

SENATE
STATE OF MINNESOTA
EIGHTY-EIGHTH LEGISLATURE

S.F. No. 1236

(SENATE AUTHORS: **BONOFF, Clausen and Dziedzic**)

DATE	D-PG	OFFICIAL STATUS
03/11/2013	770	Introduction and first reading Referred to Finance
03/13/2013	976	Author added Dziedzic
04/15/2013	1799a 1835	Comm report: To pass as amended Second reading
04/17/2013	1968a 1976	Special Order: Amended Third reading Passed
04/25/2013	3092 3093 3099	Returned from House with amendment Senate not concur, conference committee of 5 requested Senate conferees Bonoff; Clausen; Miller; Pappas; Eken
05/01/2013	3146	House conferees Pelowski; Winkler; Rosenthal; Dorholt; Nornes
05/17/2013	3958c 3995 4013	Conference committee report, delete everything Senate adopted CC report and repassed bill Third reading House adopted SCC report and repassed bill

A bill for an act

1.1 relating to education; postsecondary; establishing a budget for higher education;
1.2 appropriating money to the Office of Higher Education, the Board of Trustees
1.3 of the Minnesota State Colleges and Universities, the Board of Regents of the
1.4 University of Minnesota, and the Mayo Clinic; appropriating money for tuition
1.5 relief; providing for the treatment of undocumented immigrants with respect to
1.6 financial aid and tuition; regulating bonus payments; establishing the Minnesota
1.7 Discovery, Research, and InnoVation Economy funding program; modifying
1.8 provisions related to grants, awards, and aid, school registration, and licensure;
1.9 requiring certain information to be provided in higher education budget
1.10 proposals; making changes to the state grant program; establishing procedure
1.11 for cancellation of required surety bond; repealing Higher Education Advisory
1.12 Council; requiring a higher education mental health summit; creating a tribal
1.13 college supplemental grant assistance program; recognizing veteran's experience
1.14 and training for various higher education purposes; providing statewide electronic
1.15 infrastructure; requiring reports; amending Minnesota Statutes 2012, sections
1.16 13.47, subdivision 3; 127A.70, subdivision 2; 135A.031, subdivision 7; 135A.61;
1.17 136A.101, subdivisions 3, 5a, 8, 9; 136A.121, subdivision 5, by adding a
1.18 subdivision; 136A.125, subdivisions 2, 4; 136A.233, subdivision 2; 136A.62, by
1.19 adding a subdivision; 136A.646; 136A.65, subdivision 8; 136A.653, by adding
1.20 a subdivision; 136F.40, subdivision 2; 137.027; 141.35; 197.775, subdivisions
1.21 1, 2, by adding a subdivision; 268.19, subdivision 1; 299A.45, subdivision 4;
1.22 proposing coding for new law in Minnesota Statutes, chapters 135A; 136A;
1.23 136F; 137; repealing Minnesota Statutes 2012, sections 136A.031, subdivision 2;
1.24 136A.121, subdivision 9b; Minnesota Rules, part 4830.0100, subpart 5, item F.

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

ARTICLE 1

HIGHER EDUCATION APPROPRIATIONS

1.27
1.28
1.29 Section 1. **SUMMARY OF APPROPRIATIONS.**

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

	<u>SUMMARY BY FUND</u>			
	<u>2014</u>	<u>2015</u>	<u>Total</u>	
2.3	<u>General</u>	\$ <u>1,393,096,000</u>	\$ <u>1,422,165,000</u>	\$ <u>2,815,261,000</u>
2.4	<u>Health Care Access</u>	<u>2,157,000</u>	<u>2,157,000</u>	<u>4,314,000</u>
2.5	<u>Total</u>	\$ <u>1,395,253,000</u>	\$ <u>1,424,322,000</u>	\$ <u>2,819,575,000</u>

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

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

2.19 Sec. 2. HIGHER EDUCATION APPROPRIATIONS.

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

	<u>APPROPRIATIONS</u>	
	<u>Available for the Year</u>	
	<u>Ending June 30</u>	
	<u>2014</u>	<u>2015</u>

2.31 Sec. 3. MINNESOTA OFFICE OF HIGHER
 2.32 EDUCATION

2.33 Subdivision 1. Total Appropriation \$ 227,031,000 \$ 224,572,000

2.34 The amounts that may be spent for each
 2.35 purpose are specified in the following
 2.36 subdivisions.

2.37 Subd. 2. State Grants 179,141,000 176,781,000

3.1 If the appropriation in this subdivision for
 3.2 either year is insufficient, the appropriation
 3.3 for the other year is available for it.

3.4 Subd. 3. **Child Care Grants** 6,684,000 6,684,000

3.5 Subd. 4. **State Work-Study** 14,502,000 14,502,000

3.6 Subd. 5. **Interstate Tuition Reciprocity** 11,017,000 11,018,000

3.7 If the appropriation in this subdivision for
 3.8 either year is insufficient, the appropriation
 3.9 for the other year is available to meet
 3.10 reciprocity contract obligations.

3.11 Subd. 6. **Safety Officer's Survivors** 100,000 100,000

3.12 This appropriation is to provide educational
 3.13 benefits under Minnesota Statutes, section
 3.14 299A.45, to eligible dependent children and
 3.15 to the spouses of public safety officers killed
 3.16 in the line of duty.

3.17 If the appropriation in this subdivision for
 3.18 either year is insufficient, the appropriation
 3.19 for the other year is available for it.

