

**SENATE**  
**STATE OF MINNESOTA**  
**EIGHTY-NINTH SESSION**

**S.F. No. 1535**

(SENATE AUTHORS: BONOFF)

DATE	D-PG	OFFICIAL STATUS
03/09/2015	612	Introduction and first reading Referred to Higher Education and Workforce Development

A bill for an act

1.1 relating to higher education; making various technical and policy changes to  
1.2 provisions related to higher education, including provisions related to grants,  
1.3 loans, registration, and various higher education programs; prohibiting certain  
1.4 institutions from limiting access to a student's transcript; providing procedures to  
1.5 terminate a postsecondary institution's eligibility for state student aid programs;  
1.6 modifying terms of SELF loan; modernizing, streamlining, and clarifying various  
1.7 statutes; eliminating unnecessary or redundant laws and rules; deleting obsolete  
1.8 language and unnecessary verbiage; amending Minnesota Statutes 2014, sections  
1.9 13.32, subdivision 6; 16C.075; 136A.01, by adding a subdivision; 136A.031,  
1.10 subdivision 4; 136A.0411; 136A.101, subdivision 8; 136A.103; 136A.125,  
1.11 subdivisions 4, 4b; 136A.1313; 136A.15, subdivision 9; 136A.1701, subdivision  
1.12 4; 136A.61; 136A.62, subdivision 3; 136A.63, subdivision 2; 136A.64,  
1.13 subdivision 1; 136A.65, subdivisions 4, 7; 136A.657, subdivisions 1, 3, by adding  
1.14 a subdivision; 136A.67; 136A.861, subdivision 1; 136A.87; 136G.05, subdivision  
1.15 7; 141.21, subdivisions 5, 6a, 9; 141.25; 141.251, subdivision 2; 141.255; 141.26;  
1.16 141.265; 141.271, subdivisions 1a, 1b, 3, 5, 7, 8, 9, 10, 12, 13, 14; 141.28;  
1.17 141.29; 141.30; 141.32; 141.35; 197.75, subdivision 1; 261.23; proposing coding  
1.18 for new law in Minnesota Statutes, chapter 136A; repealing Minnesota Statutes  
1.19 2014, sections 135A.25, subdivisions 1, 2, 3, 4, 5; 136A.127, subdivisions 1, 2, 3,  
1.20 4, 5, 6, 7, 9, 9b, 10, 10a, 11, 14; 158.01; 158.02; 158.03; 158.04; 158.05; 158.06;  
1.21 158.07; 158.08; 158.09; 158.091; 158.10; 158.11; 158.12; Minnesota Rules,  
1.22 parts 4830.0120; 4830.0130; 4830.0140; 4830.0150; 4830.0160; 4830.0170;  
1.23 4830.0180; 4830.0190; 4830.0195; 4830.7500, subparts 2a, 2b, 2c, 3a.

1.24  
1.25 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

**ARTICLE 1**

**HIGHER EDUCATION; TECHNICAL CHANGES**

1.28 Section 1. Minnesota Statutes 2014, section 13.32, subdivision 6, is amended to read:

1.29 Subd. 6. **Admissions forms; Remedial instruction.** ~~(a) Minnesota postsecondary~~  
1.30 ~~education institutions, for purposes of reporting and research, may collect on the~~  
1.31 ~~1986-1987 admissions form, and disseminate to any public educational agency or~~

2.1 ~~institution the following data on individuals: student sex, ethnic background, age, and~~  
2.2 ~~disabilities. The data shall not be required of any individual and shall not be used for~~  
2.3 ~~purposes of determining the person's admission to an institution.~~

2.4 (b) (a) A school district that receives information under subdivision 3, paragraph  
2.5 (h) from a postsecondary institution about an identifiable student shall maintain the  
2.6 data as educational data and use that data to conduct studies to improve instruction.  
2.7 Public postsecondary systems as part of their participation in the Statewide Longitudinal  
2.8 Education Data System shall provide data on the extent and content of the remedial  
2.9 instruction received by individual students, and the results of assessment testing and the  
2.10 academic performance of, students who graduated from a Minnesota school district within  
2.11 two years before receiving the remedial instruction. The Office of Higher Education, in  
2.12 collaboration with the Department of Education, shall evaluate the data and annually  
2.13 report its findings to the education committees of the legislature.

2.14 (e) (b) This section supersedes any inconsistent provision of law.

2.15 Sec. 2. Minnesota Statutes 2014, section 16C.075, is amended to read:

2.16 **16C.075 E-VERIFY.**

2.17 A contract for services valued in excess of \$50,000 must require certification from  
2.18 the vendor and any subcontractors that, as of the date services on behalf of the state of  
2.19 Minnesota will be performed, the vendor and all subcontractors have implemented or are  
2.20 in the process of implementing the federal E-Verify program for all newly hired employees  
2.21 in the United States who will perform work on behalf of the state of Minnesota. This  
2.22 section does not apply to contracts entered into by the:

2.23 (1) State Board of Investment; or

2.24 (2) the Office of Higher Education for contracts related to the office's loan and  
2.25 loan refinancing programs.

2.26 Sec. 3. Minnesota Statutes 2014, section 136A.01, is amended by adding a subdivision  
2.27 to read:

2.28 Subd. 3. **Incentive programs.** The commissioner is authorized to utilize incentive  
2.29 gifts including, but not limited to, gift cards in order to promote to the public the various  
2.30 programs administered by the office. The annual total expenditures for such incentive  
2.31 programs shall not exceed \$25,000.

2.32 Sec. 4. Minnesota Statutes 2014, section 136A.031, subdivision 4, is amended to read:

3.1 Subd. 4. **Student representation.** The commissioner ~~must place at least one~~  
3.2 ~~student from an affected educational system on any task force created by the office. The~~  
3.3 ~~commissioner must submit to the SAC the name of any student appointed to an advisory~~  
3.4 ~~group or task force. The student appointment is not approved if four SAC members vote~~  
3.5 ~~to disapprove of the appointment. If an appointment is disapproved, the commissioner~~  
3.6 ~~must submit another student appointment to the SAC in a timely manner~~ shall invite the  
3.7 council to nominate a student or students to serve on task forces created by the office,  
3.8 when appropriate.

3.9 Sec. 5. Minnesota Statutes 2014, section 136A.0411, is amended to read:

3.10 **136A.0411 COLLECTING FEES.**

3.11 The office may charge fees for seminars, conferences, workshops, services, and  
3.12 materials. The office may collect fees for registration and licensure of private institutions  
3.13 under sections 136A.61 to 136A.71 and chapter 141. The money is ~~annually~~ appropriated  
3.14 to the office.

3.15 Sec. 6. Minnesota Statutes 2014, section 136A.101, subdivision 8, is amended to read:

3.16 Subd. 8. **Resident student.** "Resident student" means a student who meets one of  
3.17 the following conditions:

3.18 (1) a student who has resided in Minnesota for purposes other than postsecondary  
3.19 education for at least 12 consecutive months without being enrolled at a postsecondary  
3.20 educational institution for more than five credits in any term;

3.21 (2) a dependent student whose parent or legal guardian resides in Minnesota at the  
3.22 time the student applies;

3.23 (3) a student who graduated from a Minnesota high school, ~~if the student was a~~  
3.24 ~~resident of Minnesota during the student's period of attendance at the Minnesota high~~  
3.25 ~~school and the student is physically attending a Minnesota postsecondary educational~~  
3.26 institution or earned a high school equivalency certificate while residing in Minnesota,  
3.27 if the student currently resides in Minnesota or is physically attending a postsecondary  
3.28 institution located in Minnesota;

3.29 (4) a student who, ~~after residing in the state for a minimum of one year, earned a~~  
3.30 ~~high school equivalency certificate in Minnesota;~~

3.31 (5) a member, spouse, or dependent of a member of the armed forces of the United  
3.32 States ~~stationed in Minnesota on active federal military service as defined in section~~  
3.33 ~~190.05, subdivision 5c;~~

4.1 ~~(6)~~ (4) a spouse or dependent of a veteran, as defined in section 197.447, if the  
 4.2 veteran is a Minnesota resident student;

4.3 ~~(7) a person or spouse of a person who relocated to Minnesota from an area that~~  
 4.4 ~~is declared a presidential disaster area within the preceding 12 months if the disaster~~  
 4.5 ~~interrupted the person's postsecondary education;~~

4.6 (5) a person, or the spouse or dependent of that person, who relocated to Minnesota  
 4.7 and currently resides in Minnesota because: (i) the person is stationed in Minnesota on  
 4.8 federal active service as defined in section 190.05, subdivision 5c; or (ii) the person is  
 4.9 from an area that is declared a presidential disaster area and the declaration occurred  
 4.10 within 12 months of the person's relocation to Minnesota;

4.11 ~~(8)~~ (6) a person defined as a refugee under United States Code, title 8, section  
 4.12 1101(a)(42), who, upon arrival in the United States, moved to Minnesota and has  
 4.13 continued to reside in Minnesota; or

4.14 ~~(9)~~ (7) a student eligible for resident tuition under section 135A.043.

4.15 Sec. 7. Minnesota Statutes 2014, section 136A.103, is amended to read:

4.16 **136A.103 INSTITUTION ELIGIBILITY REQUIREMENTS.**

4.17 (a) A postsecondary institution is eligible for state student aid under chapter 136A  
 4.18 and sections 197.791 and 299A.45, if the institution is located in this state and:

4.19 (1) is operated by this state or the Board of Regents of the University of Minnesota; or

4.20 (2) is operated privately and, as determined by the office, meets the requirements of  
 4.21 paragraph (b).

4.22 (b) A private institution must:

4.23 (1) maintain academic standards substantially equivalent to those of comparable  
 4.24 institutions operated in this state;

4.25 (2) be licensed or registered as a postsecondary institution by the office; and

4.26 (3)(i) by July 1, 2010, participate in the federal Pell Grant program under Title IV of  
 4.27 the Higher Education Act of 1965, Public Law 89-329, as amended; or

4.28 (ii) if an institution was participating in state student aid programs as of June 30, 2010,  
 4.29 and the institution did not participate in the federal Pell Grant program by June 30, 2010,  
 4.30 the institution must require every student who enrolls to sign a disclosure form, provided by  
 4.31 the office, stating that the institution is not participating in the federal Pell Grant program.

4.32 (c) An institution that offers only graduate-level degrees or graduate-level nondegree  
 4.33 programs, ~~or that offers only degrees or programs that do not meet the required minimum~~  
 4.34 ~~program length to participate in the federal Pell Grant program,~~ is an eligible institution if  
 4.35 the institution is licensed or registered as a postsecondary institution by the office.

5.1 (d) An eligible institution under paragraph (b), clause (3), item (ii), that changes  
 5.2 ownership as defined in section 136A.63, subdivision 2, must participate in the federal  
 5.3 Pell Grant program within four calendar years of the first ownership change to continue  
 5.4 eligibility.

5.5 (e) An institution that loses its eligibility for the federal Pell Grant program is not an  
 5.6 eligible institution.

5.7 Sec. 8. Minnesota Statutes 2014, section 136A.15, subdivision 9, is amended to read:

5.8 Subd. 9. **Minnesota resident.** "Minnesota resident" means a student who meets one  
 5.9 of the following conditions: in section 136A.101, subdivision 8, clauses 1 to 3.

5.10 ~~(1) a student who has resided in Minnesota for purposes other than postsecondary~~  
 5.11 ~~education for at least 12 months without being enrolled at a postsecondary educational~~  
 5.12 ~~institution for more than five credits in any term;~~

5.13 ~~(2) a dependent student whose parent or legal guardian resides in Minnesota at the~~  
 5.14 ~~time the student applies;~~

5.15 ~~(3) a student who graduated from a Minnesota high school, if the student was a~~  
 5.16 ~~resident of Minnesota during the student's period of attendance at the Minnesota high~~  
 5.17 ~~school and the student is physically attending a Minnesota postsecondary educational~~  
 5.18 ~~institution; or~~

5.19 ~~(4) a student who, after residing in the state for a minimum of one year, earned a~~  
 5.20 ~~high school equivalency certificate in Minnesota.~~

5.21 Sec. 9. Minnesota Statutes 2014, section 136A.61, is amended to read:

5.22 **136A.61 POLICY.**

5.23 The legislature has found and hereby declares that the availability of legitimate  
 5.24 courses and programs leading to academic degrees offered by responsible private  
 5.25 ~~not-for-profit~~ nonprofit and for-profit institutions of postsecondary education and the  
 5.26 existence of legitimate private colleges and universities are in the best interests of the  
 5.27 people of this state. The legislature has found and declares that the state can provide  
 5.28 assistance and protection for persons choosing private institutions and programs, by  
 5.29 establishing policies and procedures to assure the authenticity and legitimacy of private  
 5.30 postsecondary education institutions and programs. The legislature has also found and  
 5.31 declares that this same policy applies to any private and public postsecondary educational  
 5.32 institution located in another state or country which offers or makes available to a  
 5.33 Minnesota resident any course, program or educational activity which does not require  
 5.34 the leaving of the state for its completion.

