



Laws 2025, 1st Special Session, Chapter 5, Omnibus Higher Education policy and appropriations

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ARTICLE 1 APPROPRIATIONS

Article 1 appropriates money for operations of the Office of Higher Education, the State Grant Program, and for other expenditures specified on the spreadsheet prepared by Megan Bursch, Fiscal Analyst with the Office of Senate Counsel, Research, and Fiscal Analysis.

ARTICLE 2 HIGHER EDUCATION POLICY

Section 1 (135A.052) permits Minnesota State Universities to offer applied doctoral degrees in cybersecurity.

Section 2 [135A.1367] requires the Minnesota State Colleges and Universities system, and requests the University of Minnesota system, to maintain two doses of opiate antagonists in each campus residential building. Opiate antagonists are drugs that can reverse the effects of an opioid overdose.

Section 3 (135A.15) amends the definitions for the statute regarding campus sexual misconduct grievance procedures to add a definition for “retaliation.”

Section 4 (135A.15) requires postsecondary institutions to establish a sexual misconduct grievance process that complies with certain criteria.

Section 5 (135A.1582) extends the requirements in this section to private postsecondary institutions. Provides a definition for “pregnancy or related conditions” that cross-references the definition of the same term in federal regulations.

Section 6 (136A.01) permits OHE to retain up to ten percent of competitively awarded grants for administrative costs and up to five percent of appropriations for legislatively named or formula grant programs.

Section 7 [136A.054] consolidates into one report certain reports that the Office of Higher Education is required to provide to the legislature. The consolidated reports cover the below programs:

- Student-Parent Support Initiative (section 136A.1251)
- Aviation Degree Loan Forgiveness Program (section 136A.1789)
- Teacher Shortage Loan Repayment Program (section 136A.1791)
- Agricultural Education Loan Forgiveness Program (section 136A.1794)
- Large Animal Veterinarian Loan Forgiveness Program (section 136A.1795)
- Intervention for College Attendance Program Grants (section 136A.861)

Sections 8 to 12 [136A.0901 to 136A.0905] require the Office of Higher Education to create standard terminology and standard templates for colleges and universities to use when sending financial aid offers to prospective and current students.

Section 13 (136A.101, subd. 5a) amends the definition of Assigned Family Responsibility (“AFR”), which is used to calculate a student’s financial aid award under the State Grant Program. AFR is calculated as a percentage of either parental or student contribution—values that are generated by the Free Application for Federal Student Aid (“FAFSA”). Section 13 modifies the AFR for dependent students to be 95% of the parental contribution. Section 13 also changes AFR for students who have a negative parental or student contribution, providing that AFR is 50% of the negative parental or student contribution until a limit of negative \$1,500. This change will reduce the size of some state grant awards.

Section 14 (136A.103) amends the eligibility requirements for receiving state student financial aid for (1) private schools that do not participate in the Pell Grant program and (2) postsecondary institutions that fail to comply with state requirements or are terminated from the federal financial aid programs.

Section 15 (131A.121, subd. 6) amends the calculation for Cost of Attendance, a parameter that is part of the calculation for determining a student’s award under the State Grant Program. Section 16 reduces the allowance for living and miscellaneous expenses to 106 percent of the federal poverty guidelines. This change will reduce the size of some State Grant Awards.

Section 16 (131A.121, subd. 7) amends the statute that governs how State Grant awards should be reduced if the legislature has not appropriated sufficient money to fully fund the State Grant Program. Under current law, OHE must reduce awards by increasing the percentage of assigned student responsibility and adding a surcharge to the Assigned Family Responsibility (AFR). Section 16 clarifies that (i) the AFR may exceed 100% of the federal parental or student contribution, and (ii) the authorized surcharges to student AFR amounts may not differentiate among the three classes of student.

Section 17 (131A.121, subd. 7a) amends the statute that governs how State Grant awards should be increased if the program has money beyond what is required to fund awards under

current law. Under current law, awards are increased by increasing the living and miscellaneous expense allowance for all students. Section 17 permits OHE to also recognize a lower negative AFR for students whose parental or student contribution is less than negative \$1,500.

Section 18 (131A.121, subd.9) amends the State Grant Program to decrease the cap on how many credits a student can take using State Grant award funds over the student's lifetime. Section 19 reduces the credit limit from 180 credits to 120 credits.

Section 19 (131A.121, subd. 13) amends the State Grant Program to adjust the deadline by which students must apply to receive an award. The current deadline allows students to apply for a grant for a term at any time during the academic year, up until the June 30th following that academic year. Section 20 would require students to apply for a grant for a term by the 30th day of that term.

Sections 20 and 21 (136A.1465) modify the North Star Promise program to require the University of Minnesota and Minnesota State Colleges and Universities to charge resident tuition to enrolled students that are eligible for the program.

