

1.1 CONFERENCE COMMITTEE REPORT ON S.F. No. 1236

1.2 A bill for an act  
1.3 relating to higher education; providing funding for the University of Minnesota,  
1.4 Minnesota State Colleges and Universities, the Minnesota Office of Higher  
1.5 Education, and for other higher education purposes; regulating the state  
1.6 grant program; limiting certain tuition increases; regulating bonus payments;  
1.7 eliminating state regulation of certain online instruction; providing for local bank  
1.8 deposit of certain MnSCU reserves; requiring the development of strategies to  
1.9 assist in the completion of post-secondary programs; requiring an assessment  
1.10 of the feasibility of a state program to refinance student debt; creating a pilot  
1.11 program for intensive mentoring, counseling, and job placement activities for  
1.12 certain students; requiring an evaluation of which performance standards should  
1.13 be used to evaluate institutional eligibility for state student financial aid programs;  
1.14 requiring the University of Minnesota to develop a plan to reduce administrative  
1.15 costs; requiring a higher education mental health summit; creating a tribal  
1.16 college supplemental grant assistance program; recognizing veteran's experience  
1.17 and training for various higher education purposes; providing a pilot program for  
1.18 state grant aid to part-time students at MnSCU institutions; appropriating money;  
1.19 amending Minnesota Statutes 2012, sections 13.47, subdivision 3; 127A.70,  
1.20 subdivision 2; 135A.61; 136A.031, subdivision 2; 136A.101, subdivisions 3, 5a,  
1.21 9; 136A.121, subdivision 5, by adding a subdivision; 136A.125, subdivisions  
1.22 2, 4; 136A.233, subdivision 2; 136A.62, by adding a subdivision; 136A.646;  
1.23 136A.65, subdivisions 4, 8; 136A.653, by adding a subdivision; 136F.40,  
1.24 subdivision 2; 137.027; 141.25, subdivision 7; 141.35; 197.775, subdivisions  
1.25 1, 2, by adding a subdivision; 268.19, subdivision 1; 299A.45, subdivision 4;  
1.26 proposing coding for new law in Minnesota Statutes, chapters 135A; 136A;  
1.27 136F; 137; repealing Minnesota Statutes 2012, section 136A.121, subdivision 9b.

1.28 May 16, 2013  
1.29 The Honorable Sandra L. Pappas  
1.30 President of the Senate

1.31 The Honorable Paul Thissen  
1.32 Speaker of the House of Representatives

1.33 We, the undersigned conferees for S.F. No. 1236 report that we have agreed upon  
1.34 the items in dispute and recommend as follows:

1.35 That the House recede from its amendments and that S.F. No. 1236 be further  
1.36 amended as follows:

1.37 Delete everything after the enacting clause and insert:

2.1 "ARTICLE 1

2.2 HIGHER EDUCATION APPROPRIATIONS

2.3 Section 1. SUMMARY OF APPROPRIATIONS.

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

2.6 SUMMARY BY FUND

	<u>2014</u>	<u>2015</u>	<u>Total</u>
2.7 <u>General</u>	\$ <u>1,393,096,000</u>	\$ <u>1,422,165,000</u>	\$ <u>2,815,261,000</u>
2.8 <u>Health Care Access</u>	<u>2,157,000</u>	<u>2,157,000</u>	<u>4,314,000</u>
2.9 <u>Total</u>	\$ <u>1,395,253,000</u>	\$ <u>1,424,322,000</u>	\$ <u>2,819,575,000</u>

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

2.13 SUMMARY BY AGENCY - ALL FUNDS

	<u>2014</u>	<u>2015</u>	<u>Total</u>
2.14 <u>Minnesota Office of Higher</u>			
2.15 <u>Education</u>	\$ <u>227,031,000</u>	\$ <u>224,572,000</u>	\$ <u>451,603,000</u>
2.16 <u>Board of Trustees of the</u>			
2.17 <u>Minnesota State Colleges and</u>			
2.18 <u>Universities</u>	<u>587,915,000</u>	<u>605,143,000</u>	<u>1,193,058,000</u>
2.19 <u>Board of Regents of the</u>			
2.20 <u>University of Minnesota</u>	<u>578,956,000</u>	<u>593,256,000</u>	<u>1,172,212,000</u>
2.21 <u>Mayo Clinic</u>	<u>1,351,000</u>	<u>1,351,000</u>	<u>2,702,000</u>
2.22 <u>Total</u>	\$ <u>1,395,253,000</u>	\$ <u>1,424,322,000</u>	\$ <u>2,819,575,000</u>

2.24 Sec. 2. HIGHER EDUCATION APPROPRIATIONS.

2.25 The sums shown in the columns marked "Appropriations" are appropriated to the  
 2.26 agencies and for the purposes specified in this article. The appropriations are from the  
 2.27 general fund, or another named fund, and are available for the fiscal years indicated  
 2.28 for each purpose. The figures "2014" and "2015" used in this article mean that the  
 2.29 appropriations listed under them are available for the fiscal year ending June 30, 2014, or  
 2.30 June 30, 2015, respectively. "The first year" is fiscal year 2014. "The second year" is fiscal  
 2.31 year 2015. "The biennium" is fiscal years 2014 and 2015.

2.32 APPROPRIATIONS  
 2.33 Available for the Year  
 2.34 Ending June 30  
 2.35 2014 2015

2.36 Sec. 3. MINNESOTA OFFICE OF HIGHER  
 2.37 EDUCATION

3.1	<u>Subdivision 1. <b>Total Appropriation</b></u>	<u>\$ 227,031,000</u>	<u>\$ 224,572,000</u>
3.2	<u>The amounts that may be spent for each</u>		
3.3	<u>purpose are specified in the following</u>		
3.4	<u>subdivisions.</u>		
3.5	<u>Subd. 2. <b>State Grants</b></u>	<u>179,141,000</u>	<u>176,781,000</u>
3.6	<u>If the appropriation in this subdivision for</u>		
3.7	<u>either year is insufficient, the appropriation</u>		
3.8	<u>for the other year is available for it.</u>		
3.9	<u>Subd. 3. <b>Child Care Grants</b></u>	<u>6,684,000</u>	<u>6,684,000</u>
3.10	<u>Subd. 4. <b>State Work-Study</b></u>	<u>14,502,000</u>	<u>14,502,000</u>
3.11	<u>Subd. 5. <b>Interstate Tuition Reciprocity</b></u>	<u>11,017,000</u>	<u>11,018,000</u>
3.12	<u>If the appropriation in this subdivision for</u>		
3.13	<u>either year is insufficient, the appropriation</u>		
3.14	<u>for the other year is available to meet</u>		
3.15	<u>reciprocity contract obligations.</u>		
3.16	<u>Subd. 6. <b>Safety Officer's Survivors</b></u>	<u>100,000</u>	<u>100,000</u>
3.17	<u>This appropriation is to provide educational</u>		
3.18	<u>benefits under Minnesota Statutes, section</u>		
3.19	<u>299A.45, to eligible dependent children and</u>		
3.20	<u>to the spouses of public safety officers killed</u>		
3.21	<u>in the line of duty.</u>		
3.22	<u>If the appropriation in this subdivision for</u>		
3.23	<u>either year is insufficient, the appropriation</u>		
3.24	<u>for the other year is available for it.</u>		
3.25	<u>Subd. 7. <b>Indian Scholarships</b></u>	<u>3,100,000</u>	<u>3,100,000</u>
3.26	<u>The director must contract with or employ</u>		
3.27	<u>at least one person with demonstrated</u>		
3.28	<u>competence in American Indian culture and</u>		
3.29	<u>residing in or near the city of Bemidji to</u>		
3.30	<u>assist students with the scholarships under</u>		
3.31	<u>Minnesota Statutes, section 136A.126, and</u>		
3.32	<u>with other information about financial aid for</u>		

4.1	<u>which the students may be eligible. Bemidji</u>		
4.2	<u>State University must provide office space</u>		
4.3	<u>at no cost to the Minnesota Office of Higher</u>		
4.4	<u>Education for purposes of administering the</u>		
4.5	<u>American Indian scholarship program under</u>		
4.6	<u>Minnesota Statutes, section 136A.126. This</u>		
4.7	<u>appropriation includes funding to administer</u>		
4.8	<u>the American Indian scholarship program.</u>		
4.9	<b><u>Subd. 8. Tribal College Grants</u></b>	<u>150,000</u>	<u>150,000</u>
4.10	<u>For tribal college assistance grants under</u>		
4.11	<u>new Minnesota Statutes, section 136A.50.</u>		
4.12	<b><u>Subd. 9. High School-to-College Developmental</u></b>		
4.13	<b><u>Transition Grants</u></b>	<u>100,000</u>	<u>100,000</u>
4.14	<u>For grants under Minnesota Statutes, section</u>		
4.15	<u>135A.61, for the high school-to-college</u>		
4.16	<u>developmental transition program grants.</u>		
4.17	<b><u>Subd. 10. Intervention for College Attendance</u></b>		
4.18	<b><u>Program Grants</u></b>	<u>671,000</u>	<u>671,000</u>
4.19	<u>For the intervention for college attendance</u>		
4.20	<u>program under Minnesota Statutes, section</u>		
4.21	<u>136A.861.</u>		
4.22	<u>This appropriation includes funding to</u>		
4.23	<u>administer the intervention for college</u>		
4.24	<u>attendance program grants.</u>		
4.25	<b><u>Subd. 11. Student-Parent Information</u></b>	<u>122,000</u>	<u>122,000</u>
4.26	<b><u>Subd. 12. Get Ready</u></b>	<u>180,000</u>	<u>180,000</u>
4.27	<b><u>Subd. 13. Midwest Higher Education Compact</u></b>	<u>95,000</u>	<u>95,000</u>
4.28	<b><u>Subd. 14. Minnesota Minority Partnership</u></b>	<u>45,000</u>	<u>45,000</u>
4.29	<b><u>Subd. 15. United Family Medicine Residency</u></b>		
4.30	<b><u>Program</u></b>	<u>351,000</u>	<u>351,000</u>
4.31	<u>For a grant to United Family Medicine</u>		
4.32	<u>residency program. This appropriation</u>		
4.33	<u>shall be used to support up to 18 resident</u>		

5.1 physicians each year in family practice at  
 5.2 United Family Medicine residency programs  
 5.3 and shall prepare doctors to practice family  
 5.4 care medicine in underserved rural and  
 5.5 urban areas of the state. It is intended  
 5.6 that this program will improve health  
 5.7 care in underserved communities, provide  
 5.8 affordable access to appropriate medical  
 5.9 care, and manage the treatment of patients in  
 5.10 a cost-effective manner.

