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Chapter 124 – Higher Education Omnibus (H.F. 4024 S.F.4003)

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Article 1 Higher Education Appropriations

Section 1 amends a previous appropriation for ALS research, reducing the fiscal year 2023 appropriation from \$20,000,000 to \$396,000 and appropriating \$19,604,000 in fiscal year 2024 for competitive grants to applicants for research into ALS. This onetime appropriation does not cancel until June 30, 2029. This section is effective the day following final enactment.

Section 2 is a technical correction to the appropriation for Hunger-Free Campus grants. Clarifies that the funds to institutions for equipment is available until June 30, 2026, not the entire appropriation.

Sections 3 and 4 increase the appropriation to the Fostering Independence Higher Education Grants program by \$5,040,000 in fiscal year 2025 and reduce the transfer to the North Star Promise account by the corresponding amount.

Section 5 amends a previous appropriation for programs at the University of Minnesota Medical School on the CentraCare Health System campus in St. Cloud by modifying the uses for which the funds may be spent. This section is effective the day following final enactment.

Section 6 appropriates \$500,000 in fiscal year 2025 from the general fund to the Board of Trustees of the Minnesota State Colleges and Universities to participate in the Kids on Campus initiative with the National Head Start Association and the Association of Community College Trustees and specifies that the funds may be used for a temporary statewide project coordinator, stipends to campuses and Head Start Centers, and other costs associated with creating campus Head Start programs.

Article 2

Policy Provisions

Section 1 (135A.062) establishes a new section of law related to the consideration of criminal records when applying to a higher education institution in Minnesota. This section defines the term "violent felony or sexual assault" for purposes of this section and prohibits a postsecondary institution from inquiring into, considering, or requiring the disclosure of the criminal record or criminal history of an applicant for admission. After an offer of admission, the institution may inquire into a delinquency adjudication or a conviction for a violent felony or sexual assault that occurred in the previous five years. This section does not prohibit an institution, after making an offer of admission, from inquiring about student conduct records at a prior institution or inquiring about the student's ability to meet licensure requirements in a professional program.

Section 2 (135A.121, subd 2) modifies the American Indian Scholars program established in the last session to clarify that eligibility includes meeting satisfactory progress, which is consistent with the eligibility requirements for other financial aid and scholarship programs.

Section 3 (135A.144) prohibits a school, which includes public and private schools, from withholding a transcript for students with unpaid debt, except under certain circumstances. The debt threshold is \$1,000 and this section requires the school to provide a transcript to incarcerated persons. A school that uses transcript issuance as a tool for debt collection must have a policy accessible to students that outlines how the school collects on debts owed.

Section 4 (135A.15) amends policy requirements related to campus sexual misconduct. This section includes technical changes updating terminology; the substantive changes are summarized below.

Subd 1 modifies the applicability to private schools, limiting the requirements under this section to those participating in the federal Pell Grant program and expands applicability to any event sponsored by the system or by a fraternity or sorority regardless of whether the activity or event occurs on or off property owned or used by the system or institution.

Subd 1a modifies several definitions and adds new definitions. The new term "sexual misconduct" is defined and includes a more expansive list of crimes and conduct that fall under this policy. Also, the term "advisor" is defined, which is a person who is selected by the parties for support during the investigation and disciplinary process.

Subd 2 provides that the victim's rights under this section are not contingent on entering into a nondisclosure agreement. Further, a nondisclosure agreement or other contract restricting the ability to discuss information in connection with a sexual misconduct complaint may not be used as a condition of financial aid or remedial action.

Subd 2a is a new subdivision related to campus investigation and disciplinary hearing procedures. An institution must provide a reporting party with an opportunity for an impartial, timely, and thorough investigation of a report of sexual misconduct. If an investigation reveals that sexual misconduct occurred, the institution must take steps to end the misconduct, prevent its recurrence, and, as appropriate, remedy its effects. The institution

must treat all parties with dignity and respect. If an institution conducts a hearing, an advisor may provide opening and closing remarks on behalf of the party.