Section 22 (136A.1465) sets the deadline for scholarship applications to 30 days after the start of the term for which the scholarship is applied. Also, clarifies that a student who has completed the degree requirements for their first baccalaureate degree is no longer eligible for the scholarship, even if the student has not yet graduated with that baccalaureate degree

Section 23 (136A.155) makes a technical change to the institutional eligibility requirements for out of state colleges and universities to participate in certain state student loan programs.

Section 24 (136A.162) amends the law governing the handling of data collected in the Minnesota supplemental loan program to prohibit the Office of Higher Education from providing the number of late payments the student made to consumer credit reporting agencies.

Section 25 (136A.1701) consolidates provisions related to OHE's authority to determine maximum loan amounts per borrower and cumulatively for the program. Removes the current \$140K maximum lifetime limit for an individual student.

Section 26 (136A.1796) makes technical changes to the law governing grants to Tribally controlled colleges.

Sections 27 (136A.246) makes technical changes to the law regarding dual training competency grants.

Sections 28 to 31 (136A.65 to 136A.69) amend the laws regulating private and out-of-state public postsecondary institutions to make technical changes and adjust the fee structure.

Sec. 28 makes a technical change.

Sec. 29 makes clarifying and technical changes.

Sec. 30 increases the fees OHE charges in-state institutions to approve participation by an institution in an interstate reciprocity agreement.

Sec. 31 modifies and increases the fees that OHE charges Tribally controlled, private, and out-of-state public postsecondary institutions to register to operate a physical location in Minnesota. Section 32 changes the fee structure from being based on the type of degrees offered to being based on full-time-equivalent students enrolled in an institution.

Sections 32 to 53 (136A.82 to 136A.834) amend the laws regulating private career schools to modify the registration requirements and adjust the fee structure.

Sec. 32 includes a new policy subdivision.

Sec. 33 exempts certain types of schools from the requirement to register under the private career school law.

Sec. 34 amends the definition of “private career school” to exempt a number of kinds of institutions. Under current law, these institutions were included under the definition of private career school, but were exempt from registration under section 136A.833.

Sections 35 to 42 add definitions and make technical changes.

Sec. 43 strikes a reference to schools that were required to be licensed due to the use of certain words in their names. The law would no longer use naming as a criteria for registration.

Sec. 44 makes a technical change.

Sec. 45 provides for a limited licensure requirement for certain private career schools.

Sections 46 to 49 adjust the fee structure for certain private career schools and make technical changes.

Sec. 50 deletes several exemptions that are moved to section 34 and adds other exemptions from the licensure requirement.

Sections 51 and 52 make technical changes.

Section 53 (136A.87) removes a requirement that the Office of Higher Education gather and share certain information with middle school and high school students.

Section 54 (136A.901) clarifies that postsecondary institutions and nonprofit organizations are eligible to receive grants under the Spinal Cord Injury and Traumatic Brain Injury Research Grant Program.

Sections 55 and 56 (137.022) amend the statute governing how funds are distributed out of the permanent university fund, which receives royalties from mining under state mineral leases. Section 56 reallocates funds and raises the cap on how much money can be provided to the Natural Resources Research Institute-Duluth and Coleraine facilities.

Section 57 (137.375) expands the existing free unlimited access for disabled veterans to also include one guest of the veteran.

Section 58 (151.37, subd. 12) adds employees of secondary institutions to the list of individuals who may be authorized to administer opiate antagonists.

Section 59 (474A.061) increases the amount that is available to the Office of Higher Education through the small pool bond allocation program from \$10 million to \$25 million.

Section 60 establishes a working group to develop policy recommendations to prevent fraudulent enrollment in online courses.

Section 61 establishes within MinnState a temporary pilot program to provide last-dollar, full tuition and fee grants for Minnesota law enforcement officers and their dependents attending state colleges and universities. This program is set to expire at the end of FY27.

Section 62 provides technical directions to the revisor of statutes.

Section 63 repeals certain sections of statute:

- **Paragraph (a)** repeals programs that are not funded: student loan debt counseling; aviation degree loan forgiveness; teacher shortage loan repayment; and concurrent enrollment grants. Repeals statutory language related to the Hunger Free Campus program, which is being enacted as an appropriation in session law in Article 1, section 2, subdivision 24 of this bill. Paragraph (a) also repeals fee language as part of the modification in Article 2, sections 29 to 32 of this bill.
- **Paragraph (b)** repeals two reporting requirements entirely. Repeals other reporting requirements that have been consolidated under section 7 of this article.
- **Paragraph (c)** repeals provisions related to OHE's ALS research grants.
- **Paragraph (d)** repeals rules related to the SELF loan program.



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