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State of Minnesota
HOUSE OF REPRESENTATIVES

**EIGHTY-FIFTH
SESSION**

HOUSE FILE No. 3363

February 25, 2008

Authored by Haws, Hosch, Dominguez, Severson, Dettmer and others
The bill was read for the first time and referred to the Committee on Finance

1.1 A bill for an act
1.2 relating to higher education; clarifying certain scholarship program provisions;
1.3 amending grant requirements; amending certain private institution provisions;
1.4 making technical changes; providing for data sharing; amending Minnesota
1.5 Statutes 2006, sections 13.32, by adding a subdivision; 141.25, by adding
1.6 a subdivision; Minnesota Statutes 2007 Supplement, sections 136A.126;
1.7 136A.127; 136A.65, subdivisions 1, 3, 5, 6, 7; 136A.66; 136A.67; 136A.69;
1.8 141.25, subdivision 5; 141.28, subdivision 1; 141.35; 197.791, subdivisions 1,
1.9 4, 5.

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

1.11 **ARTICLE 1**
1.12 **STUDENT FINANCIAL AID PROGRAMS**

1.13 Section 1. Minnesota Statutes 2007 Supplement, section 136A.126, is amended to read:

1.14 **136A.126 INDIAN SCHOLARSHIPS.**

1.15 Subdivision 1. Student eligibility. The director of the Office of Higher Education
1.16 shall establish procedures for the distribution of scholarships to ~~any~~ a Minnesota resident
1.17 student who:

1.18 ~~who~~ (1) is of one-fourth or more Indian ancestry;

1.19 ~~who~~ (2) has applied for other existing state and federal scholarship and grant
1.20 programs, ~~and~~;

1.21 (3) if enrolled in an undergraduate program, is eligible or would be eligible to
1.22 receive a federal Pell Grant or a state grant based on the federal needs analysis;

1.23 (4) is an undergraduate enrolled for nine semester credits per term or more, or the
1.24 equivalent, or a graduate student enrolled on a half-time basis or more according to the
1.25 postsecondary institution; and

2.1 ~~who, (5)~~ in the opinion of the director of the Office of Higher Education, based
 2.2 upon postsecondary institution recommendations, has the capabilities to benefit from
 2.3 further education.

2.4 Subd. 2. Eligible programs. Scholarships must be for accredited degree programs
 2.5 in accredited Minnesota colleges or universities or for courses in accredited Minnesota
 2.6 business, technical, or vocational schools. Scholarships may also be given to students
 2.7 attending Minnesota colleges that are in candidacy status for obtaining full accreditation,
 2.8 and are eligible for and receiving federal financial aid programs. Students are also eligible
 2.9 for scholarships when enrolled as students in Minnesota higher education institutions that
 2.10 have joint programs with other accredited higher education institutions. ~~Scholarships shall~~
 2.11 ~~be used to defray the total cost of education including tuition, incidental fees, books,~~
 2.12 ~~supplies, transportation, other related school costs and the cost of board and room and~~
 2.13 ~~shall be paid directly to the college or school concerned where the student receives federal~~
 2.14 ~~financial aid.~~

2.15 Subd. 3. Cost of attendance. The total cost of ~~education includes all~~ attendance
 2.16 shall include tuition and required fees for each student enrolling in a public institution
 2.17 and the portion of tuition and fees for each student enrolling in a private institution that
 2.18 does not exceed the tuition and fees at a comparable public institution. Each student shall
 2.19 be awarded a scholarship based on a federal standardized need analysis. Applicants are
 2.20 encouraged to apply for all other sources of financial aid charged by the institution and the
 2.21 campus-based budget used for federal financial aid for food and shelter, books, supplies,
 2.22 transportation, and miscellaneous expenses.

2.23 ~~When an Indian student satisfactorily completes the work required by a certain~~
 2.24 ~~college or school in a school year the student is eligible for additional scholarships, if~~
 2.25 ~~additional training is necessary to reach the student's educational and vocational objective.~~

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

2.30 (1) the expected family contribution as calculated by the federal need analysis;

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

2.32 (3) the amount of the state grant;

2.33 (4) the sum of all federal Supplemental Educational Opportunity Grant, federal
 2.34 Academic Competitiveness Grant, and federal Science and Mathematics Access to Retain
 2.35 Talent Grant (SMART Grant) awards;

3.1 (5) the sum of all institutional grants, scholarships, tuition waivers, and tuition
3.2 remission amounts;

3.3 (6) the sum of all tribal scholarships;

3.4 (7) the amount of any other state and federal gift aid; and

3.5 (8) the amount of any private grants or scholarships.

