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State of Minnesota

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HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH SESSION

HOUSE FILE No. 1063

February 19, 2007

Authored by Simon, Moe, Ozment and Hansen

The bill was read for the first time and referred to the Committee on Public Safety and Civil Justice

March 15, 2007

Committee Recommendation and Adoption of Report:

To Pass as Amended and re-referred to the Committee on Environment and Natural Resources

March 24, 2007

Committee Recommendation and Adoption of Report:

To Pass Read Second Time

May 14, 2007

Calendar For the Day Read Third Time Passed by the House and transmitted to the Senate

May 21, 2007

Amended by the Senate and returned to the House as Amended

Read Third Time and Re-passed by the House as Amended by the Senate

1.1 A bill for an act

1.2 relating to higher education; appropriating money; amending certain Minnesota

1.3 Office of Higher Education provisions; requiring a risk analysis; establishing

1.4 new grant and loan repayment programs; amending higher education programs;

1.5 requiring certain studies; making technical changes; requiring summary statistics

1.6 in required reports; repealing certain data sharing and collecting requirements;

1.7 modifying financial aid programs; establishing the Minnesota GI Bill program;

1.8 establishing the Achieve Scholarship Program; regulating private higher

1.9 education institutions; providing penalties; amending certain grant programs;

1.10 eliminating obsolete references; authorizing control of certain decreasing

1.11 students' share of attendance; increasing revenue bond limits; authorizing control

1.12 of certain deposits; authorizing lease agreements; authorizing interest rate swap;

1.13 providing for the Textbook Disclosure, Pricing, and Access Act; amending

1.14 Minnesota Statutes 2006, sections 13.322, subdivision 3; 41D.01, subdivision

1.15 1; 135A.01; 135A.031, subdivisions 1, 7; 135A.034, subdivision 1; 135A.51,

1.16 subdivision 2; 135A.52, subdivisions 1, 2; 136A.031, subdivision 5; 136A.08,

1.17 subdivision 7; 136A.101, subdivisions 4, 5a; 136A.121, subdivision 7a, by

1.18 adding a subdivision; 136A.125, subdivisions 2, 4; 136A.15, subdivisions 1,

1.19 6; 136A.16, subdivision 8, by adding a subdivision; 136A.1702; 136A.233,

1.20 subdivision 3; 136A.29, subdivision 9; 136A.61; 136A.62, subdivision 3;

1.21 136A.63; 136A.64; 136A.65; 136A.657, by adding a subdivision; 136A.66;

1.22 136A.67; 136A.68; 136A.69; 136A.861, subdivisions 1, 2, 3, 6; 136F.02,

1.23 subdivision 1; 136F.03, subdivisions 3, 4; 136F.42, subdivision 1; 136F.58;

1.24 136F.71, subdivision 2, by adding a subdivision; 136G.11, subdivision 5;

1.25 137.0245, subdivisions 1, 4; 137.0246; 141.21, subdivisions 1a, 5; 141.25,

1.26 subdivisions 1, 5, 7, 9, 10, 12; 141.255, subdivision 2; 141.265, subdivision 2;

1.27 141.271, subdivisions 10, 12; 141.28, subdivision 1; 141.32; 141.35; 197.775,

1.28 subdivision 4; proposing coding for new law in Minnesota Statutes, chapters

1.29 135A; 136A; 137; 141; 197; repealing Minnesota Statutes 2006, sections

1.30 135A.031, subdivisions 2, 3, 4, 5, 6; 135A.032; 135A.033; 135A.045; 135A.053;

1.31 136A.07; 136A.08, subdivision 8; Laws 2001, First Special Session chapter 1,

1.32 article 1, sections 3, subdivision 3; 4, subdivision 5.

1.33 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

**ARTICLE 1**

**HIGHER EDUCATION APPROPRIATIONS**

**Section 1. SUMMARY OF APPROPRIATIONS.**

Subdivision 1. **Summary By Fund.** The amounts shown in this subdivision summarize direct appropriations, by fund, made in this article.

**SUMMARY BY FUND**

	<b><u>2008</u></b>		<b><u>2009</u></b>		<b><u>Total</u></b>
<u>General</u>	\$ 1,574,945,000	\$	1,588,563,000	\$	3,163,508,000
<u>Health Care Access</u>	\$ 2,157,000	\$	2,157,000	\$	4,314,000
<b><u>Total</u></b>	<b><u>\$ 1,577,102,000</u></b>	<b>\$</b>	<b><u>1,590,720,000</u></b>	<b>\$</b>	<b><u>3,167,822,000</u></b>

Subd. 2. **Summary By Agency - All Funds.** The amounts shown in this subdivision summarize direct appropriations, by agency, made in this article.

**SUMMARY BY AGENCY - ALL FUNDS**

	<b><u>2008</u></b>		<b><u>2009</u></b>		<b><u>Total</u></b>
<u>Minnesota Office of Higher Education</u>	\$ 188,288,000	\$	188,804,000	\$	377,092,000
<u>Board of Trustees of the Minnesota State Colleges and Universities</u>	\$ 666,883,000	\$	689,297,000	\$	1,356,180,000
<u>Board of Regents of the University of Minnesota</u>	\$ 714,729,000	\$	705,369,000	\$	1,420,098,000
<u>Mayo Medical Foundation</u>	\$ 1,202,000	\$	1,250,000	\$	2,452,000
<u>Department of Veterans Affairs</u>	\$ 6,000,000	\$	6,000,000	\$	12,000,000
<b><u>Total</u></b>	<b><u>\$ 1,577,102,000</u></b>	<b>\$</b>	<b><u>1,590,720,000</u></b>	<b>\$</b>	<b><u>3,167,822,000</u></b>

**Sec. 2. HIGHER EDUCATION APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2008" and "2009" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2008, or June 30, 2009, respectively. "The first year" is fiscal year 2008. "The second year" is fiscal year 2009. "The biennium" is fiscal years 2008 and 2009.

<b><u>APPROPRIATIONS</u></b>	
<b><u>Available for the Year</u></b>	
<b><u>Ending June 30</u></b>	
<b><u>2008</u></b>	<b><u>2009</u></b>



4.1	<u>Subd. 5. <b>State Work Study</b></u>	<u>12,444,000</u>	<u>12,444,000</u>
4.2	<u>Subd. 6. <b>Child Care Grants</b></u>	<u>6,184,000</u>	<u>6,184,000</u>
4.3	<u>Subd. 7. <b>Minitex</b></u>	<u>5,631,000</u>	<u>5,631,000</u>
4.4	<u>Subd. 8. <b>MnLINK Gateway</b></u>	<u>400,000</u>	<u>400,000</u>
4.5	<u>Subd. 9. <b>Learning Network of Minnesota</b></u>	<u>4,800,000</u>	<u>4,800,000</u>
4.6	<u>Subd. 10. <b>Minnesota College Savings Plan</b></u>	<u>1,020,000</u>	<u>1,020,000</u>
4.7	<u>Subd. 11. <b>Midwest Higher Education Compact</b></u>	<u>90,000</u>	<u>90,000</u>
4.8	<u>Subd. 12. <b>Intervention for College Attendance</b></u>		
4.9	<u><b>Program Grants</b></u>	<u>496,000</u>	<u>496,000</u>
4.10	<u>No more than \$50,000 of this appropriation</u>		
4.11	<u>each year may be used for administrative</u>		
4.12	<u>expenses for the program under Minnesota</u>		
4.13	<u>Statutes, section 136A.861.</u>		
4.14	<u>Subd. 13. <b>Achieve Scholarship Program</b></u>	<u>3,400,000</u>	<u>7,400,000</u>
4.15	<u>(a) Of this amount, \$200,000 in fiscal</u>		
4.16	<u>year 2008 and \$200,000 in fiscal year</u>		
4.17	<u>2009 are for transfer to the University of</u>		
4.18	<u>Minnesota and \$200,000 in fiscal year 2008</u>		
4.19	<u>and \$200,000 in fiscal year 2009 are for</u>		
4.20	<u>transfer to the Minnesota State Colleges</u>		
4.21	<u>and Universities to provide courses under</u>		
4.22	<u>Minnesota Statutes, section 124D.09,</u>		
4.23	<u>subdivision 10, to high school students living</u>		
4.24	<u>in remote and underserved areas where</u>		
4.25	<u>the school district lacks the resources to</u>		
4.26	<u>provide academically rigorous educational</u>		
4.27	<u>opportunities, such as Advanced Placement</u>		
4.28	<u>and International Baccalaureate programs.</u>		
4.29	<u>Courses may be delivered by a high school</u>		
4.30	<u>or postsecondary faculty member, online, or</u>		
4.31	<u>through distance education. Students who</u>		
4.32	<u>successfully complete a course must receive</u>		

5.1 college credit at no cost to the student. The  
 5.2 office must report to the committees of the  
 5.3 legislature with responsibility for higher  
 5.4 education finance by January 15, 2009, on the  
 5.5 program outcomes with recommendations on  
 5.6 continuing and expanding the program.

5.7 (b) For Achieve scholarships under  
 5.8 Minnesota Statutes, section 136A.127.

5.9 This appropriation includes \$3,000,000 that  
 5.10 may be used in the 2008-2009 biennium  
 5.11 to support access to rigorous high school  
 5.12 courses and college attendance programs.

5.13 This includes, but is not limited to, College  
 5.14 in the Schools and Postsecondary Enrollment  
 5.15 Options, grants under the Intervention for  
 5.16 College Access Program, additional funding  
 5.17 for the Get Ready Program or local recipients  
 5.18 of federal TRIO program money, local  
 5.19 college access programs, and to increase  
 5.20 support for school districts to improve high  
 5.21 school counseling.

5.22 Up to \$350,000 in the 2008-2009 biennium  
 5.23 may be used for administration of the  
 5.24 program. Up to \$200,000 in the 2010-2011  
 5.25 biennium may be used for administration of  
 5.26 the program.

5.27 The base funding for this program is  
 5.28 \$10,000,000 in fiscal year 2010 and  
 5.29 \$10,000,000 in fiscal year 2011.

5.30 **Subd. 14. Other Programs** 1,199,000 899,000

5.31 This appropriation includes funding for  
 5.32 student and parent information and the get  
 5.33 ready outreach program.

6.1 \$240,000 each year is for grants to increase  
6.2 campus-community collaboration and service  
6.3 learning statewide, including operations of  
6.4 the Minnesota campus compact, grants to  
6.5 member institutions and grants for member  
6.6 institution initiatives. For every \$1 in state  
6.7 funding, grant recipients must contribute \$2  
6.8 in campus or community-based support.

6.9 \$250,000 in the first year is for a grant to  
6.10 Augsburg College for the purpose of its  
6.11 Step UP program to provide educational  
6.12 opportunities to chemically dependent  
6.13 students and to work with other public  
6.14 and private colleges in Minnesota to help  
6.15 replicate this program. This is a onetime  
6.16 appropriation.

6.17 \$100,000 each year must be transferred to  
6.18 the Loan Repayment Assistance Program,  
6.19 Inc., for loan repayment assistance awards  
6.20 to attorneys who enter public interest law to  
6.21 ensure that low-income and disadvantaged  
6.22 populations have access to competent legal  
6.23 counsel.

6.24 \$50,000 in fiscal year 2008 is for the  
6.25 Washington Center for Internships and  
6.26 Academic Seminars for a pilot program  
6.27 for scholarships for students enrolling in a  
6.28 Minnesota four-year college or university  
6.29 beginning in the fall semester of 2007.  
6.30 The appropriation shall be available only  
6.31 on a dollar-for-dollar match basis for  
6.32 funds received from nonstate sources.  
6.33 The Washington Center for Internships  
6.34 and Academic Seminars must work with  
6.35 Minnesota Colleges and Universities to

7.1 ensure that the scholarships will go to  
 7.2 economically disadvantaged Minnesota  
 7.3 students, students with demonstrated need of  
 7.4 financial assistance, and students traditionally  
 7.5 underrepresented in higher education, and  
 7.6 will work to ensure racial, ethnic, and gender  
 7.7 diversity, as well as urban/rural balance. This  
 7.8 is a onetime appropriation.

7.9 \$250,000 each year is for the teacher  
 7.10 education and compensation helps (TEACH)  
 7.11 and the Minnesota early childhood teacher  
 7.12 programs in Minnesota Statutes, section  
 7.13 136A.126.

7.14 **Subd. 15. United Family Medicine Residency**  
 7.15 **Program**

414,000

431,000

7.16 For a grant to the United Family Medicine  
 7.17 residency program. This appropriation  
 7.18 shall be used to support up to 18 resident  
 7.19 physicians each year in family practice at  
 7.20 United Family Medicine residency programs  
 7.21 and shall prepare doctors to practice family  
 7.22 care medicine in underserved rural and  
 7.23 urban areas of the state. It is intended that  
 7.24 this program will improve health care in  
 7.25 underserved communities, provide affordable  
 7.26 access to appropriate medical care, and  
 7.27 manage the treatment of patients in a more  
 7.28 cost-effective manner. The funding base for  
 7.29 this program is \$448,000 in fiscal year 2010  
 7.30 and \$467,000 in fiscal year 2011.

7.31 **Subd. 16. Agency Administration**

2,710,000

2,771,000

7.32 **Subd. 17. Balances Forward**

7.33 A balance in the first year under this section  
 7.34 does not cancel, but is available for the  
 7.35 second year.

8.1 Subd. 18. **Transfers**

8.2 The Minnesota Office of Higher Education  
 8.3 may transfer unencumbered balances from  
 8.4 the appropriations in this section to the state  
 8.5 grant appropriation, the interstate tuition  
 8.6 reciprocity appropriation, the child care  
 8.7 grant appropriation, the state work study  
 8.8 appropriation, the public safety officers'  
 8.9 survivors appropriation, and the Minnesota  
 8.10 college savings plan appropriation. Transfers  
 8.11 from the child care or state work study  
 8.12 appropriations may only be made to the  
 8.13 extent there is a projected surplus in the  
 8.14 appropriation. A transfer may be made  
 8.15 only with the prior written approval of the  
 8.16 commissioner of finance and prior written  
 8.17 notice to the chairs of the senate and house  
 8.18 committees with jurisdiction over higher  
 8.19 education finance.

8.20 Subd. 19. **TANF Work Study**

8.21 Notwithstanding any rule to the contrary,  
 8.22 work study jobs funded by a TANF  
 8.23 appropriation do not require employer  
 8.24 matching funds.

8.25 Sec. 4. **BOARD OF TRUSTEES OF THE**  
 8.26 **MINNESOTA STATE COLLEGES AND**  
 8.27 **UNIVERSITIES**

8.28 <u>Subdivision 1. <b>Total Appropriation</b></u>	<u>\$</u>	<u>666,883,000</u>	<u>\$</u>	<u>689,297,000</u>
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8.29 The amounts that may be spent for each  
 8.30 purpose are specified in the following  
 8.31 subdivisions.

8.32 <u>Subd. 2. <b>General Appropriation</b></u>	<u>666,883,000</u>	<u>689,297,000</u>
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8.33 This appropriation includes a permanent  
 8.34 increase in each year for Cook County

9.1 Higher Education to provide educational  
9.2 programs and academic support services to  
9.3 remote regions in northeastern Minnesota.  
9.4 Cook County Higher Education must  
9.5 continue to provide information to the Board  
9.6 of Trustees of the Minnesota State Colleges  
9.7 and Universities on the number of students  
9.8 served, credit hours delivered, and services  
9.9 provided to students.

9.10 This appropriation includes funding  
9.11 for operation and maintenance of the  
9.12 system, including technology infrastructure  
9.13 improvements to deliver more online  
9.14 programs and services to students; and  
9.15 funding for initiatives to recruit and retain  
9.16 students traditionally underrepresented in  
9.17 higher education to help prepare students  
9.18 for college, encourage their enrollment, and  
9.19 provide services that enable them to continue  
9.20 successfully to graduation.

9.21 If the Board of Trustees decides to implement  
9.22 other "Strategic Advancements" initiatives,  
9.23 funding must be from internal reallocation of  
9.24 existing resources or enhanced productivity.  
9.25 It is the expectation of the legislature that the  
9.26 board will hold tuition increases to no more  
9.27 than four percent per year for fiscal years  
9.28 2008 and 2009.

9.29 One percent of the appropriation in this  
9.30 subdivision is available after the board  
9.31 demonstrates to the commissioner of finance  
9.32 that the Minnesota State Colleges and  
9.33 Universities system has achieved at least  
9.34 three of the following five goals:

- 10.1 (1) increase by at least three percent,  
10.2 compared to fiscal year 2005, the number of  
10.3 students who take college level courses in  
10.4 science, technology, engineering, and math;
- 10.5 (2) increase by at least two percent, compared  
10.6 to fiscal year 2005, enrollment in courses  
10.7 at the four existing center of excellence  
10.8 programs;
- 10.9 (3) increase by at least 700, compared to  
10.10 fiscal year 2007, the number of students  
10.11 trained on the use of electronic medical  
10.12 record technology;
- 10.13 (4) increase by at least ten percent, compared  
10.14 to fiscal year 2007, the number of students  
10.15 taking online courses or the number of online  
10.16 courses offered; and
- 10.17 (5) expand by at least ten percent, compared  
10.18 to calendar year 2006, the use of "awards of  
10.19 excellence" or other initiatives that reward  
10.20 member institutions, faculty, administrators,  
10.21 or staff for innovations designed to advance  
10.22 excellence and efficiency.
- 10.23 By October 1, 2007, the Board of Trustees  
10.24 and the Office of Higher Education must  
10.25 agree on specific numerical indicators and  
10.26 definitions for each of the five goals that will  
10.27 be used to demonstrate the Minnesota State  
10.28 Colleges and Universities' attainment of each  
10.29 goal.
- 10.30 On or before April 1, 2008, the Board  
10.31 of Trustees must report to the legislative  
10.32 committees with primary jurisdiction over  
10.33 higher education finance and policy the  
10.34 progress of the Minnesota State Colleges and  
10.35 Universities toward attaining the goals.

11.1 This appropriation includes funding to  
11.2 eliminate nonresident undergraduate tuition  
11.3 at Century College, Saint Paul College,  
11.4 Minneapolis Community and Technical  
11.5 College, Rochester Community and  
11.6 Technical College, Inver Hills Community  
11.7 College, St. Cloud Technical College,  
11.8 and Normandale Community College. In  
11.9 addition, the Board of Trustees must not  
11.10 implement a nonresident undergraduate  
11.11 tuition rate at a community college, technical  
11.12 college, or consolidated community and  
11.13 technical college that does not have such a  
11.14 rate as of May 1, 2007, except for a student  
11.15 who is a resident of a state that has entered  
11.16 into a reciprocity agreement under Minnesota  
11.17 Statutes, section 136A.08. This paragraph  
11.18 expires June 30, 2009.

