22 amended to read:

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

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

14.27 (2) has a family adjusted gross income below \$80,000;

14.28 (3) is a graduate of a secondary school or its equivalent, or is 17 years of age or over  
 14.29 and has met all requirements for admission as a student to an eligible college or university;

14.30 ~~(3)~~ (4) has not earned a baccalaureate degree at the time the scholarship is awarded;

15.1 ~~(4)~~ (5) is enrolled in at least one credit per fall, spring, or summer semester; ~~and~~

15.2 (6) is enrolled in a program or course of study that applies to a degree, diploma, or  
 15.3 certificate;

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

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

15.11 (9) has not been convicted of or pled nolo contendere or guilty to a crime involving  
 15.12 fraud in obtaining federal Title IV funds within the meaning of Code of Federal Regulations,  
 15.13 subtitle B, chapter VI, part 668, subpart C; and

15.14 ~~(5)~~ (10) is meeting satisfactory academic progress as defined in section 136A.101,  
 15.15 subdivision 10.

15.16 Sec. 16. Minnesota Statutes 2023 Supplement, section 136A.1465, subdivision 3, is  
 15.17 amended to read:

15.18 Subd. 3. **Scholarship.** (a) Beginning in the fall term of the 2024-2025 academic year,  
 15.19 scholarships shall be awarded to eligible students in an amount not to exceed 100 percent  
 15.20 of tuition and fees after ~~grants and other scholarships are~~ gift aid is deducted.

15.21 (b) For the 2024-2025, 2025-2026, and 2026-2027 academic years, if funds remain after  
 15.22 scholarships are awarded under paragraph (a), supplemental grants shall be awarded to  
 15.23 eligible students in an amount ~~equal to 100 percent of tuition and fees plus, subject to~~  
 15.24 ~~available funds,~~ up to 50 percent of the amount of a Pell grant the student would receive  
 15.25 based on household size, family adjusted gross income, and results of the federal needs  
 15.26 analysis ~~after other gift aid is deducted,~~ not to exceed the student's recognized cost of  
 15.27 attendance. The commissioner may adjust the supplemental grant amount based on the  
 15.28 availability of funds.

15.29 Sec. 17. Minnesota Statutes 2023 Supplement, section 136A.1465, subdivision 4, is  
 15.30 amended to read:

15.31 Subd. 4. **Maintain current levels of institutional assistance.** (a) Commencing with  
 15.32 the 2024-2025 academic year, a public postsecondary educational institution or Tribal

16.1 college shall not reduce the institutional gift aid offered or awarded to a student who is  
16.2 eligible to receive funds under this program unless the student's gift aid exceeds the student's  
16.3 annual recognized cost of attendance.

16.4 (b) The public postsecondary educational institution or Tribal college may reduce the  
16.5 institutional gift aid offer of a student who is eligible to receive funds under this program  
16.6 by no more than the amount of the student's gift aid that is in excess of the student's annual  
16.7 recognized cost of attendance.

16.8 (c) The public postsecondary educational institution or Tribal college shall not consider  
16.9 receipt or anticipated receipt of funds under this program when considering a student for  
16.10 qualification for institutional gift aid.

16.11 (d) To ensure financial aid is maximized, a public postsecondary educational institution  
16.12 or Tribal college is encouraged to implement efforts to avoid scholarship displacement  
16.13 through consultation with the Office of Higher Education ~~and students to avoid situations~~  
16.14 ~~where institutional gift aid can only be used for specific purposes.~~

16.15 Sec. 18. Minnesota Statutes 2023 Supplement, section 136A.1465, subdivision 5, is  
16.16 amended to read:

16.17 Subd. 5. **Duration of scholarship authorized; scholarship paid to institution.** (a)  
16.18 Each scholarship is for a period of one semester. A scholarship may be renewed provided  
16.19 that the eligible student continues to meet the conditions of eligibility.

16.20 (b) Scholarships may be provided to an eligible student ~~for up to 60 credits for pursuing~~  
16.21 ~~the completion of a certificate or an associate degree and up to 120 credits for the completion~~  
16.22 ~~of a bachelor's degree~~ who has not previously received the scholarship for four full-time  
16.23 semesters or the equivalent. Scholarships may be provided to an eligible student pursuing  
16.24 the completion of a bachelor's degree who has not previously received the scholarship for  
16.25 eight full-time semesters or the equivalent. The maximum credits for which a student is  
16.26 eligible is a total of 120 credits eight full-time semesters or the equivalent. Courses taken  
16.27 that qualify as developmental education or below college-level shall be excluded from the  
16.28 limit.

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

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

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

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

17.5 ~~(e) The commissioner shall determine a time frame by which the eligible student must~~  
17.6 ~~complete the credential.~~

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

17.9 Sec. 19. Minnesota Statutes 2022, section 136A.1701, subdivision 4, is amended to read:

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

17.12 (b) The minimum loan amount and a maximum loan amount to students must be  
17.13 determined annually by the office. Loan limits are defined based on the type of program  
17.14 enrollment, such as a certificate, an associate's degree, a bachelor's degree, or a graduate  
17.15 program. The aggregate principal amount of all loans made subject to this paragraph to a  
17.16 student as an undergraduate and graduate student must not exceed \$140,000. The amount  
17.17 of the loan must not exceed the cost of attendance as determined by the eligible institution  
17.18 less all other financial aid, including PLUS loans or other similar parent loans borrowed on  
17.19 the student's behalf. A student may borrow up to the maximum amount twice in the same  
17.20 grade level.

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

17.26 Sec. 20. Minnesota Statutes 2022, section 136A.1701, subdivision 7, is amended to read:

17.27 Subd. 7. **Repayment of loans.** The office shall establish repayment procedures for loans  
17.28 made under this section in accordance with the policies, rules, and conditions authorized  
17.29 under section 136A.16, subdivision 2. The office will take into consideration the loan limits  
17.30 and current financial market conditions when establishing repayment terms. The office shall  
17.31 not require a minimum annual payment, though the office may require minimum monthly  
17.32 payments.

18.1 Sec. 21. Minnesota Statutes 2023 Supplement, section 136A.62, subdivision 3, is amended  
18.2 to read:

18.3 Subd. 3. **School.** "School" means:

18.4 (1) a Tribal college that has a physical presence in Minnesota;

18.5 (2) any partnership, company, firm, society, trust, association, corporation, or any  
18.6 combination thereof, with a physical presence in Minnesota, which: (i) is, owns, or operates  
18.7 a private, nonprofit postsecondary education institution; (ii) is, owns, or operates a private,  
18.8 for-profit postsecondary education institution; or (iii) provides a postsecondary instructional  
18.9 program or course leading to a degree whether or not for profit; or

18.10 (3) any public or private postsecondary educational institution located in another state  
18.11 or country ~~which offers or makes available to a Minnesota resident any course, program or~~  
18.12 ~~educational activity which does not require the leaving of the state for its completion; or~~  
18.13 with a physical presence in Minnesota.

18.14 ~~(4) any individual, entity, or postsecondary institution located in another state that~~  
18.15 ~~contracts with any school located within the state of Minnesota for the purpose of providing~~  
18.16 ~~educational programs, training programs, or awarding postsecondary credits or continuing~~  
18.17 ~~education credits to Minnesota residents that may be applied to a degree program.~~

18.18 Sec. 22. Minnesota Statutes 2022, section 136A.62, is amended by adding a subdivision  
18.19 to read:

18.20 Subd. 8. **Postsecondary education.** "Postsecondary education" means the range of  
18.21 formal learning opportunities beyond high school, including those aimed at learning an  
18.22 occupation or earning an academic credential.

18.23 Sec. 23. Minnesota Statutes 2022, section 136A.62, is amended by adding a subdivision  
18.24 to read:

18.25 Subd. 9. **Physical presence.** "Physical presence" means a presence within the state of  
18.26 Minnesota for the purpose of conducting activity related to any program at the degree level  
18.27 or courses that may be applied to a degree program. Physical presence includes:

18.28 (1) operating a location within the state;

18.29 (2) offering instruction within or originating from Minnesota designed to impart  
18.30 knowledge with response utilizing teachers, trainers, counselors or computer resources,  
18.31 computer linking, or any form of electronic means; and

19.1 (3) granting an educational credential from a location within the state or to a student  
19.2 within the state.

19.3 Physical presence does not include field trips, sanctioned sports recruiting activities, or  
19.4 college fairs or other assemblies of schools in Minnesota. No school may enroll an individual,  
19.5 allow an individual to sign any agreement obligating the person to the school, accept any  
19.6 moneys from the individual, or follow up with an individual by means of an in-person  
19.7 meeting in Minnesota at a college fair or assembly.

19.8 Sec. 24. Minnesota Statutes 2022, section 136A.63, subdivision 1, is amended to read:

19.9 Subdivision 1. **Annual registration.** All schools ~~located within Minnesota and all schools~~  
19.10 ~~located outside Minnesota~~ with a physical presence in Minnesota which offer degree  
19.11 programs or courses within Minnesota shall register annually with the office.

19.12 Sec. 25. Minnesota Statutes 2022, section 136A.675, subdivision 2, is amended to read:

19.13 Subd. 2. **Additional reporting.** (a) In addition to the information required for the  
19.14 indicators in subdivision 1, an institution must notify the office within ten business days if  
19.15 any of the events in paragraphs (b) to (e) occur.

19.16 (b) Related to revenue, debt, and cash flow, notice is required if:

19.17 (1) the institution defaulted on a debt payment or covenant and has not received a waiver  
19.18 of the violation from the financial institution within 60 days;

19.19 (2) for institutions with a federal composite score of less than 1.5, the institution's owner  
19.20 withdraws equity that directly results in a composite score of less than 1.0, unless the  
19.21 withdrawal is a transfer between affiliated entities included in a common composite score;

19.22 (3) the United States Department of Education requires a 25 percent or greater Letter of  
19.23 Credit, except when the Letter of Credit is imposed due to a change of ownership;

19.24 (4) the United States Department of Education requires Heightened Cash Monitoring 2;

19.25 (5) the institution receives written notification that it violated the United States  
19.26 Department of Education's revenue requirement under United States Code, title 20, section  
19.27 1094(a)(24), as amended; or

19.28 (6) the institution receives written notification by the United States Department of  
19.29 Education that it has fallen below minimum financial standards and that its continued  
19.30 participation in Title IV is conditioned upon satisfying ~~either the Zone Alternative, an~~  
19.31 alternative standard set forth in Code of Federal Regulations, title 34, section 668.175;

20.1 ~~paragraph (f), or a Letter of Credit Alternative, Code of Federal Regulations, title 34, section~~  
20.2 ~~668.175, paragraph (e).~~

20.3 (c) Related to accreditation and licensing, notice is required if:

20.4 (1) the institution receives written notification of probation, warning, show-cause, or  
20.5 loss of institutional accreditation;

20.6 (2) the institution receives written notification that its institutional accreditor lost federal  
20.7 recognition; or

20.8 (3) the institution receives written notification that it has materially violated state  
20.9 authorization or institution licensing requirements in a different state that may lead to or  
20.10 has led to the termination of the institution's ability to continue to provide educational  
20.11 programs or otherwise continue to operate in that state.