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

3.8 (c) Awards are limited as follows:

3.9 (1) the maximum award for an undergraduate is \$4,000 per academic year;

3.10 (2) the maximum award for a graduate student is \$6,000 per academic year; and

3.11 (3) the minimum award for all students is \$100 per academic year.

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

3.18 **EFFECTIVE DATE.** This section is effective the day following final enactment.

3.19 Sec. 2. Minnesota Statutes 2007 Supplement, section 136A.127, is amended to read:

3.20 **136A.127 ACHIEVE SCHOLARSHIP PROGRAM.**

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

3.22 Subd. 2. **Definition; qualifying program.** For the purposes of this section, a
3.23 "qualifying program" means a rigorous secondary school program of study defined by
3.24 the Department of Education under agreement with the Secretary of Education for the
3.25 purposes of determining eligibility for the federal Academic Competitiveness Grant
3.26 Program under Title IV of the Higher Education Act of 1965, as amended.

3.27 Subd. 3. **Documentation of qualifying programs.** The student shall request a
3.28 transcript from the high school. The high school shall provide a transcript to the Office
3.29 of Higher Education or to the eligible institution in which the student is enrolling,
3.30 documenting the qualifying program. The student may be required to provide additional
3.31 documentation such as:

3.32 (1) official postsecondary transcript; and

3.33 (2) official IB/AP test scores.

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

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

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

4.7 (3) have a family adjusted gross income of less than \$75,000 in the last complete
4.8 calendar year prior to the academic year of postsecondary attendance ~~of less than \$75,000~~
4.9 in which the scholarship is used;

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

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

4.14 (6) be enrolled for at least three credits per quarter or semester or the equivalent at
4.15 an eligible institution as defined under section 136A.101, subdivision 4.

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

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

4.21 Subd. 7. **Deadline.** The deadline for the office to accept applications for Achieve
4.22 scholarships is ~~30 days after the beginning of the academic term for which the application~~
4.23 ~~is submitted~~ the same as that used for the state grant in section 136A.121, subdivision 13.

4.24 Subd. 8. **Documentation of qualifying household income.** Achieve Scholarship
4.25 Program applicants must certify on the application that they meet the income eligibility
4.26 requirement in subdivision ~~5~~ 4, clause ~~(2)~~ (3). The Office of Higher Education or the
4.27 postsecondary institution may request documentation needed to confirm income eligibility.

4.28 Subd. 9. **Scholarship awards.** Minnesota Achieve scholarships shall consist of
4.29 \$1,200 for a student who takes and receives at least a grade of C for courses required
4.30 under a qualifying program. The scholarships may be used to pay for qualifying expenses
4.31 at eligible institutions.

4.32 Subd. 10. **Qualifying expenses.** Qualifying expenses are components included
4.33 under the cost of attendance used for federal student financial aid programs, as defined in
4.34 section 472 of the Higher Education Act, United States Code, title 20, sections 1091 et
4.35 seq., as amended.

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

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

5.8 Subd. 13. **Disbursement of scholarships.** The office shall make two equal
5.9 payments to a postsecondary institution on behalf of the student. ~~The second payment~~
5.10 ~~must be made~~ After the student successfully completes the first term of enrollment, the
5.11 second payment must be made during the student's next term of enrollment at an eligible
5.12 institution. If the second disbursement is not within the same academic year as the first
5.13 disbursement, the student must request the second disbursement.

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

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

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

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

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

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

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

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

5.29 **EFFECTIVE DATE.** This section is effective the day following final enactment
5.30 and applies to students who graduate from high school after January 1, 2008.

5.31 **ARTICLE 2**

5.32 **PRIVATE INSTITUTIONS**

5.33 Section 1. Minnesota Statutes 2007 Supplement, section 136A.65, subdivision 1,
5.34 is amended to read:

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

6.5 Sec. 2. Minnesota Statutes 2007 Supplement, section 136A.65, subdivision 3, is
 6.6 amended to read:

6.7 Subd. 3. **Application.** A school subject to registration shall be granted approval
 6.8 to use the term "college," "~~academy,~~" "~~institute,~~" or "university" in its name if it was
 6.9 organized, operating, and using such term in its name on or before August 1, 2007, and if
 6.10 it meets the other policies and standards for approval established by the office.

