

## HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 1658

03/09/2015 Authored by Nornes

The bill was read for the first time and referred to the Committee on Higher Education Policy and Finance

03/26/2015 Adoption of Report: Placed on the General Register as Amended  
Read Second Time

1.1 A bill for an act  
 1.2 relating to higher education; making various technical and policy changes  
 1.3 to provisions related to higher education, including provisions related to  
 1.4 grants, loans, registration, and various higher education programs; prohibiting  
 1.5 certain institutions from limiting access to a student's transcript; modernizing,  
 1.6 streamlining, and clarifying various statutes; eliminating unnecessary or  
 1.7 redundant laws and rules; deleting obsolete language and unnecessary  
 1.8 verbiage; amending Minnesota Statutes 2014, sections 136A.031, subdivision  
 1.9 4; 136A.0411; 136A.61; 136A.63, subdivision 2; 136A.65, subdivisions 4, 7;  
 1.10 136A.657, subdivisions 1, 3; 136A.67; 136A.87; 136G.05, subdivision 7; 141.21,  
 1.11 subdivisions 5, 6a, 9; 141.25; 141.251, subdivision 2; 141.255; 141.26; 141.265;  
 1.12 141.271, subdivisions 1a, 1b, 3, 5, 7, 8, 9, 10, 12, 13, 14; 141.28; 141.29; 141.30;  
 1.13 141.32; 141.35; 197.75, subdivision 1; 261.23; repealing Minnesota Statutes  
 1.14 2014, sections 136A.127, subdivisions 1, 2, 3, 4, 5, 6, 7, 9, 9b, 10, 10a, 11, 14;  
 1.15 136A.862; 141.271, subdivisions 4, 6; 158.01; 158.02; 158.03; 158.04; 158.05;  
 1.16 158.06; 158.07; 158.08; 158.09; 158.091; 158.10; 158.11; 158.12.

1.17 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

## 1.18 ARTICLE 1

## 1.19 HIGHER EDUCATION; TECHNICAL CHANGES

1.20 Section 1. Minnesota Statutes 2014, section 136A.031, subdivision 4, is amended to  
 1.21 read:

1.22 Subd. 4. **Student representation.** The commissioner ~~must place at least one~~  
 1.23 ~~student from an affected educational system on any task force created by the office. The~~  
 1.24 ~~commissioner must submit to the SAC the name of any student appointed to an advisory~~  
 1.25 ~~group or task force. The student appointment is not approved if four SAC members vote~~  
 1.26 ~~to disapprove of the appointment. If an appointment is disapproved, the commissioner~~  
 1.27 ~~must submit another student appointment to the SAC in a timely manner shall invite the~~

2.1 council to nominate a student or students to serve on task forces created by the office,  
2.2 when appropriate.

2.3 Sec. 2. Minnesota Statutes 2014, section 136A.0411, is amended to read:

2.4 **136A.0411 COLLECTING FEES.**

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

2.9 Sec. 3. Minnesota Statutes 2014, section 136A.61, is amended to read:

2.10 **136A.61 POLICY.**

2.11 The legislature has found and hereby declares that the availability of legitimate  
2.12 courses and programs leading to academic degrees offered by responsible private  
2.13 ~~not-for-profit~~ nonprofit and for-profit institutions of postsecondary education and the  
2.14 existence of legitimate private colleges and universities are in the best interests of the  
2.15 people of this state. The legislature has found and declares that the state can provide  
2.16 assistance and protection for persons choosing private institutions and programs, by  
2.17 establishing policies and procedures to assure the authenticity and legitimacy of private  
2.18 postsecondary education institutions and programs. The legislature has also found and  
2.19 declares that this same policy applies to any private and public postsecondary educational  
2.20 institution located in another state or country which offers or makes available to a  
2.21 Minnesota resident any course, program or educational activity which does not require  
2.22 the leaving of the state for its completion.