6.1 Sec. 10. Minnesota Statutes 2014, section 136A.62, subdivision 3, is amended to read:

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

6.3 (1) ~~any partnership, company, firm, society, trust, association, corporation, or any~~  
6.4 ~~combination thereof, which (i) is, owns, or operates a private, nonprofit postsecondary~~  
6.5 ~~education institution; (ii) is, owns, or operates a private, for-profit postsecondary education~~  
6.6 ~~institution; or (iii) a person that provides a postsecondary instructional program or course~~  
6.7 ~~leading to a degree whether or not for profit;~~

6.8 (2) any public or private postsecondary educational institution located in another  
6.9 state or country ~~which~~ that offers or makes available to a Minnesota resident any course,  
6.10 program or educational activity ~~which~~ that does not require the ~~leaving of the~~ resident to  
6.11 leave this state for its completion; or

6.12 (3) ~~any individual, entity, a person~~ or postsecondary institution located in another  
6.13 state that contracts with any school located within ~~the~~ this state of Minnesota for the  
6.14 purpose of providing educational programs, training programs, or awarding postsecondary  
6.15 credits or continuing education credits to Minnesota residents that may be applied to  
6.16 a degree program.

6.17 Sec. 11. Minnesota Statutes 2014, section 136A.63, subdivision 2, is amended to read:

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

6.25 Sec. 12. Minnesota Statutes 2014, section 136A.65, subdivision 7, is amended to read:

6.26 Subd. 7. **Conditional approval.** The office may grant conditional approval for a  
6.27 degree or use of a term in its name for a period of less than one year if doing so would be  
6.28 in the best interests of currently enrolled students or prospective students. New schools  
6.29 may be granted conditional approval for degrees or names annually for a period not to  
6.30 exceed five years to allow them the opportunity to apply for and receive accreditation as  
6.31 required in subdivision 1a. A new school granted conditional approval may be allowed  
6.32 to continue as a registered institution in order to complete an accreditation process upon  
6.33 terms and conditions the office determines.

7.1 Sec. 13. Minnesota Statutes 2014, section 136A.657, subdivision 1, is amended to read:

7.2 Subdivision 1. **Exemption.** Any school or any department or branch of a school (a)  
 7.3 which is substantially owned, operated or supported by a bona fide church or religious  
 7.4 organization; (b) whose programs are primarily designed for, aimed at and attended by  
 7.5 persons who sincerely hold or seek to learn the particular religious faith or beliefs of that  
 7.6 church or religious organization; and (c) whose programs are primarily intended to prepare  
 7.7 its students to become ministers of, to enter into some other vocation closely related to, or  
 7.8 to conduct their lives in consonance with, the particular faith of that church or religious  
 7.9 organization, is exempt from the provisions of sections 136A.61 to ~~136A.71~~ 136A.834.

7.10 Sec. 14. Minnesota Statutes 2014, section 136A.657, subdivision 3, is amended to read:

7.11 Subd. 3. **Scope.** Nothing in sections 136A.61 to ~~136A.71~~ 136A.834, or the rules  
 7.12 adopted pursuant thereto, shall be interpreted as permitting the office to determine the  
 7.13 truth or falsity of any particular set of religious beliefs.

7.14 Sec. 15. Minnesota Statutes 2014, section 136A.657, is amended by adding a  
 7.15 subdivision to read:

7.16 Subd. 5. **Religious exemption; requirements.** An academic degree, including  
 7.17 associate of arts, associate of science, associate of applied science, bachelor of arts,  
 7.18 bachelor of science, master of arts, master of science, doctor of education, or doctor of  
 7.19 philosophy, does not qualify for a religious exemption, unless a school was granted a  
 7.20 religious exemption for the degree before August 1, 2014.

7.21 Sec. 16. Minnesota Statutes 2014, section 136A.67, is amended to read:

7.22 **136A.67 REGISTRATION REPRESENTATIONS.**

7.23 No school and none of its officials or employees shall advertise or represent in any  
 7.24 manner that such school is approved or accredited by the office or the state of Minnesota,  
 7.25 except a school which is duly registered with the office, or any of its officials or  
 7.26 employees, may represent in advertising and shall disclose in catalogues, applications, and  
 7.27 enrollment materials that the school is registered with the office by prominently displaying  
 7.28 the following statement: "(Name of school) is registered as a private institution with the  
 7.29 office pursuant to sections 136A.61 to 136A.71. Registration is not an endorsement of the  
 7.30 institution. Credits earned at the institution may not transfer to all other institutions." In  
 7.31 addition, all registered schools shall publish in the school catalog or student handbook the  
 7.32 name, street address, telephone number, and Web site address of the office.

8.1 Sec. 17. Minnesota Statutes 2014, section 136G.05, subdivision 7, is amended to read:

8.2 Subd. 7. **Marketing.** The commissioner shall make parents and other interested  
8.3 individuals aware of the availability and advantages of the program as a way to save for  
8.4 higher education costs. ~~The cost of these promotional efforts may not be funded with fees~~  
8.5 ~~imposed on participants.~~

8.6 Sec. 18. Minnesota Statutes 2014, section 141.21, subdivision 5, is amended to read:

8.7 Subd. 5. **Private career school.** "Private career school" means ~~any a person, within~~  
8.8 ~~or outside the state,~~ who maintains, advertises, administers, solicits for, or conducts any  
8.9 program at less than an associate degree level ~~and~~; is not registered as a private institution  
8.10 under sections 136A.61 to 136A.71; and is not specifically exempted by section 141.35  
8.11 ~~or 141.37. School also means any person, within or outside the state, who maintains,~~  
8.12 ~~advertises, administers, solicits for, or conducts any program at less than an associate~~  
8.13 ~~degree level, is not registered as a private institution pursuant to sections 136A.61 to~~  
8.14 ~~136A.71, and uses the term, "college," "institute," "academy," or "university" in its name.~~

8.15 Sec. 19. Minnesota Statutes 2014, section 141.21, subdivision 6a, is amended to read:

8.16 Subd. 6a. **Multiple location.** "Multiple location" means any site where classes or  
8.17 administrative services are provided to students and ~~which~~ that has a street address that is  
8.18 different than the street address found on the ~~school's~~ private career ~~school~~ school's license.

8.19 Sec. 20. Minnesota Statutes 2014, section 141.21, subdivision 9, is amended to read:

8.20 Subd. 9. **Distance education private career school.** "Distance education private  
8.21 career school" means a school that establishes, keeps, or maintains a facility or location  
8.22 where a program is offered through distance instruction.

8.23 Sec. 21. Minnesota Statutes 2014, section 141.25, is amended to read:

8.24 **141.25 LICENSURE.**

8.25 Subdivision 1. **Required.** A private career school must not maintain, advertise,  
8.26 solicit for, administer, or conduct any program in Minnesota without first obtaining a  
8.27 license from the office.

8.28 Subd. 2. **Contract unenforceable.** A contract entered into with a person for a  
8.29 program by or on behalf of a person operating a private career school to which a license  
8.30 has not been issued under sections 141.21 to 141.35, is unenforceable in any action.

8.31 Subd. 2a. **Refunds.** If a contract is deemed unenforceable under subdivision 2, a  
8.32 private career school must refund tuition, fees, and other charges received from a student



9.1 or on behalf of a student within 30 days of receiving written notification and demand for  
 9.2 refund from the ~~Minnesota office of Higher Education.~~

9.3 Subd. 3. **Application.** Application for a license shall be on forms prepared and  
 9.4 furnished by the office, and shall include the following and other information as the  
 9.5 office may require:

9.6 (1) the title or name of the private career school, ownership and controlling officers,  
 9.7 members, managing employees, and director;

9.8 (2) the specific programs which will be offered and the specific purposes of the  
 9.9 instruction;

9.10 (3) the place or places where the instruction will be given;

9.11 (4) a listing of the equipment available for instruction in each program;

9.12 (5) the maximum enrollment to be accommodated with equipment available in  
 9.13 each specified program;

9.14 (6) the qualifications of instructors and supervisors in each specified program;

9.15 (7) ~~a current balance sheet, income statement, and adequate supporting~~  
 9.16 ~~documentation, prepared and certified by an independent public accountant or CPA,~~  
 9.17 financial data and information sufficient to enable the office to determine the financial  
 9.18 viability of the private career school, including balance sheets, income statements, audited  
 9.19 financial statements if available, compiled financial statements if available, or other  
 9.20 financial information as requested by the office;

9.21 (8) copies of all media advertising and promotional literature and brochures or  
 9.22 electronic display currently used or reasonably expected to be used by the private career  
 9.23 school;

9.24 (9) copies of all Minnesota enrollment agreement forms and contract forms and all  
 9.25 enrollment agreement forms and contract forms used in Minnesota; and

9.26 (10) gross income earned in the preceding year from student tuition, fees, and other  
 9.27 required institutional charges, unless the private career school files with the office a surety  
 9.28 bond equal to at least \$250,000 as described in subdivision 5.

9.29 Subd. 4. **Certification.** Each application shall be signed and certified to under  
 9.30 oath by the proprietor if the applicant is a proprietorship, by the managing partner if the  
 9.31 applicant is a partnership, or by the authorized officers of the applicant if the applicant is a  
 9.32 corporation, association, company, firm, society or trust.

9.33 Subd. 5. **Bond.** (a) No license shall be issued to any private career school which  
 9.34 maintains, conducts, solicits for, or advertises within the state of Minnesota any program,  
 9.35 unless the applicant files with the office a continuous corporate surety bond written

10.1 by a company authorized to do business in Minnesota conditioned upon the faithful  
10.2 performance of all contracts and agreements with students made by the applicant.

10.3 (b)(1) The amount of the surety bond shall be ten percent of the preceding year's  
10.4 gross income from student tuition, fees, and other required institutional charges, but in  
10.5 no event less than \$10,000 nor greater than \$250,000, except that a private career school  
10.6 may deposit a greater amount at its own discretion. A private career school in each annual  
10.7 application for licensure must compute the amount of the surety bond and verify that the  
10.8 amount of the surety bond complies with this subdivision, unless the private career school  
10.9 maintains a surety bond equal to at least \$250,000. A private career school that operates at  
10.10 two or more locations may combine gross income from student tuition, fees, and other  
10.11 required institutional charges for all locations for the purpose of determining the annual  
10.12 surety bond requirement. The gross tuition and fees used to determine the amount of the  
10.13 surety bond required for a private career school having a license for the sole purpose of  
10.14 recruiting students in Minnesota shall be only that paid to the private career school by the  
10.15 students recruited from Minnesota.

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

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

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

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

10.35 Subd. 6. **Resident agent.** Private career schools located outside the state of  
10.36 Minnesota that offer, advertise, solicit for, or conduct any program within the state of

11.1 Minnesota shall first file with the secretary of state a sworn statement designating a resident  
 11.2 agent authorized to receive service of process. The statement shall designate the secretary  
 11.3 of state as resident agent for service of process in the absence of a designated agent. If  
 11.4 a private career school fails to file the statement, the secretary of state is designated as  
 11.5 the resident agent authorized to receive service of process. The authorization shall be  
 11.6 irrevocable as to causes of action arising out of transactions occurring prior to the filing of  
 11.7 written notice of withdrawal from the state of Minnesota filed with the secretary of state.

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

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

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

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

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

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

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

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

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

11.24 ~~(5) that the premises and conditions under which the students work and study are~~  
 11.25 ~~sanitary, healthful, and safe;~~

11.26 ~~(6)~~ (5) that the quality and content of each occupational course or program of study  
 11.27 provides education and adequate preparation to enrolled students for entry level positions  
 11.28 in the occupation for which prepared;

11.29 ~~(7)~~ (6) that the premises and conditions where the students work and study and the  
 11.30 student living quarters which are owned, maintained, recommended, or approved by  
 11.31 the applicant ~~for students~~ are sanitary, healthful, and safe, as evidenced by certificate  
 11.32 of occupancy issued by the municipality or county where the private career school  
 11.33 is physically situated, a fire inspection by the local or state fire marshal, or another  
 11.34 verification deemed acceptable by the office;

11.35 ~~(8)~~ (7) that the contract or enrollment agreement used by the private career school  
 11.36 complies with the provisions in section 141.265;

12.1 ~~(9)~~ (8) that contracts and agreements do not contain a wage assignment provision  
 12.2 or a confession of judgment clause; and

12.3 ~~(10)~~ (9) that there has been no adjudication of fraud or misrepresentation in any  
 12.4 criminal, civil, or administrative proceeding in any jurisdiction against the private career  
 12.5 school or its owner, officers, agents, or sponsoring organization.