6.11 Sec. 3. Minnesota Statutes 2007 Supplement, section 136A.65, subdivision 5, is
 6.12 amended to read:

6.13 Subd. 5. **Requirements for degree and nondegree program approval.** For each
 6.14 degree and nondegree program a school offers to a student, where the student does not
 6.15 leave Minnesota for the major portion of the program or course leading to the degree or
 6.16 nondegree award, the school must have:

6.17 (1) for degree programs:

6.18 ~~(1)~~ (i) qualified teaching personnel to provide the educational programs for each
 6.19 degree for which approval is sought;

6.20 ~~(2)~~ (ii) appropriate educational programs leading to each degree for which approval
 6.21 is sought;

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

6.24 ~~(4)~~ (iv) a rationale showing that degree programs are consistent with the school's
 6.25 mission and goals; and

6.26 (2) for nondegree programs:

6.27 (i) qualified teaching personnel to provide the educational programs for which
 6.28 approval is sought;

6.29 (ii) appropriate educational programs leading to each award for which approval
 6.30 is sought;

6.31 (iii) appropriate and accessible library, laboratory, and other physical facilities to
 6.32 support the educational program for which approval is sought; and

6.33 (iv) a rationale showing that programs are consistent with the school's mission
 6.34 and goals.

7.1 Nondegree programs that are a part of an approved degree shall not require
7.2 additional review or approval; they shall be considered approved as a part of the degree
7.3 approval. Any nondegree program offered by a degree-granting school that is not a part of
7.4 an approved degree shall be subject to clause (2), items (i) to (iv).

7.5 Sec. 4. Minnesota Statutes 2007 Supplement, section 136A.65, subdivision 6, is
7.6 amended to read:

7.7 Subd. 6. **Name.** A degree-granting school may use the term "academy" or "institute"
7.8 in its name without meeting any additional requirements. A school may use the term
7.9 "college" in its name if it offers at least one program leading to an associate degree. A
7.10 school may use the term "university" in its name if it offers at least one program leading
7.11 to a master's or doctorate degree.

7.12 Sec. 5. Minnesota Statutes 2007 Supplement, section 136A.65, subdivision 7, is
7.13 amended to read:

7.14 Subd. 7. **Conditional approval.** The office may grant conditional approval for a
7.15 degree or use of a term in its name for a period of less than one year if doing so would be
7.16 in the best interests of currently enrolled students or prospective students. New schools
7.17 may be granted conditional approval for degrees or names annually for a period not to
7.18 exceed five years to allow them the opportunity to apply for and receive accreditation as
7.19 required in subdivision 1a.

7.20 Sec. 6. Minnesota Statutes 2007 Supplement, section 136A.66, is amended to read:

7.21 **136A.66 LIST.**

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

7.25 Sec. 7. Minnesota Statutes 2007 Supplement, section 136A.67, is amended to read:

7.26 **136A.67 UNAUTHORIZED REPRESENTATIONS.**

7.27 No school and none of its officials or employees shall advertise or represent in
7.28 any manner that such school is approved or accredited by the office or the state of
7.29 Minnesota, except a school which is duly registered with the office, or any of its officials
7.30 or employees, may represent in advertising and shall disclose in catalogues, applications,
7.31 and enrollment materials that the school is registered with the office by prominently
7.32 displaying the following statement: "(Name of school) is registered as a private institution

8.1 with the Minnesota Office of Higher Education pursuant to sections 136A.61 to 136A.71.
8.2 Registration is not an endorsement of the institution. Credits earned at the institution
8.3 may not transfer to all other institutions."

8.4 Sec. 8. Minnesota Statutes 2007 Supplement, section 136A.69, is amended to read:

8.5 **136A.69 FEES.**

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

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

8.12 Subd. 3. **Degree or nondegree program addition fee.** The office processing fee
8.13 for adding a degree or nondegree program that represents a significant departure in the
8.14 objectives, content, or method of delivery of degree or nondegree programs that are
8.15 currently offered by the school is \$500 per degree or nondegree program.

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

8.20 (1) \$300 for the team base fee or for a paper review conducted by a consultant if the
8.21 office determines that a fact-finding visit is not required;

8.22 (2) \$300 for each day or part thereof on site per team member; and

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

8.25 Subd. 5. **Modification fee.** The fee for modification of any existing degree or
8.26 nondegree program is \$100 and is due if there is:

8.27 (1) an increase or decrease of 25 percent or more from the original date of program
8.28 approval, in clock hours, credit hours, or calendar length of an existing degree or
8.29 nondegree program;