11.19 This appropriation includes funding  
11.20 to identify and improve on practices  
11.21 for selecting and purchasing textbooks  
11.22 and course materials that are used by  
11.23 students. The board, in collaboration with  
11.24 the Minnesota State University Student  
11.25 Association (MSUSA) and the Minnesota  
11.26 State College Student Association (MSCSA)  
11.27 must develop and implement pilot projects  
11.28 with this appropriation to address the  
11.29 financial burden that textbook prices and  
11.30 requirements place on students. These  
11.31 projects may include textbook rental  
11.32 programs, cooperative purchasing efforts,  
11.33 training, and education and awareness  
11.34 programs for students and faculty on cost  
11.35 considerations and textbook options. The  
11.36 student associations must be fully involved in

12.1 the development and implementation of any  
12.2 project using this appropriation. The board  
12.3 must report, with input from MSUSA and  
12.4 MSCSA, to the committees of the legislature  
12.5 responsible for higher education finance by  
12.6 February 15, 2009, on the success of the pilot  
12.7 projects. This money is available until June  
12.8 30, 2009.

12.9 This appropriation includes funding for  
12.10 community-based energy development  
12.11 pilot projects at Mesabi Range Technical  
12.12 and Community College, the Minnesota  
12.13 West Community and Technical College,  
12.14 Riverland Community College, and Inver  
12.15 Hills Community College. Inver Hills  
12.16 Community College must partner with  
12.17 the city of Inver Grove Heights on a  
12.18 community-based pilot project and each  
12.19 of the other campuses must establish  
12.20 partnerships for community-based energy  
12.21 development pilot projects that involve  
12.22 students and faculty. An allocation for the  
12.23 pilot project is available to the participating  
12.24 institutions and the partnerships for the  
12.25 biennium ending June 30, 2009.

12.26 This appropriation includes funding for a  
12.27 modular clean-room research and training  
12.28 facility at St. Paul College. This is a onetime  
12.29 appropriation and is available until expended.

12.30 This appropriation includes funding for a  
12.31 pilot project with the Northeast Minnesota  
12.32 Higher Education District and high schools  
12.33 in its area. Up to one-half of the first year's  
12.34 appropriation may be used to purchase  
12.35 equipment that is necessary to reestablish

- 13.1 a technical education curriculum in the  
13.2 area high schools to provide the students  
13.3 with the technical skills necessary for the  
13.4 workforce. Students from area high schools  
13.5 may also access the facilities and faculty of  
13.6 the Northeast Minnesota Higher Education  
13.7 District for state-of-the-art technical  
13.8 education opportunities, including MnSCU's  
13.9 2+2 Pathways initiative.
- 13.10 This appropriation includes funding for a  
13.11 grant to a Minnesota public postsecondary  
13.12 institution with a total student enrollment  
13.13 under 7,000 students, that has an existing  
13.14 women's hockey team competing in  
13.15 Division I in the Western Collegiate Hockey  
13.16 Association. The institution may use the  
13.17 grant for equipment, facility improvements,  
13.18 travel and compensation for coaches,  
13.19 trainers, and other necessary personnel. This  
13.20 is a onetime appropriation.
- 13.21 This appropriation includes funding for a  
13.22 study of student demand and employer needs  
13.23 for higher education in the Mesabi Range  
13.24 region of northeastern Minnesota including  
13.25 the cities of Grand Rapids through Eveleth  
13.26 to Ely. The board must contract for the  
13.27 study which must be done in cooperation  
13.28 with the Board of Regents of the University  
13.29 of Minnesota, the University of Minnesota,  
13.30 Duluth, and the Range Association of  
13.31 Municipalities and Schools, which must act  
13.32 as the lead agency in coordinating the study.  
13.33 The study must specify how the identified  
13.34 regional educational needs can be met by the  
13.35 University of Minnesota, by the Minnesota  
13.36 State Colleges and Universities, or through

14.1 degree programs offered jointly. The final  
14.2 report must be submitted to the committees  
14.3 of the legislature responsible for higher  
14.4 education finance by January 15, 2008, with  
14.5 recommendations and plans for the region.

14.6 This appropriation includes funding for a  
14.7 project to establish a center at the Mesabi  
14.8 Range Community and Technical College in  
14.9 cooperation with the Iron Range Resources  
14.10 and Rehabilitation Board (IRRRB) to  
14.11 enhance the use of eFolio Minnesota by  
14.12 providing on-site and Internet-based support  
14.13 and technical assistance to eFolio users to  
14.14 promote workforce development and access  
14.15 to workforce information generated through  
14.16 the eFolio Minnesota system. The board  
14.17 must enhance the eFolio Minnesota system  
14.18 as necessary to serve these purposes and  
14.19 report annually to the legislative committees  
14.20 responsible for higher education finance on  
14.21 the outcomes of the center's activities.

14.22 Any amounts in the base budget allocated  
14.23 to pay competitive compensation under  
14.24 Laws 2005, chapter 107, article 1, section 3,  
14.25 subdivision 2, may also be used to recruit or  
14.26 retain quality faculty.

14.27 Subd. 3. **Board Policies**

14.28 (a) The board must adopt a policy that allows  
14.29 students to add the cost of textbooks and  
14.30 required course materials purchased at a  
14.31 campus bookstore, owned by or operated  
14.32 under a contract with the campus, to the  
14.33 existing waivers or payment plans for tuition  
14.34 and fees.



16.1 This appropriation includes funding for  
16.2 scholarships for undergraduate Minnesota  
16.3 resident students with family income under  
16.4 \$150,000 per year. This appropriation must  
16.5 be matched with \$1.50 of nonstate money for  
16.6 each \$1 of state money.

16.7 This appropriation includes funding for the  
16.8 Center for Transportation Studies to complete  
16.9 a study to assess public policy options for  
16.10 reducing the volume of greenhouse gases  
16.11 emitted from the transportation sector in  
16.12 Minnesota. The Center for Transportation  
16.13 Studies must report its preliminary findings  
16.14 to the legislature by February 1, 2008, and  
16.15 must issue its full report by June 1, 2008.

16.16 This is a onetime appropriation.

16.17 This appropriation includes funding to  
16.18 establish an India Center to improve and  
16.19 promote relations with India and Southeast  
16.20 Asia. The center must partner with public  
16.21 and private organizations in Minnesota to:

16.22 (1) foster an understanding of the history,  
16.23 culture, and values of India;

16.24 (2) serve as a resource and catalyst to  
16.25 promote economic, governmental, and  
16.26 academic pursuits involving India; and

16.27 (3) facilitate educational and business  
16.28 exchanges and partnerships, collaborative  
16.29 research, and teaching and training activities  
16.30 for Minnesota students and teachers.

16.31 The Board of Regents may establish an  
16.32 advisory council to facilitate the mission  
16.33 and objectives of the India Center and must  
16.34 report on the progress of the India Center  
16.35 by February 15, 2008, to the governor

- 17.1 and chairs of the legislative committees  
17.2 responsible for higher education finance.  
17.3 This appropriation must be matched by an  
17.4 equal amount of nonstate money. This is a  
17.5 onetime appropriation.
- 17.6 This appropriation includes funding to assist  
17.7 in the formation of the neighborhood alliance  
17.8 and for projects identified in section 10. The  
17.9 alliance, the Board of Regents, and the city of  
17.10 Minneapolis may cooperate on the projects  
17.11 and may use public services of other entities  
17.12 to complete all or a portion of a project. This  
17.13 is a onetime appropriation.
- 17.14 This appropriation includes funding to  
17.15 establish a Dakota language teacher training  
17.16 immersion program on the Twin Cities  
17.17 campus to prepare teachers to teach in  
17.18 Dakota language immersion programs.
- 17.19 One percent of the appropriation in this  
17.20 subdivision is available when the Board  
17.21 of Regents of the University of Minnesota  
17.22 demonstrates to the commissioner of finance  
17.23 that the board has met at least three of the  
17.24 five following performance goals:
- 17.25 (1) increase financial support to pay the cost  
17.26 of attendance for students demonstrating  
17.27 financial need;
- 17.28 (2) maintain or improve the University of  
17.29 Minnesota's rank in its national share of  
17.30 total research and development expenditures  
17.31 reported to the National Science Foundation  
17.32 over the 2007 ranking;
- 17.33 (3) increase by at least five percent, compared  
17.34 to fiscal year 2007, the number of degrees

18.1 awarded in science, technology, engineering,  
 18.2 mathematics, and health sciences disciplines;  
 18.3 (4) increase by at least five percent, compared  
 18.4 to fiscal year 2007, the amount of financial  
 18.5 support from key funding sources for  
 18.6 renewable energy research; and  
 18.7 (5) increase and improve interaction and  
 18.8 research activity beneficial to business and  
 18.9 industry.

18.10 By October 1, 2007, the Board of Regents  
 18.11 and the Office of Higher Education must  
 18.12 agree on specific numerical indicators and  
 18.13 definitions for each of the five goals that will  
 18.14 be used to demonstrate the University of  
 18.15 Minnesota's attainment of each goal.

18.16 On or before April 1, 2008, the Board  
 18.17 of Regents must report to the legislative  
 18.18 committees with primary jurisdiction over  
 18.19 higher education finance and policy the  
 18.20 progress of the University of Minnesota  
 18.21 toward attaining the goals.

18.22 <b><u>Subd. 3. Primary Care Education Initiatives</u></b>	<u>2,157,000</u>	<u>2,157,000</u>
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18.23 This appropriation is from the health care  
 18.24 access fund.

18.25 **Subd. 4. Special Appropriations**

18.26 <b><u>(a) Agriculture and Extension Service</u></b>	<u>53,175,000</u>	<u>52,175,000</u>
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18.27 (1) For the Agricultural Experiment  
 18.28 Station, Minnesota Extension Service. This  
 18.29 appropriation includes additional funding  
 18.30 to promote alternative livestock research  
 18.31 and outreach, and for an ongoing organic  
 18.32 research and education program.

19.1 (2) This appropriation includes funding  
19.2 for research efforts that demonstrate a  
19.3 renewed emphasis on the needs of the state's  
19.4 production agriculture community and a  
19.5 continued focus on renewable energy derived  
19.6 from Minnesota biomass resources including  
19.7 agronomic crops, plant and animal wastes,  
19.8 and native plants or trees, with priority for  
19.9 extending the Minnesota vegetable growing  
19.10 season; fertilizer and soil fertility research  
19.11 and development; treating and curing human  
19.12 diseases utilizing plant and livestock cells;  
19.13 using biofuel production coproducts as  
19.14 feed for livestock; and a rapid agricultural  
19.15 response fund for current or emerging  
19.16 animal, plant, and insect problems affecting  
19.17 production or food safety. In addition, the  
19.18 appropriation may be used to secure a facility  
19.19 and retain current faculty levels for poultry  
19.20 research currently conducted at UMore Park.

19.21 (3) In the area of renewable energy, priority  
19.22 should be given to projects pertaining to:  
19.23 biofuel and other energy production from  
19.24 small grains; alternative bioenergy crops and  
19.25 cropping systems; and growing, harvesting,  
19.26 and transporting biomass plant material.

19.27 (4) This appropriation includes funding for  
19.28 the college of food, agricultural, and natural  
19.29 resources sciences to establish and maintain  
19.30 a statewide organic research and education  
19.31 initiative to provide leadership for organic  
19.32 agronomic, horticultural, livestock, and food  
19.33 systems research, education, and outreach  
19.34 and for the purchase of state-of-the-art  
19.35 laboratory, planting, tilling, harvesting, and

20.1 processing equipment necessary for this  
 20.2 project.

20.3 (5) By February 1, 2009, the Board  
 20.4 of Regents must report to the legislative  
 20.5 committees with responsibility for agriculture  
 20.6 and higher education finance on the research  
 20.7 and initiatives under this paragraph.

20.8 (6) The base appropriation is \$52,175,000  
 20.9 each year of the biennium ending June 30,  
 20.10 2011.

20.11 (7) The Board of Regents of the University  
 20.12 of Minnesota is requested to refrain from  
 20.13 implementing corresponding reductions in  
 20.14 funding for the purposes for which additional  
 20.15 funding is provided.

20.16 **(b) Health Sciences** 5,275,000 5,275,000

20.17 \$346,000 each year is to support up to 12  
 20.18 resident physicians each year in the St.  
 20.19 Cloud Hospital family practice residency  
 20.20 program. The program must prepare doctors  
 20.21 to practice primary care medicine in the rural  
 20.22 areas of the state. The legislature intends  
 20.23 this program to improve health care in rural  
 20.24 communities, provide affordable access to  
 20.25 appropriate medical care, and manage the  
 20.26 treatment of patients in a more cost-effective  
 20.27 manner.

20.28 The remainder of this appropriation is for  
 20.29 the rural physicians associates program, the  
 20.30 Veterinary Diagnostic Laboratory, health  
 20.31 sciences research, dental care, and the  
 20.32 Biomedical Engineering Center.

20.33 **(c) Institute of Technology** 1,387,000 1,387,000

21.1 For the Geological Survey and the talented  
 21.2 youth mathematics program.

21.3 **(d) System Specials** 6,551,000 6,551,000

21.4 For general research, student loans matching  
 21.5 money, industrial relations education, Natural  
 21.6 Resources Research Institute, Center for  
 21.7 Urban and Regional Affairs, Bell Museum of  
 21.8 Natural History, and the Humphrey exhibit.

21.9 This appropriation includes additional  
 21.10 funding each year for industrial relations  
 21.11 education. The Board of Regents of the  
 21.12 University of Minnesota is requested to  
 21.13 refrain from implementing corresponding  
 21.14 reductions in funding for this purpose.

21.15 **Subd. 5. University of Minnesota and Mayo**  
 21.16 **Foundation Partnership** 25,000,000 -0-

21.17 For the direct and indirect expenses of the  
 21.18 collaborative research partnership between  
 21.19 the University of Minnesota and the Mayo  
 21.20 Foundation for research in biotechnology  
 21.21 and medical genomics. For fiscal years 2010  
 21.22 and 2011, the base shall be \$8,000,000 in  
 21.23 each year. This appropriation is available  
 21.24 until expended. An annual report on the  
 21.25 expenditure of these funds must be submitted  
 21.26 to the governor and the chairs of the senate  
 21.27 and house committees responsible for higher  
 21.28 education and economic development by  
 21.29 June 30 of each fiscal year.

21.30 **Subd. 6. Academic Health Center**

21.31 The appropriation for Academic Health  
 21.32 Center funding under Minnesota Statutes,  
 21.33 section 297F.10, is \$22,250,000 each year.

21.34 **Sec. 6. MAYO CLINIC**

22.1 Subdivision 1. **Total Appropriation** \$ 1,202,000 \$ 1,250,000

22.2 The amounts that may be spent for each  
 22.3 purpose are specified in the following  
 22.4 subdivisions.

22.5 Subd. 2. **Medical School** 591,000 615,000

22.6 The state of Minnesota must pay a capitation  
 22.7 each year for each student who is a resident  
 22.8 of Minnesota. The appropriation may be  
 22.9 transferred between years of the biennium to  
 22.10 accommodate enrollment fluctuations. The  
 22.11 funding base for this program is \$640,000 in  
 22.12 fiscal year 2010 and \$665,000 in fiscal year  
 22.13 2011.

22.14 It is intended that during the biennium the  
 22.15 Mayo Clinic use the capitation money to  
 22.16 increase the number of doctors practicing in  
 22.17 rural areas in need of doctors.

22.18 Subd. 3. **Family Practice and Graduate**  
 22.19 **Residency Program** 611,000 635,000

22.20 The state of Minnesota must pay stipend  
 22.21 support for up to 27 residents each year. The  
 22.22 funding base for this program is \$660,000 in  
 22.23 fiscal year 2010 and \$686,000 in fiscal year  
 22.24 2011.

22.25 Sec. 7. **DEPARTMENT OF VETERANS**  
 22.26 **AFFAIRS.** \$ 6,000,000 \$ 6,000,000

22.27 For grants to eligible veterans or the eligible  
 22.28 spouses and children of veterans as provided  
 22.29 under Minnesota Statutes, section 197.791.

22.30 If the appropriation in this subdivision for  
 22.31 either year is insufficient, the appropriation  
 22.32 for the other year is available for it.

22.33 Of this appropriation, no more than three  
 22.34 percent each year may be used for the

23.1 administrative costs of operating this  
 23.2 program.

23.3 **Sec. 8. CENTER FOR RURAL POLICY AND**  
 23.4 **DEVELOPMENT.**

23.5 The appropriation in Laws 2007, chapter  
 23.6 57, article 2, section 3, subdivision 6, to the  
 23.7 Center for Rural Policy and Development at  
 23.8 Minnesota State University at Mankato for  
 23.9 a rural wind energy assistance program is  
 23.10 available until June 30, 2009.

23.11 **Sec. 9. FINANCIAL AID PROGRAM STUDIES.**

23.12 Subdivision 1. **State grant.** The Minnesota Office of Higher Education must  
 23.13 conduct an analysis and evaluation of the state grant program to provide information  
 23.14 to the legislature concerning the role of the program in promoting affordable access to  
 23.15 higher education in Minnesota, including promoting access for students traditionally  
 23.16 underrepresented in higher education. The analysis and evaluation must include:

23.17 (1) evaluation of the assigned student share compared to the current and future  
 23.18 income of a student, and analysis of the number of hours a student must work to meet the  
 23.19 assigned student share without borrowing;

23.20 (2) evaluation of the assigned family contribution, how it is determined under the  
 23.21 federal needs analysis, and how it compares to expectations of families in other public  
 23.22 programs;

23.23 (3) analysis of the ways that students and families pay the assigned student share and  
 23.24 the assigned family contribution;

23.25 (4) analysis of the recognized cost of attendance compared to actual attendance  
 23.26 costs and the ability of individuals and families at various income levels in Minnesota to  
 23.27 pay the cost of attendance;

23.28 (5) analysis of the actual living and miscellaneous expenses of students, with  
 23.29 particular attention to differences between traditional and nontraditional students, and  
 23.30 comparison to the amount currently used in the state grant formula; and

23.31 (6) analysis of other parameters of the program considered relevant by the office,  
 23.32 including prorating the state grant amount instead of the budget for the cost of attendance  
 23.33 and changing the definition of full-time enrollment.

23.34 Whenever possible, the analysis must include:

24.1 (i) cost estimates and information on how recommended changes affect students at  
24.2 various income levels and at different higher education institutions in Minnesota; and

24.3 (ii) the distributional effects, by income quintile, of state grant program parameters  
24.4 on students and families.

24.5 The office also shall assess the feasibility of expanding the eligibility for state grants to  
24.6 include graduate and first professional students pursuing degree programs deemed to be  
24.7 important to the workforce needs of the state. By February 15, 2008, the Minnesota  
24.8 Office of Higher Education must report its preliminary findings and recommendations to  
24.9 the committees in the house of representatives and senate with primary jurisdiction over  
24.10 higher education policy and finance and workforce development on options to enhance  
24.11 the targeting of financial aid to state grant recipients, with the final report submitted by  
24.12 October 1, 2008.