20.12 (d) Related to securities, notice is required if:

20.13 (1) the Securities and Exchange Commission (i) issues an order suspending or revoking  
20.14 the registration of the institution's securities, or (ii) suspends trading of the institution's  
20.15 securities on any national securities exchange;

20.16 (2) the national securities exchange on which the institution's securities are traded notifies  
20.17 the institution that it is not in compliance with the exchange's listing requirements and the  
20.18 institution's securities are delisted; or

20.19 (3) the Securities and Exchange Commission is not in timely receipt of a required report  
20.20 and did not issue an extension to file the report.

20.21 (e) Related to criminal and civil investigations, notice is required if:

20.22 (1) the institution receives written notification of a felony criminal indictment or charges  
20.23 of the institution's owner;

20.24 (2) the institution receives written notification of criminal indictment or charges of the  
20.25 institution's officers related to operations of the institution; or

20.26 (3) there has been a criminal, civil, or administrative adjudication of fraud or  
20.27 misrepresentation in Minnesota or in another state or jurisdiction against the institution or  
20.28 its owner, officers, agents, or sponsoring organization.

21.1 Sec. 26. Minnesota Statutes 2022, section 136A.675, subdivision 2, is amended to read:

21.2 Subd. 2. **Additional reporting.** (a) In addition to the information required for the  
21.3 indicators in subdivision 1, an institution must notify the office within ten business days if  
21.4 any of the events in paragraphs (b) to (e) occur.

21.5 (b) Related to revenue, debt, and cash flow, notice is required if:

21.6 (1) the institution defaulted on a debt payment or covenant and has not received a waiver  
21.7 of the violation from the financial institution within 60 days;

21.8 (2) for institutions with a federal composite score of less than 1.5, the institution's owner  
21.9 withdraws equity that directly results in a composite score of less than 1.0, unless the  
21.10 withdrawal is a transfer between affiliated entities included in a common composite score;

21.11 (3) the United States Department of Education requires a 25 percent or greater Letter of  
21.12 Credit, except when the Letter of Credit is imposed due to a change of ownership;

21.13 (4) the United States Department of Education requires Heightened Cash Monitoring 2;

21.14 (5) the institution receives written notification that it violated the United States  
21.15 Department of Education's revenue requirement under United States Code, title 20, section  
21.16 1094(a)(24), as amended; or

21.17 (6) the institution receives written notification by the United States Department of  
21.18 Education that it has fallen below minimum financial standards and that its continued  
21.19 participation in Title IV is conditioned upon satisfying ~~either the Zone Alternative, an~~  
21.20 alternative standard set forth in Code of Federal Regulations, title 34, section 668.175;  
21.21 ~~paragraph (f), or a Letter of Credit Alternative, Code of Federal Regulations, title 34, section~~  
21.22 668.175, paragraph (e).

21.23 (c) Related to accreditation and licensing, notice is required if:

21.24 (1) the institution receives written notification of probation, warning, show-cause, or  
21.25 loss of institutional accreditation;

21.26 (2) the institution receives written notification that its institutional accreditor lost federal  
21.27 recognition; or

21.28 (3) the institution receives written notification that it has materially violated state  
21.29 authorization or institution licensing requirements in a different state that may lead to or  
21.30 has led to the termination of the institution's ability to continue to provide educational  
21.31 programs or otherwise continue to operate in that state.

21.32 (d) Related to securities, notice is required if:

22.1 (1) the Securities and Exchange Commission (i) issues an order suspending or revoking  
22.2 the registration of the institution's securities, or (ii) suspends trading of the institution's  
22.3 securities on any national securities exchange;

22.4 (2) the national securities exchange on which the institution's securities are traded notifies  
22.5 the institution that it is not in compliance with the exchange's listing requirements and the  
22.6 institution's securities are delisted; or

22.7 (3) the Securities and Exchange Commission is not in timely receipt of a required report  
22.8 and did not issue an extension to file the report.

22.9 (e) Related to criminal and civil investigations, notice is required if:

22.10 (1) the institution receives written notification of a felony criminal indictment or charges  
22.11 of the institution's owner;

22.12 (2) the institution receives written notification of criminal indictment or charges of the  
22.13 institution's officers related to operations of the institution; or

22.14 (3) there has been a criminal, civil, or administrative adjudication of fraud or  
22.15 misrepresentation in Minnesota or in another state or jurisdiction against the institution or  
22.16 its owner, officers, agents, or sponsoring organization.

22.17 Sec. 27. Minnesota Statutes 2022, section 136A.821, subdivision 5, is amended to read:

22.18 Subd. 5. **Private career school.** "Private career school" means a person who maintains;  
22.19 ~~advertises, administers, solicits for, or conducts~~ a physical presence for any program at less  
22.20 than an associate degree level; is not registered as a private institution under sections 136A.61  
22.21 to 136A.71; and is not specifically exempted by section 136A.833.

22.22 Sec. 28. Minnesota Statutes 2022, section 136A.821, is amended by adding a subdivision  
22.23 to read:

22.24 Subd. 20. **Physical presence.** "Physical presence" means presence within the state of  
22.25 Minnesota for the purpose of conducting activity related to any program at less than an  
22.26 associate degree level. Physical presence includes:

22.27 (1) operating a location within the state;

22.28 (2) offering instruction within or originating from Minnesota designed to impart  
22.29 knowledge with response utilizing teachers, trainers, counselors or computer resources,  
22.30 computer linking, or any form of electronic means;

23.1 (3) granting an educational credential from a location within the state or to a student  
23.2 within the state; and

23.3 (4) using an agent, recruiter, institution, or business that solicits for enrollment or credits  
23.4 or for the award of an educational credential.

23.5 Physical presence does not include field trips, sanctioned sports recruiting activities, or  
23.6 college fairs or other assemblies of schools in Minnesota. No school may enroll an individual,  
23.7 allow an individual to sign any agreement obligating the person to the school, accept any  
23.8 moneys from the individual, or follow up with an individual by means of an in-person  
23.9 meeting in Minnesota at a college fair or assembly.

23.10 Sec. 29. Minnesota Statutes 2022, section 136A.822, subdivision 1, is amended to read:

23.11 Subdivision 1. **Required.** A private career school must not maintain, ~~advertise, solicit~~  
23.12 ~~for, administer, or conduct~~ a physical presence for any program in Minnesota without first  
23.13 obtaining a license from the office.

23.14 Sec. 30. Minnesota Statutes 2022, section 136A.822, subdivision 2, is amended to read:

23.15 Subd. 2. **Contract unenforceable.** A contract entered into with a person for a program  
23.16 by or on behalf of a person operating a private career school with a physical presence in  
23.17 Minnesota to which a license has not been issued under sections 136A.821 to 136A.833, is  
23.18 unenforceable in any action.

23.19 Sec. 31. Minnesota Statutes 2022, section 136A.822, subdivision 6, is amended to read:

23.20 Subd. 6. **Bond.** (a) No license shall be issued to any private career school ~~which~~  
23.21 ~~maintains, conducts, solicits for, or advertises~~ with a physical presence within the state of  
23.22 Minnesota for any program, unless the applicant files with the office a continuous corporate  
23.23 surety bond written by a company authorized to do business in Minnesota conditioned upon  
23.24 the faithful performance of all contracts and agreements with students made by the applicant.

23.25 (b)(1) The amount of the surety bond shall be ten percent of the preceding year's net  
23.26 revenue from student tuition, fees, and other required institutional charges collected, but in  
23.27 no event less than \$10,000, except that a private career school may deposit a greater amount  
23.28 at its own discretion. A private career school in each annual application for licensure must  
23.29 compute the amount of the surety bond and verify that the amount of the surety bond complies  
23.30 with this subdivision. A private career school that operates at two or more locations may  
23.31 combine net revenue from student tuition, fees, and other required institutional charges  
23.32 collected for all locations for the purpose of determining the annual surety bond requirement.

24.1 The net revenue from tuition and fees used to determine the amount of the surety bond  
24.2 required for a private career school having a license for the sole purpose of recruiting students  
24.3 in Minnesota shall be only that paid to the private career school by the students recruited  
24.4 from Minnesota.

24.5 (2) A person required to obtain a private career school license due to the use of  
24.6 "academy," "institute," "college," or "university" in its name and which is also licensed by  
24.7 another state agency or board, except not including those schools licensed exclusively in  
24.8 order to participate in state grants or SELF loan financial aid programs, shall be required  
24.9 to provide a school bond of \$10,000.

24.10 (c) The bond shall run to the state of Minnesota and to any person who may have a cause  
24.11 of action against the applicant arising at any time after the bond is filed and before it is  
24.12 canceled for breach of any contract or agreement made by the applicant with any student.  
24.13 The aggregate liability of the surety for all breaches of the conditions of the bond shall not  
24.14 exceed the principal sum deposited by the private career school under paragraph (b). The  
24.15 surety of any bond may cancel it upon giving 60 days' notice in writing to the office and  
24.16 shall be relieved of liability for any breach of condition occurring after the effective date  
24.17 of cancellation.

24.18 (d) In lieu of bond, the applicant may deposit with the commissioner of management  
24.19 and budget a sum equal to the amount of the required surety bond in cash, an irrevocable  
24.20 letter of credit issued by a financial institution equal to the amount of the required surety  
24.21 bond, or securities as may be legally purchased by savings banks or for trust funds in an  
24.22 aggregate market value equal to the amount of the required surety bond.

24.23 (e) Failure of a private career school to post and maintain the required surety bond or  
24.24 deposit under paragraph (d) may result in denial, suspension, or revocation of the school's  
24.25 license.