3.20 Subd. 7. **Indian Scholarships** 3,100,000 3,100,000

3.21 The director must contract with or employ
 3.22 at least one person with demonstrated
 3.23 competence in American Indian culture and
 3.24 residing in or near the city of Bemidji to
 3.25 assist students with the scholarships under
 3.26 Minnesota Statutes, section 136A.126, and
 3.27 with other information about financial aid for
 3.28 which the students may be eligible. Bemidji
 3.29 State University must provide office space
 3.30 at no cost to the Minnesota Office of Higher
 3.31 Education for purposes of administering the
 3.32 American Indian scholarship program under
 3.33 Minnesota Statutes, section 136A.126. This

4.1	<u>appropriation includes funding to administer</u>		
4.2	<u>the American Indian scholarship program.</u>		
4.3	<u>Subd. 8. Tribal College Grants</u>	<u>150,000</u>	<u>150,000</u>
4.4	<u>For tribal college assistance grants under</u>		
4.5	<u>new Minnesota Statutes, section 136A.50.</u>		
4.6	<u>Subd. 9. High School-to-College Developmental</u>		
4.7	<u>Transition Grants</u>	<u>100,000</u>	<u>100,000</u>
4.8	<u>For grants under Minnesota Statutes, section</u>		
4.9	<u>135A.61, for the high school-to-college</u>		
4.10	<u>developmental transition program grants.</u>		
4.11	<u>Subd. 10. Intervention for College Attendance</u>		
4.12	<u>Program Grants</u>	<u>671,000</u>	<u>671,000</u>
4.13	<u>For the intervention for college attendance</u>		
4.14	<u>program under Minnesota Statutes, section</u>		
4.15	<u>136A.861.</u>		
4.16	<u>This appropriation includes funding to</u>		
4.17	<u>administer the intervention for college</u>		
4.18	<u>attendance program grants.</u>		
4.19	<u>Subd. 11. Student-Parent Information</u>	<u>122,000</u>	<u>122,000</u>
4.20	<u>Subd. 12. Get Ready</u>	<u>180,000</u>	<u>180,000</u>
4.21	<u>Subd. 13. Midwest Higher Education Compact</u>	<u>95,000</u>	<u>95,000</u>
4.22	<u>Subd. 14. Minnesota Minority Partnership</u>	<u>45,000</u>	<u>45,000</u>
4.23	<u>Subd. 15. United Family Medicine Residency</u>		
4.24	<u>Program</u>	<u>351,000</u>	<u>351,000</u>
4.25	<u>For a grant to United Family Medicine</u>		
4.26	<u>residency program. This appropriation</u>		
4.27	<u>shall be used to support up to 18 resident</u>		
4.28	<u>physicians each year in family practice at</u>		
4.29	<u>United Family Medicine residency programs</u>		
4.30	<u>and shall prepare doctors to practice family</u>		
4.31	<u>care medicine in underserved rural and</u>		
4.32	<u>urban areas of the state. It is intended</u>		
4.33	<u>that this program will improve health</u>		
4.34	<u>care in underserved communities, provide</u>		

5.1 affordable access to appropriate medical
 5.2 care, and manage the treatment of patients in
 5.3 a cost-effective manner.

5.4 **Subd. 16. MnLINK Gateway and Minitex** 5,905,000 5,905,000

5.5 **Subd. 17. Statewide Longitudinal Education**
 5.6 **Data System** 882,000 882,000

5.7 \$582,000 in fiscal year 2014 and \$582,000
 5.8 in fiscal year 2015 are appropriated to the
 5.9 Office of Higher Education for transfer
 5.10 to the Office of Enterprise Technology to
 5.11 maintain infrastructure of the Statewide
 5.12 Longitudinal Education Data System and
 5.13 to acquire additional data through purchase
 5.14 and development. This transfer to the Office
 5.15 of Enterprise Technology is onetime. Any
 5.16 ongoing information technology support
 5.17 or costs for the Statewide Longitudinal
 5.18 Education Data System will be incorporated
 5.19 into the service level agreement and will be
 5.20 paid to the Office of Enterprise Technology
 5.21 by the Office of Higher Education under
 5.22 the rates and mechanism specified in that
 5.23 agreement.

5.24 **Subd. 18. Hennepin County Medical Center** 645,000 645,000

5.25 For transfer to Hennepin County Medical
 5.26 Center for graduate family medical education
 5.27 programs at Hennepin County Medical
 5.28 Center.

5.29 **Subd. 19. Teach for America** 750,000 750,000

5.30 For the purpose of supporting Teach for
 5.31 America activities in Minnesota and must
 5.32 not be used for teaching services performed
 5.33 outside Minnesota. The appropriation shall
 5.34 be used for:

6.1 (1) expenses related to the recruitment,
 6.2 selection, and training of Teach for America
 6.3 corps members;

6.4 (2) ongoing professional development and
 6.5 support of Teach for America corps members;

6.6 (3) ongoing alumni support; and

6.7 (4) management and operational support,
 6.8 development, and central services, including
 6.9 finance, technology, and human services.

6.10 The appropriation for fiscal year 2015 is not
 6.11 available until the appropriation for fiscal
 6.12 year 2014 is matched by \$2,121,000 from
 6.13 nonstate sources.

6.14 Teach for America must by February 1, 2015,
 6.15 report to the chairs and ranking minority
 6.16 members of the legislative committees
 6.17 and divisions with jurisdiction over higher
 6.18 education on activities funded by this
 6.19 appropriation. Specifically, and without
 6.20 limitation, the report must include a report
 6.21 on the number of teachers of color funded
 6.22 and on the success of the teaching activities.

6.23 To the extent possible, success must be
 6.24 measured using the Minnesota teachers
 6.25 development and evaluation program.

6.26 Subd. 20. **Prosperity Act.**

6.27 \$100,000 in fiscal year 2014 is appropriated
 6.28 from the general fund to the Office of Higher
 6.29 Education for the information technology
 6.30 costs associated with the implementation
 6.31 of the Prosperity Act. This is a onetime
 6.32 appropriation.

