

# Chapter 124

2024 Regular Session

**Subject** Higher Education: Supplemental finance and policy

**Bill** H.F. 4024

**Analyst** Nathan Hopkins

**Date** May 29, 2024

## Overview

This is the higher education supplemental policy and finance act for the 2024 session. It affects the Office of Higher Education (OHE), the Minnesota State Colleges and Universities (MnState) system, the University of Minnesota (UMN) system, and other postsecondary institutions in Minnesota. The act contains various changes to existing higher education appropriations and programs, creates new higher education policies and programs, and has one new item of appropriation.

## Article 1: Higher Education Appropriations

This article contains changes to higher education appropriations in existing law and makes one new appropriation.

### Section Description – Article 1: Higher Education Appropriations

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- 1 Appropriation; ALS research.**

Amends a prior appropriation to OHE for competitive grants to fund ALS research to extend the availability of the funds to June 30, 2029, and allow up to \$15,000,000 to be given as a grant to external organizations to award and administer the ALS research grants under the terms of this section. External organizations may use up to a total of five percent of the appropriation for administrative expenses.
- 2 Hunger-free campus grants.**

Amends a prior appropriation to OHE to clarify that the \$500,000 reserved for equipment grants is available until June 30, 2026.
- 3-4 Fostering independence higher education grants; North Star Promise.**

These two sections amend prior appropriations to OHE in fiscal year 2025 to shift \$5,040,000 from the North Star Promise (NSP) program to the fostering independence grant (FIG) program to cover a shortfall in FIG. This is a onetime adjustment and does not affect the base appropriation for either program.

**Section Description – Article 1: Higher Education Appropriations**

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- 5 **University of Minnesota—Operations and maintenance.**  
Amends a 2023 UMN appropriation rider for the Medical School on the CentraCare Health System Campus in St. Cloud to change the specific purposes for which the money may be used.
- 6 **Appropriation; Kids on Campus initiative.**  
Provides a onetime general fund appropriation of \$500,000 in fiscal year 2025 to MnState to participate in the “Kids on Campus” initiative in partnership with Head Start. Allowable uses for the funding are listed in this section. The funds are available until June 30, 2026.

## **Article 2: Policy Provisions**

This article contains changes to higher education programs and regulations.

**Section Description – Article 2: Policy Provisions**

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- 1 **Consideration of criminal records limited.**  
Creates a new section regarding how postsecondary institutions may consider an applicant’s prior criminal records.
- Subd. 1. Applicability.** Applies to postsecondary institutions in Minnesota. UMN is requested to comply.
- Subd. 2. Definition.** Provides a list of offenses constituting “a violent felony or sexual assault” for purposes of this section. Includes equivalent offenses in other jurisdictions.
- Subd. 3. Consideration of criminal records limited.** Prohibits institutions from inquiring into or considering an applicant’s criminal record until after an offer of admission has been made. After an offer of admission, an institution may inquire about a violent felony or sexual assault conviction within the past five years, allowing the applicant an opportunity to provide an explanation and other information. An institution may rescind an offer of admission based on a conviction, but must give the applicant an opportunity to appeal that decision.
- Subd. 4. Other information.** Provides that this section does not prevent an institution, after making an offer of admission, from inquiring about an applicant’s conduct records at a prior postsecondary institution, nor does it limit an institution’s ability to inquire about a student’s ability to meet certain professional licensure requirements.

**Section Description – Article 2: Policy Provisions**

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- Subd. 5. Limitation on admissibility.** Provides immunity from civil liability for an institution that admits a student with a criminal history or that admits a student without conducting a criminal background check. Specifies that this section does not require institutions to inquire into an applicant’s criminal history.
- 2 **American Indian Scholars—Eligibility.**  
For the American Indian Scholars program created in 2023, adds an eligibility requirement of meeting satisfactory academic progress. This aligns the program’s eligibility criteria with similar state scholarships.
- 3 **Transcript access.**  
Codifies and makes permanent the transcript access law. In the 2021 higher education bill, the legislature imposed certain prohibitions and requirements on postsecondary institutions regarding withholding student transcripts for nonpayment of debts. See [Laws 2021, 1<sup>st</sup> Spec. Sess. ch. 2, art. 2, § 44](#). That section expires June 30, 2024.
- Subd. 1. Definitions.** Defines key terms. The definition of “school” sets the scope and includes the Minnesota State Colleges and Universities (MnState) and private institutions. The University of Minnesota (UMN) is requested to comply. No significant changes from the 2021 law.
- Subd. 2. Prohibited practices.** Prohibits a school from withholding a transcript due to an unpaid debt under the enumerated circumstances. As compared to the 2021 law, increases the threshold for de minimus debts from \$250 to \$1,000, and adds a prohibition on denying transcripts to incarcerated persons.
- Subd. 3. Institutional policy.** Requires institutions to have clear policies on debt collection and to limit the use of transcript withholding as a debt collection tool. Requires institutions to report to the Office of Higher Education (OHE) about transcript denials issued under the policies.
- 4 **Campus sexual misconduct policy.**  
This section makes various changes to the existing statute requiring postsecondary institutions to adopt policies on sexual misconduct.
- Subd. 1. Applicability; policy required.** Removes an exemption for private institutions with enrollments under 100 students and replaces it with a provision that private institutions are subject to the section if they participate in federal financial aid programs. Specifies that the policy must apply to any school-related events or activities, whether occurring on or off school property.