24.26 Sec. 32. Minnesota Statutes 2022, section 136A.822, subdivision 7, is amended to read:

24.27 Subd. 7. **Resident agent.** Private career schools located outside the state of Minnesota  
24.28 ~~that offer, advertise, solicit for, or conduct any program~~ have a physical presence within  
24.29 the state of Minnesota shall first file with the secretary of state a sworn statement designating  
24.30 a resident agent authorized to receive service of process. The statement shall designate the  
24.31 secretary of state as resident agent for service of process in the absence of a designated  
24.32 agent. If a private career school fails to file the statement, the secretary of state is designated  
24.33 as the resident agent authorized to receive service of process. The authorization shall be

25.1 irrevocable as to causes of action arising out of transactions occurring prior to the filing of  
25.2 written notice of withdrawal from the state of Minnesota filed with the secretary of state.

25.3 Sec. 33. Minnesota Statutes 2022, section 136A.822, subdivision 8, is amended to read:

25.4 Subd. 8. **Minimum standards.** A license shall be issued if the office first determines:

25.5 (1) that the applicant has a sound financial condition with sufficient resources available  
25.6 to:

25.7 (i) meet the private career school's financial obligations;

25.8 (ii) refund all tuition and other charges, within a reasonable period of time, in the event  
25.9 of dissolution of the private career school or in the event of any justifiable claims for refund  
25.10 against the private career school by the student body;

25.11 (iii) provide adequate service to its students and prospective students; and

25.12 (iv) maintain and support the private career school;

25.13 (2) that the applicant has satisfactory facilities with sufficient tools and equipment and  
25.14 the necessary number of work stations to prepare adequately the students currently enrolled,  
25.15 and those proposed to be enrolled;

25.16 (3) that the applicant employs a sufficient number of qualified teaching personnel to  
25.17 provide the educational programs contemplated;

25.18 (4) that the private career school has an organizational framework with administrative  
25.19 and instructional personnel to provide the programs and services it intends to offer;

25.20 (5) that the quality and content of each occupational course or program of study provides  
25.21 education and adequate preparation to enrolled students for entry level positions in the  
25.22 occupation for which prepared;

25.23 (6) that the premises and conditions where the students work and study and the student  
25.24 living quarters which are owned, maintained, recommended, or approved by the applicant  
25.25 are sanitary, healthful, and safe, as evidenced by certificate of occupancy issued by the  
25.26 municipality or county where the private career school is physically situated, a fire inspection  
25.27 by the local or state fire marshal, or another verification deemed acceptable by the office;

25.28 (7) that the contract or enrollment agreement used by the private career school complies  
25.29 with the provisions in section 136A.826;

25.30 (8) that contracts and agreements do not contain a wage assignment provision or a  
25.31 confession of judgment clause; ~~and~~

26.1 (9) that there has been no adjudication of fraud or misrepresentation in any criminal,  
26.2 civil, or administrative proceeding in any jurisdiction against the private career school or  
26.3 its owner, officers, agents, or sponsoring organization; and

26.4 (10) the private career school or its owners, officers, agents, or sponsoring organization  
26.5 has not had a license revoked under section 136A.829, or its equivalent in other states or  
26.6 has closed the institution prior to all students, enrolled at the time of the closure, completing  
26.7 their program within two years of the effective date of the revocation.

26.8 Sec. 34. Minnesota Statutes 2022, section 136A.828, subdivision 3, is amended to read:

26.9 Subd. 3. **False statements.** (a) A private career school, agent, or solicitor shall not make,  
26.10 or cause to be made, any statement or representation, oral, written or visual, in connection  
26.11 with the offering or publicizing of a program, if the private career school, agent, or solicitor  
26.12 knows or reasonably should have known the statement or representation to be false,  
26.13 fraudulent, deceptive, substantially inaccurate, or misleading.

26.14 (b) Other than opinion-based statements or puffery, a school shall only make claims that  
26.15 are evidence-based, can be validated, and are based on current conditions and not on  
26.16 conditions that are no longer relevant.

26.17 (c) A school shall not guarantee or imply the guarantee of employment.

26.18 (d) A school shall not guarantee or advertise any certain wage or imply earnings greater  
26.19 than the prevailing wage for entry-level wages in the field of study for the geographic area  
26.20 unless advertised wages are based on verifiable wage information from graduates.

26.21 (e) If placement statistics are used in advertising or other promotional materials, the  
26.22 school must be able to substantiate the statistics with school records. These records must  
26.23 be made available to the office upon request. A school is prohibited from reporting the  
26.24 following in placement statistics:

26.25 (1) a student required to receive a job offer or start a job to be classified as a graduate;

26.26 (2) a graduate if the graduate held a position before enrolling in the program, unless  
26.27 graduating enabled the graduate to maintain the position or the graduate received a promotion  
26.28 or raise upon graduation;

26.29 (3) a graduate who works less than 20 hours per week; and

26.30 (4) a graduate who is not expected to maintain the position for at least 180 days.

26.31 (f) A school shall not use endorsements, commendations, or recommendations by a  
26.32 student in favor of a school except with the consent of the student and without any offer of

27.1 financial or other material compensation. Endorsements may be used only when they portray  
27.2 current conditions.

27.3 (g) A school may advertise that the school or its programs have been accredited by an  
27.4 accrediting agency recognized by the United States Department of Education or the Council  
27.5 for Higher Education Accreditation, but shall not advertise any other accreditation unless  
27.6 approved by the office. The office may approve an institution's advertising of accreditation  
27.7 that is not recognized by the United States Department of Education or the Council for  
27.8 Higher Education if that accreditation is industry specific. Clear distinction must be made  
27.9 when the school is in candidacy or application status versus full accreditation.

27.10 (h) A school may advertise that financial aid is available, including a listing of the  
27.11 financial aid programs in which the school participates, but federal or state financial aid  
27.12 shall not be used as a primary incentive in advertisement, promotion, or recruitment.

27.13 (i) A school may advertise placement or career assistance, if offered, but shall not use  
27.14 the words "wanted," "help wanted," or "trainee," either in the headline or the body of the  
27.15 advertisement.

27.16 (j) A school shall not be advertised under any "help wanted," "employment," or similar  
27.17 classification.

27.18 (k) A school shall not falsely claim that it is conducting a talent hunt, contest, or similar  
27.19 test.

27.20 (l) A school shall not make a claim that its program qualifies for a national certification  
27.21 if that national certification entity is not accepted or recognized by Minnesota employers.  
27.22 A school may validate that a national certification is accepted or recognized by Minnesota  
27.23 employers by providing three certified letters from employers that the national certification  
27.24 entity is recognized in Minnesota by employers.

27.25 ~~(m)~~ (m) The commissioner, at any time, may require a retraction of a false, misleading,  
27.26 or deceptive claim. To the extent reasonable, the retraction must be published in the same  
27.27 manner as the original claim.

27.28 Sec. 35. Minnesota Statutes 2022, section 136A.829, subdivision 3, is amended to read:

27.29 Subd. 3. **Powers and duties.** The office shall have (in addition to the powers and duties  
27.30 now vested therein by law) the following powers and duties:

28.1 (a) To negotiate and enter into interstate reciprocity agreements with similar agencies  
28.2 in other states, if in the judgment of the office such agreements are or will be helpful in  
28.3 effectuating the purposes of Laws 1973, chapter 714;

28.4 (b) To grant conditional private career school license for periods of less than one year  
28.5 if in the judgment of the office correctable deficiencies exist at the time of application and  
28.6 when refusal to issue private career school license would adversely affect currently enrolled  
28.7 students;

28.8 (c) The office may upon its own motion, and shall upon the verified complaint in writing  
28.9 of any person setting forth fact which, if proved, would constitute grounds for refusal or  
28.10 revocation under Laws 1973, chapter 714, investigate the actions of any applicant or any  
28.11 person or persons holding or claiming to hold a license or permit. However, before proceeding  
28.12 to a hearing on the question of whether a license or permit shall be refused, revoked or  
28.13 suspended for any cause enumerated in subdivision 1, the office shall grant a reasonable  
28.14 time to the holder of or applicant for a license or permit to correct the situation. If within  
28.15 such time the situation is corrected and the private career school is in compliance with the  
28.16 provisions of sections 136A.82 to 136A.834, no further action leading to refusal, revocation,  
28.17 or suspension shall be taken.

28.18 (d) To grant a private career school a probationary license for periods of less than three  
28.19 years if, in the judgment of the office, correctable deficiencies exist at the time of application  
28.20 that need more than one year to correct and when the risk of harm to students can be  
28.21 minimized through the use of restrictions and requirements as conditions of the license.  
28.22 Probationary licenses may include requirements and restrictions for:

28.23 (1) periodic monitoring and submission of reports on the school's deficiencies to ascertain  
28.24 whether compliance improves;

28.25 (2) periodic collaborative consultations with the school on noncompliance with sections  
28.26 136A.82 to 136A.834 or how the institution is managing compliance;

28.27 (3) the submission of contingency plans such as teach-out plans or transfer pathways  
28.28 for students;

28.29 (4) a prohibition from accepting tuition and fee payments prior to the add/drop period  
28.30 of the current period of instruction or before the funds have been earned by the school  
28.31 according to the refund requirements of section 136A.827;

28.32 (5) a prohibition from enrolling new students;

28.33 (6) enrollment caps;

29.1 (7) the initiation of alternative processes and communications with students enrolled at  
29.2 the school to notify students of deficiencies or probation status;

29.3 (8) the submission of a surety under section 136A.822, subdivision 6, paragraph (b),  
29.4 clause (1), that exceeds ten percent of the preceding year's net revenue from student tuition,  
29.5 fees, and other required institutional charges collected; or

29.6 (9) submission of closure information under section 136A.8225.

29.7 Sec. 36. Minnesota Statutes 2022, section 136A.829, is amended by adding a subdivision  
29.8 to read:

29.9 Subd. 4. **Effect.** A private career school or its owners, officers, or sponsoring organization  
29.10 is prohibited from applying for licensure under section 136A.822 within two years of the  
29.11 effective date of a revocation or within two years from the last date of instruction if the  
29.12 school closed prior to all students completing their courses and programs. A school applying  
29.13 for licensure must:

29.14 (1) meet the requirements for licensure under section 136A.822;

29.15 (2) pay the licensure fees as a new school under section 136A.824, subdivision 1;

29.16 (3) correct any deficiencies that were identified in the revocation order or closed school  
29.17 requests under section 136A.8225;

29.18 (4) pay any outstanding fines or penalties under section 136A.832; and

29.19 (5) pay any outstanding student refunds under section 136A.827.