6.33 Subd. 21. **Agency Administration**

2,491,000

2,491,000

6.34 Subd. 22. **Balances Forward**

7.1 A balance in the first year under this section
 7.2 does not cancel, but is available for the
 7.3 second year.

7.4 Subd. 23. **Transfers**

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

7.23 Sec. 4. **BOARD OF TRUSTEES OF THE**
 7.24 **MINNESOTA STATE COLLEGES AND**
 7.25 **UNIVERSITIES**

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

7.27 The amounts that may be spent for each
 7.28 purpose are specified in the following
 7.29 subdivisions.

7.30 Subd. 2. **Central Office and Shared Services**
 7.31 **Unit**

33,074,000 33,074,000

7.32 For the Office of the Chancellor and the
 7.33 Shared Services Division.

7.34 Subd. 3. **Operations and Maintenance**

550,726,000 567,954,000

8.1 This appropriation includes \$25,500,000 in
8.2 fiscal year 2014 and \$52,500,000 in fiscal
8.3 year 2015 for student tuition relief. The
8.4 Board of Trustees may not set the tuition
8.5 rate in any undergraduate degree-granting
8.6 program for the 2013-2014 and 2014-2015
8.7 academic years at a rate greater than the
8.8 2012-2013 academic year rate. The student
8.9 tuition relief may not be offset by increases
8.10 in mandatory fees, charges, or other
8.11 assessments to the student.

8.12 To the extent that appropriations under
8.13 this subdivision are insufficient to meet
8.14 obligations contained in a labor or program
8.15 contract, the Board of Trustees shall fund
8.16 those obligations through reductions in costs
8.17 associated with central administration of
8.18 the system and executive administration of
8.19 individual campuses, or through reallocation
8.20 of nonstate funds received by the system.

8.21 These outstanding obligations may not be
8.22 funded through reduction in any program or
8.23 service that directly impacts students or that
8.24 is newly-authorized by the legislature for the
8.25 2014-2015 biennium, or through increased
8.26 fees or costs directly assessed to students.

8.27 \$17,000,000 in fiscal year 2014 is for
8.28 retention of talented faculty and staff. No
8.29 later than April 1, 2014, the Board of Trustees
8.30 must report to the legislative committees with
8.31 jurisdiction over higher education finance
8.32 and policy on the expenditure of these funds.

8.33 The report must include:

8.34 (1) the aggregate number of positions retained
8.35 systemwide, and by individual campus;

9.1 (2) the criteria used to determine whether a
9.2 position qualified for retention funds from
9.3 this appropriation;

9.4 (3) the allocation of this appropriation
9.5 among employment categories including,
9.6 but not limited to, central administrative
9.7 staff, executive administration on individual
9.8 campuses, directors or chairs of individual
9.9 programs and departments, faculty, academic
9.10 support and student services staff, auxiliary
9.11 services, and other employment categories as
9.12 appropriate, and the average compensation
9.13 increase for positions within each category;

9.14 (4) an itemized accounting of this
9.15 appropriation's allocation by individual
9.16 employment position, including each
9.17 position's job title, the full compensation
9.18 and benefit structure for that position before
9.19 and after this appropriation is allocated,
9.20 the percent increase in compensation and
9.21 benefits for that position as a result of
9.22 this appropriation, and data comparing the
9.23 compensation and benefit structure offered
9.24 with similar positions at peer institutions; and

9.25 (5) the number of talented faculty and staff
9.26 positions targeted for retention that were not
9.27 able to be retained, and the reasons those
9.28 positions were not retained.

9.29 \$18,000 each year is for transfer to the Cook
9.30 County Higher Education Board to provide
9.31 educational programming and academic
9.32 support services to remote regions in
9.33 northeastern Minnesota. This appropriation
9.34 is in addition to the \$102,000 per fiscal year
9.35 this project currently receives. The project

10.1 shall continue to provide information to the
10.2 Board of Trustees on the number of students
10.3 served, credit hours delivered, and services
10.4 provided to students. The base appropriation
10.5 under this paragraph is \$120,000 each year.
10.6 \$7,278,000 in fiscal year 2015 is for a
10.7 leveraged equipment program. For the
10.8 purpose of this section, "equipment" means
10.9 equipment for instructional purposes for
10.10 programs that the board determines would
10.11 produce graduates with skills for which there
10.12 is a high employer need within the state. An
10.13 equipment acquisition may be made under
10.14 this appropriation only if matched by cash or
10.15 in-kind contributions from nonstate sources.
10.16 No later than January 15, 2015, the Board
10.17 of Trustees shall submit a report to the
10.18 legislative committees with oversight over
10.19 higher education finance and policy on the
10.20 expenditure of these funds to date. The
10.21 reports must also list each donor, and the
10.22 amount contributed by the donor, or in the
10.23 case of an in-kind contribution, the nature
10.24 and value of the contribution, received to
10.25 date for purposes of the required match.
10.26 \$50,000 in fiscal year 2014 is to convene
10.27 a mental health issues summit. This is a
10.28 onetime appropriation.
10.29 Five percent of the fiscal year 2015
10.30 appropriation in this subdivision is available
10.31 in fiscal year 2015 when the Board of
10.32 Trustees of the Minnesota State Colleges and
10.33 Universities (MnSCU) demonstrates to the
10.34 commissioner of management and budget

11.1 that the board has met at least three of the
11.2 following five performance goals:
11.3 (1) increase by at least four percent in
11.4 fiscal year 2013, compared to fiscal year
11.5 2010, graduates or degrees, diplomas, and
11.6 certificates conferred;
11.7 (2) increase by at least one percent the fall
11.8 2013 persistence and completion rate for fall
11.9 2012 entering students compared to the fall
11.10 2010 rate for fall 2009 entering students;
11.11 (3) increase by at least four percent the fiscal
11.12 year 2013 related employment rate for 2012
11.13 graduates compared to the 2011 rate for 2010
11.14 graduates;
11.15 (4) by 2014, MnSCU must collect data on
11.16 the number of Open Educational Resources
11.17 (OER) tools and services offered and
11.18 formulate a plan to actualize a one percent
11.19 reduction in expenses directly related to the
11.20 cost of instruction incurred by students; and
11.21 (5) reallocate \$22,000,000 that became
11.22 available through expense realignment in
11.23 fiscal year 2014.
11.24 "Open Educational Resources" includes,
11.25 but is not limited to, textbooks, study
11.26 guides, worksheets, journals, video, audio
11.27 recordings, massive open online courses, or
11.28 other innovative course configuration.
11.29 "Cost of instruction" means average tuition,
11.30 average fees, average cost to student for
11.31 textbooks and related course material.
11.32 By August 1, 2013, the Board of Trustees
11.33 and the Minnesota Office of Higher
11.34 Education must agree on specific numerical

12.1 indicators and definitions for each of the five
 12.2 goals that will be used to demonstrate the
 12.3 Minnesota State Colleges and Universities'
 12.4 attainment of each goal. On or before April
 12.5 1, 2014, the Board of Trustees must report
 12.6 to the legislative committees with primary
 12.7 jurisdiction over higher education finance and
 12.8 policy the progress of the Minnesota State
 12.9 Colleges and Universities toward attaining
 12.10 the goals. The appropriation base for the
 12.11 next biennium shall include appropriations
 12.12 not made available under this subdivision for
 12.13 failure to meet performance goals.