2.23 Sec. 4. Minnesota Statutes 2014, section 136A.63, subdivision 2, is amended to read:

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

2.31 Sec. 5. Minnesota Statutes 2014, section 136A.65, subdivision 7, is amended to read:

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

3.9 Sec. 6. Minnesota Statutes 2014, section 136A.657, subdivision 1, is amended to read:

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

3.18 Sec. 7. Minnesota Statutes 2014, section 136A.657, subdivision 3, is amended to read:

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

3.22 Sec. 8. Minnesota Statutes 2014, section 136A.67, is amended to read:

3.23 **136A.67 REGISTRATION REPRESENTATIONS.**

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

4.1 Sec. 9. Minnesota Statutes 2014, section 136G.05, subdivision 7, is amended to read:

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

4.6 Sec. 10. Minnesota Statutes 2014, section 141.21, subdivision 5, is amended to read:

4.7 Subd. 5. **Private career school.** "Private career school" means ~~any a person, within~~  
4.8 ~~or outside the state,~~ who maintains, advertises, administers, solicits for, or conducts any  
4.9 program at less than an associate degree level ~~and~~; is not registered as a private institution  
4.10 under sections 136A.61 to 136A.71; and is not specifically exempted by section 141.35  
4.11 ~~or 141.37. School also means any person, within or outside the state, who maintains,~~  
4.12 ~~advertises, administers, solicits for, or conducts any program at less than an associate~~  
4.13 ~~degree level, is not registered as a private institution pursuant to sections 136A.61 to~~  
4.14 ~~136A.71, and uses the term, "college," "institute," "academy," or "university" in its name.~~

4.15 Sec. 11. Minnesota Statutes 2014, section 141.21, subdivision 6a, is amended to read:

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

4.19 Sec. 12. Minnesota Statutes 2014, section 141.21, subdivision 9, is amended to read:

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

4.23 Sec. 13. Minnesota Statutes 2014, section 141.25, is amended to read:

4.24 **141.25 LICENSURE.**

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

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

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

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

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

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

5.8 (2) the specific programs which will be offered and the specific purposes of the  
5.9 instruction;

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

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

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

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

5.15 (7) a current balance sheet, income statement, and adequate supporting  
5.16 documentation, prepared and certified by an independent public accountant or CPA;

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

5.20 (9) copies of all Minnesota enrollment agreement forms and contract forms and all  
5.21 enrollment agreement forms and contract forms used in Minnesota; and

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

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

5.29 Subd. 5. **Bond.** (a) No license shall be issued to any private career school which  
5.30 maintains, conducts, solicits for, or advertises within the state of Minnesota any program,  
5.31 unless the applicant files with the office a continuous corporate surety bond written  
5.32 by a company authorized to do business in Minnesota conditioned upon the faithful  
5.33 performance of all contracts and agreements with students made by the applicant.

5.34 (b)(1) The amount of the surety bond shall be ten percent of the preceding year's  
5.35 gross income from student tuition, fees, and other required institutional charges, but in  
5.36 no event less than \$10,000 nor greater than \$250,000, except that a private career school

6.1 may deposit a greater amount at its own discretion. A private career school in each annual  
6.2 application for licensure must compute the amount of the surety bond and verify that the  
6.3 amount of the surety bond complies with this subdivision, unless the private career school  
6.4 maintains a surety bond equal to at least \$250,000. A private career school that operates at  
6.5 two or more locations may combine gross income from student tuition, fees, and other  
6.6 required institutional charges for all locations for the purpose of determining the annual  
6.7 surety bond requirement. The gross tuition and fees used to determine the amount of the  
6.8 surety bond required for a private career school having a license for the sole purpose of  
6.9 recruiting students in Minnesota shall be only that paid to the private career school by the  
6.10 students recruited from Minnesota.

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

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

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

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

6.30 Subd. 6. **Resident agent.** Private career schools located outside the state of  
6.31 Minnesota that offer, advertise, solicit for, or conduct any program within the state of  
6.32 Minnesota shall first file with the secretary of state a sworn statement designating a resident  
6.33 agent authorized to receive service of process. The statement shall designate the secretary  
6.34 of state as resident agent for service of process in the absence of a designated agent. If  
6.35 a private career school fails to file the statement, the secretary of state is designated as  
6.36 the resident agent authorized to receive service of process. The authorization shall be

7.1 irrevocable as to causes of action arising out of transactions occurring prior to the filing of  
7.2 written notice of withdrawal from the state of Minnesota filed with the secretary of state.