29.20 Sec. 37. Minnesota Statutes 2023 Supplement, section 136A.833, subdivision 2, is amended  
29.21 to read:

29.22 Subd. 2. **Exemption reasons.** Sections 136A.821 to 136A.832 shall not apply to the  
29.23 following:

29.24 (1) public postsecondary institutions;

29.25 (2) postsecondary institutions registered under sections 136A.61 to 136A.71;

29.26 (3) postsecondary institutions exempt from registration under sections 136A.653,  
29.27 subdivisions 1b, 2, 3, and 3a; 136A.657; and 136A.658;

29.28 ~~(4) private career schools of nursing accredited by the state Board of Nursing or an~~  
29.29 ~~equivalent public board of another state or foreign country;~~

30.1 ~~(5)~~ (4) private schools complying with the requirements of section 120A.22, subdivision  
30.2 4;

30.3 ~~(6)~~ (5) courses taught to students in an apprenticeship program registered by the United  
30.4 States Department of Labor or Minnesota Department of Labor and taught by or required  
30.5 by a trade union. A trade union is an organization of workers in the same skilled occupation  
30.6 or related skilled occupations who act together to secure all members favorable wages,  
30.7 hours, and other working conditions;

30.8 ~~(7)~~ (6) private career schools exclusively engaged in training physically or mentally  
30.9 disabled persons ~~for the state of Minnesota;~~

30.10 ~~(8)~~ (7) private career schools licensed or approved by boards authorized under Minnesota  
30.11 law to issue licenses for training programs except private career schools required to obtain  
30.12 a private career school license due to the use of "academy," "institute," "college," or  
30.13 "university" in their names;

30.14 ~~(9)~~ (8) private career schools and educational programs, or training programs, contracted  
30.15 for by persons, firms, corporations, government agencies, or associations, for the training  
30.16 of their own employees, for which no fee is charged the employee, regardless of whether  
30.17 that fee is reimbursed by the employer or third party after the employee successfully  
30.18 completes the training;

30.19 ~~(10)~~ (9) private career schools engaged exclusively in the teaching of purely avocational,  
30.20 recreational, or remedial subjects that are not advertised or maintained for vocational or  
30.21 career advancement, including adult basic education, as determined by the office except  
30.22 private career schools required to obtain a private career school license due to the use of  
30.23 "academy," "institute," "college," or "university" in their names ~~unless the private career~~  
30.24 ~~school used "academy" or "institute" in its name prior to August 1, 2008;~~

30.25 ~~(11)~~ (10) classes, courses, or programs conducted by a bona fide trade, professional, or  
30.26 fraternal organization, solely for that organization's membership and not available to the  
30.27 public. In making the determination that the organization is bona fide, the office may request  
30.28 the school provide three certified letters from persons that qualify as evaluators under section  
30.29 136A.828, subdivision 3, paragraph (1), that the organization is recognized in Minnesota;

30.30 ~~(12)~~ (11) programs in the fine arts provided by organizations exempt from taxation under  
30.31 section 290.05 and registered with the attorney general under chapter 309. For the purposes  
30.32 of this clause, "fine arts" means activities resulting in artistic creation or artistic performance  
30.33 of works of the imagination which are engaged in for the primary purpose of creative  
30.34 expression rather than commercial sale, vocational or career advancement, or employment.

31.1 In making this determination the office may seek the advice and recommendation of the  
31.2 Minnesota Board of the Arts;

31.3 ~~(13)~~ (12) classes, courses, or programs intended to fulfill the continuing education  
31.4 requirements for bona fide licensure or certification in a profession, that have been approved  
31.5 by a legislatively or judicially established board or agency responsible for regulating the  
31.6 practice of the profession or by an industry-specific certification entity, and that are offered  
31.7 exclusively to individuals with the professional licensure or certification. In making the  
31.8 determination that the licensure or certification is bona fide, the office may request the  
31.9 school provide three certified letters from persons that qualify as evaluators under section  
31.10 136A.828, subdivision 3, paragraph (1), that the licensure and certification is recognized in  
31.11 Minnesota;

31.12 ~~(14)~~ (13) review classes, courses, or programs intended to prepare students to sit for  
31.13 undergraduate, graduate, postgraduate, or occupational licensing, certification, or entrance  
31.14 examinations and does not include the instruction to prepare students for that license,  
31.15 occupation, certification, or exam;

31.16 ~~(15)~~ (14) classes, courses, or programs providing 16 or fewer clock hours of instruction;

31.17 ~~(16)~~ (15) classes, courses, or programs providing instruction in personal development  
31.18 that is not advertised or maintained for vocational or career advancement, modeling, or  
31.19 acting;

31.20 ~~(17)~~ (16) private career schools with no physical presence in Minnesota, ~~as determined~~  
31.21 ~~by the office,~~ engaged exclusively in offering distance instruction that are located in and  
31.22 regulated by other states or jurisdictions if the distance education instruction does not include  
31.23 internships, externships, field placements, or clinical placements for residents of Minnesota;  
31.24 and

31.25 ~~(18)~~ (17) private career schools providing exclusively training, instructional programs,  
31.26 or courses where tuition, fees, and any other charges, regardless of payment or reimbursement  
31.27 method, for a student to participate do not exceed \$100.

31.28 Sec. 38. Minnesota Statutes 2023 Supplement, section 136F.38, subdivision 3, is amended  
31.29 to read:

31.30 Subd. 3. **Program eligibility.** (a) Scholarships shall be awarded only to a student eligible  
31.31 for resident tuition, as defined in section 135A.043, who is enrolled in any of the following  
31.32 programs of study or certification: (1) advanced manufacturing; (2) agriculture; (3) health  
31.33 care services; (4) information technology; (5) early childhood; (6) transportation; (7)

32.1 construction; (8) education; (9) public safety; (10) energy; or ~~(10)~~ (11) a program of study  
32.2 under paragraph (b).

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

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

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

32.17 Sec. 39. [136F.405] ACADEMIC FREEDOM PROTECTION.

32.18 Subdivision 1. Definitions. (a) For purposes of this section, the following term has the  
32.19 meaning given.

32.20 (b) "Academic freedom" means the freedom of an educator or researcher in higher  
32.21 education to investigate and discuss the issues in their academic field, and to teach or publish  
32.22 findings without interference from political figures, boards of trustees, donors, or other  
32.23 entities.

32.24 Subd. 2. Faculty rights. (a) Minnesota State Colleges and Universities must maintain  
32.25 policies that support and encourage academic freedom. A faculty member at a Minnesota  
32.26 state institution may, without limitation, discuss the subject matter in the classroom of the  
32.27 courses the faculty member is assigned to teach without interference from political figures,  
32.28 boards of trustees, donors, or other entities. Each faculty member shall have the right to  
32.29 teach in an atmosphere of free intellectual inquiry and shall not be subjected to restraints  
32.30 or harassment that would impair teaching.

32.31 (b) A faculty member is entitled to full freedom in research and in the publication of  
32.32 results, so long as the faculty member fulfills the requirements and duties of the academic  
32.33 position held.

33.1 (c) A Minnesota state institution shall not discriminate against a faculty member for  
 33.2 engaging in political activities or holding or voicing political views, so long as the exercise  
 33.3 of this right does not interfere with the faculty member's job responsibilities as a faculty  
 33.4 member.

33.5 Sec. 40. **REPEALER.**

33.6 (a) Minnesota Statutes 2022, section 135A.16, is repealed.

33.7 (b) Minnesota Statutes 2023 Supplement, section 135A.162, subdivision 7, is repealed.

33.8 **EFFECTIVE DATE.** Paragraph (a) of this section is effective January 1, 2025.

## 33.9 **ARTICLE 2**

### 33.10 **SEXUAL MISCONDUCT POLICY**

33.11 Section 1. Minnesota Statutes 2023 Supplement, section 135A.15, is amended to read:

33.12 **135A.15 ~~CAMPUS SEXUAL HARASSMENT AND VIOLENCE MISCONDUCT~~**  
 33.13 **POLICY.**

33.14 Subdivision 1. **Applicability; policy required.** (a) This section applies to the following  
 33.15 postsecondary institutions:

33.16 (1) institutions governed by the Board of Trustees of the Minnesota State Colleges and  
 33.17 Universities; and

33.18 (2) private postsecondary institutions that offer in-person courses on a campus located  
 33.19 in Minnesota and which are eligible institutions as defined in section 136A.103, ~~provided~~  
 33.20 ~~that a private postsecondary institution with a systemwide enrollment of fewer than 100~~  
 33.21 ~~students in the previous academic year is exempt from subdivisions 4 to 10 paragraph (a),~~  
 33.22 that are participating in the federal Pell Grant program under Title IV of the Higher Education  
 33.23 Act of 1965, Public Law 89-329, as amended.

33.24 Institutions governed by the Board of Regents of the University of Minnesota are  
 33.25 requested to comply with this section.

33.26 (b) A postsecondary institution must adopt a clear, understandable written policy on  
 33.27 ~~sexual harassment and sexual violence~~ misconduct that informs victims of their rights under  
 33.28 the crime victims bill of rights, including the right to assistance from the Crime Victims  
 33.29 Reimbursement Board and the commissioner of public safety. The policy must apply to  
 33.30 students and employees and must provide information about their rights and duties. The  
 33.31 policy must apply to criminal incidents against a student or employee of a postsecondary

34.1 institution occurring on property owned or leased by the postsecondary system or institution  
 34.2 or at any activity, program, organization, or event sponsored by the system or institution,  
 34.3 or by a fraternity ~~and~~ or sorority, regardless of whether the activity, program, organization,  
 34.4 or event occurs on or off property owned or leased by the postsecondary system or institution.

34.5 It must include procedures for reporting incidents of sexual ~~harassment or sexual violence~~  
 34.6 misconduct and for disciplinary actions against violators. During student registration, a  
 34.7 postsecondary institution shall provide each student with information regarding its policy.  
 34.8 A copy of the policy also shall be posted at appropriate locations on campus at all times.

34.9 Subd. 1a. ~~Sexual assault definition~~ Definitions. (a) For the purposes of this section,  
 34.10 the following terms have the meanings given.

34.11 (b) "Advisor" means a person who is selected by a responding or reporting party to serve  
 34.12 as a support during a campus investigation and disciplinary process. This person may be  
 34.13 an attorney. An advisor serves as a support to a party by offering comfort or attending  
 34.14 meetings.

34.15 (c) "Domestic violence" has the meaning giving in section 518B.01, subdivision 2.