12.14 Subd. 4. **Learning Network of Minnesota** 4,115,000 4,115,000

12.15 Sec. 5. **BOARD OF REGENTS OF THE**
 12.16 **UNIVERSITY OF MINNESOTA**

12.17 Subdivision 1. **Total Appropriation** \$ 578,956,000 \$ 593,256,000

	<u>Appropriations by Fund</u>	
	<u>2014</u>	<u>2015</u>
12.18		
12.19		
12.20	<u>General</u>	<u>576,799,000</u> <u>591,099,000</u>
12.21	<u>Health Care Access</u>	<u>2,157,000</u> <u>2,157,000</u>

12.22 The amounts that may be spent for each
 12.23 purpose are specified in the following
 12.24 subdivisions.

12.25 Subd. 2. **Operations and Maintenance** 515,211,000 529,511,000

12.26 This appropriation includes funding for
 12.27 operation and maintenance of the system.

12.28 This appropriation includes \$14,200,000 in
 12.29 fiscal year 2014 and \$28,400,000 in fiscal
 12.30 year 2015 for tuition relief. The Board
 12.31 of Regents is requested to maintain the
 12.32 Minnesota resident undergraduate tuition rate
 12.33 for the 2013-2014 and 2014-2015 academic
 12.34 years at the 2012-2013 academic year rate.

13.1 \$17,775,000 in fiscal year 2014 and
13.2 \$17,875,000 in fiscal year 2015 are for
13.3 the Minnesota Discovery, Research, and
13.4 InnoVation Economy (MnDRIVE) funding
13.5 program.

13.6 Five percent of the fiscal year 2015
13.7 appropriation in this subdivision is available
13.8 in fiscal year 2015 when the Board of Regents
13.9 of the University of Minnesota demonstrates
13.10 to the commissioner of management and
13.11 budget that the board has met at least three of
13.12 the following five performance goals:

13.13 (1) increase by at least one percent the Twin
13.14 Cities campus undergraduate four-year,
13.15 five-year, or six-year graduation rates
13.16 averaged over three years, for low-income
13.17 students reported in fall 2014 over fall 2012.
13.18 The average rate for fall 2012 is calculated
13.19 with the fall 2010, 2011, and 2012 graduation
13.20 rates;

13.21 (2) increase by at least three percent the total
13.22 number of undergraduate STEM degrees,
13.23 averaged over three years, conferred by the
13.24 University of Minnesota Twin Cities campus
13.25 reported in fiscal year 2014 over fiscal year
13.26 2012. The averaged number for fall 2012 is
13.27 calculated with the fall 2010, 2011, and 2012
13.28 number;

13.29 (3) increase by at least one percent the
13.30 four-year, five-year, or six-year graduation
13.31 rates, averaged over three years, at the
13.32 University of Minnesota reported in fall 2014
13.33 over fall 2012. The average rate for fall 2012
13.34 is calculated with the fall 2010, 2011, and
13.35 2012 graduation rates;

14.1 (4) for fiscal year 2014, decrease
 14.2 administrative costs by \$15,000,000; and
 14.3 (5) increase invention disclosures by three
 14.4 percent for fiscal year 2014 over fiscal year
 14.5 2013 (net of student disclosures).

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

14.21	<u>Subd. 3. Primary Care Education Initiatives</u>	<u>2,157,000</u>	<u>2,157,000</u>
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14.22 This appropriation is from the health care
 14.23 access fund.

14.24 Subd. 4. **Special Appropriations**

14.25	<u>(a) Agriculture and Extension Service</u>	<u>42,922,000</u>	<u>42,922,000</u>
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14.26 For the Agricultural Experiment Station and
 14.27 the Minnesota Extension Service:

14.28 (1) the agricultural experiment stations
 14.29 and Minnesota Extension Service must
 14.30 convene agricultural advisory groups to
 14.31 focus research, education, and extension
 14.32 activities on producer needs and implement
 14.33 an outreach strategy that more effectively

15.1 and rapidly transfers research results and best
15.2 practices to producers throughout the state;
15.3 (2) this appropriation includes funding for
15.4 research and outreach on the production of
15.5 renewable energy from Minnesota biomass
15.6 resources, including agronomic crops, plant
15.7 and animal wastes, and native plants or trees.
15.8 The following areas should be prioritized and
15.9 carried out in consultation with Minnesota
15.10 producers, renewable energy, and bioenergy
15.11 organizations:
15.12 (i) biofuel and other energy production from
15.13 perennial crops, small grains, row crops,
15.14 and forestry products in conjunction with
15.15 the Natural Resources Research Institute
15.16 (NRRI);
15.17 (ii) alternative bioenergy crops and cropping
15.18 systems; and
15.19 (iii) biofuel coproducts used for livestock
15.20 feed;
15.21 (3) this appropriation includes funding
15.22 for the College of Food, Agricultural, and
15.23 Natural Resources Sciences to establish and
15.24 provide leadership for organic agronomic,
15.25 horticultural, livestock, and food systems
15.26 research, education, and outreach and for
15.27 the purchase of state-of-the-art laboratory,
15.28 planting, tilling, harvesting, and processing
15.29 equipment necessary for this project;
15.30 (4) this appropriation includes funding
15.31 for research efforts that demonstrate a
15.32 renewed emphasis on the needs of the state's
15.33 agriculture community. The following
15.34 areas should be prioritized and carried

