

MINNESOTA CODE OF AGENCY RULES

RULES OF THE MINNESOTA HIGHER EDUCATION COORDINATING BOARD

1982 Reprint



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Prepared by

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MINNESOTA HIGHER EDUCATION COORDINATING BOARD

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institution.

H. "Executive director" shall be the executive director of the Minnesota Higher Education Coordinating Board.

I. "Board" shall be the Minnesota Higher Education Coordinating Board.

J. "Fiscal year" shall be that period of time from July 1 to June 30.

K. "Uniform methodology" is any of the needs analysis methodologies which existed on March 28, 1980, and was recognized and approved by the Department of Education in 45 Federal Register, p. 20567. In implementing any of those methodologies, the benchmarks established by the Department of Education, 44 Federal Register, p. 56938 must be used.

5 MCAR S 2.1003 Nature of tuition subsidies.

A. Tuition subsidies shall be awarded for the lesser of one year or the period approved by the State Board of Education for completion of the applicant's educational program. Re-application must be made if additional tuition subsidies are required for subsequent periods.

B. Tuition subsidies shall not be disbursed directly to the recipient but to the eligible institution attended by the recipient, resulting in a reduction of tuition charges.

C. The eligible institution shall have responsibility for accounting for all funds designated for each recipient attending that institution.

D. Tuition subsidies shall be awarded for the fiscal year of disbursement only. For educational programs extending across fiscal years, a tuition subsidy shall be prorated to the fiscal year-end. Re-application shall be necessary to obtain a tuition subsidy for the remainder of the educational program. Subsequent subsidies shall be contingent upon availability of funds, continued demonstration of financial need, and continued eligibility.

E. Application for a tuition subsidy may be made preceding or during attendance in the applicant's educational program. Reduction of tuition caused by the receipt of a tuition subsidy shall begin with the first day of classes for the applicant's educational program for the applicant who applied prior to the first day of classes for the applicant's educational program. Reduction of tuition caused by the receipt of a tuition subsidy shall begin with the application date for an applicant who applied subsequent to the first day of classes for the applicant's educational program. Retroactive reduction of tuition shall not be granted.

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Federal Register, p. 20567. In implementing any of those methodologies, the benchmarks established by the Department of Education, 44 Federal Register, p. 56938 must be used.

5 MCAR S 2.0103 Definition of eligible applicants.

A. Applicants eligible for initial scholarship awards as provided for in statutes shall include:

1. Those who will enter an eligible institution as beginning full-time, first-year students without any previous post-secondary education.

B. Applicants eligible for initial grant-in-aid awards as provided for in statutes shall include:

1. Any full-time undergraduate student who will attend an eligible institution and has not previously received a scholarship or grant-in-aid.

2. Those who will be enrolled in an eligible institution in a nursing education program leading to licensure as a registered nurse or a licensed practical nurse, as defined in Minnesota Statutes, section 148.171 et. seq. (1976).

C. Applicants eligible for renewals as provided for in statutes shall include those who have previously qualified for and been acknowledged by the eligible institution as having received a scholarship or grant-in-aid.

5 MCAR S 2.0104 Determination of financial need. The determination of financial need shall take into account educational costs and expected parental and student contribution as determined by a uniform methodology needs analysis, subject to the review and approval of the board.

5 MCAR S 2.0105 Determination of residency requirements. Residency requirements as prescribed in statutes, shall be determined by the board as provided herein and shall apply to the recipient's status as of the application date.

A. Applicants who reside with, receive support from, or are claimed as tax exemptions by their parents or guardians in the years prior to or during the academic year for which application is made shall be considered to be domiciled with such parents or guardian and a resident of the state where so domiciled.

B. Applicants who are adjudged to be independent of parental or guardian's financial support shall be considered as residents of the state of Minnesota for the purposes of the Minnesota State Scholarship and Grant-in-Aid Programs provided that they have resided in the state of Minnesota for not less than 12 consecutive months immediately prior to the application date for

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purposes other than that of obtaining an education.