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

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

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

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

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

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

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

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

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

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

7.21 ~~(6)~~ (5) that the quality and content of each occupational course or program of study  
7.22 provides education and adequate preparation to enrolled students for entry level positions  
7.23 in the occupation for which prepared;

7.24 ~~(7)~~ (6) that the premises and conditions where the students work and study and the  
7.25 student living quarters which are owned, maintained, recommended, or approved by  
7.26 the applicant ~~for students~~ are sanitary, healthful, and safe, as evidenced by a certificate  
7.27 of occupancy issued by the municipality or county where the private career school  
7.28 is physically situated, a fire inspection by the local or state fire marshal, or another  
7.29 verification deemed acceptable by the office;

7.30 ~~(8)~~ (7) that the contract or enrollment agreement used by the private career school  
7.31 complies with the provisions in section 141.265;

7.32 ~~(9)~~ (8) that contracts and agreements do not contain a wage assignment provision  
7.33 or a confession of judgment clause; and

7.34 ~~(10)~~ (9) that there has been no adjudication of fraud or misrepresentation in any  
7.35 criminal, civil, or administrative proceeding in any jurisdiction against the private career  
7.36 school or its owner, officers, agents, or sponsoring organization.

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

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

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

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

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

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

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

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

8.18 (6) the private career school policy and regulations about standards of progress  
8.19 for the student including the grading system of the private career school, the minimum  
8.20 grades considered satisfactory, conditions for interruption for unsatisfactory grades or  
8.21 progress, a description of any probationary period allowed by the private career school,  
8.22 and conditions of reentrance for those dismissed for unsatisfactory progress;

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

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

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

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

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

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

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

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

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

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

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

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

9.17 Subd. 12. **Permanent records.** A private career school licensed under this chapter  
9.18 and located in Minnesota shall maintain a permanent record for each student for 50 years  
9.19 from the last date of the student's attendance. A private career school licensed under this  
9.20 chapter and offering distance instruction to a student located in Minnesota shall maintain  
9.21 a permanent record for each Minnesota student for 50 years from the last date of the  
9.22 student's attendance. Records include school transcripts, documents, and files containing  
9.23 student data about academic credits earned, courses completed, grades awarded, degrees  
9.24 awarded, and periods of attendance. To preserve permanent records, a private career  
9.25 school shall submit a plan that meets the following requirements:

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

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

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

9.31 (4) a continuous surety bond must be filed with the office in an amount not to exceed  
9.32 \$20,000 if the private career school has no binding agreement approved by the office, for  
9.33 preserving student records. The bond shall run to the state of Minnesota.

9.34 Subd. 13. **Private career schools licensed by another state agency or board.** A  
9.35 private career school required to obtain a private career school license due to the use of  
9.36 "academy," "institute," "college," or "university" in its name or licensed for the purpose of

10.1 participating in state financial aid under chapter 136A, and which is also licensed by another  
10.2 state agency or board shall be required to satisfy only the requirements of subdivisions 3,  
10.3 clauses (1), (2), (3), (5), (7), and (10); 4; 5, paragraph (b), clause (2); 7, clauses (1) and (10);  
10.4 8; 9, clause (13); and 12. A distance education school located in another state, or a school  
10.5 licensed to recruit Minnesota residents for attendance at a school outside of this state, or a  
10.6 school licensed by another state agency as its primary licensing body, may continue to use  
10.7 the school's name as permitted by its home state or its primary licensing body.

10.8 Sec. 14. Minnesota Statutes 2014, section 141.251, subdivision 2, is amended to read:

10.9 Subd. 2. **Conditions.** The office shall adopt rules establishing the conditions for  
10.10 renewal of a license. The conditions shall permit two levels of renewal based on the record  
10.11 of the private career school. A private career school that has demonstrated the quality of  
10.12 its program and operation through longevity and performance in the state may renew its  
10.13 license based on a relaxed standard of scrutiny. A private career school that has been in  
10.14 operation in Minnesota for a limited period of time or that has not performed adequately  
10.15 on performance indicators shall renew its license based on a strict standard of scrutiny.  
10.16 The office shall specify minimum longevity standards and performance indicators that  
10.17 must be met before a private career school may be permitted to operate under the relaxed  
10.18 standard of scrutiny. The performance indicators used in this determination shall include,  
10.19 but not be limited to: regional or national accreditation, loan default rates, placement rate  
10.20 of graduates, student withdrawal rates, audit results, student complaints, and school status  
10.21 with the United States Department of Education. Private career schools that meet the  
10.22 requirements established in rule shall be required to submit a full relicensure report once  
10.23 every four years, and in the interim years will be exempt from the requirements of section  
10.24 141.25, subdivision 3, clauses (4), (5), and (8), and Minnesota Rules, parts 4880.1700,  
10.25 subpart 6; and 4880.2100, subpart 4.