5.11	<u>Subd. 16. MnLINK Gateway and Minitex</u>	<u>5,905,000</u>	<u>5,905,000</u>
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5.12	<u>Subd. 17. Statewide Longitudinal Education</u>		
5.13	<u>Data System</u>	<u>882,000</u>	<u>882,000</u>

5.14 \$582,000 in fiscal year 2014 and \$582,000  
 5.15 in fiscal year 2015 are appropriated to the  
 5.16 Office of Higher Education for transfer  
 5.17 to the Office of Enterprise Technology to  
 5.18 maintain infrastructure of the Statewide  
 5.19 Longitudinal Education Data System and  
 5.20 to acquire additional data through purchase  
 5.21 and development. This transfer to the Office  
 5.22 of Enterprise Technology is onetime. Any  
 5.23 ongoing information technology support  
 5.24 or costs for the Statewide Longitudinal  
 5.25 Education Data System will be incorporated  
 5.26 into the service level agreement and will be  
 5.27 paid to the Office of Enterprise Technology  
 5.28 by the Office of Higher Education under  
 5.29 the rates and mechanism specified in that  
 5.30 agreement.

5.31	<u>Subd. 18. Hennepin County Medical Center</u>	<u>645,000</u>	<u>645,000</u>
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5.32 For transfer to Hennepin County Medical  
 5.33 Center for graduate family medical education  
 5.34 programs at Hennepin County Medical  
 5.35 Center.

6.1 Subd. 19. Teach for America 750,000 750,000

6.2 For the purpose of supporting Teach for  
6.3 America activities in Minnesota and must  
6.4 not be used for teaching services performed  
6.5 outside Minnesota. The appropriation shall  
6.6 be used for:

6.7 (1) expenses related to the recruitment,  
6.8 selection, and training of Teach for America  
6.9 corps members;

6.10 (2) ongoing professional development and  
6.11 support of Teach for America corps members;

6.12 (3) ongoing alumni support; and

6.13 (4) management and operational support,  
6.14 development, and central services, including  
6.15 finance, technology, and human services.

6.16 The appropriation for fiscal year 2015 is not  
6.17 available until the appropriation for fiscal  
6.18 year 2014 is matched by \$2,121,000 from  
6.19 nonstate sources.

6.20 Teach for America must by February 1, 2015,  
6.21 report to the chairs and ranking minority  
6.22 members of the legislative committees  
6.23 and divisions with jurisdiction over higher  
6.24 education on activities funded by this  
6.25 appropriation. Specifically, and without  
6.26 limitation, the report must include a report  
6.27 on the number of teachers of color funded  
6.28 and on the success of the teaching activities.

6.29 To the extent possible, success must be  
6.30 measured using the Minnesota teachers  
6.31 development and evaluation program.

6.32 Subd. 20. Prosperity Act.

7.1 \$100,000 in fiscal year 2014 is appropriated  
 7.2 from the general fund to the Office of Higher  
 7.3 Education for the information technology  
 7.4 costs associated with the implementation  
 7.5 of the Prosperity Act. This is a onetime  
 7.6 appropriation.

7.7 Subd. 21. **Agency Administration** 2,491,000 2,491,000

7.8 Subd. 22. **Balances Forward**

7.9 A balance in the first year under this section  
 7.10 does not cancel, but is available for the  
 7.11 second year.

7.12 Subd. 23. **Transfers**

7.13 The Minnesota Office of Higher Education  
 7.14 may transfer unencumbered balances from  
 7.15 the appropriations in this section to the state  
 7.16 grant appropriation, the interstate tuition  
 7.17 reciprocity appropriation, the child care  
 7.18 grant appropriation, the Indian scholarship  
 7.19 appropriation, the state work-study  
 7.20 appropriation, the get ready appropriation,  
 7.21 and the public safety officers' survivors  
 7.22 appropriation. Transfers from the child care  
 7.23 or state work-study appropriations may only  
 7.24 be made to the extent there is a projected  
 7.25 surplus in the appropriation. A transfer may  
 7.26 be made only with prior written notice to  
 7.27 the chairs and ranking minority members  
 7.28 of the senate and house of representatives  
 7.29 committees and divisions with jurisdiction  
 7.30 over higher education finance.

7.31 Sec. 4. **BOARD OF TRUSTEES OF THE**  
 7.32 **MINNESOTA STATE COLLEGES AND**  
 7.33 **UNIVERSITIES**

7.34 Subdivision 1. **Total Appropriation** \$ 587,915,000 \$ 605,143,000

8.1 The amounts that may be spent for each  
 8.2 purpose are specified in the following  
 8.3 subdivisions.

8.4	<b><u>Subd. 2. Central Office and Shared Services</u></b>		
8.5	<b><u>Unit</u></b>	<u>33,074,000</u>	<u>33,074,000</u>

8.6 For the Office of the Chancellor and the  
 8.7 Shared Services Division.

8.8	<b><u>Subd. 3. Operations and Maintenance</u></b>	<u>550,726,000</u>	<u>567,954,000</u>
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8.9 This appropriation includes \$25,500,000 in  
 8.10 fiscal year 2014 and \$52,500,000 in fiscal  
 8.11 year 2015 for student tuition relief. The  
 8.12 Board of Trustees may not set the tuition  
 8.13 rate in any undergraduate degree-granting  
 8.14 program for the 2013-2014 and 2014-2015  
 8.15 academic years at a rate greater than the  
 8.16 2012-2013 academic year rate. The student  
 8.17 tuition relief may not be offset by increases  
 8.18 in mandatory fees, charges, or other  
 8.19 assessments to the student.

8.20 To the extent that appropriations under  
 8.21 this subdivision are insufficient to meet  
 8.22 obligations contained in a labor or program  
 8.23 contract, the Board of Trustees shall fund  
 8.24 those obligations through reductions in costs  
 8.25 associated with central administration of  
 8.26 the system and executive administration of  
 8.27 individual campuses, or through reallocation  
 8.28 of nonstate funds received by the system.  
 8.29 These outstanding obligations may not be  
 8.30 funded through reduction in any program or  
 8.31 service that directly impacts students or that  
 8.32 is newly-authorized by the legislature for the  
 8.33 2014-2015 biennium, or through increased  
 8.34 fees or costs directly assessed to students.

9.1 \$17,000,000 in fiscal year 2014 is for  
9.2 retention of talented faculty and staff. No  
9.3 later than April 1, 2014, the Board of Trustees  
9.4 must report to the legislative committees with  
9.5 jurisdiction over higher education finance  
9.6 and policy on the expenditure of these funds.  
9.7 The report must include:  
9.8 (1) the aggregate number of positions retained  
9.9 systemwide, and by individual campus;  
9.10 (2) the criteria used to determine whether a  
9.11 position qualified for retention funds from  
9.12 this appropriation;  
9.13 (3) the allocation of this appropriation  
9.14 among employment categories including,  
9.15 but not limited to, central administrative  
9.16 staff, executive administration on individual  
9.17 campuses, directors or chairs of individual  
9.18 programs and departments, faculty, academic  
9.19 support and student services staff, auxiliary  
9.20 services, and other employment categories as  
9.21 appropriate, and the average compensation  
9.22 increase for positions within each category;  
9.23 (4) an itemized accounting of this  
9.24 appropriation's allocation by individual  
9.25 employment position, including each  
9.26 position's job title, the full compensation  
9.27 and benefit structure for that position before  
9.28 and after this appropriation is allocated,  
9.29 the percent increase in compensation and  
9.30 benefits for that position as a result of  
9.31 this appropriation, and data comparing the  
9.32 compensation and benefit structure offered  
9.33 with similar positions at peer institutions; and  
9.34 (5) the number of talented faculty and staff  
9.35 positions targeted for retention that were not

10.1 able to be retained, and the reasons those  
10.2 positions were not retained.

10.3 \$18,000 each year is for transfer to the Cook  
10.4 County Higher Education Board to provide  
10.5 educational programming and academic  
10.6 support services to remote regions in  
10.7 northeastern Minnesota. This appropriation  
10.8 is in addition to the \$102,000 per fiscal year  
10.9 this project currently receives. The project  
10.10 shall continue to provide information to the  
10.11 Board of Trustees on the number of students  
10.12 served, credit hours delivered, and services  
10.13 provided to students. The base appropriation  
10.14 under this paragraph is \$120,000 each year.

10.15 \$7,278,000 in fiscal year 2015 is for a  
10.16 leveraged equipment program. For the  
10.17 purpose of this section, "equipment" means  
10.18 equipment for instructional purposes for  
10.19 programs that the board determines would  
10.20 produce graduates with skills for which there  
10.21 is a high employer need within the state. An  
10.22 equipment acquisition may be made under  
10.23 this appropriation only if matched by cash or  
10.24 in-kind contributions from nonstate sources.

10.25 No later than January 15, 2015, the Board  
10.26 of Trustees shall submit a report to the  
10.27 legislative committees with oversight over  
10.28 higher education finance and policy on the  
10.29 expenditure of these funds to date. The  
10.30 reports must also list each donor, and the  
10.31 amount contributed by the donor, or in the  
10.32 case of an in-kind contribution, the nature  
10.33 and value of the contribution, received to  
10.34 date for purposes of the required match.

11.1 \$50,000 in fiscal year 2014 is to convene  
11.2 a mental health issues summit. This is a  
11.3 onetime appropriation.

11.4 Five percent of the fiscal year 2015  
11.5 appropriation in this subdivision is available  
11.6 in fiscal year 2015 when the Board of  
11.7 Trustees of the Minnesota State Colleges and  
11.8 Universities (MnSCU) demonstrates to the  
11.9 commissioner of management and budget  
11.10 that the board has met at least three of the  
11.11 following five performance goals:

11.12 (1) increase by at least four percent in  
11.13 fiscal year 2013, compared to fiscal year  
11.14 2010, graduates or degrees, diplomas, and  
11.15 certificates conferred;

11.16 (2) increase by at least one percent the fall  
11.17 2013 persistence and completion rate for fall  
11.18 2012 entering students compared to the fall  
11.19 2010 rate for fall 2009 entering students;

11.20 (3) increase by at least four percent the fiscal  
11.21 year 2013 related employment rate for 2012  
11.22 graduates compared to the 2011 rate for 2010  
11.23 graduates;

11.24 (4) by 2014, MnSCU must collect data on  
11.25 the number of Open Educational Resources  
11.26 (OER) tools and services offered and  
11.27 formulate a plan to actualize a one percent  
11.28 reduction in expenses directly related to the  
11.29 cost of instruction incurred by students; and

11.30 (5) reallocate \$22,000,000 that became  
11.31 available through expense realignment in  
11.32 fiscal year 2014.