12.6 Subd. 8. **Fees and terms of license.** An application for an initial license under  
 12.7 sections 141.21 to 141.35 shall be accompanied by a nonrefundable application fee as  
 12.8 provided in section 141.255 that is sufficient to recover, but not exceed, the administrative  
 12.9 costs of the office.

12.10 All licenses shall expire one year from the date issued by the office, except as  
 12.11 provided in section 141.251.

12.12 Subd. 9. **Catalog, brochure, or electronic display.** Before a license is issued to  
 12.13 a private career school, the private career school shall furnish to the office a catalog,  
 12.14 brochure, or electronic display including:

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

12.16 (2) name and address of the private career school and its governing body and officials;

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

12.19 (4) the private career school policy and regulations on enrollment including dates  
 12.20 and specific entrance requirements for each program;

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

12.23 (6) the private career school policy and regulations about standards of progress  
 12.24 for the student including the grading system of the private career school, the minimum  
 12.25 grades considered satisfactory, conditions for interruption for unsatisfactory grades or  
 12.26 progress, a description of any probationary period allowed by the private career school,  
 12.27 and conditions of reentrance for those dismissed for unsatisfactory progress;

12.28 (7) the private career school policy and regulations about student conduct and  
 12.29 conditions for dismissal for unsatisfactory conduct;

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

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

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

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

13.4 (12) the private career school policy and regulations about granting credit for  
13.5 previous education and preparation;

13.6 (13) a notice to students relating to the transferability of any credits earned at the  
13.7 private career school to other institutions;

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

13.9 (15) the name and address of the ~~Minnesota office of Higher Education~~.

13.10 A private career school that is exclusively a distance education school is exempt  
13.11 from clauses (3) and (5).

13.12 Subd. 10. **Placement records.** (a) Before a license is reissued to a private career  
13.13 school that offers, advertises or implies a placement service, the private career school shall  
13.14 file with the office for the past year and thereafter at reasonable intervals determined by  
13.15 the office, a certified copy of the private career school's placement record, containing a list  
13.16 of graduates, a description of their jobs, names of their employers, and other information  
13.17 as the office may prescribe.

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

13.22 Subd. 12. **Permanent records.** A private career school licensed under this chapter  
13.23 and located in Minnesota shall maintain a permanent record for each student for 50 years  
13.24 from the last date of the student's attendance. A private career school licensed under this  
13.25 chapter and offering distance instruction to a student located in Minnesota shall maintain  
13.26 a permanent record for each Minnesota student for 50 years from the last date of the  
13.27 student's attendance. Records include school transcripts, documents, and files containing  
13.28 student data about academic credits earned, courses completed, grades awarded, degrees  
13.29 awarded, and periods of attendance. To preserve permanent records, a private career  
13.30 school shall submit a plan that meets the following requirements:

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

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

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

14.1 (4) a continuous surety bond must be filed with the office in an amount not to exceed  
 14.2 \$20,000 if the private career school has no binding agreement approved by the office, for  
 14.3 preserving student records. The bond shall run to the state of Minnesota.

14.4 Subd. 13. **Private career schools licensed by another state agency or board.** A  
 14.5 private career school required to obtain a private career school license due to the use of  
 14.6 "academy," "institute," "college," or "university" in its name or licensed for the purpose of  
 14.7 participating in state financial aid under chapter 136A, and which is also licensed by another  
 14.8 state agency or board shall be required to satisfy only the requirements of subdivisions 3,  
 14.9 clauses (1), (2), (3), (5), (7), and (10); 4; 5, paragraph (b), clause (2); 7, clauses (1) and (10);  
 14.10 8; 9, clause (13); and 12. A distance education school located in another state, or a school  
 14.11 licensed to recruit Minnesota residents for attendance at a school outside of this state, or a  
 14.12 school licensed by another state agency as its primary licensing body, may continue to use  
 14.13 the school's name as permitted by its home state or its primary licensing body.

14.14 Sec. 22. Minnesota Statutes 2014, section 141.251, subdivision 2, is amended to read:

14.15 Subd. 2. **Conditions.** The office shall adopt rules establishing the conditions for  
 14.16 renewal of a license. The conditions shall permit two levels of renewal based on the record  
 14.17 of the private career school. A private career school that has demonstrated the quality of  
 14.18 its program and operation through longevity and performance in the state may renew its  
 14.19 license based on a relaxed standard of scrutiny. A private career school that has been in  
 14.20 operation in Minnesota for a limited period of time or that has not performed adequately  
 14.21 on performance indicators shall renew its license based on a strict standard of scrutiny.  
 14.22 The office shall specify minimum longevity standards and performance indicators that  
 14.23 must be met before a private career school may be permitted to operate under the relaxed  
 14.24 standard of scrutiny. The performance indicators used in this determination shall include,  
 14.25 but not be limited to: regional or national accreditation, loan default rates, placement rate  
 14.26 of graduates, student withdrawal rates, audit results, student complaints, and school status  
 14.27 with the United States Department of Education. Private career schools that meet the  
 14.28 requirements established in rule shall be required to submit a full relicensure report once  
 14.29 every four years, and in the interim years will be exempt from the requirements of section  
 14.30 141.25, subdivision 3, clauses (4), (5), and (8), and Minnesota Rules, parts 4880.1700,  
 14.31 subpart 6; and 4880.2100, subpart 4.

14.32 Sec. 23. Minnesota Statutes 2014, section 141.255, is amended to read:

14.33 **141.255 FEES.**

15.1 Subdivision 1. **Initial licensure fee.** The office processing fee for an initial licensure  
15.2 application is:

15.3 (1) \$2,500 for a private career school that will offer no more than one program  
15.4 during its first year of operation;

15.5 (2) \$750 for a private career school licensed exclusively due to the use of the term  
15.6 "college," "university," "academy," or "institute" in its name, or licensed exclusively in  
15.7 order to participate in state grant or SELF loan financial aid programs; and

15.8 (3) \$2,500, plus \$500 for each additional program offered by the private career  
15.9 school, for a private career school during its first year of operation.

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

15.12 (1) for a private career school that offers one program, the license renewal fee is  
15.13 \$1,150;

15.14 (2) for a private career school that offers more than one program, the license renewal  
15.15 fee is \$1,150, plus \$200 for each additional program with a maximum renewal licensing  
15.16 fee of \$2,000;

15.17 (3) for a private career school licensed exclusively due to the use of the term "college,"  
15.18 "university," "academy," or "institute" in its name, the license renewal fee is \$750; and

15.19 (4) for a private career school licensed by another state agency and also licensed  
15.20 with the office exclusively in order to participate in state student aid programs, the license  
15.21 renewal fee is \$750.

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

15.25 Subd. 4. **Program addition fee.** The office processing fee for adding a program to  
15.26 those that are currently offered by the private career school is \$500 per program.

15.27 Subd. 5. **Visit or consulting fee.** If the office determines that a fact-finding visit  
15.28 or outside consultant is necessary to review or evaluate any new or revised program, the  
15.29 office shall be reimbursed for the expenses incurred related to the review as follows:

15.30 (1) \$400 for the team base fee or for a paper review conducted by a consultant if the  
15.31 office determines that a fact-finding visit is not required;

15.32 (2) \$300 for each day or part thereof on site per team member; and

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

15.35 Subd. 6. **Modification fee.** The fee for modification of any existing program is  
15.36 \$100 and is due if there is:

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

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

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

16.7 Subd. 7. **Solicitor permit fee.** The solicitor permit fee is \$350 and must be paid  
16.8 annually.

16.9 Subd. 8. **Multiple location fee.** Private career schools wishing to operate at  
16.10 multiple locations must pay:

16.11 (1) \$250 per location, for locations two to five; and

16.12 (2) an additional \$100 for each location over five.

16.13 Subd. 9. **Student transcript fee.** The fee for a student transcript requested from a  
16.14 closed private career school whose records are held by the office is \$15, with a maximum  
16.15 of five transcripts per request.

16.16 Subd. 10. **Public office documents; copies.** The rate for copies of any public  
16.17 office document shall be 50 cents per page.

16.18 Sec. 24. Minnesota Statutes 2014, section 141.26, is amended to read:

16.19 **141.26 PERMITS FOR SOLICITORS.**

16.20 Subdivision 1. **Required.** A solicitor representing a private career school must  
16.21 obtain a solicitor's permit from the office before soliciting students to enroll in ~~such~~ the  
16.22 private career school. Such permit shall expire one year following the date of issuance.  
16.23 Application for renewal of permit shall be made annually.

16.24 Subd. 2. **Application for permit.** (a) The application for the permit shall state the  
16.25 full name, address, previous employment, and such other information concerning the  
16.26 solicitor applicant as the office may require.

16.27 (b) The application shall have attached to it a certified affidavit signed by a private  
16.28 career school official and the solicitor attesting to the fact that the applicant has been  
16.29 furnished a copy, has read and has knowledge of the provisions of this chapter and  
16.30 Minnesota Rules.

16.31 Subd. 3. **Refusal of permit.** No permit shall be issued to any solicitor unless such  
16.32 solicitor files with the office a continuous corporate surety bond in the sum of \$2,000  
16.33 conditioned upon the faithful performance of all contracts and agreements with the students  
16.34 made by the solicitor. Such bonds shall run to the state of Minnesota and to any person who  
16.35 may have cause of action against the applicant arising at any time after the bond is filed and



17.1 before it is canceled for breach of any contract or agreement made by the solicitor with any  
17.2 student. The aggregate liability of the surety for all breaches of the conditions of the bond  
17.3 shall not exceed the principal sum of \$2,000. The surety of any such bond may cancel it  
17.4 upon giving 60 days' notice in writing to the office and shall be relieved of liability for any  
17.5 breach of condition occurring after the effective date of cancellation. In lieu of bond, the  
17.6 solicitor may deposit with the commissioner of management and budget the sum of \$2,000.

17.7 Subd. 4. **Additional permits.** A solicitor representing more than one private career  
17.8 school must obtain a separate permit for each private career school represented; however  
17.9 when a solicitor represents private career schools having a common ownership, only one  
17.10 permit shall be required.

17.11 Subd. 5. **Fee.** The initial and renewal application for each permit shall be  
17.12 accompanied by a nonrefundable fee under section 141.255.

17.13 Subd. 6. **Contract; validity.** Any contract entered into by a solicitor for a licensed  
17.14 private career school shall be unenforceable in any action brought thereon if the solicitor  
17.15 does not hold a valid permit as required by this section.

17.16 Sec. 25. Minnesota Statutes 2014, section 141.265, is amended to read:

17.17 **141.265 INFORMATION TO STUDENTS.**

17.18 Subdivision 1. **Catalog, brochure, or electronic display.** A private career school  
17.19 or its agent must provide the catalog, brochure, or electronic display required in section  
17.20 141.25, subdivision 9, to a prospective student in a time or manner that gives the  
17.21 prospective student at least five days to read the catalog, brochure, or electronic display  
17.22 before signing a contract or enrollment agreement or before being accepted by a private  
17.23 career school that does not use a written contract or enrollment agreement.

17.24 Subd. 2. **Contract information.** A contract or enrollment agreement used by a  
17.25 private career school must include at least the following:

17.26 (1) the name and address of the private career school, clearly stated;

17.27 (2) a clear and conspicuous disclosure that the agreement is a legally binding  
17.28 instrument upon written acceptance of the student by the private career school unless  
17.29 canceled under section 141.271;

17.30 (3) the private career school's cancellation and refund policy that shall be clearly and  
17.31 conspicuously entitled "Buyer's Right to Cancel";

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

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

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

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

18.7 Subd. 3. **Contract copies.** Immediately upon signing of the enrollment agreement  
18.8 or the contract by a prospective student, the private career school or agent shall furnish to  
18.9 the prospective student an exact duplicate copy of the enrollment agreement or contract.

18.10 Sec. 26. Minnesota Statutes 2014, section 141.271, subdivision 1a, is amended to read:

18.11 Subd. 1a. **Notice; right to refund.** Every private career school shall notify each  
18.12 student, in writing, of acceptance or rejection. In the event that the student is rejected by  
18.13 the private career school, all tuition, fees and other charges shall be refunded.

18.14 Sec. 27. Minnesota Statutes 2014, section 141.271, subdivision 1b, is amended to read:

18.15 Subd. 1b. **Short-term programs.** Licensed private career schools conducting  
18.16 programs not exceeding 40 hours in length shall not be required to make a full refund once  
18.17 a program has commenced and shall be allowed to prorate any refund based on the actual  
18.18 length of the program as stated in the private career school catalog or advertisements and  
18.19 the number of hours attended by the student.

18.20 Sec. 28. Minnesota Statutes 2014, section 141.271, subdivision 3, is amended to read:

18.21 Subd. 3. ~~Schools not using written contracts~~ **Notice; amount.** (a) ~~Notwithstanding~~  
18.22 ~~anything to the contrary,~~ A private career school ~~that does not use a written contract or~~  
18.23 ~~enrollment agreement~~ shall refund all tuition, fees and other charges paid by a student  
18.24 if the student gives written notice of cancellation within five business days after the day  
18.25 on which the student is accepted by the private career school regardless of whether the  
18.26 program has started.