10.26 Sec. 15. Minnesota Statutes 2014, section 141.255, is amended to read:

10.27 **141.255 FEES.**

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

10.30 (1) \$2,500 for a private career school that will offer no more than one program  
10.31 during its first year of operation;

10.32 (2) \$750 for a private career school licensed exclusively due to the use of the term  
10.33 "college," "university," "academy," or "institute" in its name, or licensed exclusively in  
10.34 order to participate in state grant or SELF loan financial aid programs; and

11.1 (3) \$2,500, plus \$500 for each additional program offered by the private career  
11.2 school, for a private career school during its first year of operation.

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

11.5 (1) for a private career school that offers one program, the license renewal fee is  
11.6 \$1,150;

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

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

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

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

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

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

11.23 (1) \$400 for the team base fee or for a paper review conducted by a consultant if the  
11.24 office determines that a fact-finding visit is not required;

11.25 (2) \$300 for each day or part thereof on site per team member; and

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

11.28 Subd. 6. **Modification fee.** The fee for modification of any existing program is  
11.29 \$100 and is due if there is:

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

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

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

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

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

12.5 (1) \$250 per location, for locations two to five; and

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

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

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

12.12 Sec. 16. Minnesota Statutes 2014, section 141.26, is amended to read:

12.13 **141.26 PERMITS FOR SOLICITORS.**

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

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

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

12.25 Subd. 3. **Refusal of permit.** No permit shall be issued to any solicitor unless such  
12.26 solicitor files with the office a continuous corporate surety bond in the sum of \$2,000  
12.27 conditioned upon the faithful performance of all contracts and agreements with the students  
12.28 made by the solicitor. Such bonds shall run to the state of Minnesota and to any person who  
12.29 may have cause of action against the applicant arising at any time after the bond is filed and  
12.30 before it is canceled for breach of any contract or agreement made by the solicitor with any  
12.31 student. The aggregate liability of the surety for all breaches of the conditions of the bond  
12.32 shall not exceed the principal sum of \$2,000. The surety of any such bond may cancel it  
12.33 upon giving 60 days' notice in writing to the office and shall be relieved of liability for any  
12.34 breach of condition occurring after the effective date of cancellation. In lieu of bond, the  
12.35 solicitor may deposit with the commissioner of management and budget the sum of \$2,000.

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

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

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

13.10 Sec. 17. Minnesota Statutes 2014, section 141.265, is amended to read:

13.11 **141.265 INFORMATION TO STUDENTS.**

13.12 Subdivision 1. **Catalog, brochure, or electronic display.** A private career school  
13.13 or its agent must provide the catalog, brochure, or electronic display required in section  
13.14 141.25, subdivision 9, to a prospective student in a time or manner that gives the  
13.15 prospective student at least five days to read the catalog, brochure, or electronic display  
13.16 before signing a contract or enrollment agreement or before being accepted by a private  
13.17 career school that does not use a written contract or enrollment agreement.

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

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

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

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

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

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

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

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

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

14.4 Sec. 18. Minnesota Statutes 2014, section 141.271, subdivision 1a, is amended to read:

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

14.8 Sec. 19. Minnesota Statutes 2014, section 141.271, subdivision 1b, is amended to read:

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

14.14 Sec. 20. Minnesota Statutes 2014, section 141.271, subdivision 3, is amended to read:

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

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

14.27 Sec. 21. Minnesota Statutes 2014, section 141.271, subdivision 5, is amended to read:

14.28 Subd. 5. ~~Distance education schools~~ **Proration.** When a student has been accepted  
14.29 by a ~~distance education~~ private career school and gives written notice of cancellation after  
14.30 ~~the first lesson has been completed by the student and serviced by the school~~ program of  
14.31 instruction has begun, but before completion of 75 percent of the program, the amount  
14.32 charged for tuition, fees and all other charges ~~for the completed lessons~~ shall be prorated

15.1 based on the number of days in the term as a portion of the total charges for tuition, fees  
15.2 and all other charges. An additional 25 percent of the total cost of the program may be  
15.3 added but shall not exceed ~~\$75~~ \$100. After completion of 75 percent of the program,  
15.4 no refunds are required.