11.33 "Open Educational Resources" includes,  
11.34 but is not limited to, textbooks, study

- 12.1 guides, worksheets, journals, video, audio
- 12.2 recordings, massive open online courses, or
- 12.3 other innovative course configuration.
- 12.4 "Cost of instruction" means average tuition,
- 12.5 average fees, average cost to student for
- 12.6 textbooks and related course material.
- 12.7 By August 1, 2013, the Board of Trustees
- 12.8 and the Minnesota Office of Higher
- 12.9 Education must agree on specific numerical
- 12.10 indicators and definitions for each of the five
- 12.11 goals that will be used to demonstrate the
- 12.12 Minnesota State Colleges and Universities'
- 12.13 attainment of each goal. On or before April
- 12.14 1, 2014, the Board of Trustees must report
- 12.15 to the legislative committees with primary
- 12.16 jurisdiction over higher education finance and
- 12.17 policy the progress of the Minnesota State
- 12.18 Colleges and Universities toward attaining
- 12.19 the goals. The appropriation base for the
- 12.20 next biennium shall include appropriations
- 12.21 not made available under this subdivision for
- 12.22 failure to meet performance goals.
- 12.23 **Subd. 4. Learning Network of Minnesota** 4,115,000 4,115,000
- 12.24 **Sec. 5. BOARD OF REGENTS OF THE**
- 12.25 **UNIVERSITY OF MINNESOTA**
- 12.26 **Subdivision 1. Total Appropriation** **\$ 578,956,000** **\$ 593,256,000**
- 12.27 Appropriations by Fund
- 12.28 2014 2015
- 12.29 General 576,799,000 591,099,000
- 12.30 Health Care Access 2,157,000 2,157,000
- 12.31 The amounts that may be spent for each
- 12.32 purpose are specified in the following
- 12.33 subdivisions.
- 12.34 **Subd. 2. Operations and Maintenance** **515,211,000** **529,511,000**

- 13.1 This appropriation includes funding for  
13.2 operation and maintenance of the system.
- 13.3 This appropriation includes \$14,200,000 in  
13.4 fiscal year 2014 and \$28,400,000 in fiscal  
13.5 year 2015 for tuition relief. The Board  
13.6 of Regents is requested to maintain the  
13.7 Minnesota resident undergraduate tuition rate  
13.8 for the 2013-2014 and 2014-2015 academic  
13.9 years at the 2012-2013 academic year rate.
- 13.10 \$17,775,000 in fiscal year 2014 and  
13.11 \$17,875,000 in fiscal year 2015 are for  
13.12 the Minnesota Discovery, Research, and  
13.13 InnoVation Economy (MnDRIVE) funding  
13.14 program.
- 13.15 Five percent of the fiscal year 2015  
13.16 appropriation in this subdivision is available  
13.17 in fiscal year 2015 when the Board of Regents  
13.18 of the University of Minnesota demonstrates  
13.19 to the commissioner of management and  
13.20 budget that the board has met at least three of  
13.21 the following five performance goals:
- 13.22 (1) increase by at least one percent the Twin  
13.23 Cities campus undergraduate four-year,  
13.24 five-year, or six-year graduation rates  
13.25 averaged over three years, for low-income  
13.26 students reported in fall 2014 over fall 2012.  
13.27 The average rate for fall 2012 is calculated  
13.28 with the fall 2010, 2011, and 2012 graduation  
13.29 rates;
- 13.30 (2) increase by at least three percent the total  
13.31 number of undergraduate STEM degrees,  
13.32 averaged over three years, conferred by the  
13.33 University of Minnesota Twin Cities campus  
13.34 reported in fiscal year 2014 over fiscal year  
13.35 2012. The averaged number for fall 2012 is

14.1 calculated with the fall 2010, 2011, and 2012  
 14.2 number;  
 14.3 (3) increase by at least one percent the  
 14.4 four-year, five-year, or six-year graduation  
 14.5 rates, averaged over three years, at the  
 14.6 University of Minnesota reported in fall 2014  
 14.7 over fall 2012. The average rate for fall 2012  
 14.8 is calculated with the fall 2010, 2011, and  
 14.9 2012 graduation rates;  
 14.10 (4) for fiscal year 2014, decrease  
 14.11 administrative costs by \$15,000,000; and  
 14.12 (5) increase invention disclosures by three  
 14.13 percent for fiscal year 2014 over fiscal year  
 14.14 2013 (net of student disclosures).

14.15 By August 1, 2013, the Board of Regents and  
 14.16 the Minnesota Office of Higher Education  
 14.17 must agree on specific numerical indicators  
 14.18 and definitions for each of the five goals that  
 14.19 will be used to demonstrate the University of  
 14.20 Minnesota's attainment of each goal. On or  
 14.21 before April 1, 2014, the Board of Regents  
 14.22 must report to the legislative committees  
 14.23 with primary jurisdiction over higher  
 14.24 education finance and policy the progress of  
 14.25 the University of Minnesota toward attaining  
 14.26 the goals. The appropriation base for the  
 14.27 next biennium shall include appropriations  
 14.28 not made available under this subdivision for  
 14.29 failure to meet performance goals.

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

14.33 Subd. 4. **Special Appropriations**

14.34	<u>(a) <b>Agriculture and Extension Service</b></u>	<u>42,922,000</u>	<u>42,922,000</u>
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15.1 For the Agricultural Experiment Station and  
15.2 the Minnesota Extension Service:

15.3 (1) the agricultural experiment stations  
15.4 and Minnesota Extension Service must  
15.5 convene agricultural advisory groups to  
15.6 focus research, education, and extension  
15.7 activities on producer needs and implement  
15.8 an outreach strategy that more effectively  
15.9 and rapidly transfers research results and best  
15.10 practices to producers throughout the state;

15.11 (2) this appropriation includes funding for  
15.12 research and outreach on the production of  
15.13 renewable energy from Minnesota biomass  
15.14 resources, including agronomic crops, plant  
15.15 and animal wastes, and native plants or trees.  
15.16 The following areas should be prioritized and  
15.17 carried out in consultation with Minnesota  
15.18 producers, renewable energy, and bioenergy  
15.19 organizations:

15.20 (i) biofuel and other energy production from  
15.21 perennial crops, small grains, row crops,  
15.22 and forestry products in conjunction with  
15.23 the Natural Resources Research Institute  
15.24 (NRRI);

15.25 (ii) alternative bioenergy crops and cropping  
15.26 systems; and

15.27 (iii) biofuel coproducts used for livestock  
15.28 feed;

15.29 (3) this appropriation includes funding  
15.30 for the College of Food, Agricultural, and  
15.31 Natural Resources Sciences to establish and  
15.32 provide leadership for organic agronomic,  
15.33 horticultural, livestock, and food systems  
15.34 research, education, and outreach and for

- 16.1 the purchase of state-of-the-art laboratory,  
16.2 planting, tilling, harvesting, and processing  
16.3 equipment necessary for this project;
- 16.4 (4) this appropriation includes funding  
16.5 for research efforts that demonstrate a  
16.6 renewed emphasis on the needs of the state's  
16.7 agriculture community. The following  
16.8 areas should be prioritized and carried  
16.9 out in consultation with Minnesota farm  
16.10 organizations:
- 16.11 (i) vegetable crop research with priority for  
16.12 extending the Minnesota vegetable growing  
16.13 season;
- 16.14 (ii) fertilizer and soil fertility research and  
16.15 development;
- 16.16 (iii) soil, groundwater, and surface water  
16.17 conservation practices and contaminant  
16.18 reduction research;
- 16.19 (iv) discovering and developing plant  
16.20 varieties that use nutrients more efficiently;
- 16.21 (v) breeding and development of turf seed  
16.22 and other biomass resources in all three  
16.23 Minnesota biomes;
- 16.24 (vi) development of new disease-resistant  
16.25 and pest-resistant varieties of turf and  
16.26 agronomic crops;
- 16.27 (vii) utilizing plant and livestock cells to treat  
16.28 and cure human diseases;
- 16.29 (viii) the development of dairy coproducts;
- 16.30 (ix) a rapid agricultural response fund for  
16.31 current or emerging animal, plant, and insect  
16.32 problems affecting production or food safety;
- 16.33 (x) crop pest and animal disease research;

17.1 (xi) developing animal agriculture that is  
 17.2 capable of sustainably feeding the world;

17.3 (xii) consumer food safety education and  
 17.4 outreach;

17.5 (xiii) programs to meet the research and  
 17.6 outreach needs of organic livestock and crop  
 17.7 farmers; and

17.8 (xiv) alternative bioenergy crops and  
 17.9 cropping systems; and growing, harvesting,  
 17.10 and transporting biomass plant material; and

17.11 (5) by February 1, 2015, the Board of Regents  
 17.12 must submit a report to the legislative  
 17.13 committees and divisions with responsibility  
 17.14 for agriculture and higher education finance  
 17.15 on the status and outcomes of research and  
 17.16 initiatives funded in this section.

17.17 **(b) Health Sciences** 4,854,000 4,854,000

17.18 \$346,000 each year is to support up to 12  
 17.19 resident physicians in the St. Cloud Hospital  
 17.20 family practice residency program. The  
 17.21 program must prepare doctors to practice  
 17.22 primary care medicine in rural areas of the  
 17.23 state. The legislature intends this program  
 17.24 to improve health care in rural communities,  
 17.25 provide affordable access to appropriate  
 17.26 medical care, and manage the treatment of  
 17.27 patients in a more cost-effective manner.  
 17.28 The remainder of this appropriation is for  
 17.29 the rural physicians associates program, the  
 17.30 Veterinary Diagnostic Laboratory, health  
 17.31 sciences research, dental care, and the  
 17.32 Biomedical Engineering Center.

17.33 **(c) Institute of Technology** 1,140,000 1,140,000

18.1	<u>For the geological survey and the talented</u>		
18.2	<u>youth mathematics program.</u>		
18.3	<b><u>(d) System Special</u></b>	<u>5,181,000</u>	<u>5,181,000</u>
18.4	<u>For general research, the Labor Education</u>		
18.5	<u>Service, Natural Resources Research</u>		
18.6	<u>Institute, Center for Urban and Regional</u>		
18.7	<u>Affairs, Bell Museum of Natural History, and</u>		
18.8	<u>the Humphrey exhibit.</u>		
18.9	<u>Of this amount, \$125,000 in fiscal year 2014</u>		
18.10	<u>and \$125,000 in fiscal year 2015 are added</u>		
18.11	<u>to the base for the Labor Education Service.</u>		
18.12	<b><u>(e) University of Minnesota and Mayo</u></b>		
18.13	<b><u>Foundation Partnership</u></b>	<u>7,491,000</u>	<u>7,491,000</u>
18.14	<u>For the direct and indirect expenses of the</u>		
18.15	<u>collaborative research partnership between</u>		
18.16	<u>the University of Minnesota and the Mayo</u>		
18.17	<u>Foundation for research in biotechnology</u>		
18.18	<u>and medical genomics. This appropriation is</u>		
18.19	<u>available until expended. An annual report</u>		
18.20	<u>on the expenditure of these funds must be</u>		
18.21	<u>submitted to the governor and the chairs of</u>		
18.22	<u>the legislative committee responsible for</u>		
18.23	<u>higher education finance by June 30 of each</u>		
18.24	<u>fiscal year.</u>		
18.25	<b><u>Subd. 5. Academic Health Center</u></b>		
18.26	<u>The appropriation for Academic Health</u>		
18.27	<u>Center funding under Minnesota Statutes,</u>		
18.28	<u>section 297F.10, is estimated to be</u>		
18.29	<u>\$22,250,000 each year.</u>		
18.30	<b><u>Sec. 6. MAYO CLINIC</u></b>		
18.31	<b><u>Subdivision 1. Total Appropriation</u></b>	<b><u>\$ 1,351,000</u></b>	<b><u>\$ 1,351,000</u></b>
18.32	<u>The amounts that may be spent are specified</u>		
18.33	<u>in the following subdivisions.</u>		

19.1 Subd. 2. Medical School 665,000 665,000

19.2 The state must pay a capitation each year for

19.3 each student who is a resident of Minnesota.