24.13 Subd. 2. **Workforce needs.** The Minnesota Office of Higher Education must  
24.14 examine existing financial aid programs that provide loans and grants to students, and the  
24.15 needs of the workforce for occupations that are currently in demand or are projected to  
24.16 be in demand in the future and:

24.17 (1) evaluate how effective the financial aid programs are in linking the needs of the  
24.18 workforce with the student's financial aid needs;

24.19 (2) identify financial aid program options, including loan forgiveness and loan  
24.20 repayment programs, that provide incentives to students to pursue degrees in occupations:

24.21 (i) with identified unmet workforce needs like speech pathologists; and

24.22 (ii) of social or economic importance to the state; and

24.23 (3) identify mechanisms, such as additional resources, to promote the growth of  
24.24 occupations of social or economic importance to the state. By February 15, 2008, the office  
24.25 must report its preliminary findings to the legislative committees with primary jurisdiction  
24.26 over higher education policy and finance and workforce development, and provide options  
24.27 and recommendations on ways to enhance the delivery of financial aid to meet the needs of  
24.28 both students and the state's workforce, with the final report submitted by October 1, 2008.

24.29 **Sec. 10. POSTSECONDARY EDUCATION PARTICIPATION STUDY.**

24.30 The Minnesota Office of Higher Education shall, by January 15, 2008, report to the  
24.31 house and senate committees with jurisdiction over higher education policy and finance  
24.32 on participation in postsecondary education by income, and persistence and graduation  
24.33 rates of state grant recipients compared to students who did not receive state grants. The  
24.34 Minnesota Office of Higher Education is authorized to match individual student data from

25.1 the student record enrollment database with individual student data from the state grant  
25.2 database on data elements necessary to perform the study.

25.3       Sec. 11. **UNIVERSITY OF MINNESOTA MINNEAPOLIS AREA**  
25.4 **NEIGHBORHOOD ALLIANCE.**

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

25.7           (b) "Alliance" means a representative body of the constituencies, including, but  
25.8 not limited to, the University of Minnesota, the city of Minneapolis, and the recognized  
25.9 neighborhood organizations and business associations referenced in the report.

25.10          (c) "Board" means the Board of Regents of the University of Minnesota.

25.11          (d) "Report" means the report and appendix entitled Moving Forward Together:  
25.12 University of Minnesota Minneapolis Area Neighborhood Impact Report, submitted to  
25.13 the legislature in February 2007.

25.14          (e) "University partnership district" or "district" means the area located within the  
25.15 city that includes the neighborhoods of Cedar-Riverside, Marcy-Holmes, South East  
25.16 Como, Prospect Park, and University, as they are defined by the city, and the university's  
25.17 Minneapolis campus.

25.18          (f) "Tier two impact zone" means the neighborhoods of northeast Minneapolis that  
25.19 house significant numbers of university students and staff. Transportation and housing  
25.20 policy analysis and planning must include these areas but they must not be included in  
25.21 the projects funded through the alliance.

25.22          (g) "University" means the University of Minnesota.

25.23           Subd. 2. **Alliance; functions.** The alliance may facilitate, initiate, or manage  
25.24 projects with the board, city, or other public or private entities that are intended to  
25.25 maintain the university partnership district as a viable place to study, research, and live.  
25.26 Projects may include, but are not limited to, those outlined in the report, as well as  
25.27 efforts to involve students in activities to maintain and improve the university partnership  
25.28 district; cooperative university and university partnership district long-term planning; and  
25.29 incentives to increase homeownership within the district with particular emphasis on  
25.30 employees of the university and of other major employers located within the district.

25.31           Subd. 3. **Report.** The board must report to the legislature by January 15, 2009, on  
25.32 the expenditure of funds appropriated under section 3.

## ARTICLE 2

## RELATED HIGHER EDUCATION

26.1  
26.2

26.3 Section 1. Minnesota Statutes 2006, section 13.322, subdivision 3, is amended to read:

26.4 Subd. 3. **Minnesota Office of Higher Education.** (a) **General.** Data sharing  
26.5 involving the Minnesota Office of Higher Education and other institutions is governed  
26.6 by ~~sections~~ section 136A.05 and 136A.08, subdivision 8.

26.7 (b) **Student financial aid.** Data collected and used by the Minnesota Office of  
26.8 Higher Education on applicants for financial assistance are classified under section  
26.9 136A.162.

26.10 (c) **Minnesota college savings plan data.** Account owner data, account data, and  
26.11 data on beneficiaries of accounts under the Minnesota college savings plan are classified  
26.12 under section 136G.05, subdivision 10.

26.13 (d) **School financial records.** Financial records submitted by schools registering  
26.14 with the Minnesota Office of Higher Education are classified under section 136A.64.

26.15 (e) **Enrollment and financial aid data.** Data collected from eligible institutions on  
26.16 student enrollment and federal and state financial aid are governed by sections 136A.121,  
26.17 subdivision 18, and 136A.1701, subdivision 11.

26.18 Sec. 2. Minnesota Statutes 2006, section 41D.01, subdivision 1, is amended to read:

26.19 Subdivision 1. **Establishment; membership.** (a) The Minnesota Agriculture  
26.20 Education Leadership Council is established. The council is composed of ~~16~~ 17 members  
26.21 as follows:

26.22 (1) the chair of the University of Minnesota agricultural education program;

26.23 (2) a representative of the commissioner of education;

26.24 (3) a representative of the Minnesota State Colleges and Universities recommended  
26.25 by the chancellor;

26.26 (4) the president and the president-elect of the Minnesota Association of Agriculture  
26.27 Educators;

26.28 (5) a representative of the Future Farmers of America Foundation;

26.29 (6) a representative of the commissioner of agriculture;

26.30 (7) the dean of the College of Agriculture, Food, and Environmental Sciences at the  
26.31 University of Minnesota;

26.32 (8) a representative of the Minnesota Private Colleges Council;

26.33 (9) two members representing agriculture education and agriculture business  
26.34 appointed by the governor;

27.1 ~~(9)~~ (10) the chair of the senate Committee on Agriculture, General Legislation  
27.2 and Veterans Affairs;

27.3 ~~(10)~~ (11) the chair of the house Committee on Agriculture;

27.4 ~~(11)~~ (12) the ranking minority member of the senate Committee on Agriculture,  
27.5 General Legislation and Veterans Affairs, and a member of the senate Education  
27.6 Committee designated by the Subcommittee on Committees of the Committee on Rules  
27.7 and Administration; and

27.8 ~~(12)~~ (13) the ranking minority member of the house Agriculture Committee, and a  
27.9 member of the house Education Committee designated by the speaker.

27.10 (b) An ex officio member of the council under paragraph (a), clause (1), (4), (7),  
27.11 ~~(9)~~, (10), (11), ~~or~~ (12), or (13), may designate a permanent or temporary replacement  
27.12 member representing the same constituency.

27.13 Sec. 3. Minnesota Statutes 2006, section 135A.01, is amended to read:

27.14 **135A.01 FUNDING POLICY.**

27.15 It is the policy of the legislature to provide stable funding, ~~including recognition of~~  
27.16 ~~the effects of inflation,~~ for ~~instructional services~~ at public postsecondary institutions and  
27.17 that the state and students share the cost of ~~those services~~ public postsecondary education.  
27.18 The legislature intends to provide at least 67 percent of the ~~instructional services costs~~  
27.19 ~~for each postsecondary system~~ combined revenue from tuition, the university fee at the  
27.20 University of Minnesota, and state general fund appropriations to public postsecondary  
27.21 institutions. It is also the policy of the legislature that the budgetary process serves to  
27.22 support high quality public postsecondary education.

27.23 Sec. 4. **[135A.011] STATE HIGHER EDUCATION OBJECTIVES.**

27.24 Subdivision 1. Statewide objectives. Minnesota's higher education investment  
27.25 is made in pursuit of the following objectives: (1) to ensure quality by providing a  
27.26 level of excellence that is competitive on a national and international level, through  
27.27 high quality teaching, scholarship, and learning in a broad range of arts and sciences,  
27.28 technical education, and professional fields; (2) to foster student success by enabling  
27.29 and encouraging students to choose institutions and programs that are best suited for  
27.30 their talents and abilities, and to provide an educational climate that supports students  
27.31 in pursuing their goals and aspirations; (3) to promote democratic values and enhance  
27.32 Minnesota's quality of life by developing understanding and appreciation of a free and  
27.33 diverse society; (4) to maintain access by providing an opportunity for all Minnesotans,  
27.34 regardless of personal circumstances, to participate in higher education; and (5) to enhance

28.1 the economy by assisting the state in being competitive in the world market, and to prepare  
28.2 a highly skilled and adaptable workforce that meets Minnesota's opportunities and needs.

28.3 Sec. 5. Minnesota Statutes 2006, section 135A.031, subdivision 1, is amended to read:

28.4 Subdivision 1. **Determination of appropriation.** ~~The direct appropriation to each~~  
28.5 ~~board for instructional services shall equal 67 percent of the estimated total cost of~~  
28.6 ~~instruction appropriations for the University of Minnesota, the state universities, and the~~  
28.7 ~~community colleges, and, for technical colleges, at least 67 percent of the estimated total~~  
28.8 ~~cost of instruction and the Minnesota State Colleges and Universities are determined~~  
28.9 by considering the biennial budget documents submitted under section 135A.034,  
28.10 performance in advancing the objectives under section 135A.011, available resources  
28.11 according to the state budget forecast, the relative balance between state support for  
28.12 students and public postsecondary institutions, and other factors the legislature considers  
28.13 important in determining the level of state appropriations for public postsecondary  
28.14 education.

28.15 Sec. 6. Minnesota Statutes 2006, section 135A.031, subdivision 7, is amended to read:

28.16 Subd. 7. **Reports.** (a) Instructional and noninstructional expenditure data and  
28.17 enrollment data for each instructional category shall be submitted in the biennial budget  
28.18 document must be submitted in the biennial budget document under section 135A.034.  
28.19 This report must include a description of the methodology for determining instructional  
28.20 and noninstructional expenditures and estimates of inflation in higher education and the  
28.21 methodology or index used to determine the inflation rate.

28.22 (b) By February 1 of each even-numbered year, the Board of Regents of the  
28.23 University of Minnesota and the Board of Trustees of the Minnesota State Colleges  
28.24 and Universities must submit a report to the chairs of the legislative committees with  
28.25 jurisdiction over higher education policy and finance. The report must describe the  
28.26 following:

28.27 (1) how state appropriations made to the system in the previous odd-numbered year  
28.28 were allocated and the methodology used to determine the allocation;

28.29 (2) data describing how the institution reallocated resources to advance the priorities  
28.30 set forth in the budget submitted under section 135A.034 and the statewide objectives  
28.31 under section 135A.011. The information must indicate whether instruction and support  
28.32 programs received a reduction in or additional resources. The total amount reallocated  
28.33 must be clearly explained;

29.1 (3) the tuition rates and fees established by the governing board in each of the past  
29.2 ten years and comparison data for peer institutions and national averages;

29.3 (4) data on the number and proportion of students graduating within four, five,  
29.4 and six years from universities and within three years from colleges as reported in the  
29.5 integrated postsecondary education data system. These data must be provided for each  
29.6 institution by race, ethnicity, and gender. Data and information must be submitted that  
29.7 describe the system's plan and progress toward attaining the goals set forth in the plan  
29.8 to increase the number and proportion of students that graduate within four, five, or six  
29.9 years from a university or within three years from a college;

29.10 (5) data on, and the methodology used to measure, the number of students  
29.11 traditionally underrepresented in higher education enrolled at the system's institutions.  
29.12 Data and information must be submitted that describe the system's plan and progress  
29.13 toward attaining the goals set forth in the plan to increase the recruitment, retention, and  
29.14 timely graduation of students traditionally underrepresented in higher education; and

29.15 (6) data on the revenue received from all sources to support research or workforce  
29.16 development activities or the system's efforts to license, sell, or otherwise market products,  
29.17 ideas, technology, and related inventions created in whole or in part by the system. Data  
29.18 and information must be submitted that describe the system's plan and progress toward  
29.19 attaining the goals set forth in the plan to increase the revenue received to support research  
29.20 or workforce development activities or revenue received from the licensing, sale, or other  
29.21 marketing and technology transfer activities by the system.

29.22 (c) Instructional expenditure and enrollment data shall be submitted by the public  
29.23 postsecondary systems to the Minnesota Office of Higher Education and the Department of  
29.24 Finance and included in the biennial budget document. The specific data shall be submitted  
29.25 only after the director of the Minnesota Office of Higher Education has consulted with a  
29.26 data advisory task force to determine the need, content, and detail of the information.

29.27 Sec. 7. Minnesota Statutes 2006, section 135A.034, subdivision 1, is amended to read:

29.28 Subdivision 1. **Operating budget.** The governing boards of the University of  
29.29 Minnesota, and the Minnesota State Colleges and Universities shall each develop, for  
29.30 legislative and executive branch acceptance, its highest budget priorities in accordance  
29.31 with statewide objectives for higher education under section 135A.011. It is the intent  
29.32 of the legislature to appropriate at least 67 percent of the total cost of instruction after  
29.33 adjusting for inflation and enrollment changes. However, in the event of a budget shortfall,  
29.34 or if funding of inflation is not possible, available funding shall first be applied to the  
29.35 agreed upon budget priorities.

30.1       Sec. 8. **[135A.135] PERSONAL FINANCIAL MANAGEMENT.**

30.2             During initial student registration, each technical college, community college, or  
30.3 state university shall, and the University of Minnesota is requested to, provide each  
30.4 student information on personal financial management. Students should understand and  
30.5 be able to manage personal finances including, but not limited to, the responsible use of  
30.6 consumer credit. This requirement may be waived for a student who enrolls in a college  
30.7 course providing similar instruction.

30.8       Sec. 9. **[135A.145] SALE OF STUDENT INFORMATION; MARKETING**  
30.9 **CREDIT CARDS TO STUDENTS.**

30.10            Subdivision 1. **Prohibited practices.** No public or private postsecondary  
30.11 educational institution, including its agents, employees, student or alumni organizations,  
30.12 or affiliates, may:

30.13            (1) sell, give, or otherwise transfer to any card issuer the name, address, telephone  
30.14 number, or other contact information of an undergraduate student at the postsecondary  
30.15 educational institution without the student's consent; or

30.16            (2) enter into any agreement to market credit cards to undergraduate students at  
30.17 a postsecondary educational institution.

30.18            For purposes of this section, the terms "credit," "credit card," and "card issuer"  
30.19 have the meanings given them in the Truth in Lending Act, United States Code, title 15,  
30.20 section 1602.

30.21            Subd. 2. **Violations.** The attorney general may seek the penalties and remedies  
30.22 available under section 8.31 against any person who violates this section.

30.23            **EFFECTIVE DATE.** This section is effective July 1, 2007, except that it applies to  
30.24 existing agreements to market credit cards upon the later of the expiration of the original  
30.25 term of the agreement or the expiration of an extension of the original agreement if the  
30.26 extension is in effect on July 1, 2007.

30.27       Sec. 10. **[135A.25] TEXTBOOK DISCLOSURE, PRICING, AND ACCESS.**

30.28            Subdivision 1. **Short title.** This section may be cited as the Textbook Disclosure,  
30.29 Pricing, and Access Act.

30.30            Subd. 2. **Course material disclosures required.** (a) Beginning January 1, 2009,  
30.31 any publisher that sells or distributes course material for classroom use in a postsecondary  
30.32 institution must make the following available in an easily accessible manner to faculty,  
30.33 bookstores, and postsecondary institutions in Minnesota:

31.1 (1) the title, edition, author, and International Standard Book Number (ISBN) or  
31.2 other easily identifiable information for all course materials;

31.3 (2) the undiscounted price at which the course materials are available to a bookstore;

31.4 (3) the formats, including bundled and unbundled, in which those course materials  
31.5 are offered and the undiscounted prices of the various components, both sold separately or  
31.6 packaged together;

31.7 (4) a summary of revisions between current and previous editions of course  
31.8 materials; and

31.9 (5) the return policy for course material, including any penalties or conditions for  
31.10 returns.

31.11 (b) Any publisher that sells or distributes course material for classroom use in a  
31.12 postsecondary institution must make all bundled course material available to bookstores  
31.13 and postsecondary institutions in an unbundled form, or must provide notice if unbundled  
31.14 material is not available.

31.15 (c) Disclosure under this section is not required for mass market and trade books that  
31.16 are not published, marketed, or sold primarily for classroom use in or by postsecondary  
31.17 institutions.

31.18 (d) Nothing in this section shall be construed to limit any existing academic freedom  
31.19 or rights of faculty members to determine the most appropriate course material for the  
31.20 courses they teach.

31.21 Subd. 3. **Educational strategies.** Public postsecondary institutions must develop  
31.22 educational materials considering the recommendations in studies by the Minnesota Office  
31.23 of Higher Education and others and at least annually convene and sponsor meetings  
31.24 and workshops, and provide educational strategies for faculty, students, administrators,  
31.25 institutions, and bookstores to inform all interested parties on strategies for reducing the  
31.26 costs of course materials for students attending postsecondary institutions.

31.27 Subd. 4. **Minnesota Office of Higher Education responsibilities.** (a) For private  
31.28 postsecondary institutions, the Minnesota Office of Higher Education must develop  
31.29 educational materials considering the recommendations by the Minnesota Office of Higher  
31.30 Education and others and at least annually convene and sponsor meetings and workshops  
31.31 and provide educational strategies for faculty, students, administrators, institutions, and  
31.32 bookstores to inform all interested parties on strategies for reducing the costs of course  
31.33 materials for students attending postsecondary institutions.

31.34 (b) The Minnesota Office of Higher Education must identify methods to compile and  
31.35 distribute information on publishers that sell or distribute course material for classroom use  
31.36 in postsecondary institutions in a manner that meets the requirements and complies with

32.1 subdivision 2. The Minnesota Office of Higher Education must also evaluate ways to make  
32.2 this information available for use by students and faculty in postsecondary institutions.

32.3 Subd. 5. **Bookstores; course materials.** The University of Minnesota and private  
32.4 colleges are encouraged to comply with the requirements for instructors and bookstores  
32.5 under section 136F.58, subdivision 2.

32.6 Sec. 11. Minnesota Statutes 2006, section 135A.51, subdivision 2, is amended to read:

32.7 Subd. 2. **Senior citizen.** "Senior citizen" means a person who has reached 62 years  
32.8 of age before the beginning of any term, semester or quarter, in which a course of study  
32.9 is pursued, or a person receiving a railroad retirement annuity who has reached 60 years  
32.10 of age before the beginning of the term.