- 16.1 out in consultation with Minnesota farm
16.2 organizations:
- 16.3 (i) vegetable crop research with priority for
16.4 extending the Minnesota vegetable growing
16.5 season;
- 16.6 (ii) fertilizer and soil fertility research and
16.7 development;
- 16.8 (iii) soil, groundwater, and surface water
16.9 conservation practices and contaminant
16.10 reduction research;
- 16.11 (iv) discovering and developing plant
16.12 varieties that use nutrients more efficiently;
- 16.13 (v) breeding and development of turf seed
16.14 and other biomass resources in all three
16.15 Minnesota biomes;
- 16.16 (vi) development of new disease-resistant
16.17 and pest-resistant varieties of turf and
16.18 agronomic crops;
- 16.19 (vii) utilizing plant and livestock cells to treat
16.20 and cure human diseases;
- 16.21 (viii) the development of dairy coproducts;
- 16.22 (ix) a rapid agricultural response fund for
16.23 current or emerging animal, plant, and insect
16.24 problems affecting production or food safety;
- 16.25 (x) crop pest and animal disease research;
- 16.26 (xi) developing animal agriculture that is
16.27 capable of sustainably feeding the world;
- 16.28 (xii) consumer food safety education and
16.29 outreach;
- 16.30 (xiii) programs to meet the research and
16.31 outreach needs of organic livestock and crop
16.32 farmers; and

17.1 (xiv) alternative bioenergy crops and
 17.2 cropping systems; and growing, harvesting,
 17.3 and transporting biomass plant material; and
 17.4 (5) by February 1, 2015, the Board of Regents
 17.5 must submit a report to the legislative
 17.6 committees and divisions with responsibility
 17.7 for agriculture and higher education finance
 17.8 on the status and outcomes of research and
 17.9 initiatives funded in this section.

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

17.11 \$346,000 each year is to support up to 12
 17.12 resident physicians in the St. Cloud Hospital
 17.13 family practice residency program. The
 17.14 program must prepare doctors to practice
 17.15 primary care medicine in rural areas of the
 17.16 state. The legislature intends this program
 17.17 to improve health care in rural communities,
 17.18 provide affordable access to appropriate
 17.19 medical care, and manage the treatment of
 17.20 patients in a more cost-effective manner.
 17.21 The remainder of this appropriation is for
 17.22 the rural physicians associates program, the
 17.23 Veterinary Diagnostic Laboratory, health
 17.24 sciences research, dental care, and the
 17.25 Biomedical Engineering Center.

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

17.27 For the geological survey and the talented
 17.28 youth mathematics program.

17.29 **(d) System Special** 5,181,000 5,181,000

17.30 For general research, the Labor Education
 17.31 Service, Natural Resources Research
 17.32 Institute, Center for Urban and Regional
 17.33 Affairs, Bell Museum of Natural History, and
 17.34 the Humphrey exhibit.

18.1 Of this amount, \$125,000 in fiscal year 2014
 18.2 and \$125,000 in fiscal year 2015 are added
 18.3 to the base for the Labor Education Service.

18.4 **(e) University of Minnesota and Mayo**
 18.5 **Foundation Partnership**

7,491,000

7,491,000

18.6 For the direct and indirect expenses of the
 18.7 collaborative research partnership between
 18.8 the University of Minnesota and the Mayo
 18.9 Foundation for research in biotechnology
 18.10 and medical genomics. This appropriation is
 18.11 available until expended. An annual report
 18.12 on the expenditure of these funds must be
 18.13 submitted to the governor and the chairs of
 18.14 the legislative committee responsible for
 18.15 higher education finance by June 30 of each
 18.16 fiscal year.

18.17 **Subd. 5. Academic Health Center**

18.18 The appropriation for Academic Health
 18.19 Center funding under Minnesota Statutes,
 18.20 section 297F.10, is estimated to be
 18.21 \$22,250,000 each year.

18.22 **Sec. 6. MAYO CLINIC**

18.23 **Subdivision 1. Total Appropriation**

\$

1,351,000

\$

1,351,000

18.24 The amounts that may be spent are specified
 18.25 in the following subdivisions.

18.26 **Subd. 2. Medical School**

665,000

665,000

18.27 The state must pay a capitation each year for
 18.28 each student who is a resident of Minnesota.

18.29 The appropriation may be transferred
 18.30 between each year of the biennium to
 18.31 accommodate enrollment fluctuations. It is
 18.32 intended that during the biennium the Mayo
 18.33 Clinic use the capitation money to increase

19.1 the number of doctors practicing in rural

19.2 areas in need of doctors.

19.3 Subd. 3. Family Practice and Graduate

19.4 Residency Program

686,000

686,000

19.5 The state must pay stipend support for up to

19.6 27 residents each year.

19.7 **ARTICLE 2**

19.8 **HIGHER EDUCATION POLICY**

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

19.10 Subd. 3. **Dissemination.** (a) Employment and training data may be disseminated by
19.11 employment and training service providers:

19.12 ~~(a)~~ (1) to other employment and training service providers to coordinate the
19.13 employment and training services for the data subject or to determine eligibility or
19.14 suitability for services from other programs;

19.15 ~~(b)~~ (2) to local and state welfare agencies for monitoring the eligibility of the
19.16 participant for assistance programs, or for any employment or training program
19.17 administered by those agencies; and

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

19.19 (b) The commissioner of employment and economic development may disseminate
19.20 employment and training data to the Office of Higher Education for purposes of supporting
19.21 program improvement, system evaluation, and research initiatives including the Statewide
19.22 Longitudinal Education Data System.

