

Senator ..... moves to amend S.F. No. 2214, in conference committee, as follows:

On R29, Senate language, (S2214-3)

Page 20, delete article 2 and insert:

## "ARTICLE 2

### HIGHER EDUCATION POLICY

Section 1. Minnesota Statutes 2016, section 43A.06, subdivision 1, is amended to read:

Subdivision 1. **General.** (a) The commissioner shall perform the duties assigned to the commissioner by sections 3.855, 179A.01 to 179A.25 and this section.

(b) The commissioner shall be the state labor negotiator for purposes of negotiating and administering agreements with exclusive representatives of employees and shall perform any other duties delegated by the commissioner subject to the limitations in paragraph (c).

(c) The Board of Trustees of the Minnesota State Colleges and Universities may exercise the powers under this section for employees included in the units provided in clauses (9), (10), and (11) of section 179A.10, subdivision 2, except with respect to sections 43A.22 to 43A.31, which shall continue to be the responsibility of the commissioner. The commissioner shall have the right to review and comment to the Minnesota State Colleges and Universities on the board's final proposals prior to exchange of final positions with the designated bargaining units as well as any requests for interest arbitration. The legislature encourages the Board of Trustees, in coordination with the commissioner of management and budget and the Board of Regents of the University of Minnesota, to endeavor in collective bargaining negotiations to seek fiscal balance recognizing the ability of the employer to fund the agreements or awards. When submitting a proposed collective bargaining agreement to the Legislative Coordinating Commission and the legislature under section 3.855, subdivision 2, the Board of Trustees must use procedures and assumptions consistent with those used by the commissioner in calculating the costs of the proposed contract. The Legislative Coordinating Commission must, when considering a collective bargaining agreement or arbitration award submitted by the Board of Trustees, evaluate market conditions affecting the employees in the bargaining unit, equity with other bargaining units in the executive branch, and the ability of the trustees and the state to fund the agreement or award.

Sec. 2. Minnesota Statutes 2016, section 135A.031, subdivision 7, is amended to read:

Subd. 7. **Reports.** (a) The University of Minnesota and the Minnesota State Colleges and Universities systems shall include in their biennial budget proposals to the legislature:

- 2.1 (1) a five-year history of systemwide expenditures, reported by:
- 2.2 (i) functional areas, including instruction, research, public service, student financial aid,
- 2.3 and auxiliary services, and including direct costs and indirect costs, such as institutional
- 2.4 support, academic support, student services, and facilities management, associated with
- 2.5 each functional area; and
- 2.6 (ii) objects of expenditure, such as salaries, benefits, supplies, and equipment, including
- 2.7 a full explanation of all material changes to the expenditure categories when compared to
- 2.8 the prior fiscal year;
- 2.9 (2) a five-year history of the system's total instructional expenditures per full-year
- 2.10 equivalent student, by level of instruction, including upper-division undergraduate,
- 2.11 lower-division undergraduate, graduate, professional, and other categories of instructional
- 2.12 programs offered by the system;
- 2.13 (3) a five-year history of the system's total revenues by funding source, including tuition,
- 2.14 state operations and maintenance appropriations, state special appropriations, other restricted
- 2.15 state funds, federal appropriations, sponsored research funds, gifts, auxiliary revenue, indirect
- 2.16 cost recovery, and any other revenue sources;
- 2.17 (4) an explanation describing how state appropriations made to the system in the previous
- 2.18 biennium were allocated and the methodology used to determine the allocation;
- 2.19 (5) data describing how the institution reallocated resources to advance the priorities set
- 2.20 forth in the budget submitted under section 135A.034 and the statewide objectives under
- 2.21 section 135A.011. The information must indicate whether instruction and support programs
- 2.22 received a reduction in or additional resources. The total amount reallocated must be clearly
- 2.23 explained;
- 2.24 (6) the tuition rates and fees established by the governing board in each of the past ten
- 2.25 years and comparison data for peer institutions and national averages;
- 2.26 (7) data on the number and proportion of students graduating within four, five, and six
- 2.27 years from universities and within three years from colleges as reported in the integrated
- 2.28 postsecondary education data system. These data must be provided for each institution by
- 2.29 race, ethnicity, and gender. Data and information must be submitted that describe the system's
- 2.30 plan and progress toward attaining the goals set forth in the plan to increase the number and
- 2.31 proportion of students that graduate within four, five, or six years from a university or within
- 2.32 three years from a college;

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

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

(10) data on consulting contracts from the last two completed fiscal years for which the work is performed by a consultant who is not an employee of the system, for which the system paid in excess of \$500,000. Data must include the name of the consultant, the total value of the contact, a description of the work completed, and a description of the reasons for using an outside consultant and not internal staff. Consulting contracts are defined as contracts from management, investment and financial advisory services, project management, computer/technology advisory services, and construction project management; and

(11) aggregate data on the following:

(i) student demographics;

(ii) a five-year history of student enrollment, including student enrollment by legislative district;

(iii) a five-year history of student debt;

(iv) a five-year history of mandatory student fees by campus;

(v) employee head count and employee demographics;

(vi) facilities, including physical space overview, condition, square footage, and distribution by region, any deferred maintenance, capital bonding requested and received;

(vii) administrative costs, including the definition of "administrators" used by the system and the total number of "administrators" as percent of total employee head count, system office budget for Minnesota State Colleges and Universities as percent of total system general fund revenue; and

4.1 (viii) college and university operating budgets.

4.2 (b) Data required by this subdivision shall be submitted by the public postsecondary  
4.3 systems to the Minnesota Office of Higher Education and the Department of Management  
4.4 and Budget and included in the biennial budget document. Representatives from each system,  
4.5 in consultation with the commissioner of management and budget and the commissioner  
4.6 of the Office of Higher Education, shall develop consistent reporting practices for this  
4.7 purpose.