15.5 Sec. 22. Minnesota Statutes 2014, section 141.271, subdivision 7, is amended to read:

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

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

15.14 Sec. 23. Minnesota Statutes 2014, section 141.271, subdivision 8, is amended to read:

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

15.20 Sec. 24. Minnesota Statutes 2014, section 141.271, subdivision 9, is amended to read:

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

15.23 Sec. 25. Minnesota Statutes 2014, section 141.271, subdivision 10, is amended to read:

15.24 Subd. 10. **Cancellation occurrence.** Written notice of cancellation shall take place  
15.25 on the date the letter of cancellation is postmarked or, in the cases where the notice is hand  
15.26 carried, it shall occur on the date the notice is delivered to the private career school. If  
15.27 a student has not attended class for a period of 21 consecutive days without contacting  
15.28 the private career school to indicate an intent to continue in school or otherwise making  
15.29 arrangements concerning the absence, the student is considered to have withdrawn from  
15.30 school for all purposes as of the student's last documented date of attendance.

15.31 Sec. 26. Minnesota Statutes 2014, section 141.271, subdivision 12, is amended to read:

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

16.6 Sec. 27. Minnesota Statutes 2014, section 141.271, subdivision 13, is amended to read:

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

16.11 Sec. 28. Minnesota Statutes 2014, section 141.271, subdivision 14, is amended to read:

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

16.17 Sec. 29. Minnesota Statutes 2014, section 141.28, is amended to read:

16.18 **141.28 PROHIBITIONS.**

16.19 Subdivision 1. **Disclosure required; advertisement restricted.** Private career  
16.20 schools, agents of private career schools, and solicitors may not advertise or represent  
16.21 in writing or orally that the private career school is approved or accredited by the state  
16.22 of Minnesota, except that any private career school, agent, or solicitor may represent in  
16.23 advertisements and shall disclose in catalogues, applications, and enrollment materials  
16.24 that the private career school is duly licensed by the state by prominently displaying  
16.25 the following statement:

16.26 "(Name of private career school) is licensed as a private career school with the Minnesota  
16.27 Office of Higher Education pursuant to Minnesota Statutes, sections 141.21 to 141.32.  
16.28 Licensure is not an endorsement of the institution. Credits earned at the institution may  
16.29 not transfer to all other institutions."

16.30 Subd. 2. **Unlawful designation.** No private career school organized after November  
16.31 15, 1969, shall apply to itself either as a part of its name or in any other manner the  
16.32 designation of "college" or "university." Operating private career schools now using  
16.33 such designation may continue use thereof.

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

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

17.9 Subd. 5. **Improbable program completion or employment.** A private career  
17.10 school, agent, or solicitor shall not enroll a prospective student when it is obvious that the  
17.11 prospective student is unlikely to successfully complete a program or is unlikely to qualify  
17.12 for employment in the vocation or field for which the preparation is designed unless this  
17.13 fact is affirmatively disclosed to the prospective student. If a prospective student expresses  
17.14 a desire to enroll after such disclosure, a disclaimer may be obtained by the private career  
17.15 school. The disclaimer shall be signed by the student and shall state substantially one or  
17.16 both of the following: "I am fully aware that it is unlikely I will be able to successfully  
17.17 complete the program" and "I am fully aware of the improbability or impossibility that I  
17.18 will qualify for employment in the vocation or field for which the program was designed."

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

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

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

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

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

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

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

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

18.11 Sec. 30. Minnesota Statutes 2014, section 141.29, is amended to read:

18.12 **141.29 REVOCATION OF LICENSE OR PERMIT.**

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

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

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

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

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

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

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

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

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

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

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

19.15 Sec. 31. Minnesota Statutes 2014, section 141.30, is amended to read:

19.16 **141.30 INSPECTION.**

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

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

19.29 Sec. 32. Minnesota Statutes 2014, section 141.32, is amended to read:

19.30 **141.32 PENALTY.**

19.31 The commissioner may assess fines for violations of ~~a provision of this chapter~~  
19.32 sections 141.21 to 141.37. Each day's failure to comply with ~~this chapter~~ sections 141.21  
19.33 to 141.37 shall be a separate violation and fines shall not exceed \$500 per day per  
19.34 violation. Amounts received under this section must be deposited in the special revenue

20.1 fund and are appropriated to the office of ~~Higher Education~~ for the purposes of this  
20.2 ~~chapter~~ sections 141.21 to 141.37.