C. Applicants who are not citizens of the United States must be permanent residents of the United States.

5 MCAR S 2.0106 Delegation of authority. The executive director to the board is hereby delegated the authority and responsibility for issuance of public information, designing of application forms, prescribing of procedures for submission of application for scholarship and grant-in-aid, and for the selection of qualified recipients of scholarship and grant-in-aid benefits.

A. All scholarship candidates shall be ranked according to standards. Stipends in amounts determined by the financial needs analysis shall be assigned to candidates on the scholarship list in descending order of rank until available funds are exhausted.

B. All grant-in-aid candidates shall be ranked according to their available financial resources, or their ability to pay for necessary expenses incurred in pursuing full-time study at an eligible institution on the basis of information provided to the board through use of a uniform methodology needs analysis. Stipends in amounts so determined shall be assigned to candidates on the grant-in-aid list in ascending order of their available financial resources or their ability to pay for educational costs until available funds are exhausted.

C. The executive director shall periodically advise and report to the board on the status of the student aid programs.

5 MCAR S 2.0107 Nature of scholarships and grants-in-aid.

A. Financial stipends accompanying scholarship and grant-in-aid awards shall be those prescribed by statutes, ranging from a minimum of \$100 to a maximum of \$1,250 in the 1980-81 school year and \$1,400 in the 1981-82 school year and subsequent school years but shall not exceed one-half of the applicant's demonstrated financial need. In those cases where the combination of the Basic Educational Opportunity Grant for which an applicant is eligible and the state scholarship or grant-in-aid for which the applicant is eligible exceeds 75% of the applicant's demonstrated financial need, the state scholarship or grant-in-aid shall be reduced so that the combination of the two awards does not exceed 75% of the applicant's demonstrated financial need. The state scholarship or grant-in-aid will be further reduced if additional gift assistance, in combination with the Basic Educational Opportunity Grant and state scholarship or grant-in-aid, exceeds 100% of the applicant's demonstrated financial need.

B. Honorary scholarships shall be those granted to all applicants who have no financial need but rank equally with or

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5 MCAR § 2.0107

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above the last monetary scholarship recipient according to standards, or who have not requested a financial stipend but who otherwise have qualified.

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5 MCAR S 2.0108 Method of payment.

A. After monetary scholarships and grants-in-aid have been determined, the executive director shall cause to be remitted to the eligible institution of the applicant's choice for the account of such recipient the amount so awarded. Each institution shall apply such designated amount to the recipient's educational costs in the order designated in statutes, prorated for each school term of the academic year. The institution shall notify the recipient of such application of funds.

B. Any unused portion of a scholarship or grant-in-aid recipient's stipend shall be remitted or refunded by the institution to the board's scholarship or grant-in-aid account, and such remitted funds shall be available for reassignment to other qualified candidates as defined herein.

C. Recipients of scholarships or grants-in-aid who change their choice of institution after a stipend has been offered, but prior to the opening of the fall term, shall have the amount of the stipend reduced in cases where such change causes the recipient's need to decrease. In cases where such change causes the recipient's need to increase, upward adjustment of the stipend shall be contingent on availability of funds.

D. Scholarships and grants-in-aid shall be awarded for full-time attendance at a specified institution for the academic year commencing with the fall term. A recipient of a scholarship or grant-in-aid stipend who ceases to be a full-time student at the institution for which the award was made shall forfeit the unused portion of the stipend.

E. Each institution shall maintain discrete accounts for scholarship and grant-in-aid funds and refunds or remittances to the board shall be made by separate warrants for scholarships and grants-in-aid. Each institution shall provide such accounting information for each recipient as may from time to time be required by the board.

Repealed 85R 196

5 MCAR § 2.0202

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Chapter Two: Private College Contracts

5 MCAR S 2.0201 Purpose. The purpose of this chapter is to augment Minnesota Statutes, sections 136A.18 to 136A.22 (1974), as amended by Minnesota Laws 1975, chapter 390, establishing a state program of contracts with private colleges for educating Minnesota residents by providing standards, criteria, rules and regulations therefor.