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

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

9.1 Sec. 9. Minnesota Statutes 2007 Supplement, section 141.25, subdivision 5, is
9.2 amended to read:

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

9.8 (b)(1) The amount of the surety bond shall be ten percent of the preceding year's
9.9 gross income from student tuition, fees, and other required institutional charges, but in
9.10 no event less than \$10,000 nor greater than \$250,000, except that a school may deposit a
9.11 greater amount at its own discretion. A school in each annual application for licensure
9.12 must compute the amount of the surety bond and verify that the amount of the surety bond
9.13 complies with this subdivision, unless the school maintains a surety bond equal to at least
9.14 \$250,000. A school that operates at two or more locations may combine gross income
9.15 from student tuition, fees, and other required institutional charges for all locations for the
9.16 purpose of determining the annual surety bond requirement. The gross tuition and fees
9.17 used to determine the amount of the surety bond required for a school having a license for
9.18 the sole purpose of recruiting students in Minnesota shall be only that paid to the school
9.19 by the students recruited from Minnesota.

9.20 (2) A school required to obtain a private career school license due to the use of
9.21 "academy," "institute," "college," or "university" in its name and which is also licensed by
9.22 another state agency or board shall be required to provide a school bond of \$10,000.

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

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

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

10.1 Sec. 10. Minnesota Statutes 2006, section 141.25, is amended by adding a subdivision
10.2 to read:

10.3 Subd. 13. **Schools licensed by another state agency or board.** A school required to
10.4 obtain a private career school license due to the use of "academy," "institute," "college," or
10.5 "university" in its name and which is also licensed by another state agency or board shall
10.6 be required to satisfy only the requirements of subdivisions 3, clauses (1), (2), (3), (5), (7),
10.7 and (10); 4; 5, paragraph (b), clause (2); 7, clauses (1) and (10); 8; 9, clause (13); and 12.

10.8 Sec. 11. Minnesota Statutes 2007 Supplement, section 141.28, subdivision 1, is
10.9 amended to read:

10.10 Subdivision 1. **Disclosure required; advertisement restricted.** A Schools, agents
10.11 of schools, and solicitors may not advertise or represent in writing or orally that such
10.12 school is approved or accredited by the state of Minnesota, except that any school, agent,
10.13 or solicitor may represent in advertisements and shall disclose in catalogues, applications,
10.14 and enrollment materials that the school is duly licensed by the state by prominently
10.15 displaying the following statement:

10.16 "(Name of school) is licensed as a private career school with the Minnesota Office of
10.17 Higher Education pursuant to Minnesota Statutes, sections 141.21 to 141.32. Licensure is
10.18 not an endorsement of the institution. Credits earned at the institution may not transfer
10.19 to all other institutions."

10.20 Sec. 12. Minnesota Statutes 2007 Supplement, section 141.35, is amended to read:

10.21 **141.35 EXEMPTIONS.**

10.22 Sections 141.21 to 141.32 shall not apply to the following:

10.23 (1) public postsecondary institutions;

10.24 (2) postsecondary institutions registered under sections ~~136A.615~~ 136A.61 to
10.25 136A.71;

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

10.28 (4) private schools complying with the requirements of section 120A.22, subdivision
10.29 4;

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

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

11.1 (7) schools licensed by boards authorized under Minnesota law to issue licenses
11.2 except schools required to obtain a private career school license due to the use of
11.3 "academy," "institute," "college," or "university" in their names;

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

11.7 (9) schools engaged exclusively in the teaching of purely avocational, recreational,
11.8 or remedial subjects as determined by the office except schools required to obtain a private
11.9 career school license due to the use of "academy," "institute," "college," or "university"
11.10 in their names;

11.11 (10) classes, courses, or programs conducted by a bona fide trade, professional, or
11.12 fraternal organization, solely for that organization's membership;

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

11.20 (12) classes, courses, or programs intended to fulfill the continuing education
11.21 requirements for licensure or certification in a profession, that have been approved by
11.22 a legislatively or judicially established board or agency responsible for regulating the
11.23 practice of the profession, and that are offered exclusively to an individual practicing
11.24 the profession;

11.25 (13) classes, courses, or programs intended to prepare students to sit for
11.26 undergraduate, graduate, postgraduate, or occupational licensing and occupational
11.27 entrance examinations;

11.28 (14) classes, courses, or programs providing 16 or fewer clock hours of instruction
11.29 that are not part of the curriculum for an occupation or entry level employment except
11.30 schools required to obtain a private career school license due to the use of "academy,"
11.31 "institute," "college," or "university" in their names;

11.32 (15) classes, courses, or programs providing instruction in personal development,
11.33 modeling, or acting;

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

12.1 (17) schools with no physical presence in Minnesota, as determined by the office,
12.2 engaged exclusively in offering distance instruction that are located in and regulated
12.3 by other states or jurisdictions.