19.4 The appropriation may be transferred

19.5 between each year of the biennium to

19.6 accommodate enrollment fluctuations. It is

19.7 intended that during the biennium the Mayo

19.8 Clinic use the capitation money to increase

19.9 the number of doctors practicing in rural

19.10 areas in need of doctors.

19.11 Subd. 3. Family Practice and Graduate

19.12 Residency Program 686,000 686,000

19.13 The state must pay stipend support for up to

19.14 27 residents each year.

**ARTICLE 2**

**HIGHER EDUCATION POLICY**

19.17 Section 1. Minnesota Statutes 2012, section 13.47, subdivision 3, is amended to read:

19.18 Subd. 3. **Dissemination.** (a) Employment and training data may be disseminated by

19.19 employment and training service providers:

19.20 (a) (1) to other employment and training service providers to coordinate the

19.21 employment and training services for the data subject or to determine eligibility or

19.22 suitability for services from other programs;

19.23 (b) (2) to local and state welfare agencies for monitoring the eligibility of the

19.24 participant for assistance programs, or for any employment or training program

19.25 administered by those agencies; and

19.26 (c) (3) to the commissioner of employment and economic development.

19.27 (b) The commissioner of employment and economic development may disseminate

19.28 employment and training data to the Office of Higher Education for purposes of supporting

19.29 program improvement, system evaluation, and research initiatives including the Statewide

19.30 Longitudinal Education Data System.

19.31 Sec. 2. Minnesota Statutes 2012, section 127A.70, subdivision 2, is amended to read:

19.32 Subd. 2. **Powers and duties; report.** (a) The partnership shall develop

19.33 recommendations to the governor and the legislature designed to maximize the achievement

20.1 of all P-20 students while promoting the efficient use of state resources, thereby helping  
20.2 the state realize the maximum value for its investment. These recommendations may  
20.3 include, but are not limited to, strategies, policies, or other actions focused on:

20.4 (1) improving the quality of and access to education at all points from preschool  
20.5 through graduate education;

20.6 (2) improving preparation for, and transitions to, postsecondary education and  
20.7 work; and

20.8 (3) ensuring educator quality by creating rigorous standards for teacher recruitment,  
20.9 teacher preparation, induction and mentoring of beginning teachers, and continuous  
20.10 professional development for career teachers.

20.11 (b) Under the direction of the P-20 Education Partnership Statewide Longitudinal  
20.12 Education Data System Governance Committee, the Office of Higher Education, and  
20.13 the Departments of Education and Employment and Economic Development shall  
20.14 improve and expand the statewide longitudinal education data system (SLEDS) to provide  
20.15 policymakers, education and workforce leaders, researchers, and members of the public  
20.16 with data, research, and reports to:

20.17 (1) expand reporting on students' educational outcomes;

20.18 (2) evaluate the effectiveness of educational and workforce programs; and

20.19 (3) evaluate the relationship between education and workforce outcomes.

20.20 To the extent possible under federal and state law, research and reports should be  
20.21 accessible to the public on the Internet, and disaggregated by demographic characteristics,  
20.22 organization or organization characteristics, and geography.

20.23 It is the intent of the legislature that the statewide longitudinal education data system  
20.24 inform public policy and decision-making. The SLEDS governance committee, with  
20.25 assistance from staff of the Office of Higher Education, the Department of Education, and  
20.26 the Department of Employment and Economic Development, shall respond to legislative  
20.27 committee and agency requests on topics utilizing data made available through the  
20.28 statewide longitudinal education data system as resources permit. Any analysis of or  
20.29 report on the data must contain only summary data.

20.30 (c) By January 15 of each year, the partnership shall submit a report to the governor  
20.31 and to the chairs and ranking minority members of the legislative committees and  
20.32 divisions with jurisdiction over P-20 education policy and finance that summarizes the  
20.33 partnership's progress in meeting its goals and identifies the need for any draft legislation  
20.34 when necessary to further the goals of the partnership to maximize student achievement  
20.35 while promoting efficient use of resources.

21.1 Sec. 3. Minnesota Statutes 2012, section 135A.031, subdivision 7, is amended to read:

21.2 Subd. 7. **Reports.** ~~(a) Instructional and noninstructional expenditure data and~~  
21.3 ~~enrollment data must be submitted in the biennial budget document under section~~  
21.4 ~~135A.034. This report must include a description of the methodology for determining~~  
21.5 ~~instructional and noninstructional expenditures and estimates of inflation in higher~~  
21.6 ~~education and the methodology or index used to determine the inflation rate. The~~  
21.7 ~~University of Minnesota and the Minnesota State Colleges and Universities systems shall~~  
21.8 ~~include in their biennial budget proposals to the legislature:~~

21.9 (1) a five-year history of systemwide expenditures, reported by:

21.10 (i) functional areas, including instruction, research, public service, student financial  
21.11 aid, and auxiliary services, and including direct costs and indirect costs, such as  
21.12 institutional support, academic support, student services, and facilities management,  
21.13 associated with each functional area; and

21.14 (ii) objects of expenditure, such as salaries, benefits, supplies, and equipment;

21.15 (2) a five-year history of the system's total instructional expenditures per full-year  
21.16 equivalent student, by level of instruction, including upper-division undergraduate,  
21.17 lower-division undergraduate, graduate, professional, and other categories of instructional  
21.18 programs offered by the system;

21.19 (3) a five-year history of the system's total revenues by funding source, including  
21.20 tuition, state operations and maintenance appropriations, state special appropriations, other  
21.21 restricted state funds, federal appropriations, sponsored research funds, gifts, auxiliary  
21.22 revenue, indirect cost recovery, and any other revenue sources;

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

21.27 ~~(1) (4) an explanation describing how state appropriations made to the system in~~  
21.28 ~~the previous odd-numbered year biennium were allocated and the methodology used to~~  
21.29 ~~determine the allocation;~~

21.30 ~~(2) (5) data describing how the institution reallocated resources to advance the~~  
21.31 ~~priorities set forth in the budget submitted under section 135A.034 and the statewide~~  
21.32 ~~objectives under section 135A.011. The information must indicate whether instruction~~  
21.33 ~~and support programs received a reduction in or additional resources. The total amount~~  
21.34 ~~reallocated must be clearly explained;~~

21.35 ~~(3) (6) the tuition rates and fees established by the governing board in each of the~~  
21.36 ~~past ten years and comparison data for peer institutions and national averages;~~

22.1           ~~(4)~~ (7) data on the number and proportion of students graduating within four, five,  
22.2 and six years from universities and within three years from colleges as reported in the  
22.3 integrated postsecondary education data system. These data must be provided for each  
22.4 institution by race, ethnicity, and gender. Data and information must be submitted that  
22.5 describe the system's plan and progress toward attaining the goals set forth in the plan  
22.6 to increase the number and proportion of students that graduate within four, five, or six  
22.7 years from a university or within three years from a college;

22.8           ~~(5)~~ (8) data on, and the methodology used to measure, the number of students  
22.9 traditionally underrepresented in higher education enrolled at the system's institutions.  
22.10 Data and information must be submitted that describe the system's plan and progress  
22.11 toward attaining the goals set forth in the plan to increase the recruitment, retention, and  
22.12 timely graduation of students traditionally underrepresented in higher education; and

22.13           ~~(6)~~ (9) data on the revenue received from all sources to support research or  
22.14 workforce development activities or the system's efforts to license, sell, or otherwise  
22.15 market products, ideas, technology, and related inventions created in whole or in part by  
22.16 the system. Data and information must be submitted that describe the system's plan and  
22.17 progress toward attaining the goals set forth in the plan to increase the revenue received  
22.18 to support research or workforce development activities or revenue received from the  
22.19 licensing, sale, or other marketing and technology transfer activities by the system.

22.20           ~~(e) Instructional expenditure and enrollment data~~ (b) Data required by this  
22.21 subdivision shall be submitted by the public postsecondary systems to the Minnesota  
22.22 Office of Higher Education and the Department of Management and Budget and included  
22.23 in the biennial budget document. ~~The specific data shall be submitted only after the~~  
22.24 ~~director of the Minnesota Office of Higher Education has consulted with a data advisory~~  
22.25 ~~task force to determine the need, content, and detail of the information.~~ Representatives  
22.26 from each system, in consultation with the commissioner of management and budget  
22.27 and the director of the Office of Higher Education, shall develop consistent reporting  
22.28 practices for this purpose.

22.29           (c) To the extent practicable, each system shall develop the ability to respond to  
22.30 legislative requests for financial analyses that are more detailed than those required by this  
22.31 subdivision, including but not limited to analyses that show expenditures or revenues by  
22.32 institution or program, or in multiple categories of expenditures or revenues, and analyses  
22.33 that show revenue sources for particular types of expenditures.

22.34           Sec. 4. Minnesota Statutes 2012, section 135A.61, is amended to read:

23.1 **135A.61 HIGH SCHOOL-TO-COLLEGE DEVELOPMENTAL TRANSITION**  
23.2 **PROGRAMS PROGRAM GRANTS.**

23.3 Subdivision 1. **High school-to-college developmental transition programs**  
23.4 **program grants.** ~~All public higher education systems and other higher education~~  
23.5 ~~institutions in Minnesota are encouraged to offer~~ (a) The director of the Minnesota Office of  
23.6 Higher Education shall award competitive matching grants to Minnesota public and private  
23.7 postsecondary institutions offering research-based high school-to-college developmental  
23.8 transition programs to prepare students for college-level academic coursework. A program  
23.9 under this section must, at a minimum, include instruction to develop the skills and  
23.10 abilities necessary to be ready for college-level coursework when the student enrolls in a  
23.11 degree, diploma, or certificate program and must address the academic skills identified  
23.12 as needing improvement by a college readiness assessment completed by the student. A  
23.13 program Developmental courses offered under this section must not constitute more than  
23.14 the equivalent of one semester of full-time study occurring in the summer following  
23.15 high school graduation. The courses completed in a program under this section must be  
23.16 identified on the student's transcript with a unique identifier to distinguish ~~it~~ them from  
23.17 other developmental education courses or programs. Courses attended will not count  
23.18 towards the limit on postsecondary education used for state financial aid programs under  
23.19 sections 136A.121, subdivision 9, and 136A.125, subdivision 2, paragraph (a), clause (4).

23.20 Grants must be awarded to programs that provide instruction and services including,  
23.21 but not limited to:

23.22 (1) summer developmental courses in academic areas requiring remediation;

23.23 (2) academic advising, mentoring, and tutoring during the summer program and  
23.24 throughout the student's first year of enrollment;

23.25 (3) interaction with student support services, admissions and financial aid offices; and

23.26 (4) orientation to college life, such as study skills or time management.

23.27 (b) Grants shall be awarded to eligible postsecondary institutions as defined in  
23.28 section 136A.103.

23.29 (c) Grants shall be awarded for one year and may be renewed for a second year  
23.30 with documentation to the Minnesota Office of Higher Education of successful program  
23.31 outcomes.