5 MCAR S 2.0202 Definitions. The following terms shall have the meaning hereinafter ascribed to them:

A. "Minnesota residents" means:

1. students who are dependent upon the financial support of parents or guardians who have resided in Minnesota for not less than twelve consecutive months;

2. students who are adjudged to be independent of parental or guardian's financial support shall be considered as Minnesota residents for purposes of the private college contracts program provided that they have resided in the state of Minnesota for not less than 12 consecutive months for purposes other than that of obtaining an education.

B. "Program of studies" as set forth in section 136A.19, subdivision 5, means:

1. a program leading to an associate, bachelor, master, specialist, or first professional degree or to a diploma;

2. a program of at least one academic year in duration; and

3. a program which, although it may provide for the scholarly study of religion as a discipline of knowledge in a manner similar to that provided for any field of study, does not require a student

a. to take courses based upon a particular set of religious beliefs,

b. to receive instruction intended to propagate or promote any religious beliefs,

c. to participate in religious activities,

d. to maintain affiliation with a particular church or religious organization, or

e. to attest to any particular religious beliefs.

C. "Full-time student" as set forth in section 136A.20, shall be a full-time student as defined by the institution and

Repealed 85R 196

5 MCAR § 2.0202

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shall be enrolled during the fall term in an approved program of studies for at least 12 credit hours or its equivalent in an associate, baccalaureate, or first professional degree or diploma program or for nine credit hours or its equivalent in a master and/or specialist degree program.

D. "First professional degree" shall be the first degree required of professionals, as defined in Minnesota Statutes, section 319A.02, subdivision 3 (1978), and of those entering professional services, as defined in Minnesota Statutes, section 319A.02, subdivision 2, (1978).

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5 MCAR S 2.0203 Delegation of authority. As required by Minnesota Statutes, section 136A.21, subdivision 4, the executive director of the board is hereby delegated the authority and responsibility for issuance of public information, designing of application forms, and prescribing of procedures for this program. The executive director shall at least annually advise and report to the board the status of the program.

5 MCAR S 2.0204 Determination of eligible institutions. Institutional eligibility requirements as prescribed by Minnesota Statutes, section 136A.19, subdivision 4, shall be applied annually to all Minnesota non-profit private institutions of higher education. By resolution, the board shall adopt a list of such institutions so qualifying.

5 MCAR S 2.0205 Execution and administration of contracts. The executive director shall offer contracts to all eligible institutions for all full-time Minnesota resident students in approved programs who are not grant-in-aid recipients and all full-time Minnesota resident students in approved programs who are grant-in-aid recipients. Each contract shall be consistent with Minnesota Statutes, sections 136A.18 to 136A.22 and shall specify the responsibilities of the institution, the services it is to provide, and the conditions and terms of receiving payment for these services.

5 MCAR S 2.0206 Verification of approved programs. As a condition of the contract, the chief executive officer and an officer of the governing board of each eligible institution shall provide a notarized statement that programs proposed for inclusion under the provisions of Minnesota Statutes, sections 136A.18 to 136A.22 meet the criteria established for approved programs under 5 MCAR S 2.0202 B. of the rules and regulations.

5 MCAR S 2.0207 Certification of the number of eligible students. The chief executive officer of each institution contracting with the board under the terms of Minnesota Statutes, sections 136A.18 to 136A.22 shall certify as of the tenth class day of

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the fall term the exact number of Minnesota residents then enrolled in approved programs. The executive director of the board shall specify which Minnesota residents are grant-in-aid recipients and which Minnesota residents are not grant-in-aid recipients. Each institution shall provide such accounting information used in determining eligible students as may from time to time be required by the board.

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5 MCAR S 2.0208 Amount of payment. The executive director of the board is hereby delegated the authority and responsibility for establishing annually the amount of the payment per student to each participating college, up to the statutory limit set forth in Minnesota Statutes, section 136A.20.

5 MCAR S 2.0209 Method of payment. The executive director of the board is hereby delegated the authority and responsibility for establishing the method of payment of monies, including the frequency of payment, the procedure for determining the number of eligible students and the conditions and procedures for refundment of monies paid, under the terms of Minnesota Statutes, section 136A.21, subdivision 5.