**Section Description – Article 2: Policy Provisions**

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**Subd. 1a. Definitions.** Adds the following definitions for relevant participants in investigations and disciplinary proceedings: “advisor,” “reporting party,” and “responding party.” Adds a broader term of “sexual misconduct,” which includes the existing defined term “sexual assault,” as well as several newly added terms: “domestic violence,” “intimate partner violence,” “sexual harassment,” and “stalking.” Conforming changes are made throughout this section.

**Subd. 2. Victims’ rights.** Gives a victim the right to not to participate in investigations or disciplinary proceedings, or to not report sexual misconduct at all. Prohibits an institution from conditioning these rights, financial aid, or remedial actions on the victim entering into a nondisclosure agreement regarding the incident.

**Subd. 2a. Campus investigation and disciplinary hearing procedures.** Requires schools to respond to reports of sexual misconduct with appropriate investigations, disciplinary proceedings, and—if needed—remedial measures. Provides a role for an advisor to assist a party in a hearing.

**Subd. 3. Uniform amnesty.** Conforming changes only stemming from the new umbrella term “sexual misconduct.”

**Subd. 4. Coordination with local law enforcement.** Conforming changes only stemming from the new umbrella term “sexual misconduct.”

**Subd. 5. Online reporting system.** Conforming changes only stemming from the new umbrella term “sexual misconduct.”

**Subd. 6. Data collection and reporting.** Conforming changes only stemming from the new umbrella term “sexual misconduct.”

**Subd. 7. Access to data; audit trail.** Conforming changes only stemming from the new umbrella term “sexual misconduct.”

**Subd. 8. Comprehensive training.** Conforming changes stemming from the new umbrella term “sexual misconduct.” Also adds a requirement that trainings be culturally responsive.

**Subd. 9. Student health services.** Conforming changes only stemming from the new umbrella term “sexual misconduct.”

**Subd. 10. Applicability of other laws.** Conforming changes only stemming from the new umbrella term “sexual misconduct.”

This section is effective August 1, 2025.

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**5 Navigators for parenting students.**

Creates a new requirement for postsecondary institutions to designate an employee as a “navigator” to assist parenting students.

**Subd. 1. Applicability.** Provides that this section applies to MnState and private institutions offering in-person classes in Minnesota. UMN is requested to comply.

**Subd. 2. Definitions.** Defines key terms.

**Subd. 3. Navigators.** Requires postsecondary institutions to provide navigators to assist parenting students with finding support services.

**Subd. 4. Report.** Requires institutions to report to OHE regarding enrolled students who are parents. Requires a report from OHE to the legislature on parenting students.

**6 Protections for pregnant and parenting students.**

This section creates new protections for pregnant and parenting students at public postsecondary institutions. These are requirements/prohibitions on MnState institutions, and are “requests” to UMN institutions.

**Subd. 1. Definition.** Defines “parenting student.”

**Subd. 2. Rights and protections.** Prohibits institutions from requiring a pregnant or parenting student to take any of the enumerated actions, which generally concern enrollment and course loads. Requires institutions to provide certain reasonable modifications and allowances, including leaves of absence, to pregnant students and those with medical conditions related to pregnancy or childbirth.

**Subd. 3. Policy on discrimination.** Requires institutions to adopt a policy on pregnancy and parenting discrimination.

**Subd. 4. Administration.** Requires OHE to establish guidelines as necessary to administer this section, including minimum durations for leaves of absence under subdivision 2.

**7 Inclusive Higher Education Technical Assistance Center—Reporting.**

Moves a reporting requirement from the inclusive higher education grant section (§ 135A.162) to the section on the Inclusive Higher Education Technical Assistance Center. The existing reporting requirement is repealed in section 48 of this article.

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**8 Inclusive higher education grants—Eligible grantees.**

Adds Tribal colleges to the list of eligible institutions.

**9 Students with disabilities; accommodations; general requirements.**

Creates a new section regarding the rights of postsecondary students with disabilities and the obligations of postsecondary institutions towards those students.