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

4.13 Sec. 3. [135A.0434] MANDATORY STUDENT ACTIVITY FEES PROHIBITED.

4.14 Subdivision 1. Mandatory fee prohibition. (a) The governing board of a public  
4.15 postsecondary institution must not impose on students any mandatory fee funding  
4.16 noninstructional student programs, activities, groups, or services.

4.17 (b) This section does not prohibit mandatory fees paid by students that are directly related  
4.18 to academic, administrative, or health services.

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

4.21 Subd. 2. Penalty. If the Board of Regents of the University of Minnesota imposes a  
4.22 mandatory fee in violation of this section, the commissioner of management and budget  
4.23 must deduct an amount equal to the net revenue generated by that fee from the university's  
4.24 appropriation base in the first year of the next biennium.

4.25 Sec. 4. [135A.158] INFORMATION PROVIDED TO STUDENT PARENTS AND  
4.26 PREGNANT STUDENTS.

4.27 A public or regionally accredited private postsecondary educational institution must  
4.28 provide information according to this section to students who are parents of one or more  
4.29 children age 12 or younger, and to students who notify the institution that they are pregnant.  
4.30 The information must include a fact sheet on the legal rights of student parents and pregnant  
4.31 students and a list of resources to support student parents and pregnant students. The list of  
4.32 resources may include resources for prenatal care, child care, transportation, and housing.

This information must be available in languages that reflect the primary languages of the institution's student body.

**Sec. 5. [136A.055] DEVELOPMENTAL EDUCATION REPORTING.**

(a) The commissioner must report on the department's Web site the following summary data on students who graduated from a Minnesota high school and are attending a public postsecondary institution in Minnesota:

(1) the number of students placed in supplemental or developmental education;

(2) the number of students who complete supplemental or developmental education within one academic year;

(3) the number of students that complete gateway courses in one academic year; and

(4) time to complete a degree or certificate at a postsecondary institution.

(b) Summary data must be aggregated by school district, high school, and postsecondary institution. Summary data must be disaggregated by race, ethnicity, free or reduced-price lunch eligibility, and age.

(c) The commissioner must post the initial data on the department's Web site on or before October 1, 2017, and must update the data at least annually thereafter.

**Sec. 6. [136A.1215] GRANTS FOR STUDENTS WITH INTELLECTUAL AND DEVELOPMENTAL DISABILITIES.**

Subdivision 1. **Establishment.** A program is established to provide financial assistance to students with intellectual and developmental disabilities that attend a Minnesota postsecondary institution.

Subd. 2. **Eligible students.** A postsecondary student is eligible for a grant under this section if the student:

(1) meets the eligibility requirements in section 136A.121, subdivision 2;

(2) is a student with an intellectual disability, as defined in Code of Federal Regulations, title 34, section 668.231, and is enrolled in a comprehensive transition and postsecondary program under that section; and

(3) attends an eligible institution, as defined in section 136A.101, subdivision 4.

Subd. 3. **Application.** To receive a grant under this section, a student must apply in the form and manner specified by the commissioner.

6.1 Subd. 4. **Grant amounts.** (a) The amount of a grant under this section equals the tuition  
6.2 and fees at the student's postsecondary institution, minus:

6.3 (1) any Pell or state grants the student receives; and

6.4 (2) any institutional aid the student receives.

6.5 (b) If appropriations are insufficient to provide the full amount calculated under paragraph  
6.6 (a) to all eligible applicants, the commissioner must reduce the grants of all recipients  
6.7 proportionally.

6.8 Subd. 5. **Reporting.** By February 15 of each year, the commissioner of higher education  
6.9 must submit a report on the details of the program under this section to the legislative  
6.10 committees with jurisdiction over higher education finance and policy. The report must  
6.11 include the following information, broken out by postsecondary institution:

6.12 (1) the number of students receiving an award;

6.13 (2) the average and total award amounts; and

6.14 (3) summary demographic data on award recipients.

6.15 Sec. 7. Minnesota Statutes 2016, section 136A.125, subdivision 2, is amended to read:

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

6.18 (1) is a resident of the state of Minnesota or the applicant's spouse is a resident of the  
6.19 state of Minnesota;

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

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

6.25 (4) either has not earned a baccalaureate degree and has been enrolled full time less than  
6.26 ~~eight~~ ten semesters or the equivalent, or has earned a baccalaureate degree and has been  
6.27 enrolled full time less than ~~eight~~ ten semesters or the equivalent in a graduate or professional  
6.28 degree program;

6.29 (5) is pursuing a nonsectarian program or course of study that applies to an undergraduate,  
6.30 graduate, or professional degree, diploma, or certificate;

(6) is enrolled in at least six credits in an undergraduate program or one credit in a graduate or professional program in an eligible institution; and

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

(b) A student who withdraws from enrollment for active military service after December 31, 2002, because the student was ordered to active military service as defined in section 190.05, subdivision 5b or 5c, or for a major illness, while under the care of a medical professional, that substantially limits the student's ability to complete the term is entitled to an additional semester or the equivalent of grant eligibility and will be considered to be in continuing enrollment status upon return.

Sec. 8. Minnesota Statutes 2016, section 136A.125, subdivision 4, is amended to read:

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

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

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

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

(b) The maximum award to the applicant shall be ~~\$2,800~~ \$3,000 for each eligible child per academic year, except that the campus financial aid officer may apply to the office for approval to increase grants by up to ten percent to compensate for higher market charges for infant care in a community. The office shall develop policies to determine community market costs and review institutional requests for compensatory grant increases to ensure need and equal treatment. The office shall prepare a chart to show the amount of a grant that will be awarded per child based on the factors in this subdivision. The chart shall include a range of income and family size.