32.11 Sec. 12. Minnesota Statutes 2006, section 135A.52, subdivision 1, is amended to read:

32.12 Subdivision 1. **Fees and tuition.** Except for an administration fee established by the  
32.13 governing board at a level to recover costs, to be collected only when a course is taken for  
32.14 credit, a senior citizen who is a legal resident of Minnesota is entitled without payment  
32.15 of tuition or activity fees to attend courses offered for credit, audit any courses offered  
32.16 for credit, or enroll in any noncredit courses in any state supported institution of higher  
32.17 education in Minnesota when space is available after all tuition-paying students have been  
32.18 accommodated. A senior citizen enrolled under this section must pay any materials,  
32.19 personal property, or service charges for the course. In addition, a senior citizen who is  
32.20 enrolled in a course for credit must pay an administrative fee in an amount established  
32.21 by the governing board of the institution to recover ~~the course~~ costs. There shall be no  
32.22 administrative fee charges to a senior citizen auditing a course. For the purposes of this  
32.23 section and section 135A.51, the term "noncredit courses" shall not include those courses  
32.24 designed and offered specifically and exclusively for senior citizens.

32.25 The provisions of this section and section 135A.51 do not apply to noncredit courses  
32.26 designed and offered by the University of Minnesota, and the Minnesota State Colleges  
32.27 and Universities specifically and exclusively for senior citizens. Senior citizens enrolled  
32.28 under the provisions of this section and section 135A.51 shall not be included by such  
32.29 institutions in their computation of full-time equivalent students when requesting staff  
32.30 or appropriations.

32.31 Sec. 13. Minnesota Statutes 2006, section 135A.52, subdivision 2, is amended to read:

33.1 Subd. 2. **Term; income of senior citizens.** (a) Except under paragraph (b), there  
 33.2 shall be no limit to the number of terms, quarters or semesters a senior citizen may attend  
 33.3 courses, nor income limitation imposed in determining eligibility.

33.4 (b) A senior citizen enrolled in a closed enrollment contract training ~~or professional~~  
 33.5 ~~continuing education~~ program is not eligible for benefits under subdivision 1.

33.6 Sec. 14. **[136A.002] DEFINITIONS.**

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

33.9 Subd. 2. **Office of Higher Education or office.** "Office of Higher Education" or  
 33.10 "office" means the Minnesota Office of Higher Education.

33.11 Sec. 15. Minnesota Statutes 2006, section 136A.031, subdivision 5, is amended to read:

33.12 Subd. 5. **Expiration.** Notwithstanding section 15.059, subdivision 5, the advisory  
 33.13 groups established in this section do not expire ~~on June 30, 2007.~~

33.14 Sec. 16. Minnesota Statutes 2006, section 136A.08, subdivision 7, is amended to read:

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

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

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

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

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

33.27 Sec. 17. Minnesota Statutes 2006, section 136A.101, subdivision 4, is amended to read:

33.28 Subd. 4. **Eligible institution.** "Eligible institution" means a postsecondary  
 33.29 educational institution located in this state or in a state with which the office has entered  
 33.30 into a higher education reciprocity agreement on state student aid programs that ~~either~~ (1)  
 33.31 is operated by this state or the Board of Regents of the University of Minnesota, or (2) is  
 33.32 operated ~~publicly or~~ privately and, as determined by the office, meets all of the following:

34.1 (i) maintains academic standards substantially equivalent to those of comparable  
34.2 institutions operated in this state; (ii) is licensed or registered as a postsecondary institution  
34.3 by the office or another state agency; and (iii) by July 1, 2011, is participating in the federal  
34.4 Pell Grant program under Title IV of the Higher Education Act of 1965, as amended.

34.5 Sec. 18. Minnesota Statutes 2006, section 136A.101, subdivision 5a, is amended to  
34.6 read:

34.7 Subd. 5a. **Assigned family responsibility.** "Assigned family responsibility" means  
34.8 the amount of a ~~family~~ family's contribution to a student's cost of attendance, as determined  
34.9 by a federal need analysis. For dependent students, the assigned family responsibility is  
34.10 96 percent of the parental contribution. For independent students with dependents other  
34.11 than a spouse, the assigned family responsibility is 86 percent of the student contribution.  
34.12 For independent students without dependents other than a spouse, the assigned family  
34.13 responsibility is ~~72~~ 68 percent of the student contribution. ~~The assigned family~~  
34.14 ~~responsibility for all other independent students is 90 percent of the student contribution.~~

34.15 Sec. 19. Minnesota Statutes 2006, section 136A.121, subdivision 7a, is amended to  
34.16 read:

34.17 Subd. 7a. **Surplus appropriation.** If the amount appropriated is determined by the  
34.18 office to be more than sufficient to fund projected grant demand in the second year of the  
34.19 biennium, the office may increase the living and miscellaneous expense allowance in the  
34.20 second year of the biennium by up to an amount that retains sufficient appropriations  
34.21 to fund the projected grant demand. The adjustment may be made one or more times.  
34.22 In making the determination that there are more than sufficient funds, the office shall  
34.23 balance the need for sufficient resources to meet the projected demand for grants with the  
34.24 goal of fully allocating the appropriation for state grants. An increase in the living and  
34.25 miscellaneous expense allowance under this subdivision does not carry forward into a  
34.26 subsequent biennium. This subdivision expires June 30, ~~2007~~ 2009.

34.27 Sec. 20. Minnesota Statutes 2006, section 136A.121, is amended by adding a  
34.28 subdivision to read:

34.29 Subd. 19. **Reporting.** By November 1 and February 15, the Office of Higher  
34.30 Education must provide, to the committees of the legislature with jurisdiction over higher  
34.31 education finance and policy, updated state grant spending projections taking into account  
34.32 the most current and projected enrollment and tuition and fee information, economic  
34.33 conditions, and other relevant factors. Before submitting state grant spending projections,

35.1 the Office of Higher Education must meet and consult with representatives of public and  
35.2 private postsecondary institutions, the Department of Finance, the Governor's Office,  
35.3 legislative staff, and financial aid administrators.

35.4 Sec. 21. Minnesota Statutes 2006, section 136A.125, subdivision 2, is amended to read:

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

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

35.8 (2) has a child 12 years of age or younger, or 14 years of age or younger who is  
35.9 disabled as defined in section 125A.02, and who is receiving or will receive care on a  
35.10 regular basis from a licensed or legal, nonlicensed caregiver;

35.11 (3) is income eligible as determined by the office's policies and rules, but is not a  
35.12 recipient of assistance from the Minnesota family investment program;

35.13 (4) has not earned a baccalaureate degree and has been enrolled full time less than  
35.14 eight semesters or the equivalent;

35.15 (5) is pursuing a nonsectarian program or course of study that applies to an  
35.16 undergraduate degree, diploma, or certificate;

35.17 (6) is enrolled at least half time in an eligible institution; and

35.18 (7) is in good academic standing and making satisfactory academic progress.

35.19 (b) A student who withdraws from enrollment for active military service is entitled  
35.20 to an additional semester or the equivalent of grant eligibility and will be considered to be  
35.21 in continuing enrollment status upon return.

35.22 Sec. 22. Minnesota Statutes 2006, section 136A.125, subdivision 4, is amended to read:

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

35.25 (1) the income of the applicant and the applicant's spouse;

35.26 (2) the number in the applicant's family, as defined by the office; and

35.27 (3) the number of eligible children in the applicant's family.

35.28 The maximum award to the applicant shall be ~~\$2,300~~ \$2,600 for each eligible child  
35.29 per academic year, except that the campus financial aid officer may apply to the office for  
35.30 approval to increase grants by up to ten percent to compensate for higher market charges  
35.31 for infant care in a community. The office shall develop policies to determine community  
35.32 market costs and review institutional requests for compensatory grant increases to ensure  
35.33 need and equal treatment. The office shall prepare a chart to show the amount of a grant

36.1 that will be awarded per child based on the factors in this subdivision. The chart shall  
36.2 include a range of income and family size.

36.3       Sec. 23. **[136A.126] TEACHER EDUCATION AND COMPENSATION HELPS;**  
36.4 **MINNESOTA EARLY CHILDHOOD TEACHER EDUCATION INCENTIVE**  
36.5 **PROGRAMS.**

36.6       Subdivision 1. **TEACH.** The teacher education and compensation helps program  
36.7 (TEACH) is established to provide tuition scholarships and education incentives to early  
36.8 care and education providers. The director shall make a grant with appropriations for this  
36.9 purpose to a nonprofit organization licensed to administer the TEACH early childhood  
36.10 program.

36.11       Subd. 2. **Program components.** (a) The nonprofit organization must use the  
36.12 grant for:

36.13       (1) tuition scholarships up to \$5,000 per year for courses leading to the nationally  
36.14 recognized child development associate credential or college-level courses leading to an  
36.15 associate's or bachelor's degree in early childhood development and school-age care; and

36.16       (2) education incentives of a minimum of \$100 to participants in the tuition  
36.17 scholarship program if they complete a year of working in the early care and education  
36.18 field.

36.19       (b) Applicants for the scholarship must be employed by a licensed early childhood  
36.20 or child care program and working directly with children, a licensed family child care  
36.21 provider, or an employee in a school-age program exempt from licensing under section  
36.22 245A.03, subdivision 2, clause (12). Lower wage earners must be given priority in  
36.23 awarding the tuition scholarships. Scholarship recipients must contribute ten percent of  
36.24 the total scholarship and must be sponsored by their employers, who must also contribute  
36.25 ten percent of the total scholarship. Scholarship recipients who are self-employed must  
36.26 contribute 20 percent of the total scholarship.

36.27       Subd. 3. **Advisory committee.** The TEACH early childhood and Minnesota early  
36.28 childhood teacher education incentive programs may have an advisory board as prescribed  
36.29 by the national TEACH organization.

36.30       Sec. 24. **[136A.127] ACHIEVE SCHOLARSHIP PROGRAM.**

36.31       Subdivision 1. **Establishment.** The Achieve Scholarship Program is established.

36.32       Subd. 2. **Definition; qualifying program.** For the purposes of this section, a  
36.33 "qualifying program" means a rigorous secondary school program of study defined by  
36.34 the Department of Education under agreement with the Secretary of Education for the

37.1 purposes of determining eligibility for the federal Academic Competitiveness Grant  
37.2 Program under Title IV of the Higher Education Act of 1965, as amended.

37.3 Subd. 3. **Documentation of qualifying programs.** The student shall request a  
37.4 transcript from the high school. The high school shall provide a transcript to the Office  
37.5 of Higher Education or to the eligible institution in which the student is enrolling,  
37.6 documenting the qualifying program.

37.7 Subd. 4. **Student eligibility.** To be eligible to receive a scholarship under this  
37.8 section, in addition to the requirements listed under section 136A.121, a student must:

37.9 (1) submit a Free Application for Federal Student Aid (FAFSA);

37.10 (2) take and receive at least a grade of C for courses that comprise a rigorous  
37.11 secondary school program of study in a high school or in a home-school setting under  
37.12 section 120A.22, and graduate from high school;

37.13 (3) have a family adjusted gross income in the last complete calendar year prior to  
37.14 the academic year of postsecondary attendance of less than \$75,000;

37.15 (4) be a United States citizen or eligible noncitizen, as defined in section 484 of the  
37.16 Higher Education Act, United States Code, title 20, sections 1091 et seq., as amended, and  
37.17 Code of Federal Regulations, title 34, section 668.33; and

37.18 (5) be a Minnesota resident, as defined in section 136A.101, subdivision 8.

37.19 Subd. 5. **Administration.** The Achieve Scholarship Program shall be administered  
37.20 by the Minnesota Office of Higher Education. The director shall develop forms and  
37.21 procedures necessary to administer the program.

37.22 Subd. 6. **Application.** A student must complete and submit an application for  
37.23 the Achieve scholarship.

37.24 Subd. 7. **Deadline.** The deadline for the office to accept applications for Achieve  
37.25 scholarships is 30 days after the beginning of the academic term for which the application  
37.26 is submitted.

37.27 Subd. 8. **Documentation of qualifying household income.** Achieve Scholarship  
37.28 Program applicants must certify on the application that they meet the income eligibility  
37.29 requirement in subdivision 5, clause (2). The Office of Higher Education or the  
37.30 postsecondary institution may request documentation needed to confirm income eligibility.

37.31 Subd. 9. **Scholarship awards.** Minnesota Achieve scholarships shall consist of  
37.32 \$1,200 for a student who takes and receives at least a grade of C for courses required  
37.33 under a qualifying program. The scholarships may be used to pay for qualifying expenses  
37.34 at eligible institutions.

37.35 Subd. 10. **Qualifying expenses.** Qualifying expenses are components included  
37.36 under the cost of attendance used for federal student financial aid programs, as defined

38.1 in section 472 of the Higher Education Act, United States Code, title 20, sections 1091  
38.2 et seq., as amended.

38.3 Subd. 11. **Eligible institutions.** The Achieve scholarship may only be used to  
38.4 pay qualifying expenses at an eligible institution as defined under section 136A.101,  
38.5 subdivision 4.

38.6 Subd. 12. **Availability of scholarship funds.** A scholarship earned by a student  
38.7 is available for four years immediately following high school graduation. The office  
38.8 must certify to the commissioner of finance by October 1 of each year the amounts to be  
38.9 canceled from scholarship eligibility that have expired.

38.10 Subd. 13. **Disbursement of scholarships.** The office shall make two equal  
38.11 payments to a postsecondary institution on behalf of the student. The second payment  
38.12 must be made after the student successfully completes the first term of enrollment.

38.13 Subd. 14. **Evaluation report.** By January 15 of each odd-numbered year, the  
38.14 Office of Higher Education shall submit a report, to the committees of the legislature with  
38.15 jurisdiction over higher education finance and policy, regarding the success of the program  
38.16 in increasing the enrollment of students in rigorous high school courses, including, at a  
38.17 minimum, the following information:

38.18 (1) the demographics of individuals participating in the program;

38.19 (2) the grades scholarship recipients received for courses in the qualifying program  
38.20 under subdivision 2;

38.21 (3) the number of scholarship recipients who persisted at a postsecondary institution  
38.22 for a second year;

38.23 (4) the high schools attended by the program participants;

38.24 (5) the postsecondary institutions attended by the program participants;

38.25 (6) the academic performance of the students after enrolling in a postsecondary  
38.26 institution; and

38.27 (7) other information as identified by the director.

38.28 **EFFECTIVE DATE.** This section is effective July 1, 2007, for students who  
38.29 graduate from high school after January 1, 2008.

38.30 Sec. 25. Minnesota Statutes 2006, section 136A.15, subdivision 1, is amended to read:

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

38.33 Sec. 26. Minnesota Statutes 2006, section 136A.15, subdivision 6, is amended to read:

39.1 Subd. 6. **Eligible institution.** "Eligible institution" means a postsecondary  
39.2 educational institution that ~~either~~ (1) is operated or regulated by this state; or the Board of  
39.3 Regents of the University of Minnesota; (2) is operated publicly or privately in another  
39.4 state, is approved by the United States Secretary of Education, and, as determined by  
39.5 the office, maintains academic standards substantially equal to those of comparable  
39.6 institutions operated in this state; (3) is licensed or registered as a postsecondary institution  
39.7 by the office or another state agency; and (4) by July 1, 2011, is participating in the federal  
39.8 Pell Grant program under Title IV of the Higher Education Act of 1965, as amended. It  
39.9 also includes any institution chartered in a province.

39.10 Sec. 27. Minnesota Statutes 2006, section 136A.16, subdivision 8, is amended to read:

39.11 Subd. 8. **Investment.** Money made available to the office that is not immediately  
39.12 needed for the purposes of sections 136A.15 to 136A.1702 may be invested by the office.  
39.13 The money must be invested in bonds, certificates of indebtedness, and other fixed income  
39.14 securities, except preferred stocks, which are legal investments for the permanent school  
39.15 fund. The money may also be invested in prime quality commercial paper that is eligible  
39.16 for investment in the state employees retirement fund. All interest and profits from such  
39.17 investments inure to the benefit of the office or may be pledged for security of bonds  
39.18 issued by the office or its ~~predecessor, the Minnesota Higher Education Coordinating~~  
39.19 ~~Board~~ predecessors.

39.20 Sec. 28. Minnesota Statutes 2006, section 136A.16, is amended by adding a  
39.21 subdivision to read:

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

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

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

40.1 (1) provisions establishing reserves;

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

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

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

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

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

40.22 (f) Subject to any applicable covenants of the office, payments required to be made  
40.23 by the office under the agreement, including termination payments, may be made from  
40.24 amounts pledged or available to pay debt service on the bonds or notes with respect to  
40.25 which the agreement was made or from assets of the loan capital fund of the office.

40.26 The office may issue bonds or notes to provide for any payments, including, without  
40.27 limitation, a termination payment due or to become due under an agreement authorized  
40.28 under this section.

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

40.32 Sec. 29. Minnesota Statutes 2006, section 136A.1702, is amended to read:

40.33 **136A.1702 COMMISSION APPROVAL LEGISLATIVE OVERSIGHT.**

40.34 The office shall ~~obtain approval from~~ notify the ~~Legislative Advisory Commission~~  
40.35 chairs of the legislative committees with primary jurisdiction over higher education

41.1 finance of any proposed material change to any of its student loan programs prior to  
41.2 taking the following actions with regard to student loan programs described in Laws  
41.3 1983, chapter 258:

41.4 ~~(1) implementing a loan program for parents and students eligible for auxiliary loans~~  
41.5 ~~as defined in section 136A.15, subdivision 7;~~

41.6 ~~(2) acquiring student loans from other lenders to facilitate student loan programs~~  
41.7 ~~provided for in section 136A.17; and~~

41.8 ~~(3) providing for programs of supplemental and additional loans as defined in section~~  
41.9 ~~136A.1701 making the change.~~

41.10 Sec. 30. Minnesota Statutes 2006, section 136A.233, subdivision 3, is amended to read:

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

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

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

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

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

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

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

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

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

42.1 Sec. 31. Minnesota Statutes 2006, section 136A.29, subdivision 9, is amended to read:

42.2 Subd. 9. **Revenue bonds; limit.** The authority is authorized and empowered  
42.3 to issue revenue bonds whose aggregate principal amount at any time shall not exceed  
42.4 ~~\$800,000,000~~ \$950,000,000 and to issue notes, bond anticipation notes, and revenue  
42.5 refunding bonds of the authority under the provisions of sections 136A.25 to 136A.42,  
42.6 to provide funds for acquiring, constructing, reconstructing, enlarging, remodeling,  
42.7 renovating, improving, furnishing, or equipping one or more projects or parts thereof.