34.16 ~~(b)~~ (d) "Incident" means one report of sexual assault misconduct to a postsecondary  
 34.17 institution, regardless of the number of complainants included in the report, the number of  
 34.18 respondents included in the report, and whether or not the identity of any party is known  
 34.19 by the reporting postsecondary institution. Incident encompasses all nonconsensual events  
 34.20 included within one report if multiple events have been identified.

34.21 (e) "Intimate partner violence" means any physical or sexual harm or a pattern of any  
 34.22 other coercive behavior committed, enabled, or solicited to gain or maintain power and  
 34.23 control over a victim, including verbal, psychological, economic, or technological abuse  
 34.24 that may or may not constitute criminal behavior against an individual, that may be classified  
 34.25 as a sexual misconduct, dating violence, or domestic violence caused by:

34.26 (1) a current or former spouse of the individual; or

34.27 (2) a person in a sexual or romantic relationship with the individual.

34.28 (f) "Nonconsensual distribution of sexual images" has the meaning given in section  
 34.29 617.261.

34.30 (g) "Reporting party" means the party in a disciplinary proceeding who has reported  
 34.31 being subjected to conduct or communication that could constitute sexual misconduct.

35.1 (h) "Responding party" means the party in a disciplinary proceeding who has been  
 35.2 reported to be the perpetrator of conduct or communication that could constitute sexual  
 35.3 misconduct.

35.4 ~~(e)~~ (i) "Sexual assault" means rape, sex offenses - fondling, sex offenses - incest, or sex  
 35.5 offenses - statutory rape as defined in Code of Federal Regulations, title 34, part 668, subpart  
 35.6 D, appendix A, as amended.

35.7 (j) "Sexual extortion" has the meaning given in section 609.3458.

35.8 (k) "Sex trafficking" has the meaning given in section 609.321, subdivision 7a.

35.9 (l) "Sexual harassment" has the meaning given in section 363A.03, subdivision 43.

35.10 (m) "Sexual misconduct" means an incident of sexual violence, intimate partner violence,  
 35.11 domestic violence, sexual assault, sexual harassment, nonconsensual distribution of sexual  
 35.12 images, sexual extortion, nonconsensual dissemination of a deepfake depicting intimate  
 35.13 parts or sexual acts, sex trafficking, or stalking.

35.14 (n) "Stalking" means engaging in a course of conduct, on the basis of sex, directed at a  
 35.15 specific person that would cause a reasonable person to (1) fear for that person's safety or  
 35.16 the safety of others, or (2) suffer substantial emotional distress.

35.17 Subd. 2. **Victims' rights.** (a) The policy required under subdivision 1 shall, at a minimum,  
 35.18 require that students and employees be informed of the policy, and shall include provisions  
 35.19 for:

35.20 (1) filing criminal charges with local law enforcement officials in ~~sexual assault~~ cases  
 35.21 defined as sexual misconduct that may constitute criminal behavior;

35.22 (2) the prompt assistance of campus authorities, at the request of the victim, in notifying  
 35.23 the appropriate law enforcement officials and disciplinary authorities of a ~~sexual assault~~  
 35.24 misconduct incident;

35.25 (3) allowing ~~sexual assault~~ misconduct victims to decide whether to report a case to law  
 35.26 enforcement or not report altogether; participate in a campus investigation, disciplinary  
 35.27 proceeding, or nondisciplinary informal resolution; or not participate altogether;

35.28 (4) requiring campus authorities to treat ~~sexual assault~~ misconduct victims with dignity;

35.29 (5) requiring campus authorities to offer ~~sexual assault~~ misconduct victims fair and  
 35.30 respectful health care, counseling services, or referrals to such services;

35.31 (6) preventing campus authorities from suggesting to a victim of ~~sexual assault~~  
 35.32 misconduct that the victim is at fault for the crimes or violations that occurred;

- 36.1 (7) preventing campus authorities from suggesting to a victim of sexual ~~assault~~  
36.2 misconduct that the victim should have acted in a different manner to avoid such a crime;
- 36.3 (8) subject to ~~subdivision~~ subdivisions 2a and 10, protecting the privacy of sexual ~~assault~~  
36.4 misconduct victims by only disclosing data collected under this section to the victim, persons  
36.5 whose work assignments reasonably require access, and, at a sexual ~~assault~~ misconduct  
36.6 victim's request, police conducting a criminal investigation;
- 36.7 (9) an investigation and resolution of a sexual ~~assault~~ misconduct complaint by campus  
36.8 disciplinary authorities;
- 36.9 (10) a sexual ~~assault~~ misconduct victim's participation in and the presence of the victim's  
36.10 ~~attorney or other support person~~ advisor who is not a fact witness to the sexual ~~assault~~  
36.11 misconduct at any meeting with campus officials concerning the victim's sexual ~~assault~~  
36.12 misconduct complaint or campus disciplinary proceeding concerning a sexual ~~assault~~  
36.13 misconduct complaint;
- 36.14 (11) ensuring that a sexual ~~assault~~ misconduct victim may decide when to repeat a  
36.15 description of the incident of sexual ~~assault~~ misconduct;
- 36.16 (12) notice to a sexual ~~assault~~ misconduct victim of the availability of a campus or local  
36.17 program providing ~~sexual assault~~ victim advocacy services and information on free legal  
36.18 resources and services;
- 36.19 (13) notice to a sexual ~~assault~~ misconduct victim of the outcome of any campus  
36.20 disciplinary proceeding concerning a sexual ~~assault~~ misconduct complaint, consistent with  
36.21 laws relating to data practices;
- 36.22 (14) the complete and prompt assistance of campus authorities, at the direction of law  
36.23 enforcement authorities, in obtaining, securing, and maintaining evidence in connection  
36.24 with a sexual ~~assault~~ misconduct incident;
- 36.25 (15) the assistance of campus authorities, at the request of the sexual misconduct victim,  
36.26 ~~in preserving for a sexual assault complainant or victim~~ materials relevant to a campus  
36.27 disciplinary proceeding;
- 36.28 (16) during and after the process of investigating a complaint and conducting a campus  
36.29 disciplinary procedure, the assistance of campus personnel, in cooperation with the  
36.30 appropriate law enforcement authorities, at a sexual ~~assault~~ misconduct victim's request, in  
36.31 shielding the victim from unwanted contact with the alleged assailant, including transfer of  
36.32 the victim to alternative classes or to alternative college-owned housing, if alternative classes  
36.33 or housing are available and feasible;

37.1 (17) forbidding retaliation, and establishing a process for investigating complaints of  
37.2 retaliation, against sexual ~~assault~~ misconduct victims by campus authorities, the accused,  
37.3 organizations affiliated with the accused, other students, and other employees;

37.4 (18) at the request of the victim, providing students who reported sexual ~~assaults~~  
37.5 misconducts to the institution and subsequently choose to transfer to another postsecondary  
37.6 institution with information about resources for victims of sexual ~~assault~~ misconduct at the  
37.7 institution to which the victim is transferring; and

37.8 (19) consistent with laws governing access to student records, providing a student who  
37.9 reported an incident of sexual ~~assault~~ misconduct with access to the student's description  
37.10 of the incident as it was reported to the institution, including if that student transfers to  
37.11 another postsecondary institution.

37.12 (b) None of the rights given to a student by the policy required by subdivision 1 may be  
37.13 made contingent upon the victim entering into a nondisclosure agreement or other contract  
37.14 restricting the victim's ability to discuss information in connection with a sexual misconduct  
37.15 complaint, investigation, or hearing.

37.16 (c) A nondisclosure agreement or other contract restricting the victim's ability to discuss  
37.17 information in connection with a sexual misconduct complaint, investigation, or hearing  
37.18 may not be used as condition of financial aid or remedial action.

37.19 Subd. 2a. **Campus investigation and disciplinary hearing procedures.** (a) A  
37.20 postsecondary institution must provide a reporting party an opportunity for an impartial,  
37.21 timely, and thorough investigation of a report of sexual misconduct against a student. If an  
37.22 investigation reveals that sexual misconduct has occurred, the institution must take prompt  
37.23 and effective steps reasonably calculated to end the sexual misconduct, prevent its recurrence,  
37.24 and, as appropriate, remedy its effects.

37.25 (b) Throughout any investigation or disciplinary proceeding, a postsecondary institution  
37.26 must treat the reporting parties, responding parties, witnesses, and other participants in the  
37.27 proceeding with dignity and respect.

37.28 (c) If a postsecondary institution conducts a hearing, an advisor may provide opening  
37.29 and closing remarks on behalf of a party, or assist with formulating questions to the other  
37.30 party or witnesses about related evidence or credibility.

37.31 (d) In any disciplinary proceeding arising from an alleged incident of sexual misconduct  
37.32 against a student, a postsecondary institution must apply a preponderance of the evidence  
37.33 standard of proof.

38.1 Subd. 3. **Uniform amnesty.** The sexual ~~harassment and violence~~ misconduct policy  
38.2 required by subdivision 1 must include a provision that a witness or victim of an incident  
38.3 of sexual ~~assault~~ misconduct who reports the incident in good faith shall not be sanctioned  
38.4 by the institution for admitting in the report to a violation of the institution's student conduct  
38.5 policy on the personal use of drugs or alcohol.

38.6 Subd. 4. **Coordination with local law enforcement.** (a) A postsecondary institution  
38.7 must enter into a memorandum of understanding with the primary local law enforcement  
38.8 agencies that serve its campus. The memorandum must be entered into no later than January  
38.9 1, 2017, and updated every two years thereafter. This memorandum shall clearly delineate  
38.10 responsibilities and require information sharing, in accordance with applicable state and  
38.11 federal privacy laws, about certain crimes including, but not limited to, sexual assault. This  
38.12 memorandum of understanding shall provide:

38.13 (1) delineation and sharing protocols of investigative responsibilities;

38.14 (2) protocols for investigations, including standards for notification and communication  
38.15 and measures to promote evidence preservation; and

38.16 (3) a method of sharing information about specific crimes, when directed by the victim,  
38.17 and a method of sharing crime details anonymously in order to better protect overall campus  
38.18 safety.

38.19 (b) Prior to the start of each academic year, a postsecondary institution shall distribute  
38.20 an electronic copy of the memorandum of understanding to all employees on the campus  
38.21 that are subject to the memorandum.

38.22 (c) An institution is exempt from the requirement that it develop a memorandum of  
38.23 understanding under this section if the institution and local or county law enforcement  
38.24 agencies establish a sexual ~~assault~~ misconduct protocol team to facilitate effective cooperation  
38.25 and collaboration between the institution and law enforcement.