(c) Applicants with family incomes at or below a percentage of the federal poverty level, as determined by the commissioner, will qualify for the maximum award. The commissioner shall attempt to set the percentage at a level estimated to fully expend the available appropriation for child care grants. Applicants with family incomes exceeding that threshold will receive the maximum award minus ten percent of their income exceeding that threshold. If the result is less than zero, the grant is zero.

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

(1) the academic year amount described in paragraph (b);

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

8.2 (3) divided by 15 for undergraduate students and six for graduate and professional  
8.3 students; and

8.4 (4) multiplied by the number of credits for which the student is enrolled that academic  
8.5 term, up to 15 credits for undergraduate students and six for graduate and professional  
8.6 students.

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

8.10 Sec. 9. Minnesota Statutes 2016, section 136A.1275, is amended to read:

8.11 **136A.1275 GRANTS TO STUDENT TEACHERS IN SHORTAGE AREAS**  
8.12 **TEACHER CANDIDATE GRANTS.**

8.13 Subdivision 1. **Establishment.** (a) The commissioner of the Office of Higher Education  
8.14 must establish a grant program for student teaching stipends for low-income students enrolled  
8.15 in a Board of Teaching-approved teacher preparation program who ~~are interested in teaching~~  
8.16 ~~in a high needs subject area or region~~ intend to teach in a shortage area after graduating and  
8.17 receiving their teaching license or belong to an underrepresented racial or ethnic group. ~~For~~  
8.18 ~~purposes of this section, "high needs subject area or region" means a shortage of teachers~~  
8.19 ~~teaching in particular subject areas or a shortage of teachers teaching in particular regions~~  
8.20 ~~of the state identified in the commissioner of education's biennial survey of districts under~~  
8.21 ~~section 127A.05, subdivision 6, or in another Department of Education survey on teacher~~  
8.22 ~~shortages.~~

8.23 (b) "Shortage area" means a license field or economic development region within  
8.24 Minnesota defined as a shortage area by the Department of Education using data collected  
8.25 for the teacher supply and demand report under section 127A.05, subdivision 6, or other  
8.26 surveys conducted by the Department of Education that provide indicators for teacher supply  
8.27 and demand.

8.28 Subd. 2. **Eligibility.** To be eligible for a grant under this section, a teacher candidate  
8.29 must:

8.30 (1) be enrolled in a Board of Teaching-approved teacher preparation program that requires  
8.31 at least 12 weeks of student teaching ~~and results in the teacher candidate receiving in order~~  
8.32 to be recommended for a full professional teaching license ~~enabling the licensee to teach~~  
8.33 ~~in a high needs subject area or region; and~~

(2) demonstrate financial need based on criteria established by the commissioner under subdivision 3;

(3) intend to teach in a shortage area or belong to an underrepresented racial or ethnic group; and

(4) be meeting satisfactory academic progress as defined under section 136A.101, subdivision 10.

Subd. 3. **Administration; repayment.** (a) The commissioner must establish an application process and other guidelines for implementing this program, including repayment responsibilities for stipend recipients who do not complete student teaching or who leave Minnesota to teach in another state during the first year after student teaching.

(b) The commissioner must determine each academic year the stipend amount up to \$7,500 based on the amount of available funding and, the number of eligible applicants, and the financial need of the applicants.

(c) The percentage of the total award reserved for teacher candidates who identify as belonging to an underrepresented racial or ethnic group must be equal to or greater than the total percentage of students of underrepresented racial or ethnic groups as measured under section 120B.35, subdivision 3. If this percentage cannot be met because of a lack of qualifying candidates, the remaining amount may be awarded to teacher candidates who intend to teach in a shortage area.

Sec. 10. **[136A.1789] AVIATION DEGREE LOAN FORGIVENESS PROGRAM.**

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

(b) "Qualified aircraft technician" means an individual who (1) has earned an associate's or bachelor's degree from a postsecondary institution located in Minnesota, and (2) has obtained an aviation mechanic's certificate from the Federal Aviation Administration.

(c) "Qualified education loan" means a government, commercial, or foundation loan used by an individual for actual costs paid for tuition to a postsecondary institution located in Minnesota for a professional flight training degree.

(d) "Qualified pilot" means an individual who (1) has earned an associate's or bachelor's degree in professional flight training from a postsecondary institution located in Minnesota, and (2) is in the process of obtaining or has obtained an airline transport pilot certificate.

10.1 Subd. 2. **Creation of account.** (a) An aviation degree loan forgiveness program account  
10.2 is established to provide qualified pilots and qualified aircraft technicians with financial  
10.3 assistance in repaying qualified education loans. The commissioner must use money from  
10.4 the account to establish and administer the aviation degree loan forgiveness program.

10.5 (b) Appropriations made to the aviation degree loan forgiveness program account do  
10.6 not cancel and are available until expended.

10.7 Subd. 3. **Eligibility.** (a) To be eligible to participate in the loan forgiveness program  
10.8 under this section, an individual must:

10.9 (1) be a qualified pilot or qualified aircraft technician;

10.10 (2) have qualified education loans;

10.11 (3) reside in Minnesota; and

10.12 (4) submit an application to the commissioner in the form and manner prescribed by the  
10.13 commissioner.

10.14 (b) An applicant selected to participate must sign a contract to agree to serve a minimum  
10.15 one-year full-time service obligation according to subdivision 4. To complete the service  
10.16 obligation, the applicant must work full time in Minnesota as a qualified pilot or qualified  
10.17 aircraft technician. A participant must complete one year of service under this paragraph  
10.18 for each year the participant receives an award under this section.