**Subd. 1. Short title.** Provides a short title, the “Minnesota Respond, Innovate, Succeed, and Empower (RISE) Act.”

**Subd. 2. Definitions.** Defines key terms. The scope of application is set within the definition of “institution of higher education,” which includes public postsecondary institutions, Tribal colleges, and private institutions that receive federal funding. The University of Minnesota is requested to comply.

**Subd. 3. Students with disabilities policy; documentation; dissemination of information.** Requires institutional policies allowing a student with a disability to self-disclose (with supporting documentation listed in subdivision 4) to the institution. Mandates dissemination of the policy by the institution.

**Subd. 4. Establishment of reasonable accommodation; documentation.** Requires institutions to engage in an “interactive process” with the student to establish reasonable accommodations. Lists forms of documentation that can establish that a student has a disability.

**Subd. 5. Higher education requirements for students with disabilities.** Places various obligations on institutions regarding interactions with students who have disabilities and provides certain rights to students with disabilities.

This section is effective January 1, 2025.

**10 Requirements related to online program management companies.**

Regulates contracts between MnState and UMN institutions and online program management companies (OPMs).

**Subd. 1. Definitions.** Defines key terms, including “online program management company” and “tuition sharing.” The scope of application is set within the definition of “institution of higher education,” which includes public postsecondary institutions. The University of Minnesota is requested to comply.

**Subd. 2. Contract stipulations.** Prohibits agreements with OPMs that: (1) allow tuition sharing; (2) limit intellectual property rights of faculty members; or (3)

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give OPMs control over institutional governance, curricula, educational programming, etc.

**Subd. 3. Mandatory contract review and approval.** Requires governing boards of public postsecondary systems to review and approve institutions' contracts with OPMs.

**Subd. 4. Reporting requirements.** Requires institutions to report to their governing boards regarding OPM programs.

**Subd. 5. Marketing requirements.** Places public-facing transparency obligations on institutions regarding their relationships with OPMs.

**Subd. 6. Exemption.** Exempts from this section any addendum or amendment to a contract that was entered into before July 1, 2023, that increases or decreases the number of OPM-managed programs. The exemption expires July 1, 2028.

This section is effective July 1, 2024, and applies to contracts entered into on or after that date, subject to the exemption in subdivision 6.

**11 Consolidated student aid reporting.**

Allows OHE to consolidate its mandated reporting for multiple financial aid programs it administers.

**12 Summer academic enrichment program—Financial need.**

Clarifies eligibility criteria regarding free and reduced-price school meals, given the new universal free school meals program in Minnesota.

**13 Order of aid calculations.**

Allows OHE to determine the order that students' financial aid awards may be calculated if students are eligible for more than one program. The goal of the ordering should be to provide the greatest amount of aid to students.

**14 Fostering independence higher education grants—Eligibility.**

Adds requirements to the program's eligibility criteria to align it with similar state grant and scholarship programs.

**15 Fostering independence higher education grants—Foster grant amount; payment; opt-out.**

Allows OHE to establish a priority application deadline and create a waitlist for applications received after that deadline. Also requires a proportionate reduction in

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- awards when program funds are insufficient to make full awards to all eligible applicants.
- 16     **North Star Promise—Definitions.**  
Clarifies existing definitions for the program. Provides that financial aid for expenses other than tuition and mandatory fees is not deducted when calculating a student’s award.
- 17     **North Star Promise—Conditions for eligibility.**  
Adds additional criteria to align the program with similar state scholarships and grants.
- 18     **North Star Promise—Scholarship.**  
Provides technical clarifications. Caps supplemental (“Pell plus”) grants at the student’s recognized cost of attendance.
- 19     **North Star Promise—Maintain current levels of institutional assistance.**  
Provides technical clarifications.
- 20     **North Star Promise—Duration of scholarship authorized; scholarship paid to institution.**  
Provides technical clarifications. Aligns the eligibility criteria with similar state scholarships and grants.
- 21     **SELF loan program—Terms and conditions of loans.**  
Allows a student to borrow up to the maximum loan amount twice in the same grade level.
- 22     **SELF loan program—Repayment of loans.**  
Adds a prohibition on minimum annual payments, but allows minimum monthly payments.
- 23     **Higher Education Facilities Authority: revenue bonds; limit.**  
Increases the total value of outstanding bonds the authority may issue from \$1,300,000,000 to \$2,000,000,000.
- The legislature created the Higher Education Facilities Authority in 1971 to provide nonprofit private postsecondary institutions with conduit financing for large-scale capital projects. Conduit financing allows nongovernment entities to access tax-exempt municipal bonds to finance capital projects that have a broader public benefit. Currently, the authority is empowered to issue revenue bonds, with a \$1,300,000,000 cap on aggregate outstanding amounts. The authority receives no