Subd 8 requires, to the extent possible, training to be culturally responsive and address the unique experiences and challenges of students.

Section 5 (135A.1581) establishes a program for parenting students, requiring public and private institutions of higher education to designate at least one employee as a navigator for parenting students. The University of Minnesota is requested to comply. This section specifies the information that must be provided to students and requires the Office of Higher Education to report annually, beginning January 15, 2028, data on parenting students.

Section 6 (135A.1582) establishes protections for pregnant and parenting students, applicable to public colleges and universities. The University of Minnesota is requested to comply. This section lists the rights of pregnant and parenting students, which include prohibiting a school from requiring the student to take a leave of absence, limiting the student's studies, or changing the program of study, to name a few. This section also requires the school to provide reasonable accommodations, as listed in this section, and to provide other protections. Schools are required to adopt a policy with information related to discrimination against pregnant and parenting minors. The Office of Higher Education is required to work with the systems to adopt guidelines to administer the program.

Sections 7 and 8 (135A.161 and 135A.162) modify the Minnesota Inclusive Higher Education provisions passed last session, moving a reporting requirement to a more appropriate place in the law and adding Tribal colleges to the list of eligible grantees.

Section 9 (135A.163) states that this section of law may be cited as the "Minnesota Respond, Innovate, Succeed, and Empower (RISE) Act." This section requires public and private institutions to have policies to assist and support students with disabilities.

Subd 2 defines the terms: "institution of higher education," "plain language," and "student with a disability."

Subd 3 requires each institution to adopt a policy making self-disclosure sufficient proof of a disability to begin the interactive process under subdivision 4. This section also imposes requirements related to the disabilities policy and the dissemination of that policy.

Subd 4 requires an institution to engage in an interactive process to document the student's accommodation needs and allows the institution to request documentation as part of the interactive process. The documentation listed in this section is deemed sufficient to establish reasonable accommodations for a student with a disability.

Subd 5 imposes requirements on institutions related to students with disabilities. The list of requirements under this section includes, to name a couple, that before the beginning of each term, the institution must offer a student the opportunity to self-identify as having a disability for which the student may request an accommodation and must initiate contact with students who self-identify, and that an institution must not require a student to be reevaluated to prove the presence of a permanent disability if the student previously provided proof.

This section is effective January 1, 2025.

Section 10 (135A.195) imposes requirements on postsecondary institutions that contract with online program management companies (OPMs) to provide online courses and other services.

Subd 1 defines the terms "contract," "institution of higher education," "managed program," "online program management company," and "tuition sharing." The definition of "institution of higher education" includes the Minnesota State Colleges and Universities system. The Board of Regents of the University of Minnesota is requested to comply with this section.

Subd 2 imposes restrictions on contracts between an OPM and an institution.

Subd 3 requires the governing board to review and approve a contract prior to execution. The review must analyze the contract's compliance with subdivision 2. The governing board must not approve a contract unless it complies with subdivision 2.

Subd 4 requires an institution that contracts with an OPM to submit annually to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education finance an assessment and analysis that provides for a rigorous review and monitoring of the OPM. This section specifies what must be included in the report.

Subd 5 imposes requirements on an OPM if it is retained to provide marketing services.

Subd 6 provides an exception to this section for an addendum or amendment to a contract entered into on or before July 1, 2023, to increase or decrease the number of managed programs. This subdivision expires July 1, 2028.

This section is effective July 1, 2024, and applies to contracts entered into on or after that date, subject to the exception under subdivision 6.

Section 11 (136A.053) allows the Office of Higher Education to consolidate mandated reports on several programs into one annual report beginning February 15, 2026.

Section 12 (136A.091, subd 3) modifies the summer academic enrichment program to update a reference to universal free meals.

Section 13 (136A.097) provides the commissioner with flexibility in calculating financial aid when a student is eligible for multiple financial aid programs.

Sections 14 and 15 (136A.1241) modify the Fostering Independence Grants. Section 14 makes changes to align eligibility with other financial aid programs. Section 15 requires the commissioner to establish a priority application deadline, and if there are insufficient funds, proportionally reduce the awards to keep spending within the appropriation.