10.19 Subd. 4. **Service obligation.** (a) Before receiving loan repayment disbursements and as  
10.20 requested, a participant must verify to the commissioner that the participant is employed in  
10.21 a position that fulfills the service obligation as required under subdivision 3, paragraph (b).

10.22 (b) If a participant does not fulfill the required service obligation, the commissioner  
10.23 must collect from the participant the total amount paid to the participant under the loan  
10.24 forgiveness program plus interest at a rate established according to section 270C.40. The  
10.25 commissioner must deposit the money collected in the aviation degree loan forgiveness  
10.26 account. The commissioner must allow waivers of all or part of the money owed the  
10.27 commissioner as a result of a nonfulfillment penalty if emergency circumstances prevented  
10.28 fulfillment of the minimum service commitment.

10.29 Subd. 5. **Loan forgiveness.** (a) The commissioner may select eligible applicants each  
10.30 year for participation in the aviation degree loan forgiveness program, within the limits of  
10.31 available funding. Applicants are responsible for securing their own qualified education  
10.32 loans.

11.1 (b) For each year that the participant meets the eligibility requirements under subdivision  
11.2 3, the commissioner must make annual disbursements directly to:

11.3 (1) a selected qualified pilot of \$5,000 or the balance of the participant's qualified  
11.4 education loans, whichever is less; and

11.5 (2) a selected qualified aircraft technician of \$3,000 or the balance of the participant's  
11.6 qualified education loans, whichever is less.

11.7 (c) An individual may receive disbursements under this section for a maximum of five  
11.8 years.

11.9 (d) The participant must provide the commissioner with verification that the full amount  
11.10 of the loan repayment disbursement received by the participant has been applied toward the  
11.11 designated qualified education loan. After each disbursement, verification must be received  
11.12 by the commissioner and approved before the next repayment disbursement is made.

11.13 (e) If the participant receives a disbursement in the participant's fifth year of eligibility,  
11.14 the participant must provide the commissioner with verification that the full amount of the  
11.15 participant's final loan repayment disbursement was applied toward the designated qualified  
11.16 education loan. If a participant does not provide the verification as required under this  
11.17 paragraph within six months of receipt of the final disbursement, the commissioner must  
11.18 collect from the participant the amount of the final disbursement. The commissioner must  
11.19 deposit the money collected in the aviation degree loan forgiveness program account.

11.20 Subd. 6. **Rules.** The commissioner may adopt rules to implement this section.

11.21 Sec. 11. **[136A.1794] AGRICULTURAL EDUCATION LOAN FORGIVENESS**  
11.22 **PROGRAM.**

11.23 Subdivision 1. **Definitions.** (a) For purposes of this section, the terms in this subdivision  
11.24 have the meanings given.

11.25 (b) "Qualified education loan" means a government, commercial, or foundation loan for  
11.26 actual costs paid for tuition, reasonable education expenses, and reasonable living expenses  
11.27 related to the graduate or undergraduate education of a qualified teacher.

11.28 (c) "Qualified teacher" means a teacher licensed under chapter 122A who:

11.29 (1) is employed in a nonadministrative position teaching agricultural education in any  
11.30 grade from grades 5 through 12 at a Minnesota school during the current year; and

12.1 (2) has completed an undergraduate or graduate program in agricultural education at a  
12.2 college or university approved by the state of Minnesota to prepare persons for teacher  
12.3 licensure.

12.4 (d) "School" means the following:

12.5 (1) a school or program operated by a school district or a group of school districts;

12.6 (2) a tribal contract school eligible to receive aid according to section 124D.83;

12.7 (3) a charter school; or

12.8 (4) a private school.

12.9 Subd. 2. **Account; appropriation.** An agricultural education loan forgiveness account  
12.10 is established in the special revenue fund to provide qualified teachers with financial  
12.11 assistance to repay qualified education loans. Money in the account, including interest, is  
12.12 appropriated to the commissioner for purposes of this section.

12.13 Subd. 3. **Eligibility.** (a) To be eligible to participate in the loan forgiveness program  
12.14 under this section, an individual must:

12.15 (1) be a qualified teacher;

12.16 (2) have qualified education loans; and

12.17 (3) submit an application to the commissioner in the form and manner prescribed by the  
12.18 commissioner.

12.19 (b) An applicant selected to participate must sign a contract to agree to serve a minimum  
12.20 one-year full-time service obligation according to subdivision 4. To complete the service  
12.21 obligation, the applicant must work full time in Minnesota as a qualified teacher. A participant  
12.22 must complete one year of service under this paragraph for each year the participant receives  
12.23 an award under this section.

12.24 Subd. 4. **Service obligation.** (a) Before receiving loan repayment disbursements and as  
12.25 requested, a participant must verify to the commissioner that the participant is employed in  
12.26 a position that fulfills the service obligation as required under subdivision 3, paragraph (b).

12.27 (b) If a participant does not fulfill the required service obligation, the commissioner  
12.28 must collect from the participant the total amount paid to the participant under the loan  
12.29 forgiveness program plus interest at a rate established according to section 270C.40. The  
12.30 commissioner must deposit the money collected in the agricultural education loan forgiveness  
12.31 account. The commissioner must allow waivers of all or part of the money owed the

13.1 commissioner as a result of a nonfulfillment penalty if emergency circumstances prevented  
13.2 fulfillment of the minimum service commitment.

13.3 Subd. 5. **Loan forgiveness.** (a) The commissioner may select eligible applicants each  
13.4 year for participation in the agricultural education loan forgiveness program, within the  
13.5 limits of available funding. Applicants are responsible for securing their own qualified  
13.6 education loans.