38.26 Subd. 5. **Online reporting system.** (a) A postsecondary institution must provide an  
38.27 online reporting system to receive complaints of sexual ~~harassment and sexual violence~~  
38.28 misconduct from students and employees. The system must permit anonymous reports,  
38.29 provided that the institution is not obligated to investigate an anonymous report unless a  
38.30 formal report is submitted through the process established in the institution's sexual  
38.31 ~~harassment and sexual violence~~ misconduct policy.

38.32 (b) A postsecondary institution must provide students making reports under this  
38.33 subdivision with information about who will receive and have access to the reports filed,

39.1 how the information gathered through the system will be used, and contact information for  
39.2 on-campus and off-campus organizations serving victims of sexual ~~violence~~ misconduct.

39.3 (c) Data collected under this subdivision is classified as private data on individuals as  
39.4 defined by section 13.02, subdivision 12. Postsecondary institutions not otherwise subject  
39.5 to chapter 13 must limit access to the data to only the data subject and persons whose work  
39.6 assignments reasonably require access.

39.7 **Subd. 6. Data collection and reporting.** (a) Postsecondary institutions must annually  
39.8 report statistics on sexual ~~assault~~ misconduct. This report must be prepared in addition to  
39.9 any federally required reporting on campus security, including reports required by the Jeanne  
39.10 Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act, United States  
39.11 Code, title 20, section 1092(f). The report must include, but not be limited to, the number  
39.12 of incidents of sexual ~~assault~~ misconduct of each offense listed under the definition in  
39.13 subdivision 1a, reported to the institution in the previous calendar year, as follows:

39.14 (1) the number that were investigated by the institution;

39.15 (2) the number that were referred for a disciplinary proceeding at the institution;

39.16 (3) the number the victim chose to report to local or state law enforcement;

39.17 (4) the number for which a campus disciplinary proceeding is pending, but has not  
39.18 reached a final resolution;

39.19 (5) the number in which the alleged perpetrator was found responsible by the disciplinary  
39.20 proceeding at the institution;

39.21 (6) the number that resulted in any action by the institution greater than a warning issued  
39.22 to the accused;

39.23 (7) the number that resulted in a disciplinary proceeding at the institution that closed  
39.24 without resolution;

39.25 (8) the number that resulted in a disciplinary proceeding at the institution that closed  
39.26 without resolution because the accused withdrew from the institution;

39.27 (9) the number that resulted in a disciplinary proceeding at the institution that closed  
39.28 without resolution because the victim chose not to participate in the procedure; and

39.29 (10) the number of reports made through the online reporting system established in  
39.30 subdivision 5, excluding reports submitted anonymously.

39.31 (b) If an institution previously submitted a report indicating that one or more disciplinary  
39.32 proceedings was pending, but had not reached a final resolution, and one or more of those

40.1 disciplinary proceedings reached a final resolution within the previous calendar year, that  
40.2 institution must submit updated totals from the previous year that reflect the outcome of  
40.3 the pending case or cases.

40.4 (c) The reports required by this subdivision must be submitted to the Office of Higher  
40.5 Education by October 1 of each year. Each report must contain the data required under  
40.6 paragraphs (a) and (b) from the previous calendar year.

40.7 (d) The commissioner of the Office of Higher Education shall calculate statewide numbers  
40.8 for each data item reported by an institution under this subdivision. The statewide numbers  
40.9 must include data from postsecondary institutions that the commissioner could not publish  
40.10 due to federal laws governing access to student records.

40.11 (e) The Office of Higher Education shall publish on its website:

40.12 (1) the statewide data calculated under paragraph (d); and

40.13 (2) the data items required under paragraphs (a) and (b) for each postsecondary institution  
40.14 in the state.

40.15 Each postsecondary institution shall publish on the institution's website the data items  
40.16 required under paragraphs (a) and (b) for that institution.

40.17 (f) Reports and data required under this subdivision must be prepared and published as  
40.18 summary data, as defined in section 13.02, subdivision 19, and must be consistent with  
40.19 applicable law governing access to educational data. If an institution or the Office of Higher  
40.20 Education does not publish data because of applicable law, the publication must explain  
40.21 why data are not included.

40.22 **Subd. 7. Access to data; audit trail.** (a) Data on incidents of sexual ~~assault~~ misconduct  
40.23 shared with campus security officers or campus administrators responsible for investigating  
40.24 or adjudicating complaints of sexual ~~assault~~ misconduct are classified as private data on  
40.25 individuals as defined by section 13.02, subdivision 12, for the purposes of postsecondary  
40.26 institutions subject to the requirements of chapter 13. Postsecondary institutions not otherwise  
40.27 subject to chapter 13 must limit access to the data to only the data subject and persons whose  
40.28 work assignments reasonably require access.

40.29 (b) Only individuals with explicit authorization from an institution may enter, update,  
40.30 or access electronic data related to an incident of sexual ~~assault~~ misconduct collected,  
40.31 created, or maintained under this section. The ability of authorized individuals to enter,  
40.32 update, or access these data must be limited through the use of role-based access that  
40.33 corresponds to the official duties or training level of the individual and the institutional

41.1 authorization that grants access for that purpose. All actions in which the data related to an  
41.2 incident of sexual ~~assault~~ misconduct are entered, updated, accessed, shared, or disseminated  
41.3 outside of the institution must be recorded in a data audit trail. An institution shall  
41.4 immediately and permanently revoke the authorization of any individual determined to have  
41.5 willfully entered, updated, accessed, shared, or disseminated data in violation of this  
41.6 subdivision or any provision of chapter 13. If an individual is determined to have willfully  
41.7 gained access to data without explicit authorization, the matter shall be forwarded to a  
41.8 county attorney for prosecution.

41.9 Subd. 8. **Comprehensive training.** (a) A postsecondary institution must provide campus  
41.10 security officers and campus administrators responsible for investigating or adjudicating  
41.11 complaints of sexual ~~assault~~ misconduct with comprehensive training on preventing and  
41.12 responding to sexual ~~assault~~ misconduct in collaboration with the Bureau of Criminal  
41.13 Apprehension or another law enforcement agency with expertise in criminal sexual conduct.  
41.14 The training for campus security officers shall include a presentation on the dynamics of  
41.15 sexual assault, neurobiological responses to trauma, and best practices for preventing,  
41.16 responding to, and investigating sexual ~~assault~~ misconduct. The training for campus  
41.17 administrators responsible for investigating or adjudicating complaints on sexual ~~assault~~  
41.18 misconduct shall include presentations on preventing sexual ~~assault~~ misconduct, responding  
41.19 to incidents of sexual ~~assault~~ misconduct, the dynamics of sexual assault, neurobiological  
41.20 responses to trauma, and compliance with state and federal laws on sexual ~~assault~~ misconduct.

41.21 (b) The following categories of students who attend, or will attend, one or more courses  
41.22 on campus or will participate in on-campus activities must be provided sexual ~~assault~~  
41.23 misconduct training:

41.24 (1) students pursuing a degree or certificate;

41.25 (2) students who are taking courses through the Postsecondary Enrollment Options Act;  
41.26 and

41.27 (3) any other categories of students determined by the institution.

41.28 Students must complete such training no later than ten business days after the start of a  
41.29 student's first semester of classes. Once a student completes the training, institutions must  
41.30 document the student's completion of the training and provide proof of training completion  
41.31 to a student at the student's request. Students enrolled at more than one institution within  
41.32 the same system at the same time are only required to complete the training once.

41.33 The training shall include information about topics including but not limited to sexual  
41.34 ~~assault~~ misconduct as defined in subdivision 1a; consent as defined in section 609.341,

42.1 subdivision 4; preventing and reducing the prevalence of sexual ~~assault~~ misconduct;  
42.2 procedures for reporting campus sexual ~~assault~~ misconduct; and campus resources on sexual  
42.3 ~~assault~~ misconduct, including organizations that support victims of sexual ~~assault~~ misconduct.

42.4 (c) A postsecondary institution shall annually train individuals responsible for responding  
42.5 to reports of sexual ~~assault~~ misconduct. This training shall include information about best  
42.6 practices for interacting with victims of sexual ~~assault~~ misconduct, including how to reduce  
42.7 the emotional distress resulting from the reporting, investigatory, and disciplinary process.

42.8 (d) To the extent possible, trainings must be culturally responsive and address the unique  
42.9 experiences and challenges faced by students based on race, ethnicity, color, national origin,  
42.10 disability, socioeconomic status, religion, sex, gender identity, sexual orientation, and  
42.11 pregnancy or parenting status.

42.12 Subd. 9. **Student health services.** (a) An institution's student health service providers  
42.13 must screen students for incidents of sexual ~~violence and sexual harassment~~ misconduct.  
42.14 Student health service providers shall offer students information on resources available to  
42.15 victims and survivors of sexual ~~violence and sexual harassment~~ misconduct including  
42.16 counseling, mental health services, and procedures for reporting incidents to the institution.

42.17 (b) Each institution offering student health or counseling services must designate an  
42.18 existing staff member or existing staff members as confidential resources for victims of  
42.19 sexual ~~violence or sexual harassment~~ misconduct. The confidential resource must be available  
42.20 to meet with victims of sexual ~~violence and sexual harassment~~ misconduct. The confidential  
42.21 resource must provide victims with information about locally available resources for victims  
42.22 of sexual ~~violence and sexual harassment~~ misconduct including, but not limited to, mental  
42.23 health services and legal assistance. The confidential resource must provide victims with  
42.24 information about the process for reporting an incident of sexual ~~violence and sexual~~  
42.25 ~~harassment~~ misconduct to campus authorities or local law enforcement. The victim shall  
42.26 decide whether to report an incident of sexual ~~violence and sexual harassment~~ misconduct  
42.27 to campus authorities or local law enforcement. Confidential resources must be trained in  
42.28 all aspects of responding to incidents of sexual ~~violence and sexual harassment~~ misconduct  
42.29 including, but not limited to, best practices for interacting with victims of trauma, preserving  
42.30 evidence, campus disciplinary and local legal processes, and locally available resources for  
42.31 victims. Data shared with a confidential resource is classified as sexual assault  
42.32 communication data as defined by section 13.822, subdivision 1.

42.33 Subd. 10. **Applicability of other laws.** This section does not exempt mandatory reporters  
42.34 from the requirements of section 626.557 or chapter 260E governing the reporting of

43.1 maltreatment of minors or vulnerable adults. Nothing in this section limits the authority of  
43.2 an institution to comply with other applicable state or federal laws related to investigations  
43.3 or reports of sexual harassment, sexual violence, or sexual assault misconduct.