18.27 (b) When a student has been accepted by the private career school and gives written  
18.28 notice of cancellation following the fifth business day after the day of acceptance by the  
18.29 private career school, but before the start of the program, in the case of resident private  
18.30 career schools, or before the first lesson has been serviced by the private career school, in  
18.31 the case of distance education schools, all tuition, fees and other charges, except 15 percent  
18.32 of the total cost of the program but not to exceed \$50, shall be refunded to the student.

19.1 Sec. 29. Minnesota Statutes 2014, section 141.271, subdivision 5, is amended to read:

19.2 Subd. 5. **Distance education schools Proration.** When a student has been accepted  
19.3 by a ~~distance education~~ private career school and gives written notice of cancellation after  
19.4 the ~~first lesson has been completed by the student and serviced by the school~~ program of  
19.5 instruction has begun, but before completion of 75 percent of the program, the amount  
19.6 charged for tuition, fees and all other charges ~~for the completed lessons~~ shall be prorated  
19.7 as a portion of the total charges for tuition, fees and all other charges. An additional 25  
19.8 percent of the total cost of the program may be added but shall not exceed ~~\$75~~ \$100. After  
19.9 completion of 75 percent of the program, no refunds are required.

19.10 Sec. 30. Minnesota Statutes 2014, section 141.271, subdivision 7, is amended to read:

19.11 Subd. 7. **Equipment and supplies.** The fair market retail price, if separately stated  
19.12 in the catalog and contract or enrollment agreement, of equipment or supplies furnished to  
19.13 the student, which the student fails to return in condition suitable for resale, and which  
19.14 may reasonably be resold, within ten business days following cancellation may be retained  
19.15 by the private career school and may be deducted from the total cost for tuition, fees and  
19.16 all other charges when computing refunds.

19.17 An overstatement of the fair market retail price of any equipment or supplies  
19.18 furnished the student shall be considered inconsistent with this provision.

19.19 Sec. 31. Minnesota Statutes 2014, section 141.271, subdivision 8, is amended to read:

19.20 Subd. 8. **Time of refund.** Each private career school shall acknowledge in writing  
19.21 any valid notice of cancellation within ten business days after the receipt of such notice  
19.22 and within 30 business days shall refund to the student any amounts due and arrange for  
19.23 termination of the student's obligation to pay any sum in excess of that due under the  
19.24 cancellation and refund policy.

19.25 Sec. 32. Minnesota Statutes 2014, section 141.271, subdivision 9, is amended to read:

19.26 Subd. 9. **Limitation.** A private career school cannot make its refund policy  
19.27 conditional upon compliance with the school's regulations or rules of conduct.

19.28 Sec. 33. Minnesota Statutes 2014, section 141.271, subdivision 10, is amended to read:

19.29 Subd. 10. **Cancellation occurrence.** Written notice of cancellation shall take place  
19.30 on the date the letter of cancellation is postmarked or, in the cases where the notice is hand  
19.31 carried, it shall occur on the date the notice is delivered to the private career school. If  
19.32 a student has not attended class for a period of 21 consecutive days without contacting

20.1 the private career school to indicate an intent to continue in school or otherwise making  
20.2 arrangements concerning the absence, the student is considered to have withdrawn from  
20.3 school for all purposes as of the student's last documented date of attendance.

20.4 Sec. 34. Minnesota Statutes 2014, section 141.271, subdivision 12, is amended to read:

20.5 Subd. 12. **Instrument not to be negotiated.** A private career school shall not  
20.6 negotiate any promissory instrument received as payment of tuition or other charge prior  
20.7 to completion of 50 percent of the program, except that prior to that time, instruments may  
20.8 be transferred by assignment to purchasers who shall be subject to all defenses available  
20.9 against the private career school named as payee.

20.10 Sec. 35. Minnesota Statutes 2014, section 141.271, subdivision 13, is amended to read:

20.11 Subd. 13. **Cancellation of enrollment.** If a student's enrollment in a private career  
20.12 school is canceled for any reason, the private career school shall notify any agency known  
20.13 to the private career school to be providing financial aid to the student of the cancellation  
20.14 within 30 days.

20.15 Sec. 36. Minnesota Statutes 2014, section 141.271, subdivision 14, is amended to read:

20.16 Subd. 14. **Closed private career school.** In the event a private career school closes  
20.17 for any reason during a term and interrupts and terminates classes during that term, all  
20.18 tuition for the term shall be refunded to the students or the appropriate state or federal  
20.19 agency or private lender that provided any funding for the term and any outstanding  
20.20 obligation of the student for the term is canceled.

20.21 Sec. 37. Minnesota Statutes 2014, section 141.28, is amended to read:

20.22 **141.28 PROHIBITIONS.**

20.23 Subdivision 1. **Disclosure required; advertisement restricted.** Private career  
20.24 schools, agents of private career schools, and solicitors may not advertise or represent  
20.25 in writing or orally that the private career school is approved or accredited by the state  
20.26 of Minnesota, except that any private career school, agent, or solicitor may represent in  
20.27 advertisements and shall disclose in catalogues, applications, and enrollment materials  
20.28 that the private career school is duly licensed by the state by prominently displaying  
20.29 the following statement:

20.30 "(Name of private career school) is licensed as a private career school with the Minnesota  
20.31 Office of Higher Education pursuant to Minnesota Statutes, sections 141.21 to 141.32.

21.1 Licensure is not an endorsement of the institution. Credits earned at the institution may  
21.2 not transfer to all other institutions."

21.3 Subd. 2. **Unlawful designation.** No private career school organized after November  
21.4 15, 1969, shall apply to itself either as a part of its name or in any other manner the  
21.5 designation of "college" or "university." Operating private career schools now using  
21.6 such designation may continue use thereof.

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

21.12 Subd. 4. **Acceptance of contracts.** No private career school shall accept contracts,  
21.13 enrollment agreements or enrollment applications from an agent or solicitor who does  
21.14 not have a current permit.

21.15 Subd. 5. **Improbable program completion or employment.** A private career  
21.16 school, agent, or solicitor shall not enroll a prospective student when it is obvious that the  
21.17 prospective student is unlikely to successfully complete a program or is unlikely to qualify  
21.18 for employment in the vocation or field for which the preparation is designed unless this  
21.19 fact is affirmatively disclosed to the prospective student. If a prospective student expresses  
21.20 a desire to enroll after such disclosure, a disclaimer may be obtained by the private career  
21.21 school. The disclaimer shall be signed by the student and shall state substantially one or  
21.22 both of the following: "I am fully aware that it is unlikely I will be able to successfully  
21.23 complete the program" and "I am fully aware of the improbability or impossibility that I  
21.24 will qualify for employment in the vocation or field for which the program was designed."

21.25 Subd. 6. **Financial aid payments.** (a) All private career schools must collect,  
21.26 assess, and distribute funds received from loans or other financial aid as provided in  
21.27 this subdivision.

21.28 (b) Student loans or other financial aid funds received from federal, state, or local  
21.29 governments or administered in accordance with federal student financial assistance  
21.30 programs under title IV of the Higher Education Act of 1965, as amended, United States  
21.31 Code, title 20, chapter 28, must be collected and applied as provided by applicable federal,  
21.32 state, or local law or regulation.

21.33 (c) Student loans or other financial aid assistance received from a bank, finance or  
21.34 credit card company, or other private lender must be collected or disbursed as provided  
21.35 in paragraphs (d) and (e).

22.1 (d) Loans or other financial aid payments for amounts greater than \$3,000 must  
22.2 be disbursed:

22.3 (1) in two equal disbursements, if the term length is more than four months. The  
22.4 loan or payment amounts may be disbursed no earlier than the first day the student attends  
22.5 class with the remainder to be disbursed halfway through the term; or

22.6 (2) in three equal disbursements, if the term length is more than six months. The  
22.7 loan or payment amounts may be disbursed no earlier than the first day the student attends  
22.8 class, one-third of the way through the term, and two-thirds of the way through the term.

22.9 (e) Loans or other financial aid payments for amounts less than \$3,000 may be  
22.10 disbursed as a single disbursement on the first day a student attends class, regardless  
22.11 of term length.

22.12 (f) No private career school may enter into a contract or agreement with, or receive  
22.13 any money from, a bank, finance or credit card company, or other private lender, unless  
22.14 the private lender follows the requirements for disbursements provided in paragraphs  
22.15 (d) and (e).

22.16 Sec. 38. Minnesota Statutes 2014, section 141.29, is amended to read:

22.17 **141.29 REVOCATION OF LICENSE OR PERMIT.**

22.18 Subdivision 1. **Grounds.** The office may, after notice and upon providing an  
22.19 opportunity for a hearing, under chapter 14 if requested by the parties adversely affected,  
22.20 refuse to issue, refuse to renew, revoke, or suspend a license or solicitor's permit for any  
22.21 of the following grounds:

22.22 (1) violation of any provisions of sections 141.21 to 141.35 or any rule adopted  
22.23 by the office;

22.24 (2) furnishing to the office false, misleading, or incomplete information;

22.25 (3) presenting to prospective students information relating to the private career  
22.26 school that is false, fraudulent, deceptive, substantially inaccurate, or misleading;

22.27 (4) refusal to allow reasonable inspection or supply reasonable information after  
22.28 written request by the office;

22.29 (5) the existence of any circumstance that would be grounds for the refusal of an  
22.30 initial or renewal license under section 141.25.

22.31 Subd. 2. **Appeal.** Any order refusing, revoking, or suspending a private career  
22.32 school's license or a solicitor's permit is appealable in accordance with chapter 14. Where  
22.33 a private career school has been operating and its license has been revoked, suspended, or  
22.34 refused by the office, the order is not effective until the final determination of the appeal  
22.35 unless immediate effect is ordered by the court.

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

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

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

23.10 (c) The office may upon its own motion, and shall upon the verified complaint  
23.11 in writing of any person setting forth fact which, if proved, would constitute grounds  
23.12 for refusal or revocation under Laws 1973, chapter 714, investigate the actions of any  
23.13 applicant or any person or persons holding or claiming to hold a license or permit.  
23.14 However, before proceeding to a hearing on the question of whether a license or permit  
23.15 shall be refused, revoked or suspended for any cause enumerated in subdivision 1, the  
23.16 office shall grant a reasonable time to the holder of or applicant for a license or permit to  
23.17 correct the situation. If within such time the situation is corrected and the private career  
23.18 school is in compliance with the provisions of this chapter, no further action leading to  
23.19 refusal, revocation, or suspension shall be taken.

23.20 Sec. 39. Minnesota Statutes 2014, section 141.30, is amended to read:

23.21 **141.30 INSPECTION.**

23.22 (a) The office or a delegate may inspect the instructional books and records,  
23.23 classrooms, dormitories, tools, equipment and classes of any private career school or  
23.24 applicant for license at any reasonable time. The office may require the submission of a  
23.25 certified public audit, or if there is no such audit available the office or a delegate may  
23.26 inspect the financial books and records of the private career school. In no event shall such  
23.27 financial information be used by the office to regulate or set the tuition or fees charged by  
23.28 the private career school.

23.29 (b) Data obtained from an inspection of the financial records of a private career  
23.30 school or submitted to the office as part of a license application or renewal are nonpublic  
23.31 data as defined in section 13.02, subdivision 9. Data obtained from inspections may be  
23.32 disclosed to other members of the office, to law enforcement officials, or in connection  
23.33 with a legal or administrative proceeding commenced to enforce a requirement of law.

24.1 Sec. 40. Minnesota Statutes 2014, section 141.32, is amended to read:

24.2 **141.32 PENALTY.**

24.3 The commissioner may assess fines for violations of a ~~provision of this chapter~~  
 24.4 sections 141.21 to 141.37. Each day's failure to comply with ~~this chapter~~ sections 141.21  
 24.5 to 141.37 shall be a separate violation and fines shall not exceed \$500 per day per  
 24.6 violation. Amounts received under this section must be deposited in the special revenue  
 24.7 fund and are appropriated to the office of ~~Higher Education~~ for the purposes of this  
 24.8 ~~chapter~~ sections 141.21 to 141.37.