13.7 (b) The commissioner must make annual disbursements directly to the eligible participant  
13.8 of \$3,000 or the balance of the participant's qualified education loans, whichever is less,  
13.9 for each year that the participant meets the eligibility requirements under subdivision 3, up  
13.10 to a maximum of five years.

13.11 (c) The participant must provide the commissioner with verification that the full amount  
13.12 of the loan repayment disbursement received by the participant has been applied toward the  
13.13 designated qualified education loan. After each disbursement, verification must be received  
13.14 by the commissioner and approved before the next repayment disbursement is made.

13.15 Sec. 12. Minnesota Statutes 2016, section 136A.653, is amended by adding a subdivision  
13.16 to read:

13.17 Subd. 5. **Regionally accredited institutions in Minnesota.** (a) A regionally accredited  
13.18 postsecondary institution with its primary physical location in Minnesota is exempt from  
13.19 the provisions of sections 136A.61 to 136A.71 when it creates new or modifies existing:

13.20 (1) majors, minors, concentrations, specializations, and areas of emphasis within approved  
13.21 degrees;

13.22 (2) nondegree programs within approved degrees;

13.23 (3) underlying curriculum or courses;

13.24 (4) modes of delivery;

13.25 (5) locations; and

13.26 (6) fees related to clauses (1) to (5).

13.27 (b) The institution must annually notify the commissioner of the exempt actions listed  
13.28 in paragraph (a) and, upon the commissioner's request, must provide additional information  
13.29 about the action.

13.30 (c) The institution must notify the commissioner within 60 days of a program closing.

14.1 (d) Nothing in this subdivision exempts an institution from the annual registration and  
14.2 degree approval requirements of sections 136A.61 to 136A.71.

14.3 Sec. 13. Minnesota Statutes 2016, section 136A.685, is amended to read:

14.4 **136A.685 PRIVATE INSTITUTIONS; ADJUDICATION OF FRAUD OR**  
14.5 **MISREPRESENTATION.**

14.6 The office ~~shall not provide~~ may revoke, or deny an application for, registration or degree  
14.7 or name approval to a school if there has been a criminal, civil, or administrative adjudication  
14.8 of fraud or misrepresentation in Minnesota or in another state or jurisdiction against the  
14.9 school or its owner, officers, agents, or sponsoring organization. If the adjudication was  
14.10 related to a particular academic program, the office may revoke degree approval, or deny  
14.11 an application for degree approval, for that program only.

14.12 The adjudication of fraud or misrepresentation is sufficient cause for the office to  
14.13 determine that a school:

14.14 (1) does not qualify for exemption under section 136A.657; or

14.15 (2) is not approved to grant degrees or to use the term "academy," "college," "institute,"  
14.16 or "university" in its name.

14.17 Sec. 14. Minnesota Statutes 2016, section 136A.902, subdivision 1, is amended to read:

14.18 Subdivision 1. **Membership.** The commissioner shall appoint a ~~12 member~~ 14-member  
14.19 advisory council consisting of:

14.20 (1) one member representing the University of Minnesota Medical School;

14.21 (2) one member representing the Mayo Medical School;

14.22 (3) one member representing the Courage Kenny Rehabilitation Center;

14.23 (4) one member representing Hennepin County Medical Center;

14.24 (5) one member who is a neurosurgeon;

14.25 (6) one member who has a spinal cord injury;

14.26 (7) one member who is a family member of a person with a spinal cord injury;

14.27 (8) one member who has a traumatic brain injury;

14.28 (9) one member who is a veteran who has a spinal cord injury ~~or a traumatic brain injury~~;

14.29 (10) one member who is a veteran who has a traumatic brain injury;

- 15.1 (11) one member who is a family member of a person with a traumatic brain injury;  
15.2 (11) (12) one member who is a physician specializing in the treatment of spinal cord  
15.3 injury representing Gillette Children's Specialty Healthcare; and  
15.4 (12) (13) one member who is a physician specializing in the treatment of traumatic brain  
15.5 injury; and  
15.6 (14) one member representing Gillette Children's Specialty Healthcare.

15.7 **Sec. 15. [136F.38] WORKFORCE DEVELOPMENT SCHOLARSHIPS.**

15.8 Subdivision 1. **Program established.** The board shall develop a scholarship program  
15.9 to incentivize new students to enter high-demand occupations upon graduation.

15.10 Subd. 2. **Scholarship awards.** The program shall award scholarships at the beginning  
15.11 of an academic term, in the amount of \$2,500, to be distributed evenly between two terms.

15.12 Subd. 3. **Program eligibility.** (a) Scholarships shall be awarded only to a student eligible  
15.13 for resident tuition, as defined in section 135A.043, who is enrolled in any of the following  
15.14 programs of study or certification: (1) advanced manufacturing; (2) agriculture; (3) health  
15.15 care services; or (4) information technology.

15.16 (b) The student must be enrolled for at least nine credits at a two-year college in the  
15.17 Minnesota State Colleges and Universities system.

15.18 Subd. 4. **Renewal; cap.** A student who has received a scholarship may apply again but  
15.19 total lifetime awards are not to exceed \$5,000 per student. Students may only be awarded  
15.20 a second scholarship upon completion of two academic terms.

15.21 Subd. 5. **Administration.** (a) The board shall establish an application process and other  
15.22 guidelines for implementing this program.

15.23 (b) The board shall give preference to students in financial need.