43.4 **EFFECTIVE DATE.** This section is effective August 1, 2025.

### 43.5 **ARTICLE 3**

#### 43.6 **ONLINE PROGRAM MANAGEMENT COMPANY REQUIREMENTS**

43.7 Section 1. **[135A.195] REQUIREMENTS RELATED TO ONLINE PROGRAM**  
43.8 **MANAGEMENT COMPANIES.**

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

43.11 (b) "Contract" means an agreement entered into by an institution of higher education  
43.12 with an online program management company. Contract includes any amendment or  
43.13 addendum to the agreement.

43.14 (c) "Institution of higher education" means an institution governed by the Board of  
43.15 Trustees of the Minnesota State Colleges and Universities and the Board of Regents of the  
43.16 University of Minnesota. The Board of Regents of the University of Minnesota is requested  
43.17 to comply with this section.

43.18 (d) "Managed programs" means an online course or program that is fully delivered online  
43.19 in a virtual space.

43.20 (e) "Online program management company" means a private for-profit third-party entity  
43.21 that enters into a contract with an institution of higher education to provide bundled products  
43.22 and services to develop, deliver, or provide managed programs, when the services provided  
43.23 include recruitment and marketing.

43.24 (f) "Tuition sharing" means compensation or payment to an online program management  
43.25 company based on a percentage of revenue or fees collected from managed programs.

43.26 Subd. 2. **Contract stipulations.** (a) A contract must not contain any provision that:

43.27 (1) includes tuition sharing;

43.28 (2) grants the online program management company ownership rights to any or all  
43.29 intellectual property rights, patentable discoveries, or inventions of faculty members of an  
43.30 institution of higher education; or

43.31 (3) grants the online program management company decision making authority over:

44.1 (i) curriculum development, design, or maintenance;

44.2 (ii) student assessment and grading;

44.3 (iii) course assessment;

44.4 (iv) admissions requirements;

44.5 (v) appointment of faculty;

44.6 (vi) faculty assessment;

44.7 (vii) decision to award course credit or credential; or

44.8 (viii) institutional governance.

44.9 (b) A contract between an institution of higher education and an online program

44.10 management company must contain a provision that the online program management

44.11 company must provide its audited financial statements and the data required under subdivision

44.12 4, paragraph (b), to the chief financial officer of the institution of higher education with

44.13 which it has a contract for use in the reporting requirements in subdivision 4.

44.14 Subd. 3. **Mandatory contract review and approval.** Prior to being executed, a contract

44.15 must be reviewed and approved by the institution of higher education's governing board.

44.16 The Board of Regents of the University of Minnesota is requested to comply with this

44.17 section. The review must include an analysis of the contract's compliance with subdivision

44.18 2 prior to approval.

44.19 Subd. 4. **Reporting requirements.** (a) Each institution of higher education that contracts

44.20 with an online program management company shall require the independent public accountant

44.21 or certified public accountant as part of the institution's annual compliance and financial

44.22 audit, to provide information to determine if the online program management company was

44.23 in material compliance with the terms of the contract in the prior fiscal year. Each institution

44.24 of higher education shall submit an annual expenditure report and the annual compliance

44.25 and financial audit report to the commissioner of management and budget and to the chairs

44.26 and ranking minority members of the committees in the senate and house of representatives

44.27 with jurisdiction over higher education finance for review. At a minimum, the annual

44.28 expenditure report shall include:

44.29 (1) the information provided by the online program management company under

44.30 paragraph (b);

44.31 (2) the total payments made by the institution to the online program management company

44.32 during each semester of the prior academic year;

45.1 (3) the number of students who received state financial assistance during the prior  
45.2 academic year and were enrolled in each academic program for which the online program  
45.3 management company provided services; and

45.4 (4) whether the online program management company was in material compliance with  
45.5 the terms of the contract.

45.6 (b) An online program management company that enters into a contract with an institution  
45.7 of higher education shall submit an annual report to the institution's chief financial officer  
45.8 detailing all expenditures made on behalf of the institution during the prior academic year.  
45.9 In addition to any other information required by the commissioner, the annual report shall  
45.10 specify the amounts expended by the online program management company on each of the  
45.11 following categories of expenditure:

45.12 (1) advertising, recruitment, and marketing services;

45.13 (2) admissions and financial services;

45.14 (3) instruction services;

45.15 (4) student support services;

45.16 (5) technology resources and support services; and

45.17 (6) curriculum development materials.

45.18 (c) Any information filed with the commissioner under this section may be disclosed in  
45.19 accordance with chapter 13, except that confidential information shall not be disclosed.

45.20 Subd. 5. **Marketing requirements.** (a) An institution of higher education that retains  
45.21 an online program management company to provide marketing services for its academic  
45.22 degree programs shall require that:

45.23 (1) the online program management company self-identifies as a third-party entity that  
45.24 is separate from the institution at the beginning of any communication with a prospective  
45.25 student; and

45.26 (2) any digital or print advertising provided by the online program management company  
45.27 for an academic program of the institution includes a clear disclosure of the third-party  
45.28 relationship between the online program management company and the institution.

45.29 (b) An institution of higher education that contracts with an online program management  
45.30 company shall make publicly available on its website a list of the online programs that are  
45.31 supported by the online program management company.

46.1 **EFFECTIVE DATE.** This section is effective July 1, 2024, and applies to contracts  
46.2 entered into on or after that date.

46.3 **ARTICLE 4**  
46.4 **STUDENT PROTECTIONS**

46.5 Section 1. Minnesota Statutes 2022, section 136A.645, is amended to read:

46.6 **136A.645 SCHOOL CLOSURE.**

46.7 (a) When a school intends to cease postsecondary education operations, announces its  
46.8 closure, or is informed by the office that the office anticipates the school's closure due to  
46.9 its registration status or ability to meet criteria for approval under section 136A.65, the  
46.10 school must provide the office:

46.11 (1) a notice of closure, including the name of the school, the name of the school owner,  
46.12 an active mailing address and telephone number that the school owner may be reached at  
46.13 after the school physically closes, the name of the school director, and the planned date for  
46.14 termination of postsecondary operations;

46.15 (2) a report of all students currently enrolled and all students enrolled within the prior  
46.16 120 days, including the following information for each student: name, address, school email  
46.17 address, alternate email address, program of study, number of credits completed, number  
46.18 of credits remaining, and enrollment status at closure;

46.19 (3) a report of refunds due to any student and the amount due;

46.20 (4) a written statement from the school's owner or designee affirming that all recruitment  
46.21 efforts, school marketing, advertisement, solicitation, and enrollment of new students has  
46.22 ceased;

46.23 (5) a copy of any communication between the school's accreditors about the school  
46.24 closure;

46.25 (6) confirmation that the requirements for student records under section 136A.68 have  
46.26 been satisfied, including:

46.27 (i) the planned date for the transfer of the student records;

46.28 (ii) confirmation of the name and address of the organization to receive and hold the  
46.29 student records; and

46.30 (iii) the official at the organization receiving the student records who is designated to  
46.31 provide official copies of records or transcripts upon request;

47.1 (7) academic information, including the school's most recent catalog, all course syllabi,  
47.2 and faculty credential information; and

47.3 (8) copies of any teach-out, transfer, or train-out agreement between the school and a  
47.4 new school for students to be able to complete their studies. A teach-out fulfills the original  
47.5 contract or agreement between the closing school and the student. If a teach-out is arranged  
47.6 for another approved school to do the remaining occupational training, that other school  
47.7 must (i) provide comparable education and training and (ii) agree that students transferring  
47.8 from the closing school pay only what the cost of tuition and fees remain unpaid according  
47.9 to the terms and conditions in the enrollment agreement entered into between the student  
47.10 and the closing school.

47.11 (b) When a school intends to cease a degree or nondegree program, announce the closure  
47.12 of a degree or nondegree program, is informed by the office that the office anticipates the  
47.13 program's closure due to the program's registration status or its ability to meet criteria for  
47.14 approval under section 136A.65, or the program loses eligibility in federal financial aid  
47.15 under title IV of the Higher Education Act of 1965, Public Law 89-329, as amended, the  
47.16 school must provide to the office:

47.17 (1) a notice of closure, including the name of the degree or nondegree program, the name  
47.18 and contact information of the program chair, and the planned date for termination of the  
47.19 degree or nondegree program;

47.20 (2) a report of all students currently enrolled and all students enrolled within the prior  
47.21 120 days in the degree or nondegree program, including the following information for each  
47.22 student: name, address, school email address, alternate email address, program of study,  
47.23 number of credits completed, number of credits remaining, and enrollment status at closure  
47.24 of the program if the program is terminated due to loss of eligibility in the federal Pell Grant  
47.25 program;

47.26 (3) a written statement from the school's owner or designee affirming that all recruitment  
47.27 efforts, school marketing, advertisement, solicitation, and enrollment of new students in the  
47.28 degree or nondegree program has ceased;

47.29 (4) academic information, including the degree or nondegree program's most recent  
47.30 catalog, all course syllabi, and faculty credential information; and

47.31 (5) copies of any teach-out, transfer, or train-out agreement between the school and a  
47.32 new school for students to be able to complete their studies. A teach-out fulfills the original  
47.33 contract or agreement between the closing school and the student. If a teach-out is arranged  
47.34 for another approved school to do the remaining occupational training, that other school

48.1 must: (i) provide comparable education and training; and (ii) agree that students transferring  
48.2 from the closing school pay only the cost of tuition and fees that remain unpaid according  
48.3 to the terms and conditions in the enrollment agreement entered into between the student  
48.4 and the closing school if the program is terminated due to loss of eligibility in the federal  
48.5 Pell Grant program.

48.6 ~~(b)~~ (c) Without limitation as to other circumstance, a school shall be deemed to have  
48.7 ceased operations when the school:

48.8 (1) has an unscheduled nonemergency closure or cancellation of classes for more than  
48.9 24 hours without prior notice to the office;

48.10 (2) announces it is closed or closing;

48.11 (3) files for bankruptcy; or

48.12 (4) fails to complete a renewal application when required under section 136A.63,  
48.13 subdivision 2.

48.14 ~~(e)~~ (d) When a school is deemed to have ceased operations, the office shall provide the  
48.15 school a reasonable time to correct student records and grant credentials. After that time,  
48.16 the office must revoke the school's registration. This revocation is not appealable under  
48.17 section 136A.65, subdivision 8.