42.8 Sec. 32. Minnesota Statutes 2006, section 136A.861, subdivision 1, is amended to read:

42.9 Subdivision 1. **Grants.** The director of the Minnesota Office of Higher Education  
42.10 shall award grants to foster postsecondary attendance and retention by providing outreach  
42.11 services to historically underserved students in grades six through 12 and historically  
42.12 underrepresented college students. Grants must be awarded to programs that provide  
42.13 precollege services, including, but not limited to:

42.14 (1) academic counseling;

42.15 (2) mentoring;

42.16 (3) fostering and improving parental involvement in planning for and facilitating a  
42.17 college education;

42.18 (4) services for students with English as a second language;

42.19 (5) academic enrichment activities;

42.20 (6) tutoring;

42.21 (7) career awareness and exploration;

42.22 (8) orientation to college life;

42.23 (9) assistance with high school course selection and information about college  
42.24 admission requirements; and

42.25 (10) financial aid counseling.

42.26 Grants shall be awarded to postsecondary institutions, professional organizations,  
42.27 community-based organizations, or others deemed appropriate by the director.

42.28 Grants shall be awarded for one year and may be renewed for a second year with  
42.29 documentation to the Minnesota Office of Higher Education of successful program  
42.30 outcomes.

42.31 Sec. 33. Minnesota Statutes 2006, section 136A.861, subdivision 2, is amended to read:

42.32 Subd. 2. **Eligible students.** Eligible students include students in grades six through  
42.33 12 who meet one or more of the following criteria:

- 43.1 (1) are counted under section 1124(c) of the Elementary and Secondary Education  
43.2 Act of 1965 (Title I);
- 43.3 (2) are eligible for free or reduced-price lunch under the National School Lunch Act;
- 43.4 (3) receive assistance under the Temporary Assistance for Needy Families Law (Title  
43.5 I of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996); or
- 43.6 (4) are a member of a group traditionally underrepresented in higher education.
- 43.7 Eligible undergraduate students include those who met the student eligibility criteria  
43.8 as 6th through 12th graders.

43.9 Sec. 34. Minnesota Statutes 2006, section 136A.861, subdivision 3, is amended to read:

43.10 Subd. 3. **Application process.** The director of the Minnesota Office of Higher  
43.11 Education shall develop a grant application process. The director shall attempt to support  
43.12 projects in a manner that ensures that eligible students throughout the state have access  
43.13 to ~~precollege~~ program services.

43.14 The grant application must include, at a minimum, the following information:

- 43.15 (1) a description of the characteristics of the students to be served reflective of the  
43.16 need for services listed in subdivision 1;
- 43.17 (2) a description of the services to be provided and a timeline for implementation of  
43.18 the activities;
- 43.19 (3) a description of how the services provided will foster postsecondary attendance  
43.20 and support postsecondary retention;
- 43.21 (4) a description of how the services will be evaluated to determine whether the  
43.22 program goals were met; and
- 43.23 (5) other information as identified by the director.

43.24 Grant recipients must specify both program and student outcome goals, and performance  
43.25 measures for each goal.

43.26 Sec. 35. Minnesota Statutes 2006, section 136A.861, subdivision 6, is amended to read:

43.27 Subd. 6. **Program evaluation.** Each grant recipient must annually submit a report  
43.28 to the Minnesota Office of Higher Education delineating its program and student outcome  
43.29 goals, and activities implemented to achieve the stated outcomes. The goals must be  
43.30 clearly stated and measurable. Grant recipients are required to collect, analyze, and report  
43.31 on participation and outcome data that enable the office to verify that the program goals  
43.32 were met. The office shall maintain:

44.1 (1) information about successful precollege program and undergraduate student  
44.2 retention program activities for dissemination to individuals throughout the state interested  
44.3 in adopting or replicating successful program practices; and

44.4 (2) data on the success of the funded projects in increasing the high school  
44.5 graduation ~~and~~, college participation, and college graduation rates of students served  
44.6 by the grant recipients. The office may convene meetings of the grant recipients, as  
44.7 needed, to discuss issues pertaining to the implementation of precollege services and  
44.8 undergraduate retention programs.

44.9 Sec. 36. Minnesota Statutes 2006, section 136F.02, subdivision 1, is amended to read:

44.10 Subdivision 1. **Membership.** The board consists of 15 members appointed by the  
44.11 governor with the advice and consent of the senate. At least one member of the board  
44.12 must be a resident of each congressional district. In selecting appointees, the governor  
44.13 must consider the needs of the Board of Trustees and the balance of the board membership  
44.14 with respect to labor and business representation and racial, gender, geographic, and ethnic  
44.15 composition. Three members must be students who are enrolled at least half time in a  
44.16 degree, diploma, or certificate program or have graduated from an institution governed  
44.17 by the board within one year of the date of appointment. The student members shall  
44.18 include: one member from a community college, one member from a state university, and  
44.19 one member from a technical college. The remaining members must be appointed to  
44.20 represent the state at large.

44.21 Sec. 37. Minnesota Statutes 2006, section 136F.03, subdivision 3, is amended to read:

44.22 Subd. 3. **Duties.** (a) The advisory council shall:

44.23 (1) develop a statement of the selection criteria to be applied and a description  
44.24 of the responsibilities and duties of a member of the board and shall distribute this to  
44.25 potential candidates; and

44.26 (2) for each position on the board, identify and recruit qualified candidates for the  
44.27 board, based on the background and experience of the candidates, and their potential for  
44.28 discharging the responsibilities of a member of the board.

44.29 (b) Selection criteria developed under this section must include the requirement that  
44.30 trustees represent diversity in geography, gender, race, occupation, and experience.

44.31 (c) Selection criteria developed under this section must also include the identification  
44.32 of the membership needs of the board for individual skills relevant to the governance  
44.33 of the Minnesota State Colleges and Universities and the needs for certain individual  
44.34 characteristics that include geographic location, gender, race, occupation, and experience.

45.1 Sec. 38. Minnesota Statutes 2006, section 136F.03, subdivision 4, is amended to read:

45.2 Subd. 4. **Recommendations.** Except for seats filled under section 136F.04 , the  
45.3 advisory council shall recommend at least two and not more than four candidates for  
45.4 each seat. By April 15 of each even-numbered year, the advisory council shall submit its  
45.5 recommendations to the governor. The governor is not bound by these recommendations.

45.6 Sec. 39. Minnesota Statutes 2006, section 136F.42, subdivision 1, is amended to read:

45.7 Subdivision 1. **Time reporting.** As provided in Executive Order 96-2, the board,  
45.8 in consultation with the commissioners of employee relations and finance, may develop  
45.9 policies to allow system office or campus employees on salaries, as defined in section  
45.10 43A.17, subdivision 1, to use negative time reporting in which employees report only that  
45.11 time for which leave is taken. ~~By the end of the 1997 fiscal year, the board, in consultation~~  
45.12 ~~with the commissioners of employee relations and finance, shall evaluate the use of~~  
45.13 ~~negative time reporting and its potential for use with other state employees.~~

45.14 Sec. 40. Minnesota Statutes 2006, section 136F.58, is amended to read:

45.15 **136F.58 BOOKSTORES; COURSE MATERIAL ACQUISITION.**

45.16 Subdivision 1. Authorization. A state college or university may operate a bookstore  
45.17 in a state college or university building, or may allocate space in a state college or  
45.18 university building and permit a person or corporation to operate a bookstore without rent  
45.19 at the campus' pleasure and on such conditions as the board may impose. The board may  
45.20 provide insurance, at no cost to the state, for the inventory of a bookstore a state college or  
45.21 university conducts in its building.

45.22 Subd. 2. Course material. (a) An instructor shall attempt to provide adequate  
45.23 notice to a bookstore of the intention to order required or recommended course material  
45.24 so that the bookstore can provide information for the instructor's consideration prior to  
45.25 placing an order for the course material.

45.26 (b) A bookstore must make reasonable efforts to obtain from publishers or other  
45.27 sources, prior to the time an instructor requests the bookstore to order course material,  
45.28 the following information, including, but not limited to:

45.29 (1) the title, edition, author, and International Standard Book Number (ISBN) of  
45.30 the course material;

45.31 (2) the price for the course material;

45.32 (3) whether the course material is bundled with optional material, whether it can be  
45.33 unbundled, and the price for each bundled and unbundled component;

46.1 (4) whether the material is available in an alternative format and the cost for the  
 46.2 alternatively formatted material;

46.3 (5) the availability of the course material currently and in the future;

46.4 (6) changes to the course material from the previous edition, the revision date,  
 46.5 availability, and cost for that edition, if available; and

46.6 (7) any known plans for future revisions of the course material.

46.7 (c) An instructor ordering course material through a bookstore shall consider the  
 46.8 information received from the bookstore prior to placing the final order.

46.9 Subd. 3. **Notice to purchase.** (a) An instructor shall make reasonable efforts to  
 46.10 notify a bookstore of the final order for required and recommended course material at least  
 46.11 30 days prior to the commencement of the term.

46.12 (b) The bookstore must make reasonable efforts to notify students of the following  
 46.13 information concerning the required and recommended course material at least 15 days  
 46.14 prior to the commencement of the term for which the course material is required including,  
 46.15 but not limited to:

46.16 (1) the title, edition, author, and International Standard Book Number (ISBN) of  
 46.17 the course material;

46.18 (2) the price for the course material;

46.19 (3) whether the required course material is bundled with optional material, whether  
 46.20 it can be unbundled, and the price for each bundled and unbundled component; and

46.21 (4) whether the material is available in an alternative format and the cost for the  
 46.22 alternatively formatted material.

46.23 Subd. 4. **System responsibility.** The board shall, to the extent it considers  
 46.24 necessary, adopt uniform forms for bookstores to request information under subdivision 2.  
 46.25 The board shall encourage faculty to utilize the information received under subdivision 2  
 46.26 to achieve the lowest cost to students for course materials consistent with the academic  
 46.27 freedom and choice of the faculty member.

46.28 Sec. 41. Minnesota Statutes 2006, section 136F.71, subdivision 2, is amended to read:

46.29 Subd. 2. **Activity funds.** All receipts attributable to the state colleges and  
 46.30 universities activity funds ~~and deposited in the state treasury~~ are appropriated to the board  
 46.31 and are not subject to budgetary control as exercised by the commissioner of finance.

46.32 Sec. 42. Minnesota Statutes 2006, section 136F.71, is amended by adding a subdivision  
 46.33 to read:

47.1            Subd. 4. **Banking services.** Notwithstanding section 16A.27, the board shall  
47.2 have authority to control the amount and manner of deposit of all receipts described in  
47.3 this section in depositories selected by the board. The board's authority shall include  
47.4 specifying the considerations, financial activities, and conditions required from the  
47.5 depository, including the requirement of collateral security or a corporate surety bond  
47.6 as described in section 118A.03. The board may compensate the depository, including  
47.7 paying a reasonable charge to the depository, maintaining appropriate compensating  
47.8 balances with the depository, or purchasing non-interest-bearing certificates of deposit  
47.9 from the depository for performing depository-related services.

47.10           Sec. 43. Minnesota Statutes 2006, section 136G.11, subdivision 5, is amended to read:

47.11            Subd. 5. **Amount of matching grant.** The amount of the matching grant for a  
47.12 beneficiary equals:

47.13            (1) if the beneficiary's family income is \$50,000 or less, 15 percent of the sum  
47.14 of the contributions made to the beneficiary's account during the calendar year, not to  
47.15 exceed ~~\$300~~ \$400; and

47.16            (2) if the beneficiary's family income is more than \$50,000 but not more than  
47.17 \$80,000, ~~five~~ ten percent of the sum of the contributions made to the beneficiary's account  
47.18 during the calendar year, not to exceed ~~\$300~~ \$400.

47.19           Sec. 44. Minnesota Statutes 2006, section 137.0245, subdivision 1, is amended to read:

47.20            Subdivision 1. **Establishment.** A Regent Candidate Advisory Council is established  
47.21 to assist in determining criteria for, and identifying and recruiting qualified candidates for  
47.22 membership on the Board of Regents and making recommendations to the ~~governor~~ joint  
47.23 legislative committee described in section 137.0246, subdivision 2.

47.24           Sec. 45. Minnesota Statutes 2006, section 137.0245, subdivision 4, is amended to read:

47.25            Subd. 4. **Recommendations.** (a) The advisory council shall recommend at least  
47.26 two and not more than four candidates. By January 15 of each odd-numbered year,  
47.27 the advisory council shall submit its recommendations to the ~~governor~~ joint legislative  
47.28 committee described in section 137.0246, subdivision 2.

47.29            (b) The advisory council must submit a report to the ~~governor~~ joint committee on the  
47.30 needs criterion identified under subdivision 3, paragraph (c), at the same time it submits its  
47.31 recommendations.

48.1 Sec. 46. Minnesota Statutes 2006, section 137.0246, is amended to read:

48.2 **137.0246 REGENT NOMINATION AND ELECTION.**

48.3 ~~Subdivision 1. **Governor nomination.** By February 15 following the receipt~~  
48.4 ~~of recommendations from the advisory council, the governor must submit to the joint~~  
48.5 ~~committee established under subdivision 2 a slate of regent nominations that complies with~~  
48.6 ~~sections 137.023 and 137.024. The slate must name one nominee for each vacancy. In~~  
48.7 ~~selecting nominees, the governor must consider the needs of the Board of Regents and the~~  
48.8 ~~balance of the board membership with respect to gender, racial, and ethnic composition.~~  
48.9 ~~The governor must inform the joint committee how each candidate and the slate meet the~~  
48.10 ~~needs identified in the report under section 137.0245, subdivision 4, paragraph (b).~~

48.11 Subd. 2. **Regent nomination joint committee.** (a) The joint legislative committee  
48.12 consists of ~~20~~ legislator members. ~~Ten members shall be appointed by the speaker of the~~  
48.13 ~~house. Ten members shall be appointed by the Subcommittee on Committees of the~~  
48.14 ~~Committee on Rules and Administration from the senate. An equal number of members~~  
48.15 ~~from the majority and minority party shall be appointed from each house. The members~~  
48.16 ~~appointed from the minority party must be appointed from among those recommended by~~  
48.17 ~~the minority leader. The chairs of the education policy committees and the members of the~~  
48.18 ~~higher education budget and policy divisions and the ranking minority member of those~~  
48.19 ~~committees and divisions must be appointed in each house of the legislature. The chairs~~  
48.20 ~~of the divisions from each body shall be cochairs of the joint legislative committee. A~~  
48.21 majority of the members from each house is a quorum of the joint committee.

48.22 (b) By February 28 of each odd-numbered year, or at a date agreed to by concurrent  
48.23 resolution, the joint legislative committee shall meet to consider the ~~governor's nominees~~  
48.24 advisory council's recommendations for regent of the University of Minnesota for possible  
48.25 presentation to a joint convention of the legislature.

48.26 (c) The joint committee may ~~only~~ recommend to the joint convention ~~nominees~~  
48.27 candidates recommended by the ~~governor~~ advisory council and the other candidates  
48.28 nominated by the joint committee. ~~If the joint committee does not recommend a~~  
48.29 ~~governor's nominee, the governor must submit a different nominee for the same vacancy.~~  
48.30 A candidate other than those recommended by the advisory council may be nominated  
48.31 for consideration by the joint committee only if the nomination receives the support of at  
48.32 least three house of representatives members of the committee and two senate members  
48.33 of the committee. A candidate must receive a majority vote of members from the house  
48.34 of representatives and from the senate on the joint committee to be recommended to the  
48.35 joint convention. The joint committee may recommend no more than one candidate for  
48.36 each vacancy. In recommending nominees, the joint committee must consider the needs of

49.1 the Board of Regents and the balance of the board membership with respect to gender,  
49.2 racial, and ethnic composition.

49.3 (d) The joint committee must meet twice, approximately one week apart. The first  
49.4 meeting is for the purpose of interviewing candidates and recommending candidates for  
49.5 the joint committee to consider. The second meeting is for the purpose of voting for  
49.6 candidates for recommendation to the joint convention.

49.7 Sec. 47. **[137.0252] APPROPRIATION; CONTRACT BUYOUT.**

49.8 No appropriation from the state of Minnesota to the governing board of the  
49.9 University of Minnesota shall be used directly or indirectly for costs related to the early  
49.10 termination of a contract of a coach who reports to the director of athletics.

49.11 Sec. 48. Minnesota Statutes 2006, section 197.775, subdivision 4, is amended to read:

49.12 Subd. 4. **Delayed payment of tuition.** A state college or university may not assess  
49.13 late fees or other late charges for veterans who are eligible to receive federal or state  
49.14 educational assistance and who have applied for that assistance but not yet received it,  
49.15 nor may they prevent these students from registering for a subsequent term because of  
49.16 outstanding tuition charges that arise from delayed federal or state payments. The state  
49.17 college or university may request without delay the amount of tuition above expected  
49.18 federal and state educational assistance and may require payment of the full amount of  
49.19 tuition owed by the veteran within 30 days of receipt of the expected federal or state  
49.20 educational assistance.

49.21 Sec. 49. **[197.791] MINNESOTA GI BILL PROGRAM.**

49.22 Subdivision 1. Definitions. (a) The definitions in this subdivision apply to this  
49.23 section.

49.24 (b) "Commissioner" means the commissioner of veterans affairs, unless otherwise  
49.25 specified.

49.26 (c) "Cost of attendance" for both graduate and undergraduate students has the  
49.27 meaning given in section 136A.121, subdivision 6, multiplied by a factor of 1.1. The  
49.28 tuition and fee maximum established by law for four-year programs shall be used to  
49.29 calculate the tuition and fee maximum under section 136A.121, subdivision 6, for  
49.30 a graduate student.

49.31 (d) "Child" means a natural or adopted child of a person described in subdivision 4,  
49.32 paragraph (a), clause (1), item (i) or (ii).

50.1 (e) "Eligible institution" means a postsecondary institution under section 136A.101,  
50.2 subdivision 4.

50.3 (f) "Program" means the Minnesota GI Bill program established in this section,  
50.4 unless otherwise specified.

50.5 (g) "Time of hostilities" means any action by the armed forces of the United States  
50.6 that is recognized by the issuance of a presidential proclamation or a presidential executive  
50.7 order in which the armed forces expeditionary medal or other campaign service medals  
50.8 are awarded according to presidential executive order, and any additional period or place  
50.9 that the commissioner determines and designates, after consultation with the United States  
50.10 Department of Defense, to be a period or place where the United States is in a conflict that  
50.11 places persons at such a risk that service in a foreign country during that period or in that  
50.12 place should be considered to be included.

50.13 (h) "Veteran" has the meaning given in section 197.447. Veteran also includes  
50.14 a service member who has received an honorable discharge after leaving each period of  
50.15 federal active duty service and has:

50.16 (1) served 90 days or more of federal active duty in a foreign country during a time  
50.17 of hostilities in that country; or

50.18 (2) received a service-related medical discharge from any period of service in a  
50.19 foreign country during a time of hostilities in that country.

50.20 A service member who has fulfilled the requirements for being a veteran under this  
50.21 paragraph but is still serving actively in the United States armed forces is also a veteran  
50.22 for the purposes of this section.