15.24 Subd. 6. **Report required.** The board must submit an annual report by February 1 of  
15.25 each year about the scholarship awards to the chairs and ranking minority members of the  
15.26 senate and house of representatives committees with jurisdiction over higher education  
15.27 finance and policy. The first report is due no later than February 1, 2019. The annual report  
15.28 shall describe the following:

15.29 (1) the number of students receiving a scholarship at each two-year college during the  
15.30 previous fiscal year;

16.1 (2) the number of scholarships awarded for each program of study or certification  
16.2 described in subdivision 3, paragraph (a);

16.3 (3) the number of scholarship recipients who completed a program of study or certification  
16.4 described in subdivision 3, paragraph (a);

16.5 (4) the number of scholarship recipients who secured employment by their graduation  
16.6 date and those who secured employment within three months of their graduation date;

16.7 (5) a list of occupations scholarship recipients are entering; and

16.8 (6) the number of students who were denied a scholarship.

16.9 **Sec. 16. [137.45] PROGRAM FOR STUDENTS WITH INTELLECTUAL AND**  
16.10 **DEVELOPMENTAL DISABILITIES.**

16.11 The Board of Regents of the University of Minnesota is requested to offer an academic  
16.12 program for students with intellectual and developmental disabilities at the University of  
16.13 Minnesota-Morris, consistent with the requirements of section 136F.38, subdivisions 2 to  
16.14 5.

16.15 **EFFECTIVE DATE.** This section is effective for the 2018-2019 academic year and  
16.16 later.

16.17 Sec. 17. Minnesota Statutes 2016, section 148.89, subdivision 5, is amended to read:

16.18 Subd. 5. **Practice of psychology.** "Practice of psychology" means the observation,  
16.19 description, evaluation, interpretation, or modification of human behavior by the application  
16.20 of psychological principles, methods, or procedures for any reason, including to prevent,  
16.21 eliminate, or manage symptomatic, maladaptive, or undesired behavior and to enhance  
16.22 interpersonal relationships, work, life and developmental adjustment, personal and  
16.23 organizational effectiveness, behavioral health, and mental health. The practice of psychology  
16.24 includes, but is not limited to, the following services, regardless of whether the provider  
16.25 receives payment for the services:

16.26 (1) psychological research and teaching of psychology subject to the exemptions in  
16.27 section 148.9075;

16.28 (2) assessment, including psychological testing and other means of evaluating personal  
16.29 characteristics such as intelligence, personality, abilities, interests, aptitudes, and  
16.30 neuropsychological functioning;

(3) a psychological report, whether written or oral, including testimony of a provider as an expert witness, concerning the characteristics of an individual or entity;

(4) psychotherapy, including but not limited to, categories such as behavioral, cognitive, emotive, systems, psychophysiological, or insight-oriented therapies; counseling; hypnosis; and diagnosis and treatment of:

(i) mental and emotional disorder or disability;

(ii) alcohol and substance dependence or abuse;

(iii) disorders of habit or conduct;

(iv) the psychological aspects of physical illness or condition, accident, injury, or disability, including the psychological impact of medications;

(v) life adjustment issues, including work-related and bereavement issues; and

(vi) child, family, or relationship issues;

(5) psychoeducational services and treatment; and

(6) consultation and supervision.

**Sec. 18. [148.9075] LICENSURE EXEMPTIONS.**

**Subdivision 1. Teaching and research.** Nothing in sections 148.88 to 148.98 shall be construed to prevent a person employed in a secondary, postsecondary, or graduate institution from teaching and conducting research in psychology within an educational institution that is recognized by a regional accrediting organization or by a federal, state, county, or local government institution, agency, or research facility, so long as:

(1) the institution, agency, or facility provides appropriate oversight mechanisms to ensure public protections; and

(2) the person is not providing direct clinical services to a client or clients as defined in sections 148.88 to 148.98.

**Subd. 2. Students.** Nothing in sections 148.88 to 148.98 shall prohibit the practice of psychology under qualified supervision by practicum psychology students, predoctoral psychology interns, or an individual who has earned a doctoral degree in psychology and is in the process of completing their postdoctoral supervised psychological employment.

18.1      Sec. 19. **[298.2215] COUNTY SCHOLARSHIP PROGRAM.**

18.2          **Subdivision 1. Establishment.** A county may establish a scholarship fund from any  
18.3          unencumbered revenue received pursuant to section 298.018, 298.28, 298.39, 298.396, or  
18.4          298.405 or any law imposing a tax upon severed mineral values. Scholarships must be used  
18.5          at a two-year Minnesota State Colleges and Universities institution within the county. The  
18.6          county shall establish procedures for applying for and distributing the scholarships.

18.7          **Subd. 2. Eligibility.** An applicant for a scholarship under this section must be a resident  
18.8          of the county at the time of the applicant's high school graduation. The county may establish  
18.9          additional eligibility criteria.

18.10      Sec. 20. Laws 2014, chapter 312, article 1, section 15, is amended to read:

18.11      Sec. 15. **UNIVERSITY OF MINNESOTA BASE ADJUSTMENT.**

18.12      (a) For fiscal years 2016 to ~~2041~~ 2017, \$3,500,000 is added to the base operations and  
18.13      maintenance appropriation to the Board of Regents of the University of Minnesota in Laws  
18.14      2013, chapter 99, article 1, section 5.

18.15      (b) For fiscal years 2018 to 2040, \$3,312,000 is added to the base operations and  
18.16      maintenance appropriation to the Board of Regents of the University of Minnesota in Laws  
18.17      2013, chapter 99, article 1, section 5.