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- funding from the state and the bonds it issues do not constitute a debt of the state. Rather, bonds issued by the authority are payable only from the loan repayments, rentals, collateral, and other revenues pledged for their payment; the operations of the authority are financed from fees paid by the participating institutions and investment income; and all bond issuance costs are paid by the participating institution. This means that the authority operates without any cost to the state or taxpayers.
- 24 **Minnesota Private and Out-of-State Public Postsecondary Education Act—Definitions—School.**  
Amends the definition of “school” for this act to add references to “physical presence,” a new definition added in section 26 of the act.
- 25 **Minnesota Private and Out-of-State Public Postsecondary Education Act—Definitions—Postsecondary education.**  
Adds a definition of “postsecondary education.”
- 26 **Minnesota Private and Out-of-State Public Postsecondary Education Act—Definitions—Physical presence.**  
Adds a definition of “physical presence.”
- 27 **Minnesota Private and Out-of-State Public Postsecondary Education Act—Annual registration.**  
Uses the new definition of physical presence added in section 26 of the act.
- 28 **Minnesota Private and Out-of-State Public Postsecondary Education Act—Additional security.**  
Corrects a reference to federal rules. Updates the closed school refund dates to a timeframe of 180 days.
- 29 **Minnesota Private and Out-of-State Public Postsecondary Education Act—Criteria for approval.**  
For contracts with out-of-state schools to provide educational programming, requires the contract to include a joint-and-several liability provision and to mandate compliance with the act. Also prohibits schools from using nondisclosure agreements to restrict a student’s ability to submit complaints about the school to OHE.
- 30 **Minnesota Private and Out-of-State Public Postsecondary Education Act—Additional reporting.**  
Corrects a reference to federal rules.

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- 31 **Minnesota Private and Out-of-State Public Postsecondary Education Act—Registration fees.**  
Adds additional fees for new or renewed registration applicants that have multiple revisions or corrections.
- 32 **Private Career School Act—Definitions—Private career school.**  
Amends the definition of “private career school” for this act to add references to “physical presence,” a new definition added in section 33 of the act.
- 33 **Private Career School Act—Definitions—Physical presence.**  
Adds a definition of “physical presence.”
- 34-37 **Private Career School Act—Licensure.**  
Uses the new definition of physical presence added in section 33 of the act.
- 38 **Private Career School Act—Licensure—Minimum standards.**  
Adds two requirements for the licensure of a private career school. First, that the school has not previously had a license revoked. Second, for contracts with out-of-state schools to provide educational programming, requires the contract to include a joint-and-several liability provision and to mandate compliance with the act.
- 39 **Private Career School Act—Initial licensure fee.**  
Adds an additional fee for initial licensure applicants with multiple revisions or corrections.
- 40 **Private Career School Act—Renewal licensure fee; late fee.**  
Adds an additional fee for licensure renewal applicants with multiple revisions or corrections.
- 41 **Private Career School Act—Prohibitions—False statements.**  
Prohibits a school from claiming that its programs qualify for national certifications that are not in fact recognized by Minnesota employers.
- 42 **Private Career School Act—Prohibitions—Nondisclosure agreements.**  
Adds a new subdivision prohibiting a school from using nondisclosure agreements to restrict a student’s ability to submit complaints about the school to OHE.
- 43 **Private Career School Act—Revocation of license or permit—Powers and duties.**  
Allows OHE to grant a private career school a probationary license to allow time to correct deficiencies. Specifies requirements and restrictions that may apply to a probationary license.

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- 44     **Private Career School Act—Revocation of license or permit—Effect.**  
Prohibits a school whose license has been revoked from reapplying for licensure within two years and adds requirements for relicensure.
- 45     **Private Career School Act—Exemptions—Exemption reasons.**  
Consolidates exemptions for schools accredited by state licensing boards. Clarifies the definition of a “trade union.” Clarifies the exemption for certain private professional and trade organizations. Clarifies the exemption for test preparation programs.
- 46     **Workforce development scholarships—Program eligibility.**  
Adds “energy” to the list of programs of study or certification eligible for scholarships.
- 47     **University of Minnesota—Disabled veterans; landscape arboretum.**  
Requests the University of Minnesota to provide disabled veterans unlimited free access to the landscape arboretum.
- 48     **Repealer.**  
Paragraph (a) repeals the existing statute requiring public postsecondary institutions to have policies regarding assistance and support for students with disabilities. This statute is replaced by the new statute proposed in section 9 of this article.  
  
Paragraph (b) repeals the existing reporting requirement for inclusive higher education grants. Section 7 of this article moved this requirement to the section on the Inclusive Higher Education Technical Assistance Center.



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