24.9 Sec. 41. Minnesota Statutes 2014, section 141.35, is amended to read:

24.10 **141.35 EXEMPTIONS.**

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

24.12 (1) public postsecondary institutions;

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

24.14 (3) private career schools of nursing accredited by the state Board of Nursing or an  
 24.15 equivalent public board of another state or foreign country;

24.16 (4) private schools complying with the requirements of section 120A.22, subdivision  
 24.17 4;

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

24.20 (6) private career schools exclusively engaged in training physically or mentally  
 24.21 disabled persons for the state of Minnesota;

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

24.25 (8) private career schools and educational programs, or training programs, contracted  
 24.26 for by persons, firms, corporations, government agencies, or associations, for the training  
 24.27 of their own employees, for which no fee is charged the employee;

24.28 (9) private career schools engaged exclusively in the teaching of purely avocational,  
 24.29 recreational, or remedial subjects as determined by the office except private career schools  
 24.30 required to obtain a private career school license due to the use of "academy," "institute,"  
 24.31 "college," or "university" in their names unless the school used "academy" or "institute" in  
 24.32 its name prior to August 1, 2008;

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



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

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

25.12 (13) classes, courses, or programs intended to prepare students to sit for  
25.13 undergraduate, graduate, postgraduate, or occupational licensing and occupational  
25.14 entrance examinations;

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

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

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

25.24 (17) private career schools with no physical presence in Minnesota, as determined  
25.25 by the office, engaged exclusively in offering distance instruction that are located in and  
25.26 regulated by other states or jurisdictions; and

25.27 (18) private career schools providing exclusively training, instructional programs,  
25.28 or courses where tuition, fees, and any other charges for a student to participate do not  
25.29 exceed \$100.

25.30 Sec. 42. Minnesota Statutes 2014, section 197.75, subdivision 1, is amended to read:

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

25.33 (b) "Commissioner" means the commissioner of veterans affairs.

25.34 (c) "Deceased veteran" means a veteran who has died as a result of the person's  
25.35 military service, as determined by the United States Veterans Administration, and who

26.1 was a resident of this state: (1) within six months of entering the United States armed  
 26.2 forces, or (2) for the six months preceding the veteran's date of death.

26.3 (d) "Eligible child" means a person who:

26.4 (1) is the natural or adopted child or stepchild of a deceased veteran; and

26.5 (2) is a student making satisfactory academic progress at an eligible institution  
 26.6 of higher education.

26.7 (e) "Eligible institution" means a postsecondary educational institution located in  
 26.8 this state that either ~~(1) is operated by this state or the Board of Regents of the University~~  
 26.9 ~~of Minnesota, or (2) is operated publicly or privately and, as determined by the office,~~  
 26.10 ~~maintains academic standards substantially equivalent to those of comparable institutions~~  
 26.11 ~~operated in this state~~ is licensed or registered with the Office of Higher Education.

26.12 (f) "Eligible spouse" means the surviving spouse of a deceased veteran.

26.13 (g) "Eligible veteran" means a veteran who:

26.14 (1) is a student making satisfactory academic progress at an eligible institution  
 26.15 of higher education;

26.16 (2) had Minnesota as the person's state of residence at the time of the person's  
 26.17 enlistment or any reenlistment into the United States armed forces, as shown by the  
 26.18 person's federal form DD-214 or other official documentation to the satisfaction of the  
 26.19 commissioner;

26.20 (3) except for benefits under this section, has no remaining military or veteran-related  
 26.21 educational assistance benefits for which the person may have been entitled; and

26.22 (4) while using the educational assistance authorized in this section, remains a  
 26.23 resident student as defined in section 136A.101, subdivision 8.

26.24 (h) "Satisfactory academic progress" has the meaning given in section 136A.101,  
 26.25 subdivision 10.

26.26 (i) "Student" has the meaning given in section 136A.101, subdivision 7.

26.27 (j) "Veteran" has the meaning given in section 197.447.

26.28 Sec. 43. Minnesota Statutes 2014, section 261.23, is amended to read:

26.29 **261.23 COSTS OF HOSPITALIZATION.**

26.30 The costs of hospitalization of such indigent persons exclusive of medical and  
 26.31 surgical care and treatment shall not exceed in amount the full rates fixed and charged  
 26.32 by the Minnesota general hospital ~~under the provisions of sections 158.01 to 158.11~~ for  
 26.33 the hospitalization of such indigent patients. For indigent persons hospitalized pursuant  
 26.34 to sections 261.21 to 261.232, the state shall pay 90 percent of the cost allowable under  
 26.35 the general assistance medical care program and ten percent of the allowable cost of

27.1 hospitalization shall be paid by the county of the residence of the indigent persons at  
 27.2 the times provided for in the contract; and in case of an injury or emergency requiring  
 27.3 immediate surgical or medical treatment, for a period not to exceed 72 hours, 90 percent  
 27.4 of the cost allowable under the general assistance medical care program shall be paid by  
 27.5 the state and ten percent of the cost shall be paid by the county from which the patient, if  
 27.6 indigent, is certified. State payments for services rendered pursuant to this section shall  
 27.7 be ratably reduced to the same extent and during the same time period as payments are  
 27.8 reduced under section 256D.03, subdivision 4, paragraph (c). If the county of residence  
 27.9 of the patient is not the county in which the patient has legal settlement for the purposes  
 27.10 of poor relief, then the county of residence may seek reimbursement from the county  
 27.11 in which the patient has settlement for the purposes of poor relief for all costs it has  
 27.12 necessarily incurred and paid in connection with the hospitalization of said patient.

27.13 Sec. 44. **REVISOR'S INSTRUCTION.**

27.14 The revisor of statutes shall renumber the provisions of Minnesota Statutes listed in  
 27.15 Column A to the references listed in Column B. The revisor shall also make necessary  
 27.16 cross-reference, grammatical, or terminology changes in Minnesota Statutes and  
 27.17 Minnesota Rules consistent with the renumbering, including changing the word "school"  
 27.18 to "private career school" wherever the word appears in sections 141.20 to 141.37.

	<u>Column A</u>	<u>Column B</u>
27.19	<u>141.20</u>	<u>136A.82</u>
27.20	<u>141.21</u>	<u>136A.821</u>
27.21	<u>141.25</u>	<u>136A.822</u>
27.22	<u>141.251</u>	<u>136A.823</u>
27.23	<u>141.255</u>	<u>136A.824</u>
27.24	<u>141.26</u>	<u>136A.825</u>
27.25	<u>141.265</u>	<u>136A.826</u>
27.26	<u>141.271</u>	<u>136A.827</u>
27.27	<u>141.28</u>	<u>136A.828</u>
27.28	<u>141.29</u>	<u>136A.829</u>
27.29	<u>141.30</u>	<u>136A.83</u>
27.30	<u>141.31</u>	<u>136A.831</u>
27.31	<u>141.32</u>	<u>136A.832</u>
27.32	<u>141.35</u>	<u>136A.833</u>
27.33	<u>141.37</u>	<u>136A.834</u>
27.34		

27.35 Sec. 45. **REPEALER.**

28.1 Minnesota Statutes 2014, sections 135A.25, subdivisions 1, 2, 3, 4, and 5; 158.01;  
 28.2 158.02; 158.03; 158.04; 158.05; 158.06; 158.07; 158.08; 158.09; 158.091; 158.10;  
 28.3 158.11; and 158.12, are repealed.

## 28.4 ARTICLE 2

### 28.5 POLICY CLARIFICATIONS

28.6 Section 1. Minnesota Statutes 2014, section 136A.861, subdivision 1, is amended to  
 28.7 read:

28.8 Subdivision 1. **Grants.** (a) The commissioner shall award grants to foster  
 28.9 postsecondary attendance and retention by providing outreach services to historically  
 28.10 underserved students in grades six through 12 and historically underrepresented college  
 28.11 students. Grants must be awarded to programs that provide precollege and college  
 28.12 services, including, but not limited to:

28.13 (1) academic counseling;

28.14 (2) mentoring;

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

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

28.18 (5) academic enrichment activities;

28.19 (6) tutoring;

28.20 (7) career awareness and exploration;

28.21 (8) orientation to college life;

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

28.24 (10) financial aid counseling.

28.25 (b) New proposals designed to improve college attendance outcomes for intervention  
 28.26 for college attendance program-eligible students who are from communities located  
 28.27 outside the metropolitan area, as defined in section 473.121, subdivision 2, shall be given  
 28.28 a competitive preference priority for grant awards.

28.29 ~~(b)~~ (c) Grants shall be awarded to postsecondary institutions, professional  
 28.30 organizations, community-based organizations, or others deemed appropriate by the  
 28.31 commissioner.

28.32 ~~(c)~~ (d) Grants shall be awarded for one year and may be renewed for a second year  
 28.33 with documentation to the office of successful program outcomes.

29.1 Sec. 2. Minnesota Statutes 2014, section 136A.87, is amended to read:

29.2 **136A.87 PLANNING INFORMATION FOR POSTSECONDARY**  
 29.3 **EDUCATION.**

29.4 The office shall make available to all residents beginning in 7th grade through  
 29.5 adulthood information about planning and preparing for postsecondary opportunities.  
 29.6 Information must be provided to all 7th grade students and their parents annually  
 29.7 by September 30 about planning for their postsecondary education. The office may  
 29.8 also provide information to high school students and their parents, to adults, and to  
 29.9 out-of-school youth. The information provided may include the following:

29.10 (1) the need to start planning early;

29.11 (2) the availability of assistance in educational planning from educational institutions  
 29.12 and other organizations;

29.13 (3) suggestions for studying effectively during high school;

29.14 (4) high school courses necessary to be adequately prepared for postsecondary  
 29.15 education;

29.16 (5) encouragement to involve parents actively in planning for all phases of education;

29.17 (6) information about postsecondary education and training opportunities existing  
 29.18 in the state, their respective missions and expectations for students, their preparation  
 29.19 requirements, admission requirements, and student placement;

29.20 (7) ways to evaluate and select postsecondary institutions;

29.21 (8) the process of transferring credits among Minnesota postsecondary institutions  
 29.22 and systems;

29.23 (9) the costs of postsecondary education and the availability of financial assistance  
 29.24 in meeting these costs, including specific information about the Minnesota Promise ~~and~~  
 29.25 ~~achieve scholarship program~~;

29.26 (10) the interrelationship of assistance from student financial aid, public assistance,  
 29.27 and job training programs; and

29.28 (11) financial planning for postsecondary education.

29.29 Sec. 3. **REPEALER.**

29.30 Minnesota Statutes 2014, section 136A.127, subdivisions 1, 2, 3, 4, 5, 6, 7, 9, 9b,  
 29.31 10, 10a, 11, and 14, are repealed.

30.1 **ARTICLE 3**

30.2 **POLICY CHANGES**

30.3 Section 1. **[136A.104] INSTITUTION TERMINATION.**

30.4 The office may terminate a postsecondary institution's eligibility to participate in  
30.5 state student aid programs if the institution meets any of the following criteria:

30.6 (1) the institution violates a provision of Minnesota Statutes, Minnesota Rules, or  
30.7 administrative policies governing student aid programs and fails to correct the violation  
30.8 and reimburse the office for audit findings within the time frame specified in the audit  
30.9 report or other notice furnished by the office;

30.10 (2) the institution has a consistent pattern of noncompliance with Minnesota  
30.11 Statutes, Minnesota Rules, or administrative policies governing student aid programs as  
30.12 documented by the office;

30.13 (3) the institution lacks administrative capability to successfully administer student  
30.14 financial aid programs on campus based on factors including, but not limited to:

30.15 (i) adequacy of financial aid staffing levels, experience, training, and turnover of key  
30.16 financial aid staff;

30.17 (ii) adequate checks and balances in the institution's system of internal controls;

30.18 (iii) maintenance of records required for programs; or

30.19 (iv) the ability to participate in the electronic processes used for program  
30.20 administration;

30.21 (4) the institution refuses to allow inspection of or provide information relating to  
30.22 financial aid records after written request by the office;

30.23 (5) the institution misappropriates student aid program money;

30.24 (6) the institution falsifies information or engages in misleading or deceptive  
30.25 practices involving the administration of student financial aid programs;

30.26 (7) the institution no longer meets institutional eligibility criteria in section  
30.27 136A.101, subdivision 4, or additional criteria for state grant participation in Minnesota  
30.28 Rules, part 4830.0300, subparts 1 and 2; or

30.29 (8) the institution is terminated from participating in federal financial aid programs  
30.30 by the United State Department of Education, if the termination was based on violation of  
30.31 laws, regulations, or participation agreements governing federal financial aid programs.

30.32 Sec. 2. **[136A.1041] TERMINATION PROCEDURE.**

30.33 The office shall provide written notice of its intent to terminate an institution's  
30.34 eligibility to participate in student financial aid programs if the institution meets any of

31.1 the criteria for termination in section 136A.104. The office shall send the institution  
31.2 written notification of the termination, which is effective 90 days after the date of the  
31.3 written notification. The office shall also provide an institution an opportunity for a  
31.4 hearing under chapter 14.

31.5 **Sec. 3. [136A.1042] REQUEST FOR HEARING.**

31.6 An institution may request a hearing under chapter 14 regarding its termination of  
31.7 eligibility to participate in a student aid program. The request must be in writing and must  
31.8 be received by the commissioner within 30 days after the date of the written notification of  
31.9 termination sent by the office. Within ten days after receipt of the request for hearing, the  
31.10 office shall contact the Office of Administrative Hearings to arrange a hearing date.