12.4 ARTICLE 3

12.5 MINNESOTA GI BILL

12.6 Section 1. Minnesota Statutes 2007 Supplement, section 197.791, subdivision 1,
12.7 is amended to read:

12.8 Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this
12.9 section.

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

12.12 (c) "Cost of attendance" for ~~both graduate and~~ undergraduate students has the
12.13 meaning given in section 136A.121, subdivision 6, multiplied by a factor of 1.1. ~~The~~
12.14 "Cost of attendance" for graduate students has the meaning given in section 136A.121,
12.15 subdivision 6, multiplied by a factor of 1.1 using the tuition and fee maximum established
12.16 by law for four-year programs shall be used to calculate the tuition and fee maximum
12.17 under section 136A.121, subdivision 6, for a graduate student. For purposes of calculating
12.18 the cost of attendance for graduate students, full time is eight credits or more per term or
12.19 the equivalent.

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

12.22 (e) "Eligible institution" means a postsecondary institution under section 136A.101,
12.23 subdivision 4 or a graduate school licensed or registered with the state of Minnesota
12.24 serving only graduate students.

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

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

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

13.4 (1) served 90 days or more of federal active duty in a foreign country during a time
13.5 of hostilities in that country or been awarded one or more of the following medals:

13.6 (i) Armed Forces Expeditionary Medal;

13.7 (ii) Kosovo Campaign Medal;

13.8 (iii) Afghanistan Campaign Medal;

13.9 (iv) Iraq Campaign Medal;

13.10 (v) Global War on Terrorism Expeditionary Medal; and

13.11 (vi) other campaign medals authorized for service after September 1, 2001; or

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

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

13.17 Sec. 2. Minnesota Statutes 2007 Supplement, section 197.791, subdivision 4, is
13.18 amended to read:

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

13.21 (1) the person is:

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

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

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

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

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

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

14.6 (4) the person receiving the educational assistance:

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

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

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

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

14.14 (v) is in compliance with child support payment requirements under section
14.15 136A.121, subdivision 2, clause (5); and

14.16 (vi) ~~if an undergraduate student, has applied for the federal Pell Grant and the~~
14.17 ~~Minnesota State Grant~~ has completed and submitted the Free Application for Federal
14.18 Student Aid (FAFSA).

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

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

14.27 (d) The commissioner may deny eligibility or terminate benefits under this section
14.28 to any person who has not provided sufficient documentation to determine eligibility for
14.29 the program. An applicant may appeal the commissioner's eligibility determination or
14.30 termination of benefits in writing to the commissioner at any time. The commissioner
14.31 must rule on any application or appeal within 30 days of receipt of all documentation that
14.32 the commissioner requires. The decision of the commissioner regarding an appeal is final.
14.33 However, an applicant whose appeal of an eligibility determination has been rejected by
14.34 the commissioner may submit an additional appeal of that determination in writing to the
14.35 commissioner at any time that the applicant is able to provide substantively significant
14.36 additional information regarding the applicant's eligibility for the program. An approval

15.1 of an applicant's eligibility by the commissioner following an appeal by the applicant is
15.2 not retroactively effective for more than one year or the semester of the person's original
15.3 application, whichever is later.

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

15.8 Sec. 3. Minnesota Statutes 2007 Supplement, section 197.791, subdivision 5, is
15.9 amended to read:

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

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

15.17 (1) the federal Pell Grant;

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

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

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

15.26 (1) \$1,000 per semester or term of enrollment;

15.27 (2) \$2,000 per state fiscal year; and

15.28 (3) \$10,000 in a lifetime.

15.29 For a part-time student, the amount of educational assistance must not exceed \$500
15.30 per semester or term of enrollment. For the purpose of this paragraph, a part-time
15.31 undergraduate student is a student taking fewer than 12 credits or the equivalent for a
15.32 semester or term of enrollment, and a part-time graduate student is a student considered
15.33 part time by the eligible institution the graduate student is attending. The minimum award
15.34 per term for the undergraduate and graduate students will be \$50 per term.

16.1

ARTICLE 4

16.2

EDUCATIONAL DATA

16.3 Section 1. Minnesota Statutes 2006, section 13.32, is amended by adding a subdivision
16.4 to read:

16.5 Subd. 11. **Data sharing for improving instruction.** Educational data may be
16.6 shared by and between the Department of Education and the Office of Higher Education
16.7 as authorized by Code of Federal Regulations, title 34, section 99.31(a)(6), to analyze
16.8 instruction in school districts for purposes of improvement.

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STUDENT FINANCIAL AID PROGRAMS

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