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5 MCAR § 2.0301

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Chapter Three: Work-Study Grants

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5 MCAR S 2.0301 Purpose. The purpose of this chapter is to augment Minnesota Statutes, sections 136A.231 et seq., as amended (hereinafter "statutes"), establishing a state program of work-study grants by providing standards, criteria, rules and regulations therefor.

5 MCAR S 2.0302 Definitions. The following terms shall have the meaning hereinafter ascribed to them:

A. "Minnesota State Work-Study Program" is the state work-study program for post-secondary students as provided for in Minnesota Statutes, hereinafter referred to as the program.

B. "Executive director" is the executive director of the Minnesota Higher Education Coordinating Board.

C. "Eligible student" means a Minnesota resident enrolled or intending to enroll full-time in a Minnesota eligible post-secondary institution.

D. "Eligible post-secondary institution" shall be any post-secondary institution eligible for participation in the Minnesota State Scholarship and Grant Program as defined in Minnesota Statutes, section 136A.101.

E. "Financial need" shall be the amount of monetary assistance necessary for the student to meet post-secondary education costs but in no event shall exceed the amount of financial need calculated through use of a uniform methodology by the educational institution, plus an amount to replace expected family contributions. Written documentation supporting the decision of the financial aid officer to replace any portion of the family contribution with a state work-study award must appear in the student's file maintained by the financial aid officer at the educational institution.

F. "Eligible employer" means:

1. any participating educational institution,
2. any non-profit, non-sectarian agency located in the state of Minnesota,
3. any handicapped person who has a physical or mental impairment which substantially limits one or more life activities and who could benefit from student assistance in or about the home residence, or
4. any person over 65 years of age who could benefit from student assistance in or about the home residence.

G. "School" shall mean the eligible post-secondary

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institution in which the student is enrolled or intends to enroll.

H. "Full-time equivalent fall term enrollment" shall be that enrollment which is determined by the board in its annual enrollment survey in the year prior to the academic year for which program funds are allocated.

I. "Allocation formula" shall be defined as the full-time equivalent fall term enrollment for each participating school divided by the full-time equivalent fall term enrollment for all participating schools, multiplied by current appropriations for the program as provided for by the Minnesota Legislature.

J. "Minnesota resident" shall be defined as a person who either:

1. is dependent upon the financial support of his parents or guardians who reside in and are legal residents of the state of Minnesota at the time of his application for a loan, or

2. is independent of his parental or guardians' financial support and has resided in Minnesota, for purposes other than obtaining an education, for not less than 12 consecutive months immediately prior to his application for work-study.

K. "Uniform methodology" is any of the needs analysis methodologies which existed on March 28, 1980, and was recognized and approved by the Department of Education in 45 Federal Register p. 20567. In implementing any of those methodologies, the benchmarks established by the Department of Education, 44 Federal Register, p. 56938 must be used.

5 MCAR S 2.0303 Criteria for selection. Each eligible student must apply to the school for participation in the program and must be a full-time student, as defined by the school, when selected for participation. Students shall be selected for participation in the program by the school on the basis of student financial need.

5 MCAR S 2.0304 Amount and terms of awards. The maximum a student may earn under this program shall be the amount of the student's financial need. Students will be paid for hours actually worked and the maximum hourly rate of pay shall not exceed the maximum hourly rate of pay permitted under the Federal College Work-Study Program. Minimum pay rates will be determined by applicable federal or state law.

5 MCAR S 2.0305 Allocation of funds.

A. Annually the board shall notify eligible institutions of the funds available for allocation that year.

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5 MCAR § 2.0305

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B. Upon receipt of notification by the board, eligible institutions wishing to participate shall submit to the board:

1. a written request for participation in the program for that year, and

2. an estimate of the amount of funds necessary at that institution to meet expected financial needs of eligible students.

C. Upon receipt of institutional request for participation the board shall calculate each institution's allocation according to the allocation formula.

D. If the estimate of funds by each participating institution is less than the amount which would be allocated to that institution under the allocation formula, the board shall allocate to the institution funds equal to the institution's estimate.

E. If the institution's estimate of need exceeds the allocation determined by the allocation formula, the board shall allocate additional funds to the institution to utilize funds remaining from the earlier allocations to institutions whose estimates of need are less than the amount determined under the allocation formula.

