

**SENATE  
STATE OF MINNESOTA  
NINETY-FIRST SESSION**

**S.F. No. 1686**

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OFFICIAL STATUS  
Introduction and first reading  
Referred to Human Services Reform Finance and Policy

1.1 A bill for an act  
1.2 relating to health; expanding a home and community-based services employee  
1.3 scholarship program to also repay qualified educational loans of employees;  
1.4 amending Minnesota Statutes 2018, section 144.1503.

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

1.6 Section 1. Minnesota Statutes 2018, section 144.1503, is amended to read:

1.7 **144.1503 HOME AND COMMUNITY-BASED SERVICES EMPLOYEE**  
1.8 **SCHOLARSHIP AND LOAN FORGIVENESS PROGRAM.**

1.9 Subdivision 1. **Creation.** The home and community-based services employee scholarship  
1.10 and loan forgiveness grant program is established for the purpose of assisting qualified  
1.11 provider applicants to fund employee scholarships for education in nursing and other health  
1.12 care fields and to repay qualified educational loans secured by employees for education in  
1.13 nursing and other health care fields.

1.14 Subd. 1a. **Definition.** For purposes of this section, "qualified educational loan" means  
1.15 a government, commercial, or foundation loan secured by an employee of a qualified provider  
1.16 of older adult services, for actual costs paid for tuition, reasonable education expenses, and  
1.17 reasonable living expenses related to the employee's graduate or undergraduate education.

1.18 Subd. 2. **Provision of grants.** The commissioner shall make grants available to qualified  
1.19 providers of older adult services. Grants must be used by home and community-based service  
1.20 providers to recruit and train staff through the establishment of an employee scholarship  
1.21 and loan forgiveness fund.

2.1 Subd. 3. **Eligibility.** (a) Eligible providers must primarily provide services to individuals  
2.2 who are 65 years of age and older in home and community-based settings, including housing  
2.3 with services establishments as defined in section 144D.01, subdivision 4; adult day care  
2.4 as defined in section 245A.02, subdivision 2a; and home care services as defined in section  
2.5 144A.43, subdivision 3.

2.6 (b) Qualifying providers must establish a home and community-based services employee  
2.7 scholarship and loan forgiveness program, as specified in subdivision 4. Providers that  
2.8 receive funding under this section must use the funds to award scholarships to, and to repay  
2.9 qualified educational loans of, employees who work an average of at least 16 hours per  
2.10 week for the provider.

2.11 Subd. 4. **Home and community-based services employee scholarship program.** Each  
2.12 qualifying provider under this section must propose a home and community-based services  
2.13 employee scholarship and loan forgiveness program. Providers must establish criteria by  
2.14 which funds are to be distributed among employees. At a minimum, the scholarship and  
2.15 loan forgiveness program must cover employee costs, and repay qualified educational loans  
2.16 of employees, related to a course of study that is expected to lead to career advancement  
2.17 with the provider or in the field of long-term care, including home care, care of persons  
2.18 with disabilities, or nursing.

2.19 Subd. 5. **Participating providers.** The commissioner shall publish a request for proposals  
2.20 in the State Register, specifying provider eligibility requirements, criteria for a qualifying  
2.21 employee scholarship and loan forgiveness program, provider selection criteria,  
2.22 documentation required for program participation, maximum award amount, and methods  
2.23 of evaluation. The commissioner must publish additional requests for proposals each year  
2.24 in which funding is available for this purpose.

2.25 Subd. 6. **Application requirements.** Eligible providers seeking a grant shall submit an  
2.26 application to the commissioner. Applications must contain a complete description of the  
2.27 employee scholarship and loan forgiveness program being proposed by the applicant,  
2.28 including the need for the organization to enhance the education of its workforce, the process  
2.29 for determining which employees will be eligible for scholarships or loan repayment, any  
2.30 other sources of funding for scholarships or loan repayment, the expected degrees or  
2.31 credentials eligible for scholarships or loan repayment, the amount of funding sought for  
2.32 the scholarship and loan forgiveness program, a proposed budget detailing how funds will  
2.33 be spent, and plans for retaining eligible employees after completion of their scholarship  
2.34 or repayment of their loan.

3.1 Subd. 7. **Selection process.** The commissioner shall determine a maximum award for  
3.2 grants and make grant selections based on the information provided in the grant application,  
3.3 including the demonstrated need for an applicant provider to enhance the education of its  
3.4 workforce, the proposed employee scholarship and loan forgiveness selection process, the  
3.5 applicant's proposed budget, and other criteria as determined by the commissioner.  
3.6 Notwithstanding any law or rule to the contrary, funds awarded to grantees in a grant  
3.7 agreement do not lapse until the grant agreement expires.

3.8 Subd. 8. **Reporting requirements.** Participating providers shall submit an invoice for  
3.9 reimbursement and a report to the commissioner on a schedule determined by the  
3.10 commissioner and on a form supplied by the commissioner. The report shall include the  
3.11 amount spent on scholarships and loan repayment; the number of employees who received  
3.12 scholarships and the number of employees for whom loans were repaid; and, for each  
3.13 scholarship or loan forgiveness recipient, the name of the recipient, the current position of  
3.14 the recipient, the amount awarded or loan amount repaid, the educational institution attended,  
3.15 the nature of the educational program, and the expected or actual program completion date.  
3.16 During the grant period, the commissioner may require and collect from grant recipients  
3.17 other information necessary to evaluate the program.