48.18 Sec. 2. Minnesota Statutes 2022, section 136A.65, subdivision 4, is amended to read:

48.19 Subd. 4. **Criteria for approval.** (a) A school applying to be registered and to have its  
48.20 degree or degrees and name approved must substantially meet the following criteria:

48.21 (1) the school has an organizational framework with administrative and teaching personnel  
48.22 to provide the educational programs offered;

48.23 (2) the school has financial resources sufficient to meet the school's financial obligations,  
48.24 including refunding tuition and other charges consistent with its stated policy if the institution  
48.25 is dissolved, or if claims for refunds are made, to provide service to the students as promised,  
48.26 and to provide educational programs leading to degrees as offered;

48.27 (3) the school operates in conformity with generally accepted accounting principles  
48.28 according to the type of school;

48.29 (4) the school provides an educational program leading to the degree it offers;

48.30 (5) the school provides appropriate and accessible library, laboratory, and other physical  
48.31 facilities to support the educational program offered;

49.1 (6) the school has a policy on freedom or limitation of expression and inquiry for faculty  
49.2 and students which is published or available on request;

49.3 (7) the school uses only publications and advertisements which are truthful and do not  
49.4 give any false, fraudulent, deceptive, inaccurate, or misleading impressions about the school,  
49.5 its personnel, programs, services, or occupational opportunities for its graduates for promotion  
49.6 and student recruitment;

49.7 (8) the school's compensated recruiting agents who are operating in Minnesota identify  
49.8 themselves as agents of the school when talking to or corresponding with students and  
49.9 prospective students;

49.10 (9) the school provides information to students and prospective students concerning:

49.11 (i) comprehensive and accurate policies relating to student admission, evaluation,  
49.12 suspension, and dismissal;

49.13 (ii) clear and accurate policies relating to granting credit for prior education, training,  
49.14 and experience and for courses offered by the school;

49.15 (iii) current schedules of fees, charges for tuition, required supplies, student activities,  
49.16 housing, and all other standard charges;

49.17 (iv) policies regarding refunds and adjustments for withdrawal or modification of  
49.18 enrollment status; and

49.19 (v) procedures and standards used for selection of recipients and the terms of payment  
49.20 and repayment for any financial aid program;

49.21 (10) the school must not withhold a student's official transcript because the student is  
49.22 in arrears or in default on any loan issued by the school to the student if the loan qualifies  
49.23 as an institutional loan under United States Code, title 11, section 523(a)(8)(b); ~~and~~

49.24 (11) the school has a process to receive and act on student complaints; and

49.25 (12) the school must not use nondisclosure agreements or other contracts restricting a  
49.26 student's ability to disclose information in connection with school actions or conduct that  
49.27 would be covered under section 136A.672.

49.28 (b) An application for degree approval must also include:

49.29 (i) title of degree and formal recognition awarded;

49.30 (ii) location where such degree will be offered;

49.31 (iii) proposed implementation date of the degree;

- 50.1 (iv) admissions requirements for the degree;
- 50.2 (v) length of the degree;
- 50.3 (vi) projected enrollment for a period of five years;
- 50.4 (vii) the curriculum required for the degree, including course syllabi or outlines;
- 50.5 (viii) statement of academic and administrative mechanisms planned for monitoring the
- 50.6 quality of the proposed degree;
- 50.7 (ix) statement of satisfaction of professional licensure criteria, if applicable;
- 50.8 (x) documentation of the availability of clinical, internship, externship, or practicum
- 50.9 sites, if applicable; and
- 50.10 (xi) statement of how the degree fulfills the institution's mission and goals, complements
- 50.11 existing degrees, and contributes to the school's viability.

50.12 Sec. 3. Minnesota Statutes 2022, section 136A.65, subdivision 8, is amended to read:

50.13 Subd. 8. **Disapproval of registration; appeal.** (a) By giving written notice and reasons

50.14 to the school, the office may:

50.15 (1) revoke, suspend, or refuse to renew school registration;

50.16 (2) revoke, suspend, or refuse approval of a school's degree or nondegree program; and

50.17 (3) revoke, suspend, or refuse approval of the use of a regulated term in its name.

50.18 (b) Reasons for revocation or suspension of registration or approval may be for one or

50.19 more of the following reasons:

50.20 (1) violating the provisions of sections 136A.61 to 136A.71;

50.21 (2) providing false, misleading, or incomplete information to the office;

50.22 (3) presenting information about the school which is false, fraudulent, misleading,

50.23 deceptive, or inaccurate in a material respect to students or prospective students;

50.24 (4) refusing to allow reasonable inspection or to supply reasonable information after a

50.25 written request by the office has been received;

50.26 (5) failing to have enrollment within the last two years at the school; or

50.27 (6) ~~failing to have any enrollment within two years of a program's approval, except for~~

50.28 ~~programs that require extensive approval processes by the United States Department of~~

50.29 ~~Education, or the program's institutional or programmatic accreditor; or~~

51.1 ~~(7)~~ having been administratively determined by the commissioner or judicially determined  
51.2 to have committed fraud or any other material violation of law involving federal, state, or  
51.3 local government funds.

51.4 (c) Reasons for revocation or suspension of registration or approval under paragraph  
51.5 (a), clause (2), may be for one or more of the following reasons:

51.6 (1) the degree or nondegree program does not meet the provisions of sections 136A.61  
51.7 to 136A.71;

51.8 (2) providing false, misleading, or incomplete information to the office about the degree  
51.9 or nondegree program;

51.10 (3) presenting information about the degree or nondegree program which is false,  
51.11 fraudulent, misleading, deceptive, or inaccurate in a material respect to students or  
51.12 prospective students;

51.13 (4) refusing to allow reasonable inspection or to supply reasonable information about  
51.14 the degree or nondegree program after a written request by the office has been received;

51.15 (5) failing to have any enrollment within two years of a program's approval, except for  
51.16 programs that require extensive approval processes by the United States Department of  
51.17 Education, or the program's institutional or programmatic accreditor; or

51.18 (6) the program loses eligibility in federal financial aid under title IV of the Higher  
51.19 Education Act of 1965, Public Law 89-329, as amended.

51.20 ~~(e)~~ (d) Any order refusing, revoking, or suspending a school's registration, approval of  
51.21 a school's degree, or use of a regulated term in the school's name is appealable in accordance  
51.22 with chapter 14. The request must be in writing and made to the office within 30 days of  
51.23 the date the school is notified of the action of the office. If a school has been operating and  
51.24 its registration has been revoked, suspended, or refused by the office, the order is not effective  
51.25 until the final determination of the appeal, unless immediate effect is ordered by the court.

51.26 Sec. 4. Minnesota Statutes 2022, section 136A.675, subdivision 2, is amended to read:

51.27 Subd. 2. **Additional reporting.** (a) In addition to the information required for the  
51.28 indicators in subdivision 1, an institution must notify the office within ten business days if  
51.29 any of the events in paragraphs (b) to (e) occur.

51.30 (b) Related to revenue, debt, and cash flow, notice is required if:

51.31 (1) the institution defaulted on a debt payment or covenant and has not received a waiver  
51.32 of the violation from the financial institution within 60 days;

52.1 (2) for institutions with a federal composite score of less than 1.5, the institution's owner  
52.2 withdraws equity that directly results in a composite score of less than 1.0, unless the  
52.3 withdrawal is a transfer between affiliated entities included in a common composite score;

52.4 (3) the United States Department of Education requires a 25 percent or greater Letter of  
52.5 Credit, except when the Letter of Credit is imposed due to a change of ownership;

52.6 (4) the United States Department of Education requires Heightened Cash Monitoring 2;

52.7 (5) the institution receives written notification that it violated the United States  
52.8 Department of Education's revenue requirement under United States Code, title 20, section  
52.9 1094(a)(24), as amended; ~~or~~

52.10 (6) the institution receives written notification by the United States Department of  
52.11 Education that it has fallen below minimum financial standards and that its continued  
52.12 participation in Title IV is conditioned upon satisfying either the Zone Alternative, Code  
52.13 of Federal Regulations, title 34, section 668.175, paragraph (f), or a Letter of Credit  
52.14 Alternative, Code of Federal Regulations, title 34, section 668.175, paragraph (c); or

52.15 (7) the institution receives written notification by the United States Department of  
52.16 Education that one or more of its programs has lost eligibility in federal financial aid under  
52.17 title IV of the Higher Education Act of 1965, Public Law 89-329, as amended, for failing  
52.18 to satisfy federal Financial Value Transparency and Gainful Employment requirements  
52.19 under Code of Federal Regulations, title 34, parts 600 and 668.

52.20 (c) Related to accreditation and licensing, notice is required if:

52.21 (1) the institution receives written notification of probation, warning, show-cause, or  
52.22 loss of institutional accreditation;

52.23 (2) the institution receives written notification that its institutional accreditor lost federal  
52.24 recognition; or

52.25 (3) the institution receives written notification that it has materially violated state  
52.26 authorization or institution licensing requirements in a different state that may lead to or  
52.27 has led to the termination of the institution's ability to continue to provide educational  
52.28 programs or otherwise continue to operate in that state.

52.29 (d) Related to securities, notice is required if:

52.30 (1) the Securities and Exchange Commission (i) issues an order suspending or revoking  
52.31 the registration of the institution's securities, or (ii) suspends trading of the institution's  
52.32 securities on any national securities exchange;

53.1 (2) the national securities exchange on which the institution's securities are traded notifies  
53.2 the institution that it is not in compliance with the exchange's listing requirements and the  
53.3 institution's securities are delisted; or

53.4 (3) the Securities and Exchange Commission is not in timely receipt of a required report  
53.5 and did not issue an extension to file the report.

53.6 (e) Related to criminal and civil investigations, notice is required if:

53.7 (1) the institution receives written notification of a felony criminal indictment or charges  
53.8 of the institution's owner;

53.9 (2) the institution receives written notification of criminal indictment or charges of the  
53.10 institution's officers related to operations of the institution; or

53.11 (3) there has been a criminal, civil, or administrative adjudication of fraud or  
53.12 misrepresentation in Minnesota or in another state or jurisdiction against the institution or  
53.13 its owner, officers, agents, or sponsoring organization.

53.14 Sec. 5. Minnesota Statutes 2022, section 136A.828, is amended by adding a subdivision  
53.15 to read:

53.16 Subd. 7. **Nondisclosure agreements.** No private career school shall use nondisclosure  
53.17 agreements or other contracts restricting a student's ability to disclose information in  
53.18 connection with school actions or conduct that would be covered under section 136A.8295."

53.19 Amend the title accordingly