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

19.24 Subd. 2. **Powers and duties; report.** (a) The partnership shall develop
19.25 recommendations to the governor and the legislature designed to maximize the achievement
19.26 of all P-20 students while promoting the efficient use of state resources, thereby helping
19.27 the state realize the maximum value for its investment. These recommendations may
19.28 include, but are not limited to, strategies, policies, or other actions focused on:

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

19.31 (2) improving preparation for, and transitions to, postsecondary education and
19.32 work; and

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

20.4 (b) Under the direction of the P-20 Education Partnership Statewide Longitudinal
 20.5 Education Data System Governance Committee, the Office of Higher Education, and
 20.6 the Departments of Education and Employment and Economic Development shall
 20.7 improve and expand the statewide longitudinal education data system (SLEDS) to provide
 20.8 policymakers, education and workforce leaders, researchers, and members of the public
 20.9 with data, research, and reports to:

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

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

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

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

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

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

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

20.30 Subd. 7. **Reports.** ~~(a) Instructional and noninstructional expenditure data and~~
 20.31 ~~enrollment data must be submitted in the biennial budget document under section~~
 20.32 ~~135A.034. This report must include a description of the methodology for determining~~
 20.33 ~~instructional and noninstructional expenditures and estimates of inflation in higher~~
 20.34 ~~education and the methodology or index used to determine the inflation rate. The~~

21.1 University of Minnesota and the Minnesota State Colleges and Universities systems shall
 21.2 include in their biennial budget proposals to the legislature:

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

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

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

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

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

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

21.21 ~~(1)~~ (4) an explanation describing how state appropriations made to the system in
 21.22 the previous ~~odd-numbered year~~ biennium were allocated and the methodology used to
 21.23 determine the allocation;

21.24 ~~(2)~~ (5) data describing how the institution reallocated resources to advance the
 21.25 priorities set forth in the budget submitted under section 135A.034 and the statewide
 21.26 objectives under section 135A.011. The information must indicate whether instruction
 21.27 and support programs received a reduction in or additional resources. The total amount
 21.28 reallocated must be clearly explained;

21.29 ~~(3)~~ (6) the tuition rates and fees established by the governing board in each of the
 21.30 past ten years and comparison data for peer institutions and national averages;

21.31 ~~(4)~~ (7) data on the number and proportion of students graduating within four, five,
 21.32 and six years from universities and within three years from colleges as reported in the
 21.33 integrated postsecondary education data system. These data must be provided for each
 21.34 institution by race, ethnicity, and gender. Data and information must be submitted that
 21.35 describe the system's plan and progress toward attaining the goals set forth in the plan

22.1 to increase the number and proportion of students that graduate within four, five, or six
 22.2 years from a university or within three years from a college;

22.3 ~~(5)~~ (8) data on, and the methodology used to measure, the number of students
 22.4 traditionally underrepresented in higher education enrolled at the system's institutions.
 22.5 Data and information must be submitted that describe the system's plan and progress
 22.6 toward attaining the goals set forth in the plan to increase the recruitment, retention, and
 22.7 timely graduation of students traditionally underrepresented in higher education; and

22.8 ~~(6)~~ (9) data on the revenue received from all sources to support research or
 22.9 workforce development activities or the system's efforts to license, sell, or otherwise
 22.10 market products, ideas, technology, and related inventions created in whole or in part by
 22.11 the system. Data and information must be submitted that describe the system's plan and
 22.12 progress toward attaining the goals set forth in the plan to increase the revenue received
 22.13 to support research or workforce development activities or revenue received from the
 22.14 licensing, sale, or other marketing and technology transfer activities by the system.

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

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

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

22.30 **135A.61 HIGH SCHOOL-TO-COLLEGE DEVELOPMENTAL TRANSITION**
 22.31 **PROGRAMS PROGRAM GRANTS.**

22.32 Subdivision 1. **High school-to-college developmental transition programs**
 22.33 **program grants.** ~~All public higher education systems and other higher education~~
 22.34 ~~institutions in Minnesota are encouraged to offer~~ (a) The director of the Minnesota Office of
 22.35 Higher Education shall award competitive matching grants to Minnesota public and private

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

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

- 23.16 (1) summer developmental courses in academic areas requiring remediation;
 23.17 (2) academic advising, mentoring, and tutoring during the summer program and
 23.18 throughout the student's first year of enrollment;
 23.19 (3) interaction with student support services, admissions and financial aid offices; and
 23.20 (4) orientation to college life, such as study skills or time management.

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

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

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

- 23.29 (1) are counted under section 1124(c) of the Elementary and Secondary Education
 23.30 Act of 1965 (Title I);
 23.31 (2) are eligible for free or reduced-price lunch under the National School Lunch Act;
 23.32 (3) receive assistance under the Temporary Assistance for Needy Families Law (Title
 23.33 I of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996); or
 23.34 (4) are a member of a group traditionally underrepresented in higher education.

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

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

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

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

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

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

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

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

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

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

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

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

24.32 (b) The director must establish and convene a data working group to develop: (1) the
 24.33 data methodology to be used in evaluating the effectiveness of the programs implemented
 24.34 to improve the academic performance of participants, including the identification of
 24.35 appropriate comparison groups; and (2) a timeline for institutions to submit data and
 24.36 information to the director. The data working group must develop procedures that

25.1 ensure consistency in the data collected by each institution. Data group members must
 25.2 have expertise in data collection processes and the delivery of academic programs to
 25.3 students, and represent the types of institutions that offer a program under this section.
 25.4 The data group must assist the director in analyzing and synthesizing institutional data
 25.5 and information to be included in the evaluation report submitted to the legislature under
 25.6 subdivision 3.

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

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

25.12 (1) demographic information about program participants;

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

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

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

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

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

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

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

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

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

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

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

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

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

26.2 Subd. 9. **Independent student.** "Independent student" has the meaning given it in
26.3 under Title IV of the Higher Education Act of 1965, United States Code, title 20, section
26.4 1070a-6 as amended, and applicable regulations.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

27.29 (b) "Minnesota resident" means a student who meets the conditions in section
 27.30 136A.101, subdivision 8.