23.32 Subd. 1a. Eligible students. (a) Eligible students include students who earned a  
23.33 high school diploma or its equivalent during the academic year immediately preceding the  
23.34 summer program and who meet one or more of the following criteria:

23.35 (1) are counted under section 1124(c) of the Elementary and Secondary Education  
23.36 Act of 1965 (Title I);

24.1 (2) are eligible for free or reduced-price lunch under the National School Lunch Act;  
24.2 (3) receive assistance under the Temporary Assistance for Needy Families Law (Title  
24.3 I of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996); or  
24.4 (4) are a member of a group traditionally underrepresented in higher education.

24.5 (b) Eligible students include those who met the student eligibility criteria in the  
24.6 student's final year of high school and plan to enroll in college the academic year following  
24.7 high school graduation or its equivalency.

24.8 Subd. 1b. **Application process.** (a) The director of the Minnesota Office of Higher  
24.9 Education shall develop a grant application process. The director shall attempt to support  
24.10 projects in a manner that ensures that eligible students throughout the state have access to  
24.11 program services.

24.12 (b) The grant application must include, at a minimum, the following information:

24.13 (1) a description of the characteristics of the students to be served reflective of the  
24.14 need for services listed in subdivision 1;

24.15 (2) a description of the services to be provided and a timeline for implementation of  
24.16 the activities;

24.17 (3) a description of how the services provided will improve postsecondary readiness  
24.18 and support postsecondary retention;

24.19 (4) a description of how the services will be evaluated to determine whether the  
24.20 program goals were met; and

24.21 (5) other information as identified by the director.

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

24.24 Subd. 1c. **Match required.** Applicants are required to match the grant amount  
24.25 dollar-for-dollar. The match may be in cash or an in-kind contribution.

24.26 Subd. 1d. **Review committee.** The director must establish and convene a grant  
24.27 selection committee to review applications and award grants. The members of the  
24.28 committee may include representatives of postsecondary institutions, school districts,  
24.29 organizations providing college outreach services, and others deemed appropriate by the  
24.30 director.

24.31 Subd. 2. **High school-to-college developmental transition programs evaluation**  
24.32 **report.** (a) Institutions that offer a high school-to-college developmental transition  
24.33 program and enroll students that receive a grant under section 136A.121, subdivision 9b,  
24.34 must annually submit data and information about the services provided and program  
24.35 outcomes to the director of the Minnesota Office of Higher Education.

25.1 (b) The director must establish and convene a data working group to develop: (1) the  
25.2 data methodology to be used in evaluating the effectiveness of the programs implemented  
25.3 to improve the academic performance of participants, including the identification of  
25.4 appropriate comparison groups; and (2) a timeline for institutions to submit data and  
25.5 information to the director. The data working group must develop procedures that  
25.6 ensure consistency in the data collected by each institution. Data group members must  
25.7 have expertise in data collection processes and the delivery of academic programs to  
25.8 students, and represent the types of institutions that offer a program under this section.  
25.9 The data group must assist the director in analyzing and synthesizing institutional data  
25.10 and information to be included in the evaluation report submitted to the legislature under  
25.11 subdivision 3.

25.12 (c) Participating institutions must specify both program and student outcome goals  
25.13 and the activities implemented to achieve the goals. The goals must be clearly stated and  
25.14 measurable, and data collected must enable the director to verify the program has met the  
25.15 outcome goals established for the program.

25.16 (d) The data and information submitted must include, at a minimum, the following:

25.17 (1) demographic information about program participants;

25.18 (2) names of the high schools from which the students graduated;

25.19 (3) the college readiness test used to determine the student was not ready for  
25.20 college-level academic coursework;

25.21 (4) the academic content areas assessed and the scores received by the students on  
25.22 the college readiness test;

25.23 (5) a description of the services, including any supplemental noncredit academic  
25.24 support services, provided to students;

25.25 (6) data on the registration load, courses completed, and grades received by students;

25.26 (7) the retention of students from the term they participated in the program to the fall  
25.27 term immediately following graduation from high school;

25.28 (8) information about the student's enrollment in subsequent terms; and

25.29 (9) other information specified by the director or the data group that facilitates the  
25.30 evaluation process.

25.31 Subd. 3. **Report to legislature.** By March 15 of each year, ~~beginning in 2011,~~  
25.32 the director shall submit a report to the committees of the legislature with jurisdiction  
25.33 over higher education finance and policy that evaluates the effectiveness of programs  
25.34 in improving the academic performance of students who participated in the transition  
25.35 programs.

26.1 **EFFECTIVE DATE.** The amendments in this section are effective for programs  
26.2 offered in the summer of 2014 and thereafter.

26.3 Sec. 5. Minnesota Statutes 2012, section 136A.101, subdivision 3, is amended to read:

26.4 Subd. 3. **Director Commissioner.** "~~Director~~" "Commissioner" means the ~~director~~  
26.5 commissioner of the Minnesota Office of Higher Education.

26.6 Sec. 6. Minnesota Statutes 2012, section 136A.101, subdivision 9, is amended to read:

26.7 Subd. 9. **Independent student.** "Independent student" has the meaning given it ~~in~~  
26.8 under Title IV of the Higher Education Act of 1965, United States Code, title 20, section  
26.9 1070a-6 as amended, and applicable regulations.

26.10 Sec. 7. Minnesota Statutes 2012, section 136A.121, is amended by adding a  
26.11 subdivision to read:

26.12 Subd. 20. **Institution reporting.** (a) Each institution receiving financial aid under  
26.13 this section must annually report by December 31 to the office the following for its  
26.14 undergraduate programs:

26.15 (1) enrollment, persistence, and graduation data for all students, including aggregate  
26.16 information on state and federal Pell grant recipients;

26.17 (2) the job placement rate and salary and wage information for graduates of each  
26.18 program that is either designed or advertised to lead to a particular type of job or advertised  
26.19 or promoted with a claim regarding job placement, as is practicable; and

26.20 (3) the student debt to earnings ratio of graduates.

26.21 (b) The office shall provide the following on its Internet Web site:

26.22 (1) the information submitted by an institution pursuant to paragraph (a), which shall  
26.23 be made available in a searchable database; and

26.24 (2) other information and links that are useful to students and parents who are in  
26.25 the process of selecting a college or university. This information may include, but is  
26.26 not limited to, local occupational profiles.

26.27 (c) The office shall provide a standard format and instructions for supplying the  
26.28 information required under paragraph (a).

26.29 Sec. 8. Minnesota Statutes 2012, section 136A.125, subdivision 2, is amended to read:

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

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

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

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

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

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

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

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

27.12 (b) A student who withdraws from enrollment for active military service or for a  
27.13 major illness, while under the care of a medical professional, that substantially limits the  
27.14 student's ability to complete the term is entitled to an additional semester or the equivalent  
27.15 of grant eligibility and will be considered to be in continuing enrollment status upon return.

27.16 Sec. 9. Minnesota Statutes 2012, section 136A.125, subdivision 4, is amended to read:

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

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

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

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

27.22 (b) The maximum award to the applicant shall be ~~\$2,600~~ \$2,800 for each eligible  
27.23 child per academic year, except that the campus financial aid officer may apply to the  
27.24 office for approval to increase grants by up to ten percent to compensate for higher market  
27.25 charges for infant care in a community. The office shall develop policies to determine  
27.26 community market costs and review institutional requests for compensatory grant  
27.27 increases to ensure need and equal treatment. The office shall prepare a chart to show the  
27.28 amount of a grant that will be awarded per child based on the factors in this subdivision.  
27.29 The chart shall include a range of income and family size.

27.30 Sec. 10. Minnesota Statutes 2012, section 136A.233, subdivision 2, is amended to read:

27.31 Subd. 2. **Definitions.** For purposes of sections 136A.231 to 136A.233, the words  
27.32 defined in this subdivision have the meanings ascribed to them.

28.1 (a) "Eligible student" means a Minnesota resident enrolled or intending to enroll at  
28.2 least half time in a degree, diploma, or certificate program in a Minnesota postsecondary  
28.3 institution.

28.4 (b) "Minnesota resident" means a student who meets the conditions in section  
28.5 136A.101, subdivision 8.

28.6 (c) "Financial need" means the need for financial assistance in order to attend a  
28.7 postsecondary institution as determined by a postsecondary institution according to  
28.8 guidelines established by the Minnesota Office of Higher Education.

28.9 (d) "Eligible employer" means any eligible postsecondary institution, any nonprofit,  
28.10 nonsectarian agency or state institution located in the state of Minnesota, a disabled person  
28.11 or a person over 65 who employs a student to provide personal services in or about the  
28.12 person's residence, or a private, for-profit employer employing a student as an intern in a  
28.13 position directly related to the student's field of study that will enhance the student's  
28.14 knowledge and skills in that field.

28.15 (e) "Eligible postsecondary institution" means any postsecondary institution eligible  
28.16 for participation in the Minnesota state grant program as specified in section 136A.101,  
28.17 subdivision 4.

28.18 (f) "Independent student" has the meaning given ~~it in~~ under Title IV of the Higher  
28.19 Education Act of 1965, ~~United States Code, title 20, section 1070a-6 as amended,~~ and  
28.20 applicable regulations.

28.21 (g) "Half time" for undergraduates has the meaning given in section 136A.101,  
28.22 subdivision 7b, and for graduate students is defined by the institution.

28.23 Sec. 11. **[136A.50] TRIBAL COLLEGE SUPPLEMENTAL GRANT**  
28.24 **ASSISTANCE.**

28.25 Subdivision 1. Definitions. (a) As used in this section, the following terms have  
28.26 the meanings given them.

28.27 (b) "Nonbeneficiary student" means a resident of Minnesota who is enrolled in a  
28.28 tribally controlled college but is not an enrolled member of a federally recognized Indian  
28.29 tribe.

28.30 (c) "Tribally controlled college" means an accredited institution of higher education  
28.31 located in this state that is formally controlled by or has been formally sanctioned or  
28.32 chartered by the governing body of a federally recognized Indian tribe, or a combination  
28.33 of federally recognized Indian tribes. Tribally controlled college does not include any  
28.34 institution or campus subject to the jurisdiction of the Board of Trustees of the Minnesota  
28.35 State Colleges and Universities or the Board of Regents of the University of Minnesota.

29.1            Subd. 2. **Eligibility; grant assistance.** (a) A tribally controlled college is eligible to  
29.2 receive supplemental grant assistance from the Office of Higher Education, as provided in  
29.3 this section, for nonbeneficiary student enrollment if the college is not otherwise eligible  
29.4 to receive federal grant funding for those students under United States Code, title 25,  
29.5 section 1808.

29.6            (b) The office shall make grants to tribally controlled colleges to defray the costs  
29.7 of education associated with the enrollment of nonbeneficiary students. Grants made  
29.8 pursuant to this section must be provided directly to the recipient college.

29.9            Subd. 3. **Grant application.** To receive a grant under this section, a tribally  
29.10 controlled college must submit an application in the manner required by the Office of  
29.11 Higher Education. Upon submission of a completed application indicating that the tribally  
29.12 controlled college is eligible, the office shall distribute to the college, during each year of  
29.13 the biennium, a grant of \$5,300 for each nonbeneficiary student on a full-time equivalent  
29.14 basis. If the amount appropriated for grants under this section is insufficient to cover  
29.15 the total amount of grant eligibility, the office shall distribute a prorated amount per  
29.16 nonbeneficiary student on a full-time equivalent basis.