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5 MCAR S 2.0306 School responsibilities.

A. Each participating school shall be accountable for any funds disbursed to students under the provisions of the rules and regulations. At each participating school, if funds disbursed to students employed by eligible employers other than the participating institution are significantly less than such utilization at other participating institutions in the program, the executive director may require the institution to document its efforts to place these students under the program. The percent of the school's work-study allocation provided to graduate students shall not exceed the percentage of graduate students in the total enrollment at the participating school.

B. Any allocated funds shall be used only during the fiscal year of disbursement. During the year, funds which the school determines will not be used shall immediately be remitted to the board for re-allocation to other schools.

C. Student earnings shall be paid to the student according to federal regulations governing the payment of earnings to students under the federal work-study program.

D. The school shall report to the executive director information on the program using the same formats and timetable the school uses to report activity under the federal work-study program to the U.S. Office of Education.

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5 MCAR S 2.0307 Employer responsibilities.

A. Not less than 20 percent of the amount earned by the student under the state work-study program shall be paid by the eligible employer.

B. The school and the employer shall incorporate in the work contract provisions for pay and time records, payroll, and workers compensation.

C. Time records shall be signed by both the student and the student's employment supervisor.

5 MCAR S 2.0308 Contracts and work agreements. Prior to a student's beginning work, the school and the eligible employer shall sign a written contract agreeing to abide by the regulations of the Minnesota State Work-Study Program and affirming the eligibility of the employer. For each student, the school and the employer shall sign a work agreement documenting the nature of the work, number of hours the student is to be employed, the rate of pay per hour, the percentage of the student's earnings to be paid by the employer, and the maximum payment to be paid by the employer.

All contracts and work agreements signed by schools and employers shall be subject to review and approval by the executive director.

5 MCAR S 2.0309 Supervision. The school with the employer shall develop a program of supervision for each work-study assignment which is consistent with the nature of the assignment and the needs of the individual student. A description of the program of supervision shall be filed with the executive director and shall be subject to review and approval.

5 MCAR S 2.0310 Delegation of authority. The executive director is hereby delegated necessary authority and responsibility for administration of the work-study awards in accordance with these rules, state law, and applicable federal laws and regulations, including issuing public information, prescribing application procedures, prescribing terms and conditions and agreement with eligible institutions and eligible employers, and establishing such policies and practices as the executive director may deem necessary for effective administration in accordance with the purposes and requirements of the Minnesota State Work-Study Program.

Chapter Four: Loans to Medical and Osteopathy Students

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5 MCAR S 2.0401 Purpose. The purpose of this chapter is to augment Minnesota Statutes, sections 147.30 et seq., as amended (hereinafter "statutes"), establishing a state program of loans to medical and osteopathy students by providing standards, criteria, rules and regulations therefor:

5 MCAR S 2.0402 Definitions. The following terms shall have the meaning hereinafter ascribed to them:

A. "Accredited medical school" shall be any medical school accredited by the Liaison Committee on Medical Education, as founded by the American Medical Association and the Association of American Medical Colleges and as recognized by the United States Office of Education.

B. "Accredited school of osteopathy" shall be one whose graduates are eligible for licensure in Minnesota.

C. "Area in need of medical doctors or osteopaths" shall be a rural community in Minnesota where the health care needs of its residents are not fully met by available physicians and/or osteopaths. Annually, by resolution, the board shall adopt a list of such areas based upon recommendations of the Minnesota State Board of Medical Examiners and other agencies concerned with planning health care of Minnesota residents.

D. "Student in good standing" shall mean that the student is attending full-time in an approved school of medicine or osteopathy and is making satisfactory progress toward completion of academic and internship requirements according to standards of the institution the student is attending.

E. "Eighteen months of each initial or renewal period of the loan" shall mean eighteen months times the number of years the student received funds from the program up to a maximum of five years.

F. "Service requirement" shall mean the number of months the student must practice in an area in need of medical doctors or osteopaths in order to satisfy the loan cancellation provisions of the program.