20.3 Sec. 33. Minnesota Statutes 2014, section 141.35, is amended to read:

20.4 **141.35 EXEMPTIONS.**

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

20.6 (1) public postsecondary institutions;

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

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

20.10 (4) private schools complying with the requirements of section 120A.22, subdivision  
20.11 4;

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

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

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

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

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

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

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

- 21.1 (12) classes, courses, or programs intended to fulfill the continuing education  
21.2 requirements for licensure or certification in a profession, that have been approved by a  
21.3 legislatively or judicially established board or agency responsible for regulating the practice  
21.4 of the profession, and that are offered exclusively to an individual practicing the profession;
- 21.5 (13) classes, courses, or programs intended to prepare students to sit for  
21.6 undergraduate, graduate, postgraduate, or occupational licensing and occupational  
21.7 entrance examinations;
- 21.8 (14) classes, courses, or programs providing 16 or fewer clock hours of instruction  
21.9 that are not part of the curriculum for an occupation or entry level employment except  
21.10 private career schools required to obtain a private career school license due to the use of  
21.11 "academy," "institute," "college," or "university" in their names;
- 21.12 (15) classes, courses, or programs providing instruction in personal development,  
21.13 modeling, or acting;
- 21.14 (16) training or instructional programs, in which one instructor teaches an individual  
21.15 student, that are not part of the curriculum for an occupation or are not intended to prepare  
21.16 a person for entry level employment;
- 21.17 (17) private career schools with no physical presence in Minnesota, as determined  
21.18 by the office, engaged exclusively in offering distance instruction that are located in and  
21.19 regulated by other states or jurisdictions; and
- 21.20 (18) private career schools providing exclusively training, instructional programs,  
21.21 or courses where tuition, fees, and any other charges for a student to participate do not  
21.22 exceed \$100.

21.23 Sec. 34. Minnesota Statutes 2014, section 197.75, subdivision 1, is amended to read:

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

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

21.27 (c) "Deceased veteran" means a veteran who has died as a result of the person's  
21.28 military service, as determined by the United States Veterans Administration, and who  
21.29 was a resident of this state: (1) within six months of entering the United States armed  
21.30 forces, or (2) for the six months preceding the veteran's date of death.

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

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

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

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

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

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

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

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

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

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

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

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

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

22.22 Sec. 35. Minnesota Statutes 2014, section 261.23, is amended to read:

22.23 **261.23 COSTS OF HOSPITALIZATION.**

22.24 The costs of hospitalization of such indigent persons exclusive of medical and  
 22.25 surgical care and treatment shall not exceed in amount the full rates fixed and charged  
 22.26 by the Minnesota general hospital ~~under the provisions of sections 158.01 to 158.11~~ for  
 22.27 the hospitalization of such indigent patients. For indigent persons hospitalized pursuant  
 22.28 to sections 261.21 to 261.232, the state shall pay 90 percent of the cost allowable under  
 22.29 the general assistance medical care program and ten percent of the allowable cost of  
 22.30 hospitalization shall be paid by the county of the residence of the indigent persons at  
 22.31 the times provided for in the contract; and in case of an injury or emergency requiring  
 22.32 immediate surgical or medical treatment, for a period not to exceed 72 hours, 90 percent  
 22.33 of the cost allowable under the general assistance medical care program shall be paid by  
 22.34 the state and ten percent of the cost shall be paid by the county from which the patient, if  
 22.35 indigent, is certified. State payments for services rendered pursuant to this section shall

23.1 be ratably reduced to the same extent and during the same time period as payments are  
 23.2 reduced under section 256D.03, subdivision 4, paragraph (c). If the county of residence  
 23.3 of the patient is not the county in which the patient has legal settlement for the purposes  
 23.4 of poor relief, then the county of residence may seek reimbursement from the county  
 23.5 in which the patient has settlement for the purposes of poor relief for all costs it has  
 23.6 necessarily incurred and paid in connection with the hospitalization of said patient.

23.7 **Sec. 36. REVISOR'S INSTRUCTION.**

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

| 23.13 | <u>Column A</u> | <u>Column B</u> |
|-------|-----------------|-----------------|
| 23.14 | <u>141.20</u>   | <u>136A.82</u>  |
| 23.15 | <u>141.21</u>   | <u>136A.821</u> |
| 23.16 | <u>141.25</u>   | <u>136A.822</u> |
| 23.17 | <u>141.251</u>  | <u>136A.823</u> |
| 23.18 | <u>141.255</u>  | <u>136A.824</u> |
| 23.19 | <u>141.26</u>   | <u>136A.825</u> |
| 23.20 | <u>141.265</u>  | <u>136A.826</u> |
| 23.21 | <u>141.271</u>  | <u>136A.827</u> |
| 23.22 | <u>141.28</u>   | <u>136A.828</u> |
| 23.23 | <u>141.29</u>   | <u>136A.829</u> |
| 23.24 | <u>141.30</u>   | <u>136A.83</u>  |
| 23.25 | <u>141.31</u>   | <u>136A.831</u> |
| 23.26 | <u>141.32</u>   | <u>136A.832</u> |
| 23.27 | <u>141.35</u>   | <u>136A.833</u> |
| 23.28 | <u>141.37</u>   | <u>136A.834</u> |