29.17            Subd. 4. **Reporting by recipient institutions.** Each tribally controlled college  
29.18 receiving a grant under this section shall provide to the Office of Higher Education,  
29.19 on an annual basis, an accurate and detailed account of the expenditures of the grant  
29.20 funds received by the college, and a copy of the college's most recent audit report and  
29.21 documentation of the enrollment status and ethnic status of each nonbeneficiary student  
29.22 for which grant assistance is sought under this section.

29.23            Sec. 12. Minnesota Statutes 2012, section 136A.62, is amended by adding a  
29.24 subdivision to read:

29.25            Subd. 6. **Online platform service.** An online platform service is a nondegree  
29.26 granting entity that provides online access to schools as defined in subdivision 3, to enable  
29.27 the schools to offer online training, courses, or programs.

29.28            Sec. 13. Minnesota Statutes 2012, section 136A.646, is amended to read:

29.29            **136A.646 ADDITIONAL SECURITY.**

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

30.1 institution shall provide a surety bond conditioned upon the faithful performance of all  
30.2 contracts and agreements with students in a sum equal to the "letter of credit" required by  
30.3 the United States Department of Education in the Letter of Credit Alternative, but in no  
30.4 event shall such bond be less than \$10,000 nor more than \$250,000.

30.5 (b) In lieu of a bond, the applicant may deposit with the commissioner of  
30.6 management and budget:

30.7 (1) a sum equal to the amount of the required surety bond in cash; or

30.8 (2) securities, as may be legally purchased by savings banks or for trust funds, in an  
30.9 aggregate market value equal to the amount of the required surety bond.

30.10 (c) The surety of any bond may cancel it upon giving 60 days' notice in writing to  
30.11 the office and shall be relieved of liability for any breach of condition occurring after  
30.12 the effective date of cancellation.

30.13 Sec. 14. Minnesota Statutes 2012, section 136A.65, subdivision 8, is amended to read:

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

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

30.22 ~~(e) (b)~~ Reasons for revocation or suspension of registration or approval may be  
30.23 for one or more of the following reasons:

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

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

30.26 (3) presenting information about the school which is false, fraudulent, misleading,  
30.27 deceptive, or inaccurate in a material respect to students or prospective students; or

30.28 (4) refusing to allow reasonable inspection or to supply reasonable information after  
30.29 a written request by the office has been received.

30.30 (c) Any order refusing, revoking, or suspending a school's registration, approval of a  
30.31 school's degree, or use of a regulated term in the school's name is appealable in accordance  
30.32 with chapter 14. The request must be in writing and made to the office within 30 days of the  
30.33 date the school is notified of the action of the office. If a school has been operating and its  
30.34 registration has been revoked, suspended, or refused by the office, the order is not effective  
30.35 until the final determination of the appeal, unless immediate effect is ordered by the court.

31.1 Sec. 15. Minnesota Statutes 2012, section 136A.653, is amended by adding a  
31.2 subdivision to read:

31.3 Subd. 3a. **Tuition-free educational courses.** A school, including a school using an  
31.4 online platform service, offering training, courses, or programs is exempt from sections  
31.5 136A.61 to 136A.71, to the extent it offers tuition-free courses to students in Minnesota.  
31.6 A course will be considered tuition-free if the school charges no tuition and the required  
31.7 fees and other required charges paid by the student for the course do not exceed two  
31.8 percent of the most recent average undergraduate tuition and required fees as of January  
31.9 1 of the current year charged for full-time students at all degree-granting institutions as  
31.10 published annually by the United States Department of Education as of January 1 of each  
31.11 year. To qualify for an exemption a school or online platform service must prominently  
31.12 display a notice comparable to the following: "IMPORTANT: Each educational institution  
31.13 makes its own decision regarding whether to accept completed coursework for credit.  
31.14 Check with your university or college."

31.15 Sec. 16. Minnesota Statutes 2012, section 136F.40, subdivision 2, is amended to read:

31.16 Subd. 2. **Contracts.** (a) The board may enter into a contract with the chancellor,  
31.17 a vice-chancellor, or a president, containing terms and conditions of employment. The  
31.18 terms of the contract must be authorized under a plan approved under section 43A.18,  
31.19 subdivision 3a.

31.20 (b) Notwithstanding section 43A.17, subdivision 11, or other law to the contrary, a  
31.21 contract under this section may provide a liquidated salary amount or other compensation  
31.22 if a contract is terminated by the board prior to its expiration.

31.23 (c) Notwithstanding section 356.24 or other law to the contrary, a contract under  
31.24 this section may contain a deferred compensation plan made in conformance with section  
31.25 457(f) of the Internal Revenue Code.

31.26 (d) Notwithstanding any provision of the plan approved under section 43A.18,  
31.27 subdivision 3a, a contract under this section must not authorize or otherwise provide for a  
31.28 discretionary or mandatory bonus or other performance-based incentive payment.

31.29 **EFFECTIVE DATE.** This section is effective the day following final enactment  
31.30 and applies to contracts entered into on or after that date.

31.31 Sec. 17. [136F.99] STATEWIDE ELECTRONIC INFRASTRUCTURE;  
31.32 PORTFOLIO SOLUTIONS.

31.33 Subdivision 1. **Collaborative infrastructure.** (a) The Department of Employment  
31.34 and Economic Development, the Department of Education, the Office of Higher

32.1 Education, the University of Minnesota, and the Minnesota State Colleges and Universities  
32.2 shall collaborate to implement an electronic infrastructure to support academic and  
32.3 workforce success statewide. The infrastructure shall first utilize existing assets, tools, and  
32.4 services, including but not limited to efolioMinnesota and GPS LifePlan. To facilitate  
32.5 implementation of this section, the Board of Trustees of the Minnesota State Colleges and  
32.6 Universities shall support efolioMinnesota and GPS LifePlan until at least June 30, 2015.

32.7 (b) To the extent possible, the basic electronic infrastructure shall be available at no  
32.8 charge to all state residents and to all students attending Minnesota educational institutions.

32.9 Subd. 2. **Goals; programs.** The Board of Trustees of the Minnesota State Colleges  
32.10 and Universities may enhance the efolioMinnesota platform to allow, at a minimum,  
32.11 implementation of:

32.12 (1) a portfolio-based individual learning plan solution that includes comprehensive  
32.13 academic and life planning instruments, to support student transitions to postsecondary  
32.14 school or to work; and

32.15 (2) a student-owned proficiency portfolio solution to support student transitions to  
32.16 the workplace and employers seeking first-day-work-ready employees.

32.17 Subd. 3. **Resources; accountability reports.** (a) The Board of Trustees of the  
32.18 Minnesota State Colleges and Universities may seek and accept contributions from  
32.19 individuals, businesses, and other organizations to support the goals required by this  
32.20 section. The parties listed in subdivision 1 are not required to contribute. All contributions  
32.21 received are appropriated to the Board of Trustees of the Minnesota State Colleges and  
32.22 Universities and shall be administered as directed by the Board of Trustees.

32.23 (b) The Board of Trustees of the Minnesota State Colleges and Universities shall  
32.24 submit, no later than January 15 of each year, a report to the governor and legislature on  
32.25 the progress of the Minnesota State Colleges and Universities system's activities related to  
32.26 implementation of this section.

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

32.28 Sec. 18. Minnesota Statutes 2012, section 137.027, is amended to read:

32.29 **137.027 APPROPRIATION; FRINGE BENEFITS.**

32.30 (a) Direct appropriations to the University of Minnesota include money to pay  
32.31 the employer's share of Social Security, state retirement, and health insurance. Money  
32.32 provided for these purposes shall be expended only for these purposes and any amounts in  
32.33 excess of the employer's share shall be returned to the state treasury.

33.1 (b) Unless otherwise explicitly provided for in law, direct appropriations to the  
33.2 University of Minnesota do not include, and may not be used to pay, any mandatory or  
33.3 discretionary bonus or other performance-based incentive payment provided for in an  
33.4 employment contract with the president or vice-presidents, chancellors, provosts, vice  
33.5 provosts, deans, or directors of individual programs.

33.6 Sec. 19. **[137.71] MINNESOTA DISCOVERY, RESEARCH, AND INNOVATION**  
33.7 **ECONOMY FUNDING PROGRAM.**

33.8 Subdivision 1. **Establishment.** (a) The Minnesota Discovery, Research, and  
33.9 InnoVation Economy (MnDRIVE) funding program is established to discover new  
33.10 knowledge through scientific research that will:

33.11 (1) advance the state's economy;

33.12 (2) leverage opportunities and establish priorities in sectors of state strength and  
33.13 comparative advantage;

33.14 (3) improve the health and wellbeing of Minnesota's citizens;

33.15 (4) advance the capacity and competitiveness of existing and emerging food- and  
33.16 manufacturing-related science and technology industries; and

33.17 (5) build a better Minnesota by driving progress and advancing the common good.

33.18 (b) The MnDRIVE funding program shall establish priorities by investing in  
33.19 scientific research that promotes:

33.20 (1) programs that can position Minnesota as a leader in engineering, science,  
33.21 technology, and food-related solutions;

33.22 (2) initiatives that support the growth of targeted industry clusters and the  
33.23 competitiveness of existing Minnesota engineering, science, technology, and food  
33.24 companies in developing new products and services;

33.25 (3) initiatives that can result in creating new Minnesota-based companies;

33.26 (4) initiatives that can improve the quality of life of Minnesota's citizens, decrease  
33.27 the incidence of disease, and transform how we prevent, treat, and cure diseases; and

33.28 (5) initiatives that can secure a safer environment, seek sustainable energy solutions,  
33.29 and prevent, diagnose, and treat environmental problems associated with Minnesota  
33.30 industry.

33.31 Subd. 2. **Funding requests.** The Board of Regents of the University of Minnesota,  
33.32 acting alone or in partnership with other public or private entities, is requested to submit  
33.33 investment proposals consistent with the goals and objectives of the MnDRIVE funding  
33.34 program as part of the Board of Regents biennial budget request to the legislature. The  
33.35 Board of Regents must give consideration to investments in existing scientific research

34.1 programs that meet these guidelines but may require additional resources in order to  
34.2 preserve or accelerate Minnesota into a national or global leadership position. The  
34.3 governor shall submit a recommendation to the legislature regarding funding requests  
34.4 submitted by the Board of Regents.

34.5 Subd. 3. **Reporting.** By March 1 of each odd-numbered year, the Board of Regents  
34.6 of the University of Minnesota must provide to the chairs and ranking minority members  
34.7 of the legislative committees with primary jurisdiction over higher education policy and  
34.8 finance a summary report of investments and accomplishments related to funds received  
34.9 from the state under subdivision 2 from the prior biennium.