Sections 16 to 20 (136A.1465) amend the North Star Promise Program

Section 16 amends the definitions, clarifies the term "gift aid," and defines new terms.

Section 17 modifies eligibility, primarily to align with other financial aid programs.

Section 18 clarifies that the program begins in fall 2024 and modifies the supplemental grants for Pell eligible students, capping the amount at the students' recognized cost of attendance.

Section 19 updates terminology and makes technical changes.

Section 20 clarifies the duration of the scholarship and specifies when a student is eligible for an additional semester, consistent with other aid programs.

Sections 21 and 22 (136A.1701) amend the Minnesota Student Educational Loan Fund (SELF) Program by allowing a student to borrow up to the maximum loan amount twice in the same "grade level" and prohibiting the commissioner from requiring annual payments but allowing the commissioner to require monthly payments.

Section 23 (136A.29, subd 9) increases the amount of revenue bonds the Minnesota Higher Education Facilities Authority may issue from \$1,300,000,000 to \$2,000,000,000.

Sections 24, 26, 27, and 32 to 37 clarify the physical presence of schools to determine if a school qualifies for state authorization under the Private Career School Act and the Minnesota Private and Out-of-State Public Postsecondary Education Act.

Section 25 defines the term "postsecondary education" in the Minnesota Private and Out-of-State Public Postsecondary Education Act.

Section 28 (136A.646) updates a reference to federal law and changes the closed school refund dates to a framework of 180 days to conform with United States Department of Education regulations.

Sections 29 and 42 (136A.65, subd 4, 136A.828, subd 7) prohibit private or out-of-state public schools and private career schools, respectively, from using a nondisclosure agreement or contract restricting a student's ability to disclose information about a school's actions or conduct that would be allowed under the student complaint process in existing law. Section 29 also requires that the school include a joint and several liability provision for torts and compliance with requirements in this chapter in contracts effective after July 1, 2026.

Section 30 (136A.675) updates a cross-reference to federal law.

Section 31 (136A.69, subd 1) amends the Minnesota Private and Out-of-State Public Postsecondary Education Act to allow the commissioner of the Office of Higher Education to charge additional fees for an initial application and a renewal registration that require multiple revisions or corrections.

Section 38 (136A.822, subd 8) modifies the Private Career School Act licensure requirements by adding that a license shall be issued by the office if the private career school has not had its license revoked within two years and requiring the school include a joint and several liability provision for torts and compliance with requirements in this chapter in contracts after July 1, 2026

Sections 39 and 40 (136A.824, subd 1 and 2) amend the Private Career Schools section of law to allow the commissioner of the Office of Higher Education to charge additional fees for an initial application and a renewal registration that require multiple revisions or corrections.

Section 41 (136A.828, subd 3) amends the false statements section of law related to private career schools. This section prohibits a school from claiming its program qualifies for national certification if that certification is not accepted or recognized in this state.

Section 43 (136A.829, subd 3) allows the commissioner to grant a probationary license to a private career school to monitor newly licensed schools and allow for the correction of deficiencies.

Section 44 (136A.829, subd 4) adds a new subdivision to the revocation of a license or permit, prohibiting a school whose license has been revoked from reapplying within two years, and lists new requirements for a school reapplying for licensure.

Section 45 (136A.833, subd 2) amends private career school exemptions. This section adds procedures for schools to demonstrate eligibility without a full program review and makes other clarifying changes.

Section 46 (136F.38, subd 3) expands the workforce development programs of study to include energy.

Section 47 (137.375) requests that the University of Minnesota Landscape Arboretum allow disabled veterans, as defined in this section, with unlimited access to the arboretum free of charge. This section is effective the day following final enactment.

Section 48 Paragraph (a) repeals the existing law requiring public postsecondary institutions to have policies related to students with disabilities. This repealer is effective January 1, 2025.

Paragraph (b) repeals a report that was moved to a different section of law.