23.29 **Sec. 37. REPEALER.**

23.30 Minnesota Statutes 2014, sections 136A.862; 141.271, subdivisions 4 and 6; 158.01;  
 23.31 158.02; 158.03; 158.04; 158.05; 158.06; 158.07; 158.08; 158.09; 158.091; 158.10;  
 23.32 158.11; and 158.12, are repealed.

24.1 **ARTICLE 2**

24.2 **POLICY CLARIFICATIONS**

24.3 Section 1. Minnesota Statutes 2014, section 136A.87, is amended to read:

24.4 **136A.87 PLANNING INFORMATION FOR POSTSECONDARY**  
24.5 **EDUCATION.**

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

24.12 (1) the need to start planning early;

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

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

24.16 (4) high school courses necessary to be adequately prepared for postsecondary  
24.17 education;

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

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

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

24.23 (8) the process of transferring credits among Minnesota postsecondary institutions  
24.24 and systems;

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

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

24.30 (11) financial planning for postsecondary education.

24.31 **Sec. 2. REPEALER.**

24.32 Minnesota Statutes 2014, section 136A.127, subdivisions 1, 2, 3, 4, 5, 6, 7, 9, 9b,  
24.33 10, 10a, 11, and 14, are repealed.

25.1 **ARTICLE 3**

25.2 **POLICY CHANGES**

25.3 Section 1. Minnesota Statutes 2014, section 136A.65, subdivision 4, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

26.9 (iii) proposed implementation date of the degree;

26.10 (iv) admissions requirements for the degree;

26.11 (v) length of the degree;

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

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

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

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

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

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

26.21 Sec. 2. Minnesota Statutes 2014, section 141.28, subdivision 6, is amended to read:

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

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

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

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

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

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

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

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

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

27.16 Sec. 3. **REVISOR'S INSTRUCTION.**

27.17 The revisor of statutes shall make any necessary cross-reference changes in  
27.18 Minnesota Statutes or Minnesota Rules resulting from repealers in this act.

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Article locations in H1658-1

|           |   |              |
|-----------|---|--------------|
| ARTICLE 1 | HIGHER EDUCATION; TECHNICAL CHANGES ..... | Page.Ln 1.18 |
| ARTICLE 2 | POLICY CLARIFICATIONS .....               | Page.Ln 24.1 |
| ARTICLE 3 | POLICY CHANGES .....                      | Page.Ln 25.1 |

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

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

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

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

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

- (1) submit a Free Application for Federal Student Aid (FAFSA);
- (2) complete a qualifying program in a high school or in a homeschool setting under section 120A.22, graduate from a Minnesota high school, and graduate with an unweighted grade point average of 2.5 or higher;
- (3) qualify for a federal Pell Grant or state grant under section 136A.121;
- (4) be a United States citizen or eligible noncitizen, as defined in section 484 of the Higher Education Act, United States Code, title 20, sections 1091 et seq., as amended, and Code of Federal Regulations, title 34, section 668.33;
- (5) meet satisfactory academic progress as defined under section 136A.101, subdivision 10;
- (6) be a Minnesota resident, as defined in section 136A.101, subdivision 8; and
- (7) enroll full-time in a degree, diploma, or certificate program during the academic year immediately following high school graduation at an eligible institution as defined under section 136A.101, subdivision 4.

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

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

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

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

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

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

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

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

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

- (1) the demographics of individuals participating in the program;
  - (2) the number of scholarship recipients who persisted at a postsecondary institution for a second year;
  - (3) the high schools attended by the program participants;
  - (4) the postsecondary institutions attended by the program participants;
  - (5) the academic performance of the students after enrolling in a postsecondary institution;
- and
- (6) other information as determined by the commissioner.