31.11 **Sec. 4. [136A.1043] RESTRICTION ON AWARDS DURING TERMINATION**  
31.12 **PERIOD.**

31.13 After the notice of termination and until the termination becomes effective, the office  
31.14 reserves the right to withhold further financial aid disbursements to the institution and  
31.15 to prohibit the institution from making any new awards to students. During this period,  
31.16 the institution may use any remaining student aid program money on campus to make  
31.17 disbursements to any students awarded money before the notice of termination.

31.18 **Sec. 5. [136A.1044] FINAL DECISION; ORDERS.**

31.19 The commissioner shall render a decision and order in writing following receipt of  
31.20 the report issued by the administrative law judge after the hearing. The final decision  
31.21 of the commissioner shall take into consideration the hearing record and the report of  
31.22 the administrative law judge. The order of the commissioner is the final decision in  
31.23 the termination of the institution's eligibility to participate in a student aid program  
31.24 administered by the office.

31.25 **Sec. 6. [136A.1045] REINSTATEMENT OF ELIGIBILITY.**

31.26 An institution terminated from participating in student financial aid programs  
31.27 may submit a request for reinstatement of eligibility. The institution must wait at least  
31.28 12 consecutive months after the effective date of the termination to submit a request  
31.29 for reinstatement. A request for reinstatement must be in writing and submitted to the  
31.30 commissioner. If the institution is initially denied reinstatement, the institution must  
31.31 wait at least 90 days after the date of denial of reinstatement to resubmit a request for  
31.32 reinstatement. If an institution's eligibility is reinstated after the start of the academic

32.1 term, eligible students shall receive payment retroactively to the beginning of the term  
32.2 during which the institution was reinstated.

32.3 **Sec. 7. [136A.1046] REINSTATEMENT REQUIREMENTS.**

32.4 An institution's reinstatement request must include:

- 32.5 (1) written documentation specifying changes the institution has made to  
32.6 successfully address the reasons for termination, as outlined in the termination notice;  
32.7 (2) permission for the office's staff to conduct a reinstatement audit and to evaluate  
32.8 systems put in place to address the reasons for termination;  
32.9 (3) evidence of full repayment to the office of student aid program money the  
32.10 institution improperly received, withheld, disbursed, or caused to be disbursed;  
32.11 (4) new participation agreements with the office for all student aid programs in  
32.12 which the institution wishes to participate; and  
32.13 (5) if applicable, documentation of the institution's eligibility to participate in  
32.14 federal financial aid programs.

32.15 **Sec. 8. [136A.1047] RESPONSE TO REINSTATEMENT REQUEST.**

32.16 Within 60 days after receiving the institution's reinstatement request, the office shall  
32.17 conduct a reinstatement audit and either:  
32.18 (1) place the institution on probationary status for a period of one year; or  
32.19 (2) deny the request based on the institution meeting one or more of the termination  
32.20 criteria in section 136A.104.

32.21 **Sec. 9. [136A.1048] PROBATIONARY PERIOD.**

32.22 During the probationary period, the office may audit the institution's records  
32.23 without notice. If, while on probation, the institution violates a condition under section  
32.24 136A.104, documented by the office's audit staff, the office must remove the institution  
32.25 from probationary status and deny the request for reinstatement. If the institution fails to  
32.26 successfully complete the probationary period, termination is final and effective within 30  
32.27 days after written notice of the denial of the reinstatement request.

32.28 **Sec. 10. [136A.1049] REINSTATEMENT.**

32.29 If an institution no longer violates a condition under section 136A.104 and  
32.30 successfully completes the probationary period, the office must reinstate the institution's  
32.31 eligibility to participate in student financial aid programs effective the last date of the  
32.32 probationary period.



33.1 Sec. 11. [136A.105] STUDENT AWARDS AFTER TERMINATION.

33.2 If an institution is terminated from participating in student financial aid programs  
 33.3 during a payment period, and a student at the institution was eligible for an award other  
 33.4 than a student educational loan fund loan before the effective date of the institution's  
 33.5 termination, the office must issue a payment for that payment period, as long as the student  
 33.6 will not receive a payment for the same payment period from another institution and the  
 33.7 student continues to meet the program's eligibility requirements.

33.8 Sec. 12. Minnesota Statutes 2014, section 136A.125, subdivision 4, is amended to read:

33.9 Subd. 4. **Amount and length of grants.** (a) The amount of a child care grant  
 33.10 must be based on:

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

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

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

33.14 (b) The maximum award to the applicant shall be \$2,800 for each eligible child per  
 33.15 academic year, except that the campus financial aid officer may apply to the office for  
 33.16 approval to increase grants by up to ten percent to compensate for higher market charges  
 33.17 for infant care in a community. The office shall develop policies to determine community  
 33.18 market costs and review institutional requests for compensatory grant increases to ensure  
 33.19 need and equal treatment. The office shall prepare a chart to show the amount of a grant  
 33.20 that will be awarded per child based on the factors in this subdivision. The chart shall  
 33.21 include a range of income and family size.

33.22 (c) The formula used to calculate the maximum child care grant for each eligible child  
 33.23 per academic year is the maximum award minus ten percent of the family income exceeding  
 33.24 a percentage of the federal poverty guidelines that is determined by the commissioner.

33.25 If the formulaic result is less than zero, the grant is set to zero. The commissioner's  
 33.26 determination under this paragraph is not subject to chapter 14, including section 14.386.

33.27 (d) The academic year award amount must be disbursed by academic term using the  
 33.28 following formula:

33.29 (1) the academic year amount described in subdivision 4b;

33.30 (2) divided by the number of terms in the academic year;

33.31 (3) divided by 15; and

33.32 (4) multiplied by the number of credits for which the student is enrolled that  
 33.33 academic term, up to 15 credits.

34.1 Payments shall be made each academic term to the student or to the child care  
 34.2 provider, as determined by the institution. Institutions may make payments more than  
 34.3 once within the academic term.

34.4 Sec. 13. Minnesota Statutes 2014, section 136A.125, subdivision 4b, is amended to  
 34.5 read:

34.6 Subd. 4b. **Additional grants.** An additional term of child care grant may be  
 34.7 awarded to an applicant attending classes outside of the regular academic year who meets  
 34.8 the requirements in subdivisions 2 and 4. The annual maximum grant per eligible child  
 34.9 must not exceed the calculated annual amount in subdivision 4 plus the additional amount  
 34.10 in this subdivision, or the student's estimated child care cost for not more than 40 hours  
 34.11 per week per eligible child, whichever is less.

34.12 Sec. 14. Minnesota Statutes 2014, section 136A.1313, is amended to read:

34.13 **136A.1313 FINANCIAL AID AUDITS.**

34.14 Subdivision 1. **Compliance audits.** Beginning with audits for fiscal year 1996, in  
 34.15 place of the audits provided by the office, public institutions that administer state grants  
 34.16 under decentralized delivery may arrange for audits of state financial aid awards and  
 34.17 tuition reciprocity recipients in conjunction with their audits for federal financial aid. The  
 34.18 office is authorized to perform compliance audits of any Minnesota public or private  
 34.19 postsecondary institution that participates in programs administered by the office.

34.20 Subd. 2. **Independent auditor.** A postsecondary institution may choose to use  
 34.21 the same independent auditor it uses for its federal student financial aid audit to audit  
 34.22 the programs administered by the office for the same fiscal year. These audits must be  
 34.23 conducted in compliance with guidelines and materials prepared by the office. The office  
 34.24 shall develop a review process including procedures for responding to audit exceptions.  
 34.25 All other institutions under decentralized delivery may arrange for audits under this  
 34.26 section beginning with audits for fiscal year 1997. The use of an independent auditor does  
 34.27 not preclude the office from auditing these institutions as authorized by subdivision 1.

34.28 Sec. 15. Minnesota Statutes 2014, section 136A.1701, subdivision 4, is amended to  
 34.29 read:

34.30 Subd. 4. **Terms and conditions of loans.** (a) The office may loan money upon  
 34.31 such terms and conditions as the office may prescribe. ~~Under the SELF IV program, the~~  
 34.32 ~~principal amount of a loan to an undergraduate student for a single academic year shall not~~  
 34.33 ~~exceed \$7,500 per grade level. The aggregate principal amount of all loans made subject~~

35.1 ~~to this paragraph to an undergraduate student shall not exceed \$37,500. The principal~~  
 35.2 ~~amount of a loan to a graduate student for a single academic year shall not exceed \$9,000.~~  
 35.3 ~~The aggregate principal amount of all loans made subject to this paragraph to a student as~~  
 35.4 ~~an undergraduate and graduate student shall not exceed \$55,500. The amount of the loan~~  
 35.5 ~~may not exceed the cost of attendance less all other financial aid, including PLUS loans or~~  
 35.6 ~~other similar parent loans borrowed on the student's behalf. The cumulative SELF loan~~  
 35.7 ~~debt must not exceed the borrowing maximums in paragraph (b).~~

35.8 ~~(b) The cumulative undergraduate borrowing maximums for SELF IV loans are:~~

35.9 ~~(1) grade level 1, \$7,500;~~

35.10 ~~(2) grade level 2, \$15,000;~~

35.11 ~~(3) grade level 3, \$22,500;~~

35.12 ~~(4) grade level 4, \$30,000; and~~

35.13 ~~(5) grade level 5, \$37,500.~~

35.14 ~~(e) (b) The principal maximum loan amount of a SELF V or subsequent phase loan~~  
 35.15 ~~to for students enrolled in a bachelor's degree program, postbaccalaureate, or graduate~~  
 35.16 ~~program must not exceed \$10,000 per grade level shall be determined annually by the~~  
 35.17 ~~office. For all other eligible students, the principal amount of the loan must not exceed~~  
 35.18 ~~\$7,500 per grade level. The aggregate principal amount of all loans made subject to this~~  
 35.19 ~~paragraph to a student as an undergraduate and graduate student must not exceed \$70,000~~  
 35.20 ~~\$140,000. The amount of the loan must not exceed the cost of attendance as determined~~  
 35.21 ~~by the eligible institution less all other financial aid, including PLUS loans or other similar~~  
 35.22 ~~parent loans borrowed on the student's behalf. The cumulative SELF loan debt must not~~  
 35.23 ~~exceed the borrowing maximums in paragraph (d) (c).~~

35.24 ~~(d) (c)(1) The cumulative borrowing maximums shall be determined annually by the~~  
 35.25 ~~office for SELF V loans and subsequent phases for students enrolled in a bachelor's degree~~  
 35.26 ~~program or postbaccalaureate program are:~~

35.27 ~~(i) grade level 1, \$10,000;~~

35.28 ~~(ii) grade level 2, \$20,000;~~

35.29 ~~(iii) grade level 3, \$30,000;~~

35.30 ~~(iv) grade level 4, \$40,000; and~~

35.31 ~~(v) grade level 5, \$50,000.~~

35.32 ~~(2) For graduate level students, the borrowing limit is \$10,000 per nine-month~~  
 35.33 ~~academic year, with a cumulative maximum for all SELF debt of \$70,000.~~

35.34 ~~(3) (2) For all other eligible students, the cumulative borrowing maximums for~~  
 35.35 ~~SELF V loans and subsequent phases are:~~

35.36 ~~(i) grade level 1, \$7,500;~~

- 36.1 (ii) grade level 2, \$15,000;
- 36.2 (iii) grade level 3, \$22,500;
- 36.3 (iv) grade level 4, \$30,000; and
- 36.4 (v) grade level 5, \$37,500.

36.5 Sec. 16. Minnesota Statutes 2014, section 136A.64, subdivision 1, is amended to read:

36.6 Subdivision 1. **Schools to provide information.** As a basis for registration, schools  
 36.7 shall provide the office with such information as the office needs to determine the nature  
 36.8 and activities of the school, including but not limited to the following which shall be  
 36.9 accompanied by an affidavit attesting to its accuracy and truthfulness:

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

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

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

36.14 (4) ~~a fiscal balance sheet on an accrual basis, or a certified audit of the immediate~~  
 36.15 ~~past fiscal year including any management letters provided by the independent auditor~~  
 36.16 ~~or, if the school is a public institution outside Minnesota, an income statement for the~~  
 36.17 ~~immediate past fiscal year~~ financial data and information sufficient to enable the office  
 36.18 to determine the financial viability of the institution, including balance sheets, income  
 36.19 statements, audited financial statements if available, compiled financial statements if  
 36.20 available, or other financial information as requested by the office;

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

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

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

36.24 (ii) the current institutional officers;

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

36.26 (iv) a description of all school facilities;

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

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

36.29 (vii) the school's clear and concise policy about freedom or limitation of expression  
 36.30 and inquiry by students;

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

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

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

37.1 (xi) the school's policies about student admission, evaluation, suspension, and  
37.2 dismissal; and

37.3 (xii) the school's clear and concise policy about the intellectual property rights of  
37.4 students.