18.18      Sec. 21. **DEVELOPMENTAL EDUCATION REFORM.**

18.19      (a) The Board of Trustees of the Minnesota State Colleges and Universities shall create  
18.20      a plan to reform developmental education offerings on system campuses aimed at reducing  
18.21      the number of students placed into developmental education. The plan must include, but is  
18.22      not limited to:

18.23      (1) a systemwide multiple measures placement plan to guide campuses in placement of  
18.24      students into developmental education courses;

18.25      (2) uniform cut scores for student placement, where appropriate, which will lead to fewer  
18.26      students being placed into developmental education courses;

18.27      (3) other identified system policy changes, including an appeals process, that will decrease  
18.28      the number of students being placed into developmental education courses;

18.29      (4) accelerated pathways in mathematics, reading, and composition to ensure students  
18.30      can complete developmental education work in no more than one year, including allowing  
18.31      for students to complete college-level gateway courses in one year whenever possible;

(5) a comprehensive examination of the cost structure of developmental education, including potential financial incentives for students or other mechanisms to lower the cost of developmental offerings for students; and

(6) identified best practices and targeted support strategies such as the use of supplemental instruction, that may be used on every system campus around developmental education offerings.

(b) The plan must include deadlines for implementation of proposed changes and must be submitted to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education finance and policy by February 15, 2018.

(c) The plan, in its entirety, shall be implemented by the start of the 2020-2021 academic term, with individual provisions being implemented earlier as dictated by the plan.

**Sec. 22. GREATER MINNESOTA OUTREACH AND RECRUITMENT.**

The Board of Regents of the University of Minnesota is requested to develop a plan to conduct outreach and recruitment of students from Minnesota, specifically identifying mechanisms to increase the number of students from greater Minnesota who are admitted to the university campus located in the metropolitan area. Greater Minnesota is defined as any area other than the area described in Minnesota Statutes, section 473.121, subdivision 4. The plan must be submitted to the chairs and ranking members of the senate and house of representatives legislative committees with jurisdiction over higher education finance and policy by February 15, 2018.

**Sec. 23. UNIVERSITY OF MINNESOTA FETAL TISSUE RESEARCH; LEGISLATIVE AUDITOR REVIEW.**

(a) The legislative auditor is requested to complete a comprehensive review of the use of fetal tissue in research activities at the University of Minnesota. The review must include:

(1) the total number of research activities in which fetal tissue is currently or has been previously used, including those that are in progress and those that have been completed;

(2) the cost of acquiring fetal tissues for use in research activities, itemized by the source of funds used for procurement, including funds from federal, state, and other public sources, and funds derived from student tuition and fees;

(3) the extent to which the conduct of the research activities complies with applicable federal and state laws related to acquisition, sale, handling, and disposition of human tissues, including fetal tissues;

(4) the extent to which the conduct of the research activities complies with applicable Board of Regents policies and procedures related to acquisition, sale, handling, and disposition of human tissues, including fetal tissues; and

(5) whether applicable Board of Regents policies include provisions to ensure fetal tissue is used in research activities only when necessary, and to ensure that the research activities are conducted in an ethical manner, including whether procedures and protocols for oversight have been implemented to verify compliance with these policies.

(b) As used in this section, "research activities" include any academic fetal tissue research or fetal tissue transplantation research activity or program conducted in a University of Minnesota facility, or that is supported, directly or indirectly, by University of Minnesota funds.

**EFFECTIVE DATE.** This section is effective the day following final enactment. The legislative auditor is requested to complete the review no later than 60 days following final enactment.

**Sec. 24. REQUIRED MNSCU NONEXCLUSIVE EASEMENTS.**

Subdivision 1. **Nonexclusive easement grant to the Housing and Redevelopment Authority in and for the city of Virginia.** The Board of Trustees of the Minnesota State Colleges and Universities shall, by July 1, 2017, grant permanent nonexclusive easements as described in subdivisions 2 and 3 to the Housing and Redevelopment Authority in and for the city of Virginia, for the benefit of:

A parcel of land lying in the Southwest Quarter of the Northeast Quarter of Section 7, Township 58 North, Range 17 West, in St. Louis County, described as follows:

Commencing at the center of said Section 7, Township 58 North, Range 17 West; thence Northerly along the North-South quarter line a distance of 725 feet, thence due East a distance of 72 feet to the point of beginning; thence due North a distance of 350 feet; thence due East a distance of 300 feet; thence due South a distance of 350 feet; thence due West a distance of 300 feet to the point of beginning,

which easements shall run with the land and shall inure to the benefit of and be binding upon the owners of the benefited and burdened parcels and their respective successors and assigns.

Subd. 2. **Nonexclusive access easement.** The board shall grant to the authority a 50.00-foot-wide nonexclusive easement for vehicular and pedestrian ingress and egress access purposes over and across that part of Southwest Quarter of the Northeast Quarter of

21.1 Section 7, Township 58 North, Range 17 West, St. Louis County. The centerline of said  
21.2 easement is described as follows:

21.3 Commencing at the southwest corner of said Southwest Quarter of the Northeast Quarter;  
21.4 thence North 3 degrees 00 minutes 34 seconds West, assumed bearing along the west  
21.5 line of said Southwest Quarter of the Northeast Quarter a distance of 725.00 feet; thence  
21.6 on a bearing of East 72.00 feet; thence on a bearing of South 25.00 feet to the point of  
21.7 beginning of the centerline to be described; thence on a bearing of East 330.30 feet;  
21.8 thence South 1 degree 18 minutes 18 seconds East 249.04 feet; thence southwesterly  
21.9 32.44 feet along a tangential curve, concave to the northwest, having a radius of 25.15  
21.10 feet and a central angle of 73 degrees 55 minutes 31 seconds; thence southerly 56.77  
21.11 feet along a reverse curve, concave to the east, having a radius of 44.00 feet and a central  
21.12 angle of 73 degrees 55 minutes 31 seconds; thence South 1 degree 18 minutes 18 seconds  
21.13 East tangent to said curve 37.63 feet; thence southeasterly 34.85 feet along a tangential  
21.14 curve, concave to the northeast, having a radius of 44.00 feet and a central angle of 45  
21.15 degrees 22 minutes 30 seconds; thence South 46 degrees 40 minutes 49 seconds East  
21.16 tangent to said last described curve 53.67 feet; thence southerly 19.86 feet along a  
21.17 tangential curve, concave to the west, having a radius of 25.00 feet and a central angle  
21.18 of 45 degrees 31 minutes 06 seconds; thence South 1 degree 09 minutes 42 seconds East  
21.19 tangent to said last described curve 269.94 feet to the south line of said Southwest Quarter  
21.20 of the Northeast Quarter and said centerline there terminating.