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

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

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

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

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

28.15 Sec. 11. **[136A.50] TRIBAL COLLEGE SUPPLEMENTAL GRANT**
 28.16 **ASSISTANCE.**

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

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

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

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

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

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

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

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

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

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

29.21 **136A.646 ADDITIONAL SECURITY.**

29.22 (a) In the event any registered institution is notified by the United States Department
 29.23 of Education that it has fallen below minimum financial standards and that its continued
 29.24 participation in Title IV will be conditioned upon its satisfying either the Zone Alternative,
 29.25 Code of Federal Regulations, title 34, section 668.175, paragraph (f), or a Letter of Credit
 29.26 Alternative, Code of Federal Regulations, title 34, section 668.175, paragraph (c), the
 29.27 institution shall provide a surety bond conditioned upon the faithful performance of all
 29.28 contracts and agreements with students in a sum equal to the "letter of credit" required by
 29.29 the United States Department of Education in the Letter of Credit Alternative, but in no
 29.30 event shall such bond be less than \$10,000 nor more than \$250,000.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

30.31 Subd. 3a. **Tuition-free educational courses.** A school, including a school using an
30.32 online platform service, offering training, courses, or programs is exempt from sections
30.33 136A.61 to 136A.71, to the extent it offers tuition-free courses to students in Minnesota.
30.34 A course will be considered tuition-free if the school charges no tuition and the required

31.1 fees and other required charges paid by the student for the course do not exceed two
 31.2 percent of the most recent average undergraduate tuition and required fees as of January
 31.3 1 of the current year charged for full-time students at all degree-granting institutions as
 31.4 published annually by the United States Department of Education as of January 1 of each
 31.5 year. To qualify for an exemption a school or online platform service must prominently
 31.6 display a notice comparable to the following: "IMPORTANT: Each educational institution
 31.7 makes its own decision regarding whether to accept completed coursework for credit.
 31.8 Check with your university or college."

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

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

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

31.17 (c) Notwithstanding section 356.24 or other law to the contrary, a contract under
 31.18 this section may contain a deferred compensation plan made in conformance with section
 31.19 457(f) of the Internal Revenue Code.

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

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

31.25 Sec. 17. **[136F.99] STATEWIDE ELECTRONIC INFRASTRUCTURE;**
 31.26 **PORTFOLIO SOLUTIONS.**

31.27 Subdivision 1. **Collaborative infrastructure.** (a) The Department of Employment
 31.28 and Economic Development, the Department of Education, the Office of Higher
 31.29 Education, the University of Minnesota, and the Minnesota State Colleges and Universities
 31.30 shall collaborate to implement an electronic infrastructure to support academic and
 31.31 workforce success statewide. The infrastructure shall first utilize existing assets, tools, and
 31.32 services, including but not limited to efolioMinnesota and GPS LifePlan. To facilitate
 31.33 implementation of this section, the Board of Trustees of the Minnesota State Colleges and
 31.34 Universities shall support efolioMinnesota and GPS LifePlan until at least June 30, 2015.

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

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

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

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

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

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

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

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

32.23 **137.027 APPROPRIATION; FRINGE BENEFITS.**

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

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

33.1 Sec. 19. [137.71] MINNESOTA DISCOVERY, RESEARCH, AND INNOVATION
33.2 ECONOMY FUNDING PROGRAM.

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

33.6 (1) advance the state's economy;

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

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

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

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

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

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

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

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

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

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

33.26 Subd. 2. Funding requests. The Board of Regents of the University of Minnesota,
33.27 acting alone or in partnership with other public or private entities, is requested to submit
33.28 investment proposals consistent with the goals and objectives of the MnDRIVE funding
33.29 program as part of the Board of Regents biennial budget request to the legislature. The
33.30 Board of Regents must give consideration to investments in existing scientific research
33.31 programs that meet these guidelines but may require additional resources in order to
33.32 preserve or accelerate Minnesota into a national or global leadership position. The
33.33 governor shall submit a recommendation to the legislature regarding funding requests
33.34 submitted by the Board of Regents.

33.35 Subd. 3. Reporting. By March 1 of each odd-numbered year, the Board of Regents
33.36 of the University of Minnesota must provide to the chairs and ranking minority members

34.1 of the legislative committees with primary jurisdiction over higher education policy and
 34.2 finance a summary report of investments and accomplishments related to funds received
 34.3 from the state under subdivision 2 from the prior biennium.

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

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

34.6 **141.35 EXEMPTIONS.**

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

34.8 (1) public postsecondary institutions;

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

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

34.12 (4) private schools complying with the requirements of section 120A.22, subdivision
 34.13 4;

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

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

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

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

34.24 (9) schools engaged exclusively in the teaching of purely avocational, recreational,
 34.25 or remedial subjects as determined by the office except schools required to obtain a private
 34.26 career school license due to the use of "academy," "institute," "college," or "university" in
 34.27 their names unless the school used "academy" or "institute" in its name prior to August
 34.28 1, 2008;

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

34.31 (11) programs in the fine arts provided by organizations exempt from taxation
 34.32 under section 290.05 and registered with the attorney general under chapter 309. For
 34.33 the purposes of this clause, "fine arts" means activities resulting in artistic creation or
 34.34 artistic performance of works of the imagination which are engaged in for the primary

35.1 purpose of creative expression rather than commercial sale or employment. In making
 35.2 this determination the office may seek the advice and recommendation of the Minnesota
 35.3 Board of the Arts;

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

35.8 (13) classes, courses, or programs intended to prepare students to sit for
 35.9 undergraduate, graduate, postgraduate, or occupational licensing and occupational
 35.10 entrance examinations;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

36.24 (b) Minnesota State Colleges and Universities must adopt a policy recognizing,
36.25 for applicants who are veterans, the applicant's veteran status as a positive factor in
36.26 determining whether to grant admission to a graduate or professional academic degree
36.27 program. The Board of Trustees must report to the chairs and ranking minority members
36.28 of the legislative committees and divisions with jurisdiction over higher education policy
36.29 and finance annually by February 15 on the number of veterans who apply for a graduate
36.30 or professional academic degree program and the number accepted.