37.5 Sec. 17. Minnesota Statutes 2014, section 136A.65, subdivision 4, is amended to read:

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

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

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

37.14 (3) the school operates in conformity with generally accepted budgeting and  
37.15 accounting principles;

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

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

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

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

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

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

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

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

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

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

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

38.5 (10) the school must not withhold a student's official transcript because the student is  
38.6 in arrears or in default on any loan issued by the school to the student if the loan qualifies  
38.7 as an institutional loan under United States Code, title 11, section 523(a)(8).

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

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

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

38.11 (iii) proposed implementation date of the degree;

38.12 (iv) admissions requirements for the degree;

38.13 (v) length of the degree;

38.14 (vi) projected enrollment for a period of five years;

38.15 (vii) the curriculum required for the degree, including course syllabi or outlines;

38.16 (viii) statement of academic and administrative mechanisms planned for monitoring  
38.17 the quality of the proposed degree;

38.18 (ix) statement of satisfaction of professional licensure criteria, if applicable;

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

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

38.23 Sec. 18. Minnesota Statutes 2014, section 141.28, subdivision 6, is amended to read:

38.24 Subd. 6. **Financial aid payments.** (a) All schools must collect, assess, and  
38.25 distribute funds received from loans or other financial aid as provided in this subdivision.

38.26 (b) Student loans or other financial aid funds received from federal, state, or local  
38.27 governments or administered in accordance with federal student financial assistance  
38.28 programs under title IV of the Higher Education Act of 1965, as amended, United States  
38.29 Code, title 20, chapter 28, must be collected and applied as provided by applicable federal,  
38.30 state, or local law or regulation.

38.31 (c) Student loans or other financial aid assistance received from a bank, finance or  
38.32 credit card company, or other private lender must be collected or disbursed as provided  
38.33 in paragraphs (d) and (e).

38.34 (d) Loans or other financial aid payments for amounts greater than \$3,000 must  
38.35 be disbursed:

39.1 (1) in two equal disbursements, if the term length is more than four months. The  
39.2 loan or payment amounts may be disbursed no earlier than the first day the student attends  
39.3 class with the remainder to be disbursed halfway through the term; or

39.4 (2) in three equal disbursements, if the term length is more than six months. The  
39.5 loan or payment amounts may be disbursed no earlier than the first day the student attends  
39.6 class, one-third of the way through the term, and two-thirds of the way through the term.

39.7 (e) Loans or other financial aid payments for amounts less than \$3,000 may be  
39.8 disbursed as a single disbursement on the first day a student attends class, regardless  
39.9 of term length.

39.10 (f) No school may enter into a contract or agreement with, or receive any money  
39.11 from, a bank, finance or credit card company, or other private lender, unless the private  
39.12 lender follows the requirements for disbursements provided in paragraphs (d) and (e).

39.13 (g) No school may withhold an official transcript for arrears or default on any loan  
39.14 made by the school to a student if the loan qualifies as an institutional loan under United  
39.15 States Code, title 11, section 523(a)(8).

39.16 Sec. 19. **REVISOR'S INSTRUCTION.**

39.17 The revisor of statutes shall make any necessary cross-reference change in  
39.18 Minnesota Statutes or Minnesota Rules resulting from repealers in this act.

39.19 Sec. 20. **REPEALER.**

39.20 Minnesota Rules, parts 4830.0120; 4830.0130; 4830.0140; 4830.0150; 4830.0160;  
39.21 4830.0170; 4830.0180; 4830.0190; 4830.0195; and 4830.7500, subparts 2a, 2b, 2c, and  
39.22 3a, are repealed.

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**135A.25 TEXTBOOK DISCLOSURE, PRICING, AND ACCESS.**

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

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

- (1) the title, edition, author, and International Standard Book Number (ISBN) or other easily identifiable information for all course materials;
- (2) the undiscounted price at which the course materials are available to a bookstore;
- (3) the formats, including bundled and unbundled, in which those course materials are offered and the undiscounted prices of the various components, both sold separately or packaged together;
- (4) a summary of revisions between current and previous editions of course materials; and
- (5) the return policy for course material, including any penalties or conditions for returns.

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

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

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

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

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

Subd. 5. **Bookstores; course materials.** The University of Minnesota and private colleges are encouraged to comply with the requirements under section 136F.58, subdivisions 2, 2a, and 3.

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

Subdivision 1. **Establishment.** The achieve scholarship program is established to provide scholarships to eligible students within the limits of appropriations for the program.

Subd. 2. **Definition; qualifying program.** For the purposes of this section, a "qualifying program" means a rigorous secondary school program of study for Minnesota high school graduates recognized by the Secretary of Education for the purposes of determining eligibility for the federal Academic Competitiveness Grant Program under Title IV of the Higher Education Act of 1965, as amended on August 14, 2008. If a qualifying program includes a foreign language requirement, the foreign language requirement is waived for a student whose first language is not English and who attains English language proficiency.

Subd. 3. **Documentation of qualifying programs.** The student shall request a transcript from the high school. The high school shall provide a transcript to the office or to the eligible institution in which the student is enrolling, documenting the qualifying program. If the transcript is not sufficient to document a qualifying program, the student may be required to submit further documentation that the office deems sufficient.

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

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

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(2) complete a qualifying program in a high school or in a homeschool setting under section 120A.22, graduate from a Minnesota high school, and graduate with an unweighted grade point average of 2.5 or higher;

(3) qualify for a federal Pell Grant or state grant under section 136A.121;

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

(5) meet satisfactory academic progress as defined under section 136A.101, subdivision 10;

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

(7) enroll full-time in a degree, diploma, or certificate program during the academic year immediately following high school graduation at an eligible institution as defined under section 136A.101, subdivision 4.

Subd. 5. **Administration.** The achieve scholarship program shall be administered by the office. The commissioner shall develop forms and procedures necessary to administer the program.

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

Subd. 7. **Deadline.** The deadline for the office to accept applications for achieve scholarships is the same as that used for the state grant in section 136A.121, subdivision 13.

Subd. 9. **Scholarship awards.** The amount of the scholarship is equal to the maximum assigned student responsibility for a four-year program, as defined in section 136A.121, subdivision 5, minus the assigned family responsibility as defined in section 136A.101, subdivision 5a, multiplied by 0.50. The minimum scholarship is \$1,200 per academic year based on the institution's academic calendar and the student's continued eligibility. The scholarship may be used to pay for qualifying expenses at eligible institutions.

Subd. 9b. **Additional award for online course completion.** An eligible student who has completed at least one online course while in high school or in a homeschool setting under section 120A.22 may receive an additional award of up to \$150 to be used in conjunction with the award in subdivision 9. The additional award is available to new applicants for terms of enrollment beginning on or after July 1, 2009. The online course must be offered by a provider certified by the Minnesota Department of Education under section 124D.095 or by an eligible postsecondary institution as defined under section 136A.101, subdivision 4. If the official high school transcript is not sufficient to document the completion of the online course, the student may be required to submit further documentation as required by the office.

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

Subd. 10a. **Student investment.** A student investment is required in an amount equal to the remainder of the assigned student responsibility as defined in section 136A.121, subdivision 5, after deducting the achieve scholarship.

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

Subd. 14. **Evaluation report.** By January 15 of each odd-numbered year, the office shall submit a report, to the committees of the legislature with jurisdiction over higher education finance and policy, regarding the program, including, at a minimum, the following information:

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

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

(3) the high schools attended by the program participants;

(4) the postsecondary institutions attended by the program participants;

(5) the academic performance of the students after enrolling in a postsecondary institution;

and

(6) other information as determined by the commissioner.

**158.01 ESTABLISHMENT.**

The hospitals now and hereafter established in connection with the medical school of the University of Minnesota shall be known as the University of Minnesota Hospitals. The

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student infirmary, the university dispensary, and the Elliot Memorial Building shall be parts of the University of Minnesota Hospitals.

### **158.02 WHAT PATIENTS MAY BE TREATED; RESEARCH WORK.**

The University of Minnesota Hospitals shall be primarily and principally designed for the care of legal residents of Minnesota who are afflicted with a malady, deformity, or ailment of a nature which can probably be remedied by hospital service and treatment and who are unable, financially, to secure such care; or, in case of a minor, whose parent, guardian, trustee, or other person having lawful custody of the minor's person, as the case may be, is unable financially to secure such care. The University of Minnesota Hospitals are hereby designated as places of treatment for such persons.

The hospitals shall be utilized for such instruction and for such scientific research as will promote the welfare of the patients committed to their care and assist in the application of science to the alleviation of human suffering.

### **158.03 OFFICERS TO REPORT CASES NEEDING HOSPITAL CARE.**

When the existence of a case described in section 158.02 shall come to the notice of the sheriff, town clerk, agent of a board of health as authorized under section 145A.04, public health nurse as defined in section 145A.02, subdivision 18, police officer, or any other public official, or any physician or surgeon, it shall be the official's duty to, and any other person may, file with the board of county commissioners of the county of the residence of such person an application for the treatment of such person at the University of Minnesota Hospitals.

Such application shall be made in duplicate on blanks to be furnished by the University of Minnesota Hospitals and contain a full statement of the financial situation of the person sought to be treated and a general statement of the person's physical condition and shall be verified. Upon the filing of such application, the board of county commissioners shall make investigation in such manner as it shall deem advisable, and it shall be the duty of any public official of any county, city, town, or ward of the residence of the person sought to be treated to supply to the county board, on request thereof, all information within the supplier's knowledge relative to the financial situation of the person sought to be treated. If, after such investigation, the county board shall be satisfied that the person on whose behalf the application is made is not financially able to pay for such treatment; or, in case of a minor, that a parent, guardian, or trustee, in representative capacity, or the person having legal custody over the minor or legally responsible for the minor's support or maintenance, is not financially able to provide such treatment, then the county board shall appoint a physician of the county whose duty shall be personally to make an examination of the person on whose behalf the application for treatment has been filed. The physician shall thereupon make and file with the county board a verified report in writing setting forth the nature and history of the case and such other information as will be likely to aid in the medical or surgical treatment of the disease, malady, deformity, or ailment affecting the person and state in the report whether or not in the physician's opinion the condition of such person can probably be remedied at a hospital. The report of the physician shall be made in duplicate within such time as the county board may direct upon blanks to be furnished by the University of Minnesota Hospitals for that purpose. The report shall include any information within the knowledge of the physician relative to the financial situation of the person proposed to be treated. The physician appointed to make the examination, unless already a salaried officer of the state or some division thereof, shall receive \$5 for making the examination and, in any case, the physician's actual and necessary expenses; which fee and expenses shall be paid by the county of residence of the patient; and it shall be the duty of the board of county commissioners to provide for such payment.

If, upon filing of the report, the county board shall be satisfied that the case is one which should be treated at the University of Minnesota Hospitals and that the person to be treated, or a parent, guardian, trustee, or other person having legal custody of the person, in case of a minor, is not financially able to provide such person with proper treatment, the county board shall enter an order finding such facts. In case the county board is not so satisfied, it may take additional testimony or make such further investigation as to it shall seem proper. The county board may reject any application which is found to be without sufficient merit. Upon the entry of the order of the county board approving the application, it shall communicate with the superintendent of the University of Minnesota Hospitals and ascertain whether or not the applicant can be received as a patient. If the University of Minnesota Hospitals can receive such applicant, the county board shall thereupon certify its approval of the application to the hospitals. One copy of the application and the physician's report shall be sent to the superintendent of the hospitals.

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If the county board should find that an applicant or the person legally responsible for the applicant is able to pay, in part but not in full, for care at the University of Minnesota Hospitals at the rate to be charged as determined in section 158.05, the county board may approve the application of the patient on such terms of division of hospital charges as it may deem equitable and just.

#### **158.04 TRANSPORTATION OF PATIENTS; PAYMENT FOR BY COUNTY.**

Upon approval of such application, if the patient is unable to travel alone, the board of county commissioners may appoint a suitable official or person to take the patient to the University of Minnesota Hospitals and such person shall receive actual and necessary expenses; and, if not a salaried officer of the state, or any subdivision thereof, shall receive in addition \$3 per day for the time actually and necessarily consumed in transporting the patient to the hospital and returning. The traveling expenses of the patient, the per diem and expenses of the person appointed to accompany the patient, and 30 percent of the first \$5,000 of the expense charged against the patient while an inmate of the hospital shall be paid by the county of residence of the patient and it shall be the duty of the board of county commissioners to provide for such payment.

If the county of residence of the patient is not the county in which the patient has legal settlement for the purposes of poor relief, then the county of residence may seek reimbursement from the county in which the patient has settlement for the purposes of poor relief for all costs it has necessarily incurred and paid in connection with the hospitalization of said patient.