50.23 Subd. 2. **Program established.** The Minnesota GI Bill Program is established to  
50.24 provide postsecondary educational assistance to eligible Minnesota veterans and to the  
50.25 children and spouses of deceased and severely disabled Minnesota veterans.

50.26 The commissioner, in cooperation with eligible postsecondary educational  
50.27 institutions, shall administer the program for the purpose of providing postsecondary  
50.28 educational assistance to eligible persons in accordance with this section. Each public  
50.29 postsecondary educational institution in the state must participate in the program and each  
50.30 private postsecondary educational institution in the state is encouraged to participate in the  
50.31 program. Any participating private institution may suspend or terminate its participation  
50.32 in the program at the end of any semester or other academic term.

50.33 Subd. 3. **Duties; responsibilities.** (a) The commissioner shall establish policies  
50.34 and procedures including, but not limited to, procedures for student application record  
50.35 keeping, information sharing, payment of educational assistance benefits, and other

51.1 procedures the commissioner considers appropriate and necessary for effective and  
51.2 efficient administration of the program established in this section.

51.3 (b) The commissioner may delegate part or all of the administrative procedures  
51.4 for the program to responsible representatives of participating eligible institutions. The  
51.5 commissioner may execute an interagency agreement with the Office of Higher Education  
51.6 for services the commissioner determines necessary to administer the program.

51.7 Subd. 4. **Eligibility.** (a) A person is eligible for educational assistance under this  
51.8 section if:

51.9 (1) the person is:

51.10 (i) a veteran who is serving or has served honorably in any branch or unit of the  
51.11 United States armed forces at any time on or after September 11, 2001;

51.12 (ii) a nonveteran who has served honorably for a total of five years or more  
51.13 cumulatively as a member of the Minnesota National Guard or any other active or reserve  
51.14 component of the United States armed forces, and any part of that service occurred on or  
51.15 after September 11, 2001;

51.16 (iii) the surviving spouse or child of a person who has served in the military at any  
51.17 time on or after September 11, 2001, and who has died as a direct result of that military  
51.18 service; or

51.19 (iv) the spouse or child of a person who has served in the military at any time on or  
51.20 after September 11, 2001, and who has a total and permanent service-connected disability  
51.21 as rated by the United States Veterans Administration;

51.22 (2) the person providing the military service described in clause (1), items (i) to (iv),  
51.23 was a Minnesota resident within six months of the time of the person's initial enlistment or  
51.24 any reenlistment in the United States armed forces;

51.25 (3) the person receiving the educational assistance is a Minnesota resident, as  
51.26 defined in section 136A.101, subdivision 8; and

51.27 (4) the person receiving the educational assistance:

51.28 (i) is an undergraduate or graduate student at an eligible institution;

51.29 (ii) is maintaining satisfactory academic progress as defined by the institution for  
51.30 students participating in federal Title IV programs;

51.31 (iii) is enrolled in an education program leading to a certificate, diploma, or degree  
51.32 at an eligible institution;

51.33 (iv) has applied for educational assistance under this section prior to the end of the  
51.34 academic term for which the assistance is being requested;

51.35 (v) is in compliance with child support payment requirements under section  
51.36 136A.121, subdivision 2, clause (5); and

52.1 (vi) if an undergraduate student, has applied for the federal Pell Grant and the  
52.2 Minnesota State Grant.

52.3 (b) A person's eligibility terminates when the person becomes eligible for benefits  
52.4 under section 135A.52.

52.5 (c) To determine eligibility, the commissioner may require official documentation,  
52.6 including the person's federal form DD-214 or other official military discharge papers;  
52.7 correspondence from the United States Veterans Administration; birth certificate; marriage  
52.8 certificate; proof of enrollment at an eligible institution; signed affidavits; proof of  
52.9 residency; proof of identity; or any other official documentation the commissioner  
52.10 considers necessary to determine eligibility.

52.11 (d) The commissioner may deny eligibility or terminate benefits under this section  
52.12 to any person who has not provided sufficient documentation to determine eligibility for  
52.13 the program. An applicant may appeal the commissioner's eligibility determination or  
52.14 termination of benefits in writing to the commissioner at any time. The commissioner  
52.15 must rule on any application or appeal within 30 days of receipt of all documentation that  
52.16 the commissioner requires. The decision of the commissioner regarding an appeal is final.  
52.17 However, an applicant whose appeal of an eligibility determination has been rejected by  
52.18 the commissioner may submit an additional appeal of that determination in writing to the  
52.19 commissioner at any time that the applicant is able to provide substantively significant  
52.20 additional information regarding the applicant's eligibility for the program. An approval  
52.21 of an applicant's eligibility by the commissioner following an appeal by the applicant is  
52.22 not retroactively effective for more than one year or the semester of the person's original  
52.23 application, whichever is later.

52.24 (e) Upon receiving an application with insufficient documentation to determine  
52.25 eligibility, the commissioner must notify the applicant within 30 days of receipt of the  
52.26 application that the application is being suspended pending receipt by the commissioner of  
52.27 sufficient documentation from the applicant to determine eligibility.

52.28 Subd. 5. **Benefit amount.** (a) On approval by the commissioner of eligibility for  
52.29 the program, the applicant shall be awarded, on a funds-available basis, the educational  
52.30 assistance under the program for use at any time according to program rules at any  
52.31 eligible institution.

52.32 (b) The amount of educational assistance in any semester or term for an eligible  
52.33 person must be determined by subtracting from the eligible person's cost of attendance the  
52.34 amount the person received or was eligible to receive in that semester or term from:

52.35 (1) the federal Pell Grant;

52.36 (2) the state grant program under section 136A.121; and

53.1 (3) any federal military or veterans educational benefits including but not limited  
53.2 to the Montgomery GI Bill, GI Bill Kicker, the federal tuition assistance program,  
53.3 vocational rehabilitation benefits, and any other federal benefits associated with the  
53.4 person's status as a veteran, except veterans disability payments from the United States  
53.5 Veterans Administration.

53.6 (c) The amount of educational assistance for any eligible person who is a full-time  
53.7 student must not exceed the following:

53.8 (1) \$1,000 per semester or term of enrollment;

53.9 (2) \$2,000 per state fiscal year; and

53.10 (3) \$10,000 in a lifetime.

53.11 For a part-time student, the amount of educational assistance must not exceed \$500  
53.12 per semester or term of enrollment. For the purpose of this paragraph, a part-time  
53.13 undergraduate student is a student taking fewer than 12 credits for a semester or term  
53.14 of enrollment and a part-time graduate student is a student considered part-time by the  
53.15 eligible institution the graduate student is attending.

53.16 Subd. 6. **Insufficient appropriation.** If the amount appropriated is determined  
53.17 by the commissioner to be insufficient to pay the benefit amounts in subdivision 5, the  
53.18 commissioner must reduce the amounts specified in subdivision 5, paragraph (c), clauses  
53.19 (1) and (2).

53.20 **EFFECTIVE DATE.** This section is effective July 1, 2007, and applies to  
53.21 qualifying coursework taken on or after that date.

53.22 Sec. 50. **MINNESOTA WEST COMMUNITY AND TECHNICAL COLLEGE**  
53.23 **AT WORTHINGTON; YMCA LEASE AGREEMENT.**

53.24 (a) The Board of Trustees of Minnesota State Colleges and Universities may enter  
53.25 into a lease agreement with the YMCA not to exceed 40 years, for the lease of land on  
53.26 the Minnesota West Community and Technical College at Worthington campus for the  
53.27 construction of a YMCA facility. The lease may also include the city of Worthington.

53.28 (b) Siting and design of the facility must be consistent with the college's master  
53.29 plan and Minnesota State Colleges and Universities' building standards. Minnesota  
53.30 West Community and Technical College may negotiate for use of the facility for college  
53.31 purposes. The lease must contain a provision that the lease shall terminate if the improved  
53.32 property is no longer used for the partial benefit of the students at the Worthington campus.

53.33 Sec. 51. **INTEREST RATE PROTECTION AGREEMENTS; REPORT.**

54.1 The Office of Higher Education must report by February 1, 2009, to the senate and  
54.2 house of representatives committees with primary jurisdiction over higher education  
54.3 finance and policy on the results of the office's interest rate protection agreement activity  
54.4 under Minnesota Statutes, section 136A.16, subdivision 16.

54.5 Sec. 52. **REPEALER.**

54.6 (a) Minnesota Statutes 2006, sections 135A.031, subdivisions 2, 3, 4, 5, and 6;  
54.7 135A.032; 135A.033; 135A.045; 135A.053; 136A.07; and 136A.08, subdivision 8, are  
54.8 repealed.

54.9 (b) Laws 2001, First Special Session chapter 1, article 1, sections 3, subdivision 3;  
54.10 and 4, subdivision 5, are repealed.

### 54.11 **ARTICLE 3**

#### 54.12 **PRIVATE INSTITUTIONS**

54.13 Section 1. Minnesota Statutes 2006, section 136A.61, is amended to read:

54.14 **136A.61 POLICY.**

54.15 The legislature has found and hereby declares that the availability of legitimate  
54.16 courses and programs leading to academic degrees offered by responsible private  
54.17 not-for-profit and for-profit institutions of postsecondary education and the existence  
54.18 of legitimate private colleges and universities are in the best interests of the people of  
54.19 this state. The legislature has found and declares that the state can provide assistance  
54.20 and protection for persons choosing private institutions and programs, by establishing  
54.21 policies and procedures to assure the authenticity and legitimacy of private postsecondary  
54.22 education institutions and programs. The legislature has also found and declares that  
54.23 this same policy applies to any private and public postsecondary educational institution  
54.24 located in another state or country which offers or makes available to a Minnesota resident  
54.25 any course, program or educational activity which does not require the leaving of the  
54.26 state for its completion.

54.27 Sec. 2. **[136A.615] CITATION.**

54.28 Sections 136A.61 to 136A.71 may be cited as the "Minnesota Private and  
54.29 Out-of-State Public Postsecondary Education Act."

54.30 Sec. 3. Minnesota Statutes 2006, section 136A.62, subdivision 3, is amended to read:

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

55.1 (1) any ~~individual~~, partnership, company, firm, society, trust, association,  
 55.2 corporation, or any combination thereof, which ~~(a) (i) is, owns, or operates a private,~~  
 55.3 ~~nonprofit postsecondary education institution; (b) (ii) is, owns, or operates a private,~~  
 55.4 for-profit postsecondary education institution; or (iii) provides a postsecondary  
 55.5 instructional program or course leading to a degree whether or not for profit; (c) is, owns,  
 55.6 or operates a private, postsecondary education institution which uses the term "college",  
 55.7 "academy", "institute" or "university" in its name; or (d) operates for profit and provides  
 55.8 programs or courses which are intended to allow an individual to fulfill in part or totally  
 55.9 the requirements necessary to maintain a license to practice an occupation. School shall  
 55.10 also mean

55.11 (2) any public postsecondary educational institution located in another state or  
 55.12 country which offers or makes available to a Minnesota resident any course, program or  
 55.13 educational activity which does not require the leaving of the state for its completion; or

55.14 (3) any individual, entity, or postsecondary institution located in another state  
 55.15 that contracts with any school located within the state of Minnesota for the purpose of  
 55.16 providing educational programs, training programs, or awarding postsecondary credits  
 55.17 or continuing education credits to Minnesota residents that may be applied to a degree  
 55.18 program.

55.19 Sec. 4. Minnesota Statutes 2006, section 136A.63, is amended to read:

55.20 **136A.63 REGISTRATION.**

55.21 Subdivision 1. **Annual registration.** All schools located within Minnesota and  
 55.22 all schools located outside Minnesota which offer degree programs or courses within  
 55.23 Minnesota shall register annually with the office.

55.24 Subd. 2. **Sale of an institution.** Within 30 days of a change of its ownership a school  
 55.25 must submit a registration renewal application, all usual and ordinary information and  
 55.26 materials for an initial registration, and applicable registration fees for a new institution.  
 55.27 For purposes of this subdivision, "change of ownership" means a merger or consolidation  
 55.28 with a corporation; a sale, lease, exchange, or other disposition of all or substantially all of  
 55.29 the assets of a school; the transfer of a controlling interest of at least 51 percent of the  
 55.30 school's stock; or a change in the not-for-profit or for-profit status of a school.

55.31 Sec. 5. Minnesota Statutes 2006, section 136A.64, is amended to read:

55.32 **136A.64 INFORMATION REQUIRED FOR REGISTRATION.**

55.33 Subdivision 1. **Schools to provide information.** As a basis for registration, schools  
 55.34 shall provide the office with such information as the office needs to determine the nature

56.1 and activities of the school, including but not limited to, ~~requirements for admission,~~  
56.2 ~~enrollments, tuition charge, refund policies, curriculum, degrees granted, and faculty~~  
56.3 ~~employed. The office shall have the authority to verify the accuracy of the information~~  
56.4 ~~submitted to it by inspection or any other means it deems necessary.~~ the following which  
56.5 shall be accompanied by an affidavit attesting to its accuracy and truthfulness:

56.6 (1) articles of incorporation, constitution, bylaws, or other operating documents;

56.7 (2) a duly adopted statement of the school's mission and goals;

56.8 (3) evidence of current school or program licenses granted by departments or  
56.9 agencies of any state;

56.10 (4) a fiscal balance sheet on an accrual basis, or a certified audit of the immediate  
56.11 past fiscal year including any management letters provided by the independent auditor  
56.12 or, if the school is a public institution outside Minnesota, an income statement for the  
56.13 immediate past fiscal year;

56.14 (5) all current promotional and recruitment materials and advertisements; and

56.15 (6) the current school catalog and, if not contained in the catalog:

56.16 (i) the members of the board of trustees or directors, if any;

56.17 (ii) the current institutional officers;

56.18 (iii) current full-time and part-time faculty with degrees held or applicable  
56.19 experience;

56.20 (iv) a description of all school facilities;

56.21 (v) a description of all current course offerings;

56.22 (vi) all requirements for satisfactory completion of courses, programs, and degrees;

56.23 (vii) the school's policy about freedom or limitation of expression and inquiry;

56.24 (viii) a current schedule of fees, charges for tuition, required supplies, student  
56.25 activities, housing, and all other standard charges;

56.26 (ix) the school's policy about refunds and adjustments;

56.27 (x) the school's policy about granting credit for prior education, training, and  
56.28 experience; and

56.29 (xi) the school's policies about student admission, evaluation, suspension, and  
56.30 dismissal.

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

57.1 Subd. 3. **Additional information.** If the office is unable to determine the nature  
57.2 and activities of a school on the basis of the information in subdivision 1, the office shall  
57.3 notify the school of additional information needed.

57.4 Subd. 4. **Verification of information.** The office may verify the accuracy of  
57.5 submitted information by inspection, visitation, or any other means it considers necessary.

57.6 Subd. 5. **Public information.** All information submitted to the office is public  
57.7 information except financial and accreditation records and information. The office may  
57.8 disclose financial records or information to defend its decision to approve or disapprove  
57.9 granting of degrees or the use of a name or its decisions to revoke the approval at a hearing  
57.10 under chapter 14 or other legal proceedings.

57.11 Subd. 6. **Late registration penalty.** Applications for renewal for any registration  
57.12 received after the deadline date specified in the renewal materials provided by the office  
57.13 are subject to a late fee equal to 20 percent of the annual registration renewal fee.

57.14 Subd. 7. **Out-of-state expenses.** A school shall reimburse the office for actual costs  
57.15 associated with a site evaluation visit outside Minnesota if the visit is necessary under  
57.16 subdivision 1 or 3.

57.17 **Sec. 6. [136A.645] SCHOOL CLOSURE.**

57.18 When a school decides to cease postsecondary education operations, it must  
57.19 cooperate with the office in assisting students to find alternative means to complete their  
57.20 studies with a minimum of disruption, and inform the office of the following:

57.21 (1) the planned date for termination of postsecondary education operations;

57.22 (2) the planned date for the transfer of the student records;

57.23 (3) confirmation of the name and address of the organization to receive and hold  
57.24 the student records; and

57.25 (4) the official at the organization receiving the student records who is designated to  
57.26 provide official copies of records or transcripts upon request.

57.27 Upon notice from a school of its intention to cease operations, the office shall notify the  
57.28 school of the date on which it must cease the enrollment of students and all postsecondary  
57.29 educational operations.

57.30 **Sec. 7. [136A.646] ADDITIONAL SECURITY.**

57.31 In the event any registered institution is notified by the United States Department  
57.32 of Education that it has fallen below minimum financial standards and that its continued  
57.33 participation in Title IV will be conditioned upon its satisfying either the Zone Alternative,  
57.34 Code of Federal Regulations, title 34, section 668.175, paragraph (f), or a Letter of Credit

58.1 Alternative, Code of Federal Regulations, title 34, section 668.175, paragraph (c), the  
58.2 institution shall provide a surety bond conditioned upon the faithful performance of all  
58.3 contracts and agreements with students in a sum equal to the "letter of credit" required by  
58.4 the United States Department of Education in the Letter of Credit Alternative, but in no  
58.5 event shall such bond be less than \$10,000 nor more than \$250,000.

58.6 Sec. 8. Minnesota Statutes 2006, section 136A.65, is amended to read:

58.7 **136A.65 APPROVAL OF DEGREES AND NAME.**

58.8 Subdivision 1. **Prohibition.** No school subject to registration shall grant a degree  
58.9 unless such degree ~~is~~ and its underlying curriculum are approved by the office, nor  
58.10 shall any school subject to registration use the name "college," "academy," "institute" or  
58.11 "university" in its name without approval by the office.

58.12 Subd. 1a. **Accreditation; requirement.** A school must not be registered or  
58.13 authorized to offer any degree at any level unless the school is accredited by an agency  
58.14 recognized by the United States Department of Education for purposes of eligibility to  
58.15 participate in Title IV federal financial aid programs. Any registered school undergoing  
58.16 institutional accreditation shall inform the office of site visits by the accrediting agency  
58.17 and provide office staff the opportunity to attend the visits, including any exit interviews.  
58.18 The institution must provide the office with a copy of the final report upon receipt.

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

58.22 Subd. 3. **Application.** A school subject to registration shall be granted approval  
58.23 to use the term "college," "academy," "institute" or "university" in its name ~~whether or~~  
58.24 ~~not it offers a program leading to a degree~~, if it was organized, operating, and using such  
58.25 term in its name on or before August 1, ~~1975~~ 2007, and if it meets the other policies and  
58.26 standards for approval established by the office.