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

34.11 Sec. 20. Minnesota Statutes 2012, section 141.35, is amended to read:

34.12 **141.35 EXEMPTIONS.**

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

34.14 (1) public postsecondary institutions;

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

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

34.18 (4) private schools complying with the requirements of section 120A.22, subdivision  
34.19 4;

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

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

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

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

34.30 (9) schools engaged exclusively in the teaching of purely avocational, recreational,  
34.31 or remedial subjects as determined by the office except schools required to obtain a private  
34.32 career school license due to the use of "academy," "institute," "college," or "university" in  
34.33 their names unless the school used "academy" or "institute" in its name prior to August  
34.34 1, 2008;

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

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

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

35.14 (13) classes, courses, or programs intended to prepare students to sit for  
35.15 undergraduate, graduate, postgraduate, or occupational licensing and occupational  
35.16 entrance examinations;

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

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

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

35.26 (17) schools with no physical presence in Minnesota, as determined by the office,  
35.27 engaged exclusively in offering distance instruction that are located in and regulated by  
35.28 other states or jurisdictions; and

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

35.31 Sec. 21. Minnesota Statutes 2012, section 197.775, subdivision 1, is amended to read:

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

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

36.1 (c) "State college or university" means a unit of the University of Minnesota or  
36.2 Minnesota State Colleges and Universities.

36.3 (d) "Veteran" includes the definition provided in section 197.447, and also includes  
36.4 any person serving in active service, as defined in section 190.05, subdivision 5.

36.5 Sec. 22. Minnesota Statutes 2012, section 197.775, subdivision 2, is amended to read:

36.6 Subd. 2. **Recognition of courses.** (a) Minnesota State Colleges and Universities  
36.7 must recognize courses and award educational credits for courses that were part of a  
36.8 veteran's military training or service if the courses meet the standards of the American  
36.9 Council on Education or equivalent standards for awarding academic credits. In  
36.10 recognizing courses and awarding educational credits, consideration must be given to  
36.11 academic skills developed in all aspects of the training or service course curriculum, and  
36.12 may not be limited solely to the physical fitness or activity components of the course.

36.13 (b) The University of Minnesota and private colleges and universities in Minnesota  
36.14 are encouraged to recognize courses and award educational credits for courses that were  
36.15 part of a veteran's military training or service if the courses meet the standards of the  
36.16 American Council on Education or equivalent standards for awarding academic credits.  
36.17 In recognizing courses and awarding educational credits, the University of Minnesota  
36.18 and private colleges and universities in Minnesota are encouraged to consider academic  
36.19 skills developed in all aspects of the training or service course curriculum, and not limit  
36.20 consideration solely to the physical fitness or activity components of the course.

36.21 Sec. 23. Minnesota Statutes 2012, section 197.775, is amended by adding a subdivision  
36.22 to read:

36.23 Subd. 2a. **Recognition of veteran status.** (a) With the policy in this subdivision,  
36.24 the state recognizes veterans' selfless sacrifices in service to our nation, and their varied  
36.25 and specialized military education and training, as well as the need for their timely and  
36.26 meaningful reintegration into civilian society. The state also recognizes the special value  
36.27 of veterans in furthering the goal of creating a diverse student population in the state's  
36.28 postsecondary institutions.

36.29 (b) Minnesota State Colleges and Universities must adopt a policy recognizing,  
36.30 for applicants who are veterans, the applicant's veteran status as a positive factor in  
36.31 determining whether to grant admission to a graduate or professional academic degree  
36.32 program. The Board of Trustees must report to the chairs and ranking minority members  
36.33 of the legislative committees and divisions with jurisdiction over higher education policy

37.1 and finance annually by February 15 on the number of veterans who apply for a graduate  
37.2 or professional academic degree program and the number accepted.

37.3 (c) The University of Minnesota, and private colleges and universities in Minnesota,  
37.4 are encouraged to adopt a policy recognizing, for applicants who are veterans, the  
37.5 applicant's veteran status as a positive factor in determining whether to grant admission to  
37.6 an undergraduate, graduate, or professional academic degree program.

37.7 Sec. 24. Minnesota Statutes 2012, section 268.19, subdivision 1, is amended to read:

37.8 Subdivision 1. **Use of data.** (a) Except as provided by this section, data gathered  
37.9 from any person under the administration of the Minnesota Unemployment Insurance Law  
37.10 are private data on individuals or nonpublic data not on individuals as defined in section  
37.11 13.02, subdivisions 9 and 12, and may not be disclosed except according to a district court  
37.12 order or section 13.05. A subpoena is not considered a district court order. These data  
37.13 may be disseminated to and used by the following agencies without the consent of the  
37.14 subject of the data:

37.15 (1) state and federal agencies specifically authorized access to the data by state  
37.16 or federal law;

37.17 (2) any agency of any other state or any federal agency charged with the  
37.18 administration of an unemployment insurance program;

37.19 (3) any agency responsible for the maintenance of a system of public employment  
37.20 offices for the purpose of assisting individuals in obtaining employment;

37.21 (4) the public authority responsible for child support in Minnesota or any other  
37.22 state in accordance with section 256.978;

37.23 (5) human rights agencies within Minnesota that have enforcement powers;

37.24 (6) the Department of Revenue to the extent necessary for its duties under Minnesota  
37.25 laws;

37.26 (7) public and private agencies responsible for administering publicly financed  
37.27 assistance programs for the purpose of monitoring the eligibility of the program's recipients;

37.28 (8) the Department of Labor and Industry and the Division of Insurance Fraud  
37.29 Prevention in the Department of Commerce for uses consistent with the administration of  
37.30 their duties under Minnesota law;

37.31 (9) local and state welfare agencies for monitoring the eligibility of the data subject  
37.32 for assistance programs, or for any employment or training program administered by those  
37.33 agencies, whether alone, in combination with another welfare agency, or in conjunction  
37.34 with the department or to monitor and evaluate the statewide Minnesota family investment  
37.35 program by providing data on recipients and former recipients of food stamps or food

38.1 support, cash assistance under chapter 256, 256D, 256J, or 256K, child care assistance  
38.2 under chapter 119B, or medical programs under chapter 256B, 256D, or 256L;

38.3 (10) local and state welfare agencies for the purpose of identifying employment,  
38.4 wages, and other information to assist in the collection of an overpayment debt in an  
38.5 assistance program;

38.6 (11) local, state, and federal law enforcement agencies for the purpose of ascertaining  
38.7 the last known address and employment location of an individual who is the subject of  
38.8 a criminal investigation;

38.9 (12) the United States Immigration and Customs Enforcement has access to data on  
38.10 specific individuals and specific employers provided the specific individual or specific  
38.11 employer is the subject of an investigation by that agency;

38.12 (13) the Department of Health for the purposes of epidemiologic investigations;

38.13 (14) the Department of Corrections for the purpose of preincarceration and  
38.14 postincarceration employment tracking of committed offenders for the purpose of case  
38.15 planning; ~~and~~

38.16 (15) the state auditor to the extent necessary to conduct audits of job opportunity  
38.17 building zones as required under section 469.3201; and

38.18 (16) the Office of Higher Education for purposes of supporting program  
38.19 improvement, system evaluation, and research initiatives including the Statewide  
38.20 Longitudinal Education Data System.

38.21 (b) Data on individuals and employers that are collected, maintained, or used by  
38.22 the department in an investigation under section 268.182 are confidential as to data  
38.23 on individuals and protected nonpublic data not on individuals as defined in section  
38.24 13.02, subdivisions 3 and 13, and must not be disclosed except under statute or district  
38.25 court order or to a party named in a criminal proceeding, administrative or judicial, for  
38.26 preparation of a defense.

38.27 (c) Data gathered by the department in the administration of the Minnesota  
38.28 unemployment insurance program must not be made the subject or the basis for any  
38.29 suit in any civil proceedings, administrative or judicial, unless the action is initiated by  
38.30 the department.

38.31 Sec. 25. Minnesota Statutes 2012, section 299A.45, subdivision 4, is amended to read:

38.32 Subd. 4. **Renewal.** Each award must be given for one academic year and is  
38.33 renewable for a maximum of eight semesters or the equivalent. A student who withdraws  
38.34 from enrollment for active military service or for a major illness, while under the care  
38.35 of a medical professional, that substantially limits the student's ability to complete the

39.1 term is entitled to an additional semester or the equivalent of grant eligibility. An award  
39.2 must not be given to a dependent child who is 23 years of age or older on the first day of  
39.3 the academic year.

39.4 Sec. 26. **HIGHER EDUCATION INSTITUTIONAL PARTICIPATION IN**  
39.5 **STATE STUDENT AID PROGRAMS; REPORT.**

39.6 The Minnesota Office of Higher Education must report by February 1, 2014, to the  
39.7 chairs and ranking minority members of the legislative committees and divisions with  
39.8 the primary jurisdiction over higher education finance on the available and appropriate  
39.9 data that should be used as statutory criteria to determine whether a higher education  
39.10 institution should be allowed to participate in state financial aid programs. Among other  
39.11 data, the data could include an institution's completion/graduation rates, student debt to  
39.12 income ratios, and employment rates related to field of study. The office must consult  
39.13 regularly with the higher education finance committees or divisions about the purpose  
39.14 and content of the report.

39.15 Sec. 27. **UNIVERSITY OF MINNESOTA REPORTS.**

39.16 Subdivision 1. **Medical school capacity.** The Board of Regents of the University  
39.17 of Minnesota must report, by November 1, 2013, to the legislative committees and  
39.18 divisions with primary jurisdiction over higher education finance and policy the following  
39.19 information with respect to its medical schools:

39.20 (1) the number of applicants seeking admission to the school for the academic term  
39.21 commencing in the fall of 2013 and the number admitted;

39.22 (2) the number of applicants admitted to the school for each of the fall academic  
39.23 terms commencing between 2000 and 2012;

39.24 (3) the number of school graduates projected for each of the next ten years;

39.25 (4) the number of school graduates projected to remain and practice in Minnesota  
39.26 after graduation for each of the next ten years; and

39.27 (5) plans of the university to increase the capacity of the school.

39.28 The report must include the most recent and accepted analysis concerning the need  
39.29 for physicians in Minnesota in the future, including time frames of the next five, ten, 15,  
39.30 and 20 years. The need must be stated in aggregate and in specialty practice areas.

39.31 Subd. 2. **STEM programs.** The Board of Regents of the University of Minnesota  
39.32 must report, by November 1, 2013, to the legislative committees and divisions with  
39.33 primary jurisdiction over higher education finance and policy with respect to its

40.1 undergraduate science, technology, engineering, and mathematics programs on the Twin  
40.2 Cities campus the following information:

40.3 (1) the number of applicants seeking admission to those programs for the academic  
40.4 term commencing in the fall of 2013 and the number admitted;

40.5 (2) the percentage of students that graduate from the programs who remain in  
40.6 Minnesota both historically and projected into the future; and

40.7 (3) plans to expand the capacity of the programs.

40.8 The report must include the most recent and accepted analysis of the projected  
40.9 need of employers within the state for graduates of science, technology, engineering, and  
40.10 mathematics programs in the future, including times frames of five, ten, 15, and 20 years.