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

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

37.2 Subdivision 1. **Use of data.** (a) Except as provided by this section, data gathered
37.3 from any person under the administration of the Minnesota Unemployment Insurance Law
37.4 are private data on individuals or nonpublic data not on individuals as defined in section
37.5 13.02, subdivisions 9 and 12, and may not be disclosed except according to a district court
37.6 order or section 13.05. A subpoena is not considered a district court order. These data
37.7 may be disseminated to and used by the following agencies without the consent of the
37.8 subject of the data:

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

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

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

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

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

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

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

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

37.25 (9) local and state welfare agencies for monitoring the eligibility of the data subject
37.26 for assistance programs, or for any employment or training program administered by those
37.27 agencies, whether alone, in combination with another welfare agency, or in conjunction
37.28 with the department or to monitor and evaluate the statewide Minnesota family investment
37.29 program by providing data on recipients and former recipients of food stamps or food
37.30 support, cash assistance under chapter 256, 256D, 256J, or 256K, child care assistance
37.31 under chapter 119B, or medical programs under chapter 256B, 256D, or 256L;

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

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

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

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

38.8 (14) the Department of Corrections for the purpose of preconfinement and
 38.9 postconfinement employment tracking of committed offenders for the purpose of case
 38.10 planning; ~~and~~

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

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

38.16 (b) Data on individuals and employers that are collected, maintained, or used by
 38.17 the department in an investigation under section 268.182 are confidential as to data
 38.18 on individuals and protected nonpublic data not on individuals as defined in section
 38.19 13.02, subdivisions 3 and 13, and must not be disclosed except under statute or district
 38.20 court order or to a party named in a criminal proceeding, administrative or judicial, for
 38.21 preparation of a defense.

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

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

38.27 Subd. 4. **Renewal.** Each award must be given for one academic year and is
 38.28 renewable for a maximum of eight semesters or the equivalent. A student who withdraws
 38.29 from enrollment for active military service or for a major illness, while under the care
 38.30 of a medical professional, that substantially limits the student's ability to complete the
 38.31 term is entitled to an additional semester or the equivalent of grant eligibility. An award
 38.32 must not be given to a dependent child who is 23 years of age or older on the first day of
 38.33 the academic year.

39.1 Sec. 26. **HIGHER EDUCATION INSTITUTIONAL PARTICIPATION IN**
39.2 **STATE STUDENT AID PROGRAMS; REPORT.**

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

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

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

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

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

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

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

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

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

39.28 Subd. 2. **STEM programs.** The Board of Regents of the University of Minnesota
39.29 must report, by November 1, 2013, to the legislative committees and divisions with
39.30 primary jurisdiction over higher education finance and policy with respect to its
39.31 undergraduate science, technology, engineering, and mathematics programs on the Twin
39.32 Cities campus the following information:

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

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

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

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

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

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

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

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

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

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

40.30 (3) increase the number of culturally diverse mental health professionals and
40.31 practitioners.

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

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

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

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

41.6 Sec. 30. **REPEALER.**

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

41.9 **ARTICLE 3**

41.10 **STATE GRANT**

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

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

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

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

- 41.26 (1) the assigned student responsibility of at least ~~46~~ 50 percent of the cost of
 41.27 attending the institution of the applicant's choosing;
- 41.28 (2) the assigned family responsibility as defined in section 136A.101; and
- 41.29 (3) the amount of a federal Pell grant award for which the grant applicant is eligible.
- 41.30 The minimum financial stipend is \$100 per academic year.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

44.4 (8) a person defined as a refugee under United States Code, title 8, section
44.5 1101(a)(42), who, upon arrival in the United States, moved to Minnesota and has
44.6 continued to reside in Minnesota; or

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

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

44.10 Sec. 4. **REPEALER.**

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

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

APPENDIX
Article locations in S1236-3

ARTICLE 1	HIGHER EDUCATION APPROPRIATIONS	Page.Ln 1.27
ARTICLE 2	HIGHER EDUCATION POLICY	Page.Ln 19.7
ARTICLE 3	STATE GRANT	Page.Ln 41.9
ARTICLE 4	PROSPERITY ACT	Page.Ln 42.21

136A.031 ADVISORY GROUPS.

Subd. 2. **Higher Education Advisory Council.** A Higher Education Advisory Council (HEAC) is established. The HEAC is composed of the president of the University of Minnesota or designee; the chancellor of the Minnesota State Colleges and Universities or designee; the commissioner of education; the president of the Private College Council; a representative from the Minnesota Career College Association; and a member appointed by the governor. The HEAC shall bring to the attention of the Minnesota Office of Higher Education any matters that the HEAC deems necessary.

136A.121 GRANTS.

- Subd. 9b. **Onetime grant for high school-to-college developmental transition program.**
- (a) A student who enrolls in a program under section 135A.61 is eligible for a onetime grant to help pay expenses to attend the program. The amount of the grant must be determined according to subdivision 5, except as modified by paragraph (b). The requirement in subdivision 9a that subtracts a federal Pell Grant award for which a student would be eligible, even if the student has exhausted the federal Pell Grant award, does not apply to a student who receives a grant under this subdivision in the award year in which the grant is received. The maximum grant under this subdivision must be reduced by the average amount a student would earn working in an on-campus work-study position for ten hours per week during a summer term. The office must determine an amount for student earnings in a summer term, using available data about earnings, before determining the amount awarded under this subdivision.
- (b) For a student with an expected family contribution of zero, the maximum amount of the grant is the cost of attendance under subdivision 6.
- (c) A grant under this subdivision counts as one of the nine semesters of eligibility under subdivision 9. A grant under this subdivision must not be awarded for the same term for which another grant is awarded under this section.

APPENDIX
Repealed Minnesota Rule: S1236-3

4830.0100 DEFINITIONS FOR HIGHER EDUCATION PROGRAMS. Subp. 5. Eligible student.

F. is a permanent resident of the United States, if the student is not a United States citizen; and