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

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

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

- 59.1 (3) the school operates in conformity with generally accepted budgeting and  
59.2 accounting principles;
- 59.3 (4) the school provides an educational program leading to the degree it offers;
- 59.4 (5) the school provides appropriate and accessible library, laboratory, and other  
59.5 physical facilities to support the educational program offered;
- 59.6 (6) the school has a policy on freedom or limitation of expression and inquiry for  
59.7 faculty and students which is published or available on request;
- 59.8 (7) the school uses only publications and advertisements which are truthful and do  
59.9 not give any false, fraudulent, deceptive, inaccurate, or misleading impressions about the  
59.10 school, its personnel, programs, services, or occupational opportunities for its graduates  
59.11 for promotion and student recruitment;
- 59.12 (8) the school's compensated recruiting agents who are operating in Minnesota  
59.13 identify themselves as agents of the school when talking to or corresponding with students  
59.14 and prospective students; and
- 59.15 (9) the school provides information to students and prospective students concerning:
- 59.16 (i) comprehensive and accurate policies relating to student admission, evaluation,  
59.17 suspension, and dismissal;
- 59.18 (ii) clear and accurate policies relating to granting credit for prior education, training,  
59.19 and experience and for courses offered by the school;
- 59.20 (iii) current schedules of fees, charges for tuition, required supplies, student  
59.21 activities, housing, and all other standard charges;
- 59.22 (iv) policies regarding refunds and adjustments for withdrawal or modification  
59.23 of enrollment status; and
- 59.24 (v) procedures and standards used for selection of recipients and the terms of  
59.25 payment and repayment for any financial aid program.
- 59.26 (b) An application for degree approval must also include:
- 59.27 (i) title of degree and formal recognition awarded;
- 59.28 (ii) location where such degree will be offered;
- 59.29 (iii) proposed implementation date of the degree;
- 59.30 (iv) admissions requirements for the degree;
- 59.31 (v) length of the degree;
- 59.32 (vi) projected enrollment for a period of five years;
- 59.33 (vii) the curriculum required for the degree, including course syllabi or outlines;
- 59.34 (viii) statement of academic and administrative mechanisms planned for monitoring  
59.35 the quality of the proposed degree;
- 59.36 (ix) statement of satisfaction of professional licensure criteria, if applicable;

60.1 (x) documentation of the availability of clinical, internship, externship, or practicum  
60.2 sites, if applicable; and

60.3 (xi) statement of how the degree fulfills the institution's mission and goals,  
60.4 complements existing degrees, and contributes to the school's viability.

60.5 Subd. 5. **Requirements for degree approval.** For each degree a school offers to a  
60.6 student, where the student does not leave Minnesota for the major portion of the program  
60.7 or course leading to the degree, the school must have:

60.8 (1) qualified teaching personnel to provide the educational programs for each degree  
60.9 for which approval is sought;

60.10 (2) appropriate educational programs leading to each degree for which approval  
60.11 is sought;

60.12 (3) appropriate and accessible library, laboratory, and other physical facilities to  
60.13 support the educational program for each degree for which approval is sought; and

60.14 (4) a rationale showing that degree programs are consistent with the school's mission  
60.15 and goals.

60.16 Subd. 6. **Name.** A school may use the term "academy" or "institute" in its name  
60.17 without meeting any additional requirements. A school may use the term "college" in its  
60.18 name if it offers at least one program leading to an associate degree. A school may use  
60.19 the term "university" in its name if it offers at least one program leading to a master's  
60.20 or doctorate degree.

60.21 Subd. 7. **Conditional approval.** The office may grant conditional approval for a  
60.22 degree or use of a term in its name for a period of less than one year if doing so would be  
60.23 in the best interests of currently enrolled students or prospective students.

60.24 Subd. 8. **Disapproval of registration appeal.** (a) If a school's degree or use of a  
60.25 term in its name is disapproved by the office, the school may request a hearing under  
60.26 chapter 14. The request must be in writing and made to the office within 30 days of the  
60.27 date the school is notified of the disapproval.

60.28 (b) The office may refuse to renew, revoke, or suspend registration, approval of  
60.29 a school's degree, or use of a regulated term in its name by giving written notice and  
60.30 reasons to the school. The school may request a hearing under chapter 14. If a hearing is  
60.31 requested, no revocation or suspension shall take effect until after the hearing.

60.32 (c) Reasons for revocation or suspension of registration or approval may be for one  
60.33 or more of the following reasons:

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

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

61.1 (3) presenting information about the school which is false, fraudulent, misleading,  
 61.2 deceptive, or inaccurate in a material respect to students or prospective students; or  
 61.3 (4) refusing to allow reasonable inspection or to supply reasonable information after  
 61.4 a written request by the office has been received.

61.5 Sec. 9. Minnesota Statutes 2006, section 136A.657, is amended by adding a  
 61.6 subdivision to read:

61.7 Subd. 4. **Statement required; religious nature.** Any degree awarded upon  
 61.8 completion of a religiously exempt program shall include descriptive language to make  
 61.9 the religious nature of the award clear.

61.10 Sec. 10. Minnesota Statutes 2006, section 136A.66, is amended to read:

61.11 **136A.66 LIST.**

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

61.15 Sec. 11. Minnesota Statutes 2006, section 136A.67, is amended to read:

61.16 **136A.67 UNAUTHORIZED REPRESENTATIONS.**

61.17 ~~No school and none of its officials or employees shall advertise or represent in any~~  
 61.18 ~~manner that such school is approved or accredited by the office or state of Minnesota~~  
 61.19 ~~except that any~~ A school which is duly registered with the office, or any of its officials or  
 61.20 employees, may represent in advertising and shall disclose in catalogues, applications,  
 61.21 and enrollment materials that the school is registered with the office: by prominently  
 61.22 displaying the following statement: "(Name of school) is registered as a private institution  
 61.23 with the Minnesota Office of Higher Education pursuant to sections 136A.61 to 136A.71.  
 61.24 Registration is not an endorsement of the institution. Credits earned at the institution  
 61.25 may not transfer to all other institutions."

61.26 Sec. 12. **[136A.675] RISK ANALYSIS.**

61.27 The office shall develop a set of financial and programmatic evaluation metrics to  
 61.28 aid in the detection of the failure or potential failure of a school to meet the standards  
 61.29 established under sections 136A.61 to 136A.71. These metrics shall include indicators  
 61.30 of financial stability, changes in the senior management or the financial aid and senior  
 61.31 administrative staff of an institution, changes in enrollment, changes in program offerings,  
 61.32 and changes in faculty staffing patterns. The development of financial standards shall use

62.1 industry standards as benchmarks. The development of the nonfinancial standards shall  
62.2 include a measure of trends and dramatic changes in trends or practice. The agency must  
62.3 specify the metrics and standards for each area and provide a copy to each registered  
62.4 institution and post them on the agency Web site. The agency shall use regularly reported  
62.5 data submitted to the federal government or other regulatory or accreditation agencies  
62.6 wherever possible. The agency may require more frequent data reporting by an institution  
62.7 to ascertain whether the standards are being met.

62.8 Sec. 13. Minnesota Statutes 2006, section 136A.68, is amended to read:

62.9 **136A.68 RECORDS.**

62.10 ~~After August 1, 1975, all schools located in this state must maintain permanent~~  
62.11 ~~records of all students enrolled therein at any time. The office may require schools to~~  
62.12 ~~provide a plan acceptable to the office for preserving all such records for at least ten years.~~  
62.13 ~~The office may require that such plan include the filing of a continuous surety bond or a~~  
62.14 ~~deposit of funds in trust in an amount not to exceed \$20,000 for the purpose of preserving~~  
62.15 ~~records after such school ceases to exist. A registered school shall maintain a permanent~~  
62.16 record for each student for 50 years from the last date of the student's attendance. A  
62.17 registered school offering distance instruction to a student located in Minnesota shall  
62.18 maintain a permanent record for each Minnesota student for 50 years from the last date of  
62.19 the student's attendance. Records include a student's academic transcript, documents, and  
62.20 files containing student data about academic credits earned, courses completed, grades  
62.21 awarded, degrees awarded, and periods of attendance. To preserve permanent records, a  
62.22 school shall submit a plan that meets the following requirements:

62.23 (1) at least one copy of the records must be held in a secure, fireproof depository  
62.24 or duplicate records must be maintained off site in a secure location and in a manner  
62.25 approved by the office;

62.26 (2) an appropriate official must be designated to provide a student with copies of  
62.27 records or a transcript upon request;

62.28 (3) an alternative method approved by the office of complying with clauses (1) and  
62.29 (2) must be established if the school ceases to exist; and

62.30 (4) if the school has no binding agreement approved by the office for preserving  
62.31 student records, a continuous surety bond must be filed with the office in an amount not to  
62.32 exceed \$20,000. The bond shall run to the state of Minnesota.

62.33 Sec. 14. Minnesota Statutes 2006, section 136A.69, is amended to read:

62.34 **136A.69 FEES.**

63.1 Subdivision 1. **Registration fees.** The office shall collect reasonable registration  
63.2 fees that are sufficient to recover, but do not exceed, its costs of administering the  
63.3 registration program. The office shall charge \$1,100 for initial registration fees and \$950  
63.4 for annual renewal fees.

63.5 Subd. 2. **Degree level addition fee.** The office processing fee for adding a degree  
63.6 level to an existing program is \$2,000 per program.

63.7 Subd. 3. **Program addition fee.** The office processing fee for adding a program  
63.8 that represents a significant departure in the objectives, content, or method of delivery of  
63.9 programs that are currently offered by the school is \$500 per program.

63.10 Subd. 4. **Visit or consulting fee.** If the office determines that a fact-finding visit  
63.11 or outside consultant is necessary to review or evaluate any new or revised program, the  
63.12 office shall be reimbursed for the expenses incurred related to the review as follows:

63.13 (1) \$300 for the team base fee or for a paper review conducted by a consultant if the  
63.14 office determines that a fact-finding visit is not required;

63.15 (2) \$300 for each day or part thereof on site per team member; and

63.16 (3) the actual cost of customary meals, lodging, and related travel expenses incurred  
63.17 by team members.

63.18 Subd. 5. **Modification fee.** The fee for modification of any existing program is  
63.19 \$100 and is due if there is:

63.20 (1) an increase or decrease of 25 percent or more from the original date of program  
63.21 approval, in clock hours, credit hours, or calendar length of an existing program;

63.22 (2) a change in academic measurement from clock hours to credit hours or vice  
63.23 versa; or

63.24 (3) an addition or alteration of courses that represent a 25 percent change or more in  
63.25 the objectives, content, or methods of delivery.

63.26 Sec. 15. **[136A.705] PENALTY.**

63.27 The director may assess fines for violations of a provision of sections 136A.61 to  
63.28 136A.71. Each day's failure to comply with a provision of sections 136A.61 to 136A.71  
63.29 shall be a separate violation and fines shall not exceed \$500 per day per violation.

63.30 Amounts received under this section must be deposited in the special revenue fund and are  
63.31 appropriated to the Office of Higher Education for the purposes in sections 136A.61 to  
63.32 136A.71.

63.33 Sec. 16. Minnesota Statutes 2006, section 141.21, subdivision 1a, is amended to read:

64.1 Subd. 1a. **Office of Higher Education or office.** "Office of Higher Education" or  
64.2 "office" means the Minnesota Office of Higher Education.

64.3 Sec. 17. Minnesota Statutes 2006, section 141.21, subdivision 5, is amended to read:

64.4 Subd. 5. **School.** "School" means any person, within or outside the state, who  
64.5 maintains, advertises, administers, solicits for, or conducts any program ~~for profit at any~~  
64.6 less than an associate degree level ~~other than baccalaureate or graduate programs, and is~~  
64.7 ~~not specifically exempted by sections 141.21 to~~ and is not registered as a private institution  
64.8 under sections 136A.61 to 136A.71 and is not specifically exempted by section 141.35  
64.9 or 141.37. School also means any person, within or outside the state, who maintains,  
64.10 advertises, administers, solicits for, or conducts any program at less than an associate  
64.11 degree level, is not registered as a private institution pursuant to sections 136A.61 to  
64.12 136A.71, and uses the term, "college," "institute," "academy," or "university" in its name.

64.13 Sec. 18. Minnesota Statutes 2006, section 141.25, subdivision 1, is amended to read:

64.14 Subdivision 1. **Required.** A school must not maintain, advertise, solicit for,  
64.15 administer, or conduct any program in Minnesota without first obtaining a license from  
64.16 the office.

64.17 Sec. 19. Minnesota Statutes 2006, section 141.25, subdivision 5, is amended to read:

64.18 Subd. 5. **Bond.** (a) No license shall be issued to any school which maintains,  
64.19 conducts, solicits for, or advertises within the state of Minnesota any program, unless the  
64.20 applicant files with the office a continuous corporate surety bond written by a company  
64.21 authorized to do business in Minnesota conditioned upon the faithful performance of all  
64.22 contracts and agreements with students made by the applicant.

64.23 (b) The amount of the surety bond shall be ten percent of the preceding year's gross  
64.24 income from student tuition, fees, and other required institutional charges, but in no event  
64.25 less than \$10,000 nor greater than \$250,000, except that a school may deposit a greater  
64.26 amount at its own discretion. A school in each annual application for licensure must  
64.27 compute the amount of the surety bond and verify that the amount of the surety bond  
64.28 complies with this subdivision, unless the school maintains a surety bond equal to at least  
64.29 \$250,000. A school that operates at two or more locations may combine gross income  
64.30 from student tuition, fees, and other required institutional charges for all locations for the  
64.31 purpose of determining the annual surety bond requirement. The gross tuition and fees  
64.32 used to determine the amount of the surety bond required for a school having a license for

65.1 the sole purpose of recruiting students in Minnesota shall be only that paid to the school  
65.2 by the students recruited from Minnesota.

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

65.10 (d) In lieu of bond, the applicant may deposit with the commissioner of finance a  
65.11 sum equal to the amount of the required surety bond in cash, or securities as may be  
65.12 legally purchased by savings banks or for trust funds in an aggregate market value equal  
65.13 to the amount of the required surety bond.

65.14 (e) Failure of a school to post and maintain the required surety bond or deposit under  
65.15 paragraph (d) ~~may~~ shall result in denial, suspension, or revocation of the school's license.

65.16 Sec. 20. Minnesota Statutes 2006, section 141.25, subdivision 7, is amended to read:

65.17 Subd. 7. **Minimum standards.** A license shall be issued if the office first  
65.18 determines:

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

65.21 (i) meet the school's financial obligations;

65.22 (ii) refund all tuition and other charges, within a reasonable period of time, in the  
65.23 event of dissolution of the school or in the event of any justifiable claims for refund against  
65.24 the school by the student body;

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

65.26 (iv) maintain and support the school;

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

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

65.32 (4) that the school has an organizational framework with administrative and  
65.33 instructional personnel to provide the programs and services it intends to offer;

65.34 (5) that the premises and conditions under which the students work and study are  
65.35 sanitary, healthful, and safe, according to modern standards;

66.1 (6) that the quality and content of each occupational course or program of study  
66.2 provides education and adequate preparation to enrolled students for entry level positions  
66.3 in the occupation for which prepared;

66.4 (7) that the living quarters which are owned, maintained, recommended, or approved  
66.5 by the applicant for students are sanitary and safe;

66.6 (8) that the contract or enrollment agreement used by the school complies with  
66.7 the provisions in section 141.265;

66.8 (9) that contracts and agreements do not contain a wage assignment provision or a  
66.9 confession of judgment clause; and

66.10 (10) that there has been no adjudication of fraud or misrepresentation in any  
66.11 criminal, civil, or administrative proceeding in any jurisdiction against the school or its  
66.12 owner, officers, agents, or sponsoring organization.

66.13 Sec. 21. Minnesota Statutes 2006, section 141.25, subdivision 9, is amended to read:

66.14 Subd. 9. **Catalog, brochure, or electronic display.** Before a license is issued to  
66.15 a school, the school shall furnish to the office a catalog, brochure, or electronic display  
66.16 including:

66.17 (1) identifying data, such as volume number and date of publication;

66.18 (2) name and address of the school and its governing body and officials;

66.19 (3) a calendar of the school showing legal holidays, beginning and ending dates of  
66.20 each course quarter, term, or semester, and other important dates;

66.21 (4) the school policy and regulations on enrollment including dates and specific  
66.22 entrance requirements for each program;

66.23 (5) the school policy and regulations about leave, absences, class cuts, make-up  
66.24 work, tardiness, and interruptions for unsatisfactory attendance;

66.25 (6) the school policy and regulations about standards of progress for the student  
66.26 including the grading system of the school, the minimum grades considered satisfactory,  
66.27 conditions for interruption for unsatisfactory grades or progress, a description of any  
66.28 probationary period allowed by the school, and conditions of reentrance for those  
66.29 dismissed for unsatisfactory progress;

66.30 (7) the school policy and regulations about student conduct and conditions for  
66.31 dismissal for unsatisfactory conduct;

66.32 (8) a detailed schedule of fees, charges for tuition, books, supplies, tools, student  
66.33 activities, laboratory fees, service charges, rentals, deposits, and all other charges;

67.1 (9) the school policy and regulations, including an explanation of section 141.271,  
 67.2 about refunding tuition, fees, and other charges if the student does not enter the program,  
 67.3 withdraws from the program, or the program is discontinued;

67.4 (10) a description of the available facilities and equipment;

67.5 (11) a course outline syllabus for each course offered showing course objectives,  
 67.6 subjects or units in the course, type of work or skill to be learned, and approximate time,  
 67.7 hours, or credits to be spent on each subject or unit;

67.8 (12) the school policy and regulations about granting credit for previous education  
 67.9 and preparation;

67.10 (13) a notice to students relating to the transferability of any credits earned at the  
 67.11 school to other institutions;

67.12 (14) a procedure for investigating and resolving student complaints; and

67.13 ~~(14)~~ (15) the name and address of the Minnesota Office of Higher Education.

67.14 A school that is exclusively a distance education school is exempt from clauses  
 67.15 (3) and (5).

67.16 Sec. 22. Minnesota Statutes 2006, section 141.25, subdivision 10, is amended to read:

67.17 Subd. 10. **Placement records.** (a) Before a license is ~~issued~~ reissued to a school  
 67.18 that offers, advertises or implies a placement service, the school shall file with the office  
 67.19 for the past year and thereafter at reasonable intervals determined by the office, a certified  
 67.20 copy of the school's placement record, containing a list of graduates, a description of their  
 67.21 jobs, names of their employers, and other information as the office may prescribe.

67.22 (b) Each school that offers a placement service shall furnish to each prospective  
 67.23 student, upon request, prior to enrollment, written information concerning the percentage  
 67.24 of the previous year's graduates who were placed in the occupation for which prepared or  
 67.25 in related employment.