#### **158.05 ACTUAL COST TO BE CHARGED PATIENTS.**

The University of Minnesota Hospitals shall treat patients admitted on certificate of the board of county commissioners of any county at rates based on actual cost, as determined by the Board of Regents of the University of Minnesota. Sixty percent of the first \$11,000 in charges against a patient, and all of the charges against a patient in excess of \$11,000, will be paid by the state from appropriations made to the university for this purpose. Before charges are billed to this program, the University of Minnesota Hospitals and clinics shall seek payment from any third-party insurance that is liable for coverage of the patients' care. This program shall be billed for the balance after the third-party payment according to the formula noted above. Any resident of the state, upon a proper showing to the Board of Regents of the University of Minnesota that the resident is unable to pay ordinary physician's fees and hospital charges, may be received upon paying the same rate as charged for county patients. It shall be the duty of the Board of Regents to investigate applications made for such treatment under this section; and, if satisfied of the truth of the allegations made and of the necessity for treatment, the Board of Regents shall admit such patients when there is room in the hospitals.

Students of the University of Minnesota and such other patients as the Board of Regents, to an extent that will not interfere with the primary purpose of the hospitals, as set forth in section 158.02, may direct, may be received in the hospitals when there is room and any fees received from such patients shall be used for the purposes of the hospitals.

#### **158.06 PHYSICIANS AND ATTENDANTS NOT TO CHARGE FOR SERVICES.**

No compensation shall be charged or received by any officer of the University of Minnesota Hospitals, or by any physician, surgeon, or nurse in their employment, who shall treat or care for any patient in the hospitals, other than the compensation provided for such persons by the Board of Regents of the University of Minnesota.

#### **158.07 QUARTERLY REPORT BY BOARD OF REGENTS; PAYMENT.**

The Board of Regents of the University of Minnesota shall file a verified quarterly report with the commissioner of management and budget containing an itemized statement of the expense charged against each patient received on certification of any board of county commissioners, together with the name of the county from which the patient was certified, the amount of the expense charged against the patient that is to be paid by the county under section 158.04, and a statement of any sums paid by or for the patient. On the date that the Board of Regents files the quarterly report, it shall also submit requests for payment in amounts authorized in section 158.04 to each county from which expense amounts are due.

#### **158.08 EXPENSES PAID BY COUNTIES.**

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Upon receipt of the invoice specified in section 158.07 a county auditor shall issue a warrant on the poor fund for the amount due, except that in any county now or hereafter caring for the poor under a county poor commission, the notice shall be given to the county poor commission, which shall issue its warrant on the poor fund of the county for the amount due. The warrant shall be delivered to the county treasurer, who shall, if funds are available, issue a check payable to the University of Minnesota for the amount of the warrant. If no funds are available in the poor fund for the payment of the warrant, it shall be registered. The check or registered warrant shall be mailed to the University of Minnesota. All payments hereunder are appropriated to the University of Minnesota.

### **158.09 COUNTY BOARD MAY ACT UPON APPLICATIONS FOR TREATMENT IN UNIVERSITY OF MINNESOTA HOSPITALS.**

The several boards of county commissioners in the state and any members of such a board may receive, investigate, and act upon applications for treatment in the University of Minnesota Hospitals.

### **158.091 COUNTY BOARD MAY DELEGATE CERTAIN POWERS TO LOCAL SOCIAL SERVICES AGENCY.**

The county board and the several members thereof of any county in this state are hereby authorized to delegate to the local social services agency of such county all the rights, powers, and duties conferred upon it and them by sections 158.01 to 158.12, with reference to the hospitalization of indigent persons.

### **158.10 DISCHARGE FROM HOSPITALS.**

When, in the opinion of the superintendent of the University of Minnesota Hospitals, any patient should be discharged therefrom as cured, or as no longer needing treatment, or for the reason that treatment cannot benefit the case, the superintendent shall discharge the patient. If the patient is a county patient and is unable to return home alone, the superintendent shall appoint some suitable person to accompany the patient home from the hospital. Such person shall receive actual and necessary expenses; and, if not a salaried officer of the state, or any political subdivision thereof, shall receive in addition \$3 per day for the actual time necessarily consumed. The traveling expenses of all county patients and the per diem and expenses of the person appointed to accompany the patient shall be part of the legitimate expenses of caring for such patients in the University of Minnesota Hospitals and as such included by the superintendent in the monthly bill to the commissioner of management and budget, provided for in section 158.07.

### **158.11 INMATES OF STATE INSTITUTIONS MAY BE ADMITTED.**

The commissioner of human services may make application to the Board of Regents of the University of Minnesota for the admission to the University of Minnesota Hospitals of any inmate of any state institution under the commissioner of human services, or any person committed to or applying for admission thereto, who is afflicted with any disease, malady, deformity, or ailment which can probably be remedied, or which can be advantageously treated by proper medical or surgical care at the University of Minnesota Hospitals. The application shall be accompanied by the report of the physician of the institution or by a physician appointed by the commissioner of human services in the same form as reports of other physicians for admission of patients to the hospitals. The superintendent of the University of Minnesota Hospitals shall decide whether the patient may be received by the hospitals; and, if received, when the patient shall be discharged or returned to the institution from which the patient came. The commissioner of human services shall pay the Board of Regents of the University of Minnesota for the treatment of such patients at the same rate charged for county patients and the expense of such treatment and of transporting the patient to and from the University of Minnesota Hospitals shall be paid out of the appropriation for operation of the institution from which the patient is sent. The commissioner of human services may when necessary send an attendant with, or bring back, the patient and pay for traveling expenses in like manner.

### **158.12 COOPERATION WITH OTHER HOSPITALS.**

The University of Minnesota Hospitals shall, upon request of proper authorities, cooperate with any county hospital or sanitarium established under existing statutes or any hospital

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supported, in whole or in part, by public funds. The superintendent of the University of Minnesota Hospitals shall, upon request, advise the county commissioners, or others in control of such existing or proposed county or other hospital or sanitarium, in regard to the survey of the hospital needs of the county and in regard to location, buildings, equipment, or other matters pertaining to hospitals. It shall be the duty of the members of the staff of the hospitals, on request, to assist or advise, so far as circumstances permit, such county or other hospital or sanitarium in the medical or surgical care of patients, in X-ray and laboratory diagnosis or in any other matter contributing to the efficiency of such hospital or sanitarium and, so far as possible, to furnish interns and other personnel.

No employee of the University of Minnesota shall receive any compensation for such advice or service other than that paid by the Board of Regents, except that actual expenses incurred in rendering such advice or service may be paid.

**4830.0120 SCOPE.**

For the purposes of this chapter and chapter 4850, the procedure in parts 4830.0130 to 4830.0195 applies to the termination of an institution's eligibility to participate in a student financial aid program administered by the Minnesota Office of Higher Education.

**4830.0130 DEFINITIONS.**

Subpart 1. **Scope.** For the purposes of parts 4830.0120 to 4830.0195, the terms defined in this part have the meanings given them.

Subp. 2. **Commissioner.** "Commissioner" means the commissioner of the office, or office staff who perform duties as assigned by the commissioner.

Subp. 3. **Fiscal year.** "Fiscal year" means the period from July 1 to the following June 30.

Subp. 4. **Funds.** "Funds" means money disbursed or the commitment to disburse money under any program to an institution or to an institution on behalf of students enrolled and attending the institution.

Subp. 5. **Institution.** "Institution" means a post-secondary institution that participates in a student financial aid program or student loan program administered by the office.

Subp. 6. **Office.** "Office" means the Minnesota Office of Higher Education.

Subp. 7. **Program.** "Program" means a financial aid and loan program administered by the Minnesota Office of Higher Education.

**4830.0140 TERMINATION.**

The office shall terminate an institution's eligibility to participate in a program if the institution:

A. violates a provision of Minnesota statutes or rules governing the program, and fails to correct the violation within 90 days from the date on the written notification of the termination;

B. refuses to allow inspection of or provide information relating to financial aid records, after written request by the office;

C. is no longer eligible to participate in a program under part 4830.0300, subparts 1 and 2; 4830.7200; or 4850.0011, subpart 14; or

D. is not complying with chapter 4850.

**4830.0150 TERMINATION PROCEDURE.**

Subpart 1. **Termination.** The office shall provide written notice of its intent to terminate an institution's eligibility to participate in a program or programs if there is evidence that the institution has been in noncompliance based on the criteria under part 4830.0140. At the time the office provides notice of its intent to terminate, it shall also provide an institution an opportunity for a hearing pursuant to Minnesota Statutes, chapter 14.

Subp. 2. **Notification.** The office shall send the institution written notification of the termination of the institution's eligibility to participate in a program. Termination shall be effective 90 days from the date of the written notification.

**4830.0160 REQUEST FOR HEARING.**

An institution may request a hearing pursuant to Minnesota Statutes, chapter 14, regarding its termination of eligibility to participate in a program. The request must be in writing and must be received by the commissioner within 30 days of the date on the written notification of termination sent by the office. Within ten days of receipt of the request for hearing, the office shall contact the Office of Administrative Hearings to arrange a hearing date.

**4830.0170 FINAL DECISION, ORDERS.**

The commissioner shall render a decision and order in writing following receipt of the report issued by the administrative law judge after the hearing. The final decision of the commissioner shall take into consideration the hearing record and the report of the administrative law judge. The order of the commissioner is the final decision in the termination of the institution's eligibility to participate in a program administered by the office.

**4830.0180 REIMBURSEMENTS AND REFUNDS.**

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A. The office's director of student financial aid services or the commissioner of the office shall require an institution to remedy a violation of applicable program statutes and rules.

B. If an institution is required to reimburse or make other payments to the office, the commissioner shall offset these claims against benefits or claims due to the institution.

**4830.0190 STUDENT AWARDS AFTER TERMINATION.**

Subpart 1. **Payment of awards.** If an institution is terminated from participating in a program during a payment period, a student at the institution who was eligible for an award before the effective date of the termination shall receive a payment for that payment period.

Subp. 2. **Notice.** For the purposes of subpart 1, "notice" occurs:

A. under the Student Educational Loan Fund (SELF) Program when the commissioner or servicer advises the student, in writing, that the loan is approved; and

B. under the state grant and campus-based programs when the commissioner or institution has notified the student, in writing, of the award.

**4830.0195 REINSTATEMENT.**

Subpart 1. **Application.** An institution terminated from participation in a program by the office under part 4830.0140, may request reinstatement to participate in the program. The institution must wait at least 12 consecutive months from the effective date of the termination to submit a request for reinstatement. A request for reinstatement must be in writing and submitted to the commissioner. If the institution is initially denied reinstatement, the institution must wait at least 90 days from the date of denial of reinstatement, as specified in subpart 3, to resubmit a request for reinstatement. If an institution's eligibility is reinstated after the start of the academic term, eligible students shall receive payment retroactively to the beginning of the term when the institution was reinstated.

Subp. 2. **Reinstatement requirements.** An institution's reinstatement request must include:

A. written documentation of the process used to correct a violation, and how the violation will be prevented in the future;

B. evidence of full repayment to the office of program funds the institution improperly received, withheld, disbursed, or caused to be disbursed; and

C. new participation agreements with the office for all programs the institution wishes to participate in.

Subp. 3. **Response to reinstatement request.** Within 60 days of receiving the institution's reinstatement request, the office shall:

A. grant the request; or

B. deny the request based on evidence of noncompliance with the requirements in subpart 2.

**4830.7500 AMOUNT AND TERM OF GRANTS.**

Subp. 2a. **Academic year grant.** Beginning with the 2001-2002 academic year, the maximum grant per eligible child for the academic year is the amount specified in Minnesota Statutes, section 136A.125, subdivision 4, minus a student expectation based on family income.

The formula used to calculate the child care grant is as follows: the statutory maximum child care grant amount minus ((family income minus 130 percent of the federal poverty level for the student's family size) multiplied by ten percent) equals the child care grant. If the formulaic result is less than zero, the grant is set to zero. If the formulaic result is greater than the maximum statutory grant, the grant amount is the statutory maximum grant.

**4830.7500 AMOUNT AND TERM OF GRANTS.**

Subp. 2b. **Award disbursements.** The academic year award amount must be disbursed by academic term using the following formula:

A. the academic year amount described in subpart 2a;

B. divided by the number of terms in the academic year;

C. divided by 15; and

D. multiplied by the number of credits for which the student is enrolled that academic term, up to 15 credits.



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Payments shall be made each academic term to the student or to the child care provider, as determined by the institution. Institutions may make payments more than once within the academic term.

**4830.7500 AMOUNT AND TERM OF GRANTS.**

Subp. 2c. **Summer term grant.** Students attending summer school may receive an additional grant per eligible child up to one-third of the academic year grant described in subpart 2a for quarter-based schools and up to one-half the academic year grant described in subpart 2a for semester-based schools.

**4830.7500 AMOUNT AND TERM OF GRANTS.**

Subp. 3a. **Annual grant amount.** The annual maximum grant per eligible child must not exceed the calculated amount in subpart 2a plus the amount in subpart 2c, or the student's estimated annual child care cost for not more than 40 hours per week per eligible child, whichever is less.