21.21 The sidelines of said easement shall be prolonged or shortened to terminate on the northerly  
21.22 right-of-way line of Chestnut Street.

21.23 Subd. 3. **Nonexclusive parking easement.** The board shall grant to the authority an  
21.24 easement for parking purposes, specifically for the nonexclusive right to use up to 26 parking  
21.25 spaces, as well as the right to use handicapped parking spaces as needed, over and across  
21.26 that part of Southwest Quarter of the Northeast Quarter of Section 7, Township 58 North,  
21.27 Range 17 West, St. Louis County, described as follows:

21.28 Commencing at the southwest corner of said Southwest Quarter of the Northeast Quarter;  
21.29 thence North 3 degrees 00 minutes 34 seconds West, assumed bearing along the west  
21.30 line of said Southwest Quarter of the Northeast Quarter a distance of 725.00 feet; thence  
21.31 on a bearing of East 72.00 feet; thence on a bearing of South 50.00 feet; thence on a  
21.32 bearing of East 305.87 feet; thence South 1 degree 18 minutes 18 seconds East 27.91  
21.33 feet to the point of beginning of the tract to be described; thence South 88 degrees 41  
21.34 minutes 42 seconds West 275.00 feet; thence South 1 degree 18 minutes 18 seconds

22.1 East 380.00 feet; thence North 88 degrees 41 minutes 42 seconds East 275.00 feet; thence  
22.2 North 1 degree 18 minutes 18 seconds West 380.00 feet to the point of beginning.

22.3 Subd. 4. **Public purpose** Any easement grants pursuant to this section is subject to  
22.4 modification by the board up to and including termination if the benefitted property is no  
22.5 longer in use as student housing.

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

22.7 Sec. 25. **STATE GRANT REPORT.**

22.8 (a) The commissioner of higher education must report to the legislature the estimated  
22.9 amount of funding necessary for the state grant program to fully meet the financial aid needs  
22.10 of lower- and middle-income Minnesota college students based on the program's shared  
22.11 responsibility design. The report must include an estimate of:

22.12 (1) the amount a student should be expected to contribute toward the cost of education  
22.13 through borrowing and employment;

22.14 (2) the amount a student's family should be expected to contribute toward the cost of  
22.15 education, based on the family's financial circumstances;

22.16 (3) the actual living and miscellaneous expenses of a student, including room, board,  
22.17 transportation, and the cost of textbooks; and

22.18 (4) equitable tuition maximums for public and nonprofit institutions that reflect both  
22.19 tuition charged and the subsidy provided to all students at public institutions received through  
22.20 direct appropriations.

22.21 (b) The commissioner must submit the report to the higher education committees of the  
22.22 legislature by October 15, 2017.

22.23 Sec. 26. **UNIVERSITY OF MINNESOTA TUITION.**

22.24 (a) For the 2018-2019 and 2019-2020 academic years, the Board of Regents of the  
22.25 University of Minnesota is encouraged to continue to adopt tuition schedules for the  
22.26 University of Minnesota Twin Cities campus that:

22.27 (1) move the nonresident undergraduate tuition rate for a full-time student toward the  
22.28 median nonresident undergraduate tuition rate for public Big Ten universities;

22.29 (2) move the resident undergraduate tuition rate for a full-time student toward the median  
22.30 of resident undergraduate tuition rates for public Big Ten universities;

(3) move the nonresident graduate tuition rate in each graduate program for a full-time student toward the median of nonresident graduate tuition rates for public Big Ten universities with a similar program; and

(4) move the resident graduate tuition rate in each graduate program for a full-time student toward the median of resident graduate tuition rates for public Big Ten universities with a similar program.

(b) For purposes of this section, "public Big Ten university" means the flagship campus for public universities that are members of the Big Ten Conference.

**Sec. 27. SUPPLEMENTAL AID FOR TWO-YEAR MNSCU INSTITUTIONS.**

The Board of Trustees of the Minnesota State Colleges and Universities shall provide supplemental aid for operations and maintenance to the president of each two-year institution in the system with at least one campus that is not located in a metropolitan county, as defined in Minnesota Statutes, section 473.121, subdivision 4. The board shall transfer \$100,000 for each campus not located in a metropolitan county in each year to the president of each institution that includes such a campus, provided that no institution may receive more than \$300,000 in total supplemental aid each year.

**Sec. 28. LIVING AND MISCELLANEOUS EXPENSE ALLOWANCE.**

The living and miscellaneous expense allowance for the state grant program under Minnesota Statutes, section 136A.121, for the biennium ending June 30, 2019, is set at \$9,320 for each fiscal year of the biennium.

**Sec. 29. ONGOING APPROPRIATION.**

The appropriation under Laws 2016, chapter 189, article 25, section 62, subdivision 11, may be used to provide grants for any purpose under Minnesota Statutes, section 136A.1275."

Amend the title accordingly