67.26 Sec. 23. Minnesota Statutes 2006, section 141.25, subdivision 12, is amended to read:

67.27 Subd. 12. **Permanent records.** A school licensed under this chapter and located  
 67.28 in Minnesota shall maintain a permanent record for each student for 50 years from the  
 67.29 last date of the student's attendance. A school licensed under this chapter and offering  
 67.30 distance instruction to a student located in Minnesota shall maintain a permanent record  
 67.31 for each Minnesota student for 50 years from the last date of the student's attendance.  
 67.32 Records include school transcripts, documents, and files containing student data about  
 67.33 academic credits earned, courses completed, grades awarded, degrees awarded, and

68.1 periods of attendance. To preserve permanent records, a school shall submit a plan that  
68.2 meets the following requirements:

68.3 (1) at least one copy of the records must be held in a secure, fireproof depository;

68.4 (2) an appropriate official must be designated to provide a student with copies of  
68.5 records or a transcript upon request;

68.6 (3) an alternative method, approved by the office, of complying with clauses (1) and  
68.7 (2) must be established if the school ceases to exist; and

68.8 (4) a continuous surety bond must be filed with the office in an amount not to exceed  
68.9 \$20,000 if the school has no binding agreement approved by the office, for preserving  
68.10 student records ~~or a trust must be arranged if the school ceases to exist.~~ The bond shall run  
68.11 to the state of Minnesota.

68.12 Sec. 24. Minnesota Statutes 2006, section 141.255, subdivision 2, is amended to read:

68.13 Subd. 2. **Renewal licensure fee; late fee.** (a) The office processing fee for a  
68.14 renewal licensure application is:

68.15 (1) for a category A school, as determined by the office, the fee is \$865 if the school  
68.16 offers one program or \$1,150 if the school offers two or more programs; and

68.17 (2) for a category B or C school, as determined by the office, the fee is \$430 if the  
68.18 school offers one program or \$575 if the school offers two or more programs.

68.19 (b) If a license renewal application is not received by the office by the close of  
68.20 business at least 60 days before the expiration of the current license, a late fee of \$100  
68.21 per business day, not to exceed \$3,000, shall be assessed.

68.22 Sec. 25. Minnesota Statutes 2006, section 141.265, subdivision 2, is amended to read:

68.23 Subd. 2. **Contract information.** A contract or enrollment agreement used by a  
68.24 school must include at least the following:

68.25 (1) the name and address of the school, clearly stated;

68.26 (2) a clear and conspicuous disclosure that the agreement is a legally binding  
68.27 instrument upon written acceptance of the student by the school unless canceled under  
68.28 section 141.271;

68.29 (3) the school's cancellation and refund policy that shall be clearly and conspicuously  
68.30 entitled "Buyer's Right to Cancel";

68.31 (4) a clear statement of total cost of the program including tuition and all other  
68.32 charges;

68.33 (5) the name and description of the program, including the number of hours or  
68.34 credits of classroom instruction, or distance instruction, that shall be included; and

69.1 (6) a clear and conspicuous explanation of the form and means of notice the student  
 69.2 should use in the event the student elects to cancel the contract or sale, the effective  
 69.3 date of cancellation, and the name and address of the seller to which the notice should  
 69.4 be sent or delivered.

69.5 The contract or enrollment agreement must not include a wage assignment provision or a  
 69.6 confession of judgment clause.

69.7 Sec. 26. Minnesota Statutes 2006, section 141.271, subdivision 10, is amended to read:

69.8 Subd. 10. **Cancellation occurrence.** Written notice of cancellation shall take place  
 69.9 on the date the letter of cancellation is postmarked or, in the cases where the notice is hand  
 69.10 carried, it shall occur on the date the notice is delivered to the school. If a student has not  
 69.11 attended ~~classes~~ class for a period of 21 consecutive days without contacting the school to  
 69.12 indicate an intent to continue in school or otherwise making arrangements concerning the  
 69.13 absence, the student is considered to have withdrawn from school for all purposes as of  
 69.14 the student's last documented date of attendance.

69.15 Sec. 27. Minnesota Statutes 2006, section 141.271, subdivision 12, is amended to read:

69.16 Subd. 12. **Instrument not to be negotiated.** A school shall not negotiate any  
 69.17 promissory instrument received as payment of tuition or other charge prior to completion  
 69.18 of 50 percent of the program; except that prior to that time, instruments may be transferred  
 69.19 by assignment to purchasers who shall be subject to all defenses available against the  
 69.20 school named as payee.

69.21 Sec. 28. Minnesota Statutes 2006, section 141.28, subdivision 1, is amended to read:

69.22 Subdivision 1. ~~Not to advertise state approval~~ **Disclosure required.** ~~Schools,~~  
 69.23 ~~agents of schools, and solicitors may not advertise or represent in writing or orally that~~  
 69.24 ~~such school is approved or accredited by the state of Minnesota, except that any~~ A  
 69.25 school, agent, or solicitor may advertise represent in advertisements and shall disclose  
 69.26 in catalogues, applications, and enrollment materials that the school and solicitor have  
 69.27 been is duly licensed by the state using by prominently displaying the following ~~language~~  
 69.28 statement:

69.29 "(Name of school) is licensed as a private career school with the Minnesota Office of  
 69.30 Higher Education pursuant to Minnesota Statutes, sections 141.21 to 141.32. Licensure is  
 69.31 not an endorsement of the institution. Credits earned at the institution may not transfer to  
 69.32 all other institutions. ~~The educational programs may not meet the needs of every student~~  
 69.33 ~~or employer."~~

70.1 Sec. 29. Minnesota Statutes 2006, section 141.32, is amended to read:

70.2 **141.32 PENALTY.**

70.3 ~~Violation of a provision of this chapter shall be a misdemeanor. Each day's failure~~  
 70.4 ~~to comply with this chapter shall be a separate violation. The office shall adopt rules~~  
 70.5 ~~establishing a list of civil penalties and the fine associated with each violation. Fines~~  
 70.6 ~~for violations shall not exceed \$500 per day per violation. The director may assess~~  
 70.7 fin ~~es for violations of a provision of this chapter. Each day's failure to comply with this~~  
 70.8 chapter shall be a separate violation and fines shall not exceed \$500 per day per violation.  
 70.9 Amounts received under this section must be deposited in the special revenue fund and are  
 70.10 appropriated to the Office of Higher Education for the purposes of this chapter.

70.11 Sec. 30. Minnesota Statutes 2006, section 141.35, is amended to read:

70.12 **141.35 EXEMPTIONS.**

70.13 Sections 141.21 to ~~141.35~~ 141.32 shall not apply to the following:

70.14 (1) public postsecondary institutions;

70.15 (2) ~~private~~ postsecondary institutions registered under sections ~~136A.61~~ 136A.615  
 70.16 ~~to 136A.71 that are nonprofit, or that are for profit and registered under sections 136A.61~~  
 70.17 ~~to 136A.71 as of December 31, 1998, or are approved to offer exclusively baccalaureate~~  
 70.18 ~~or postbaccalaureate programs;~~

70.19 (3) schools of nursing accredited by the state Board of Nursing or an equivalent  
 70.20 public board of another state or foreign country;

70.21 (4) private schools complying with the requirements of section 120A.22, subdivision  
 70.22 4;

70.23 (5) courses taught to students in a valid apprenticeship program taught by or  
 70.24 required by a trade union;

70.25 (6) schools exclusively engaged in training physically or mentally disabled persons  
 70.26 for the state of Minnesota;

70.27 (7) schools licensed by boards authorized under Minnesota law to issue licenses;

70.28 (8) schools and educational programs, or training programs, contracted for by  
 70.29 persons, firms, corporations, government agencies, or associations, for the training of their  
 70.30 own employees, for which no fee is charged the employee;

70.31 (9) schools engaged exclusively in the teaching of purely avocational, recreational,  
 70.32 or remedial subjects as determined by the office;

70.33 (10) ~~driver training schools and instructors as defined in section 171.33, subdivisions~~  
 70.34 ~~1 and 2;~~

71.1 ~~(11)~~ classes, courses, or programs conducted by a bona fide trade, professional, or  
 71.2 fraternal organization, solely for that organization's membership;

71.3 ~~(12)~~ (11) programs in the fine arts provided by organizations exempt from taxation  
 71.4 under section 290.05 and registered with the attorney general under chapter 309. For  
 71.5 the purposes of this clause, "fine arts" means activities resulting in artistic creation or  
 71.6 artistic performance of works of the imagination which are engaged in for the primary  
 71.7 purpose of creative expression rather than commercial sale or employment. In making  
 71.8 this determination the office may seek the advice and recommendation of the Minnesota  
 71.9 Board of the Arts;

71.10 ~~(13)~~ (12) classes, courses, or programs intended to fulfill the continuing education  
 71.11 requirements for licensure or certification in a profession, that have been approved by  
 71.12 a legislatively or judicially established board or agency responsible for regulating the  
 71.13 practice of the profession, and that are offered exclusively to an individual practicing  
 71.14 the profession;

71.15 ~~(14)~~ (13) classes, courses, or programs intended to prepare students to sit for  
 71.16 undergraduate, graduate, postgraduate, or occupational licensing and occupational  
 71.17 entrance examinations;

71.18 ~~(15)~~ (14) classes, courses, or programs providing 16 or fewer clock hours of  
 71.19 instruction that are not part of the curriculum for an occupation or entry level employment;

71.20 ~~(16)~~ (15) classes, courses, or programs providing instruction in personal  
 71.21 development, modeling, or acting;

71.22 ~~(17)~~ (16) training or instructional programs, in which one instructor teaches an  
 71.23 individual student, that are not part of the curriculum for an occupation or are not intended  
 71.24 to prepare a person for entry level employment; and

71.25 ~~(18)~~ (17) schools with no physical presence in Minnesota, as determined by the  
 71.26 office, engaged exclusively in offering distance instruction that are located in and  
 71.27 regulated by other states or jurisdictions.

71.28 Sec. 31. **[141.37] EXEMPTION; RELIGIOUS SCHOOLS.**

71.29 Subdivision 1. Exemption. Any school or any department or branch of a school:

71.30 (1) which is substantially owned, operated, or supported by a bona fide church  
 71.31 or religious organization;

71.32 (2) whose programs are primarily designed for, aimed at, and attended by persons  
 71.33 who sincerely hold or seek to learn the particular religious faith or beliefs of that church or  
 71.34 religious organization; and

72.1 (3) whose programs are primarily intended to prepare its students to become  
72.2 ministers of, to enter into some other vocation closely related to, or to conduct their lives  
72.3 in consonance with the particular faith of that church or religious organization,  
72.4 is exempt from the provisions of sections 141.21 to 141.32.

72.5 Subd. 2. **Limitations.** (a) An exemption shall not extend to any school, department  
72.6 or branch of a school, or program of a school which through advertisements or solicitations  
72.7 represents to any students or prospective students that the school, its aims, goals, missions,  
72.8 purposes, or programs are different from those described in subdivision 1.

72.9 (b) An exemption shall not extend to any school which represents to any student or  
72.10 prospective student that the major purpose of its programs is to:

72.11 (1) prepare the student for a vocation not closely related to that particular religious  
72.12 faith; or

72.13 (2) provide the student with a general educational program recognized by other  
72.14 schools or the broader educational, business, or social community as being substantially  
72.15 equivalent to the educational programs offered by schools or departments or branches of  
72.16 schools which are not religious in nature and are not exempt from chapter 141 and from  
72.17 rules adopted pursuant under this chapter.

72.18 Subd. 3. **Scope.** Nothing in this chapter or the rules adopted under it shall be  
72.19 interpreted as permitting the office to determine the truth or falsity of any particular set  
72.20 of religious beliefs.

72.21 Subd. 4. **Descriptive language required.** Any certificate, diploma, degree, or other  
72.22 formal recognition awarded upon completion of any religiously exempt program shall  
72.23 include such descriptive language as to make the religious nature of the award clear.

72.24 **Sec. 32. EFFECTIVE DATE; TRANSITION PROCESS.**

72.25 This article is effective July 1, 2007. Schools licensed pursuant to Minnesota  
72.26 Statutes, chapter 141, that qualify for private institution registration after July 1, 2007,  
72.27 shall apply for and complete the process for registration prior to the expiration of their  
72.28 current private career school license under Minnesota Statutes, chapter 141. Schools  
72.29 registered as private institutions pursuant to Minnesota Statutes, sections 136A.61 to  
72.30 136A.71, that are required to obtain a private career school license after July 1, 2007, shall  
72.31 apply for and complete the process for licensure prior to the expiration of the current  
72.32 registration, but in any event no later than December 31, 2007. If the office finds it  
72.33 is necessary to allow for the proper processing of license or registration applications  
72.34 required by this section, the office is authorized to extend existing license or registration  
72.35 for a reasonable period of time.

**135A.031 APPROPRIATIONS FOR INSTRUCTIONAL SERVICES.**

Subd. 2. **Appropriations for certain enrollments.** The state share of the estimated expenditures for instruction shall vary for some categories of students, as designated in this subdivision.

(a) The state must provide at least 67 percent of the estimated expenditures for:

(1) students who resided in the state for at least one calendar year prior to applying for admission or dependent students whose parent or legal guardian resides in Minnesota at the time the student applies;

(2) Minnesota residents who can demonstrate that they were temporarily absent from the state without establishing residency elsewhere;

(3) residents of other states or provinces who are attending a Minnesota institution under a tuition reciprocity agreement;

(4) students who have been in Minnesota as migrant farmworkers, as defined in the Code of Federal Regulations, title 20, section 633.104, over a period of at least two years immediately before admission or readmission to a Minnesota public postsecondary institution, or students who are dependents of such migrant farmworkers; and

(5) persons who: (i) were employed full time and were relocated to the state by the person's current employer, or (ii) moved to the state for employment purposes and, before moving and before applying for admission to a public postsecondary institution, accepted a job in the state, or students who are spouses or dependents of such persons.

(b) The definition of full year equivalent for purposes of the formula calculations in this chapter is twice the normal value for the following enrollments:

(1) students who are concurrently enrolled in a public secondary school and for whom the institution is receiving any compensation under the Postsecondary Enrollment Options Act; and

(2) students enrolled under the student exchange program of the Midwest Compact.

Subd. 3. **Determination of instructional services base.** The instructional services base for each public postsecondary system is the sum of: (1) the state share; and (2) the legislatively estimated tuition for the second year of the most recent biennium; and (3) performance as calculated in subdivision 5.

Subd. 4. **Enrollments for budgeting.** For all purposes where student enrollment is used for budgeting purposes, student enrollment shall be measured in full-year equivalents and shall include only enrollments in courses that award credit or otherwise satisfy any of the requirements of an academic or vocational program.

Subd. 5. **Adjustment for performance.** Each public postsecondary system's instructional services base shall be adjusted, up to one percent, if the system meets the performance standards established by the system's governing board as part of the biennial budget document.

Subd. 6. **Adjustment for change items.** The instructional services base may be adjusted for change items as determined by the governor and the legislature after adjustments for inflation, enrollments, and performance.

**135A.032 APPROPRIATIONS FOR NONINSTRUCTIONAL SERVICES.**

Subdivision 1. **Determination of noninstructional appropriations base.** The noninstructional services base for each public postsecondary system is the state share for the second year of the most recent biennium plus adjustments for inflation and for performance as specified in subdivision 2. The cost of technical college extension programs shall be included in noninstructional services.

Subd. 2. **Adjustment for performance.** The noninstructional services base shall be increased, up to one percent, if the system meets the performance standards established by the system's governing board as part of the biennial budget document.

Subd. 3. **Adjustment for change items.** The noninstructional services base may be adjusted for change items as determined by the governor and the legislature after noninstructional base adjustments for inflation and performance.

**135A.033 PERFORMANCE FUNDING.**

The governing boards of the University of Minnesota and the Minnesota State Colleges and Universities, in conjunction with their respective campuses, shall each specify performance categories and indicators relating to section 135A.053, subdivision 1, to be used for policy and appropriations decisions, as well as allocations for rewarding campuses that achieve performance

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levels and assisting campuses that are unable to achieve these levels. Because the mission of each system and type of campus varies, categories and indicators shall vary accordingly.

#### **135A.045 POSTSECONDARY SYSTEMS.**

Each postsecondary governing board shall report on any petroleum tank release cleanup fund reimbursements as part of each biennial budget request. The board shall specify its costs in relation to any tank removal, replacement, and cleanup and shall identify all petroleum tank release cleanup fund reimbursements it received or assigned and the specific activity for which the reimbursement or assignment was made. The board must place all reimbursements it receives into its capital repair and betterment account.

#### **135A.053 STATE HIGHER EDUCATION POLICY.**

Subdivision 1. **Statewide objectives.** Minnesota's higher education investment is made in pursuit of the following objectives:

(1) to ensure quality - to provide a level of excellence that is competitive on a national and international level, through high quality teaching, scholarship, and learning in a broad range of arts and sciences, technical education, and professional fields;

(2) to foster student success - to enable and encourage students to choose institutions and programs that are best suited for their talents and abilities, and to provide an educational climate that supports students in pursuing their goals and aspirations;

(3) to promote democratic values - to enhance Minnesota's quality of life by developing understanding and appreciation of a free and diverse society;

(4) to maintain access - to provide an opportunity for all Minnesotans, regardless of personal circumstances, to participate in higher education; and

(5) to enhance the economy - to assist the state in being competitive in the world market, and to prepare a highly skilled and adaptable workforce that meets Minnesota's opportunities and needs.

Subd. 2. **Performance and accountability.** Higher education systems and campuses are expected to achieve the objectives in subdivision 1 and will be held accountable for doing so. The legislature is increasing the flexibility of the systems and campuses to provide greater responsibility to higher education in deciding how to achieve statewide objectives, and to decentralize authority so that those decisions can be made at the level where the education is delivered. To demonstrate their accountability, the legislature expects each system and campus to measure and report on its performance, using meaningful indicators that are critical to achieving the objectives in subdivision 1, as provided in section 135A.033. Nothing in this section precludes a system or campus from determining its own objectives and performance measures beyond those identified in this section.

#### **136A.07 REPORTS.**

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

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

Subd. 8. **Data sharing.** (a) The Minnesota Office of Higher Education must consider developing data collection procedures and agreements to monitor the extent to which students who attend Minnesota postsecondary institutions under reciprocity agreements are employed in Minnesota after graduation. These procedures must include matching Social Security numbers of reciprocity students for purposes of tracking the migration and employment of students who receive associate, baccalaureate, or graduate degrees through a tuition reciprocity program. State agencies must share wage and earnings data under section 268.19 for the purpose of evaluating the tuition reciprocity program.

(b) The reciprocity application must request the use of student Social Security numbers for the purposes of this subdivision. Reciprocity students must be informed that Social Security numbers will be used only for monitoring described in paragraph (a), by sharing information with Minnesota agencies and departments responsible for the administration of covered wage

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data and revenue collections. Social Security numbers must not be used for any other purpose or reported to any other government entity.

(c) The office must include summary data on the migration and earnings of reciprocity graduates in the reciprocity report to the legislature. This report must include summary statistics on number of graduates by institution, degree granted and year of graduation, total number of reciprocity students employed in the state, and total earnings of graduates.