40.11 Subd. 3. **University administrative costs.** (a) The Board of Regents of the  
40.12 University of Minnesota must, within 45 days of its receipt of the report or study, provide  
40.13 to the chairs and ranking minority members of the legislative committees and divisions  
40.14 with jurisdiction over higher education finance, a report currently expected to be received  
40.15 by the university in July 2013, concerning what is commonly known as a spans and  
40.16 layers analysis by Sibson Consulting and an administrative services benchmarking and  
40.17 diagnostic study expected to be done in May 2013, by Huron Consulting.

40.18 (b) The Board of Regents of the University of Minnesota must provide to the chairs  
40.19 and ranking minority members of the legislative committees with jurisdiction over higher  
40.20 education finance a plan to lower its overall costs based on its work with Huron Consulting  
40.21 concerning administrative services benchmarking and diagnostic study within 90 days  
40.22 of its receipt of the final report from Huron Consulting. The board must periodically  
40.23 update the committees and minority members on the progress of the analysis and any  
40.24 preliminary findings or recommendations.

40.25 Sec. 28. **MENTAL HEALTH ISSUES SUMMIT.**

40.26 The Board of Trustees of the Minnesota State Colleges and Universities, in  
40.27 cooperation with the commissioner of human services, shall convene a summit of  
40.28 representatives of the Minnesota State Colleges and Universities, the University of  
40.29 Minnesota, private colleges, mental health professionals, special education representatives,  
40.30 children and adult mental health advocates and providers, and community mental health  
40.31 centers. The summit shall develop a comprehensive workforce development plan to:

40.32 (1) increase the number of mental health professionals and practitioners;

40.33 (2) ensure appropriate course work and training experience; and

40.34 (3) increase the number of culturally diverse mental health professionals and  
40.35 practitioners.

41.1 The plan required by this section shall be submitted to the chairs and ranking minority  
41.2 members of the legislative committees responsible for health and human services policy  
41.3 and higher education policy no later than January 15, 2015.

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

41.5 Sec. 29. **REVISOR'S INSTRUCTION.**

41.6 The revisor of statutes shall change the term "director" as it relates to the director  
41.7 of the Minnesota Office of Higher Education to "commissioner" wherever in Minnesota  
41.8 Statutes or Minnesota Rules the term appears.

41.9 Sec. 30. **REPEALER.**

41.10 Minnesota Statutes 2012, sections 136A.031, subdivision 2; and 136A.121,  
41.11 subdivision 9b, are repealed.

### 41.12 **ARTICLE 3**

#### 41.13 **STATE GRANT**

41.14 Section 1. Minnesota Statutes 2012, section 136A.101, subdivision 5a, is amended to  
41.15 read:

41.16 Subd. 5a. **Assigned family responsibility.** "Assigned family responsibility" means  
41.17 the amount of a family's contribution to a student's cost of attendance, as determined by a  
41.18 federal need analysis. For dependent students, the assigned family responsibility is 96  
41.19 percent of the parental contribution. For independent students with dependents other than  
41.20 a spouse, the assigned family responsibility is 86 percent of the student contribution.  
41.21 For independent students without dependents other than a spouse, the assigned family  
41.22 responsibility is ~~68~~ 50 percent of the student contribution.

41.23 Sec. 2. Minnesota Statutes 2012, section 136A.121, subdivision 5, is amended to read:

41.24 Subd. 5. **Grant stipends.** The grant stipend shall be based on a sharing of  
41.25 responsibility for covering the recognized cost of attendance by the applicant, the  
41.26 applicant's family, and the government. The amount of a financial stipend must not  
41.27 exceed a grant applicant's recognized cost of attendance, as defined in subdivision 6, after  
41.28 deducting the following:

- 41.29 (1) the assigned student responsibility of at least ~~46~~ 50 percent of the cost of  
41.30 attending the institution of the applicant's choosing;
- 41.31 (2) the assigned family responsibility as defined in section 136A.101; and
- 41.32 (3) the amount of a federal Pell grant award for which the grant applicant is eligible.

42.1 The minimum financial stipend is \$100 per academic year.

42.2 Sec. 3. **STATE GRANT TUITION CAPS; LIVING AND MISCELLANEOUS**  
42.3 **EXPENSE ALLOWANCE.**

42.4 (a) For the purposes of the state grant program under Minnesota Statutes, section  
42.5 136A.121, for the biennium ending June 30, 2015, the tuition maximum is \$13,000 each  
42.6 fiscal year of the biennium for students in four-year programs, and \$5,808 in each fiscal  
42.7 year of the biennium for students in two-year programs.

42.8 (b) The living and miscellaneous expense allowance for the state grant program  
42.9 under Minnesota Statutes, section 136A.121, for the biennium ending June 30, 2015, is set  
42.10 at \$7,900 for each fiscal year of the biennium.

42.11 Sec. 4. **STATE GRANT AWARD CALCULATION; MNSCU PART-TIME**  
42.12 **STUDENTS.**

42.13 (a) State grant awards under Minnesota Statutes, section 136A.121, for the biennium  
42.14 ending June 30, 2015, made from appropriations for that biennium for part-time students  
42.15 attending a Minnesota state college and university system institution shall be modified  
42.16 as provided by this section. All other provisions of law and rule applying to state grant  
42.17 awards not inconsistent with this section shall apply to awards to those part-time students.

42.18 (b) For a student registering for less than full-time, the assigned family responsibility  
42.19 is the amount determined for a full-time student under Minnesota Statutes, section  
42.20 136A.101, subdivision 5a, prorated by the percent of full-time for which a student is  
42.21 enrolled.

42.22 **ARTICLE 4**

42.23 **PROSPERITY ACT**

42.24 Section 1. **[135A.043] RESIDENT TUITION.**

42.25 (a) A student, other than a nonimmigrant alien within the meaning of United States  
42.26 Code, title 8, section 1101, subsection (a), paragraph (15), shall qualify for a resident  
42.27 tuition rate or its equivalent at state universities and colleges if the student meets all of the  
42.28 following requirements:

42.29 (1) high school attendance within the state for three or more years;

42.30 (2) graduation from a state high school or attainment within the state of the  
42.31 equivalent of high school graduation; and

42.32 (3) in the case of a student without lawful immigration status: (i) documentation  
42.33 that the student has complied with selective service registration requirements; and (ii) if a

43.1 federal process exists for the student to obtain lawful immigration status the student must  
43.2 present the higher education institution with documentation from federal immigration  
43.3 authorities that the student has filed an application to obtain lawful immigration status.

43.4 (b) This section is in addition to any other statute, rule, or higher education  
43.5 institution regulation or policy providing eligibility for a resident tuition rate or its  
43.6 equivalent to a student.

43.7 (c) The Board of Regents of the University of Minnesota is requested to adopt a  
43.8 policy implementing this section.

43.9 **EFFECTIVE DATE.** This section is effective July 1, 2013, and applies to tuition  
43.10 for school terms commencing on or after July 1, 2013.

43.11 Sec. 2. **[135A.044] PRIVATE SCHOLARSHIP AID.**

43.12 A public postsecondary institution may use private sources of funding to provide aid  
43.13 to a student eligible for resident tuition under section 135A.043. This section is in addition  
43.14 to any other authority of an institution to provide financial aid.

43.15 **EFFECTIVE DATE.** This section is effective July 1, 2013, and applies to financial  
43.16 aid for school terms commencing on or after July 1, 2013.

43.17 Sec. 3. Minnesota Statutes 2012, section 136A.101, subdivision 8, is amended to read:

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

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

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

43.25 (3) a student who graduated from a Minnesota high school, if the student was a  
43.26 resident of Minnesota during the student's period of attendance at the Minnesota high school  
43.27 and the student is physically attending a Minnesota postsecondary educational institution;

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

43.30 (5) a member, spouse, or dependent of a member of the armed forces of the United  
43.31 States stationed in Minnesota on active federal military service as defined in section  
43.32 190.05, subdivision 5c;

44.1 (6) a spouse or dependent of a veteran, as defined in section 197.447, if the veteran  
44.2 is a Minnesota resident;

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

44.6 (8) a person defined as a refugee under United States Code, title 8, section  
44.7 1101(a)(42), who, upon arrival in the United States, moved to Minnesota and has  
44.8 continued to reside in Minnesota; or

44.9 (9) a student eligible for resident tuition under section 135A.043.

44.10 **EFFECTIVE DATE.** This section is effective July 1, 2013, and applies to school  
44.11 terms commencing on or after July 1, 2013.

44.12 Sec. 4. **REPEALER.**

44.13 Minnesota Rules, part 4830.0100, subpart 5, item F, is repealed.

44.14 **EFFECTIVE DATE.** This section is effective July 1, 2013."

44.15 Delete the title and insert:

44.16 "A bill for an act  
44.17 relating to education; postsecondary; establishing a budget for higher education;  
44.18 appropriating money to the Office of Higher Education, the Board of Trustees  
44.19 of the Minnesota State Colleges and Universities, the Board of Regents of the  
44.20 University of Minnesota, and the Mayo Clinic; appropriating money for tuition  
44.21 relief; providing for the treatment of undocumented immigrants with respect to  
44.22 financial aid and tuition; regulating bonus payments; establishing the Minnesota  
44.23 Discovery, Research, and InnoVation Economy funding program; modifying  
44.24 provisions related to grants, awards, and aid, school registration, and licensure;  
44.25 requiring certain information to be provided in higher education budget  
44.26 proposals; making changes to the state grant program; establishing procedure  
44.27 for cancellation of required surety bond; repealing Higher Education Advisory  
44.28 Council; requiring a higher education mental health summit; creating a tribal  
44.29 college supplemental grant assistance program; recognizing veteran's experience  
44.30 and training for various higher education purposes; providing statewide electronic  
44.31 infrastructure; requiring reports; amending Minnesota Statutes 2012, sections  
44.32 13.47, subdivision 3; 127A.70, subdivision 2; 135A.031, subdivision 7; 135A.61;  
44.33 136A.101, subdivisions 3, 5a, 8, 9; 136A.121, subdivision 5, by adding a  
44.34 subdivision; 136A.125, subdivisions 2, 4; 136A.233, subdivision 2; 136A.62, by  
44.35 adding a subdivision; 136A.646; 136A.65, subdivision 8; 136A.653, by adding  
44.36 a subdivision; 136F.40, subdivision 2; 137.027; 141.35; 197.775, subdivisions  
44.37 1, 2, by adding a subdivision; 268.19, subdivision 1; 299A.45, subdivision 4;  
44.38 proposing coding for new law in Minnesota Statutes, chapters 135A; 136A;  
44.39 136F; 137; repealing Minnesota Statutes 2012, sections 136A.031, subdivision 2;  
44.40 136A.121, subdivision 9b; Minnesota Rules, part 4830.0100, subpart 5, item F."

45.1 We request the adoption of this report and repassage of the bill.

45.2 Senate Conferees:

45.3 .....  
45.4 Terri E. Bonoff ..... Greg D. Clausen

45.5 .....  
45.6 Jeremy R. Miller ..... Sandra L. Pappas

45.7 .....  
45.8 Kent Eken

45.9 House Conferees:

45.10 .....  
45.11 Gene Pelowski Jr. ..... Ryan Winkler

45.12 .....  
45.13 Paul Rosenthal ..... Zachary Dorholt

45.14 .....  
45.15 Bud Nornes