**136A.862 HIGH SCHOOL-TO-COLLEGE DEVELOPMENTAL TRANSITION PROGRAM GRANTS.**

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

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

- (1) summer developmental courses in academic areas requiring remediation;
  - (2) academic advising, mentoring, and tutoring during the summer program and throughout the student's first year of enrollment;
  - (3) interaction with student support services, admissions and financial aid offices; and
  - (4) orientation to college life, such as study skills or time management.
- (b) Grants shall be awarded to eligible postsecondary institutions as defined in section 136A.103.

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

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

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

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

Subd. 1b. **Application process.** (a) The commissioner shall develop a grant application process. The commissioner shall attempt to support projects in a manner that ensures that eligible students throughout the state have access to program services.

- (b) The grant application must include, at a minimum, the following information:
- (1) a description of the characteristics of the students to be served reflective of the need for services listed in subdivision 1;
  - (2) a description of the services to be provided and a timeline for implementation of the activities;
  - (3) a description of how the services provided will improve postsecondary readiness and support postsecondary retention;

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

(5) other information as identified by the commissioner.

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

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

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

Subd. 2. **High school-to-college developmental transition programs evaluation report.**

(a) Institutions that offer a high school-to-college developmental transition program must annually submit data and information about the services provided and program outcomes to the commissioner.

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

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

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

(1) demographic information about program participants;

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

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

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

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

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

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

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

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

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

**141.271 REFUNDS.**

Subd. 4. **Resident schools.** When a student has been accepted by a school offering a resident program and gives written notice of cancellation, or the school has actual notice of a student's nonattendance after the start of the period of instruction for which the student has been charged, but before completion of 75 percent of the period of instruction, the amount charged for tuition, fees, and all other charges shall be prorated based on number of days in the term as a portion of the total charges for tuition, fees, and all other charges. An additional 25 percent of the total cost of the period of instruction may be added, but shall not exceed \$100. After completion of 75 percent of the period of instruction for which the student has been charged, no refunds are required.

Subd. 6. **Combination distance education-resident schools.** When a student has been accepted by a school that offers a combination distance education-resident program and gives written notice of cancellation after the start of the program or after the first lesson has been

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completed by the student and serviced by the school, whichever phase comes first, the school shall refund all tuition, fees and other charges as provided in subdivision 4 if cancellation occurs during the resident portion, and as provided for in subdivision 5 if cancellation occurs during the distance instruction portion. If the cancellation occurs before the student has commenced one of the phases, the price of that phase shall not be considered in making the proration and the student shall be entitled to a full refund of the charges. Conversely, if the student has completed a phase of the program before cancellation, the charges may be retained by the school provided that the total tuition, fees and other charges for each phase have been stated separately in the school's catalog or electronic display and contract or enrollment agreement.

#### **158.01 ESTABLISHMENT.**

The hospitals now and hereafter established in connection with the medical school of the University of Minnesota shall be known as the University of Minnesota Hospitals. The student infirmary, the university dispensary, and the Elliot Memorial Building shall be parts of the University of Minnesota Hospitals.

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

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

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

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

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

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

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expenses shall be paid by the county of residence of the patient; and it shall be the duty of the board of county commissioners to provide for such payment.

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

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

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

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

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

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

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

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

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

No compensation shall be charged or received by any officer of the University of Minnesota Hospitals, or by any physician, surgeon, or nurse in their employment, who shall treat

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or care for any patient in the hospitals, other than the compensation provided for such persons by the Board of Regents of the University of Minnesota.

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

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

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

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

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

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

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

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

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

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

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

The commissioner of human services may make application to the Board of Regents of the University of Minnesota for the admission to the University of Minnesota Hospitals of any inmate of any state institution under the commissioner of human services, or any person committed to or applying for admission thereto, who is afflicted with any disease, malady, deformity, or ailment which can probably be remedied, or which can be advantageously treated by proper medical or surgical care at the University of Minnesota Hospitals. The application shall be accompanied by

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the report of the physician of the institution or by a physician appointed by the commissioner of human services in the same form as reports of other physicians for admission of patients to the hospitals. The superintendent of the University of Minnesota Hospitals shall decide whether the patient may be received by the hospitals; and, if received, when the patient shall be discharged or returned to the institution from which the patient came. The commissioner of human services shall pay the Board of Regents of the University of Minnesota for the treatment of such patients at the same rate charged for county patients and the expense of such treatment and of transporting the patient to and from the University of Minnesota Hospitals shall be paid out of the appropriation for operation of the institution from which the patient is sent. The commissioner of human services may when necessary send an attendant with, or bring back, the patient and pay for traveling expenses in like manner.

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

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

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