5 MCAR S 2.0403 Criteria for selection.

A. Priority will be given to applicants with financial need. The applicant's need for loan assistance provided by the terms of this act shall be determined by the board which shall take into account educational costs and financial resources available to the student.

B. In selecting medical students priority shall be given to

students enrolled in schools in Minnesota.

C. Once selected, program participants are eligible to borrow from the program each academic year until graduation from medical or osteopathy school.

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5 MCAR S 2.0404 Delegation of authority. The executive director of the board is hereby delegated the authority and responsibility for administration of the Minnesota Medical and Osteopathy Loan Program in accordance with these rules and state laws, for issuance of public information, designing of application forms, prescribing of procedures for submission of applications for loans and for the selection of qualified recipients of loans provided by the terms of this act.

A. Completed applications shall be reviewed, ranked, and forwarded by representatives of participating schools of medicine and osteopathy to the State Board of Medical Examiners.

B. The Board of Medical Examiners shall evaluate the respective qualifications of applicants and present its recommendations to the board for its final review and approval.

5 MCAR S 2.0405 Amount and terms of loans.

A. The amount of a loan shall not exceed \$6,000 for any given academic year nor \$24,000 in total to any one student.

B. Each loan shall be evidenced by a promissory note payable on demand to the state of Minnesota and such note shall bear interest at the rate of eight (8) percent per annum from the date of execution until paid or otherwise discharged in accordance with terms of this act.

C. Each recipient of a loan provided under statutes shall be required to agree in writing to practice medicine or osteopathy as follows:

1. If the recipient first received assistance from the program before July 1, 1975, the recipient must practice in an area in need of medical doctors or osteopaths for three (3) years.

2. Recipients receiving assistance from the program for the first time after July 1, 1975, must practice in an area in need of medical doctors or osteopaths for a period not less than 18 months for each year the student received funds from the program or for a period of five years, whichever is less.

D. Recipients who agree to practice in an area in need of medical doctors or osteopaths shall begin not later than three (3) months after being certified as qualified to practice medicine or osteopathy in Minnesota except as otherwise provided in 5 MCAR S 2.0405 E.

E. After the recipient of a loan provided by this act has been certified by the State Board of Medical Examiners as qualified to practice medicine or osteopathy in Minnesota, he may, upon proper application to the executive director, be granted deferment of his obligation for a period not exceeding four (4) years for the purpose of advanced specialized study or for service in the armed forces of the United States.

F. The recipient of a loan provided by terms of this act shall be considered to have discharged the full amount of his obligation, both principal and interest of loans, upon certification of satisfactory completion of required medical practice as defined in 5 MCAR S 2.0405 C.

G. If the recipient of a loan provided by this act fails to fulfill his agreement to practice medicine or osteopathy as set forth in 5 MCAR S 2.0405 C. the full amount of his loan obligations, both principal and interest, shall become due and payable upon demand.

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5 MCAR S 2.0406 Method of payment.

A. Upon approval of a loan under terms of this act and after the promissory note and service agreement have been executed in accordance with requirements set forth in 5 MCAR S 2.0405 B. and C., respectively, the executive director of the board shall cause to be remitted to the loan recipient the principal amount of the loan.

B. Pursuant to terms of this act, a loan may granted for full-time attendance at an approved school of medicine or osteopathy for a specified academic term. A recipient of a loan obtained under provisions of this act who ceases to be a full-time student, in good standing, at an approved school of medicine or osteopathy for any reason shall be required to repay to the board the entire amount of his loan obligations, both principal and interest, upon demand.

5 MCAR S 2.0407 Reserve fund. The board shall be required to maintain a reserve fund. Loan obligations forgiven in accordance with 5 MCAR S 2.0405 F. and any uncollectible loans made in accordance with the terms of this act shall be charged to the reserve fund and the loan fund credited for the amount so charged.

Chapter Five: Minnesota State Student Loan Program

5 MCAR S 2.0501 Purpose. The purpose of this chapter is to augment Minnesota Statutes, sections 136A.14-143, 136A.15 et seq., as amended, (hereinafter "statutes"), establishing a state program of loans to post-secondary students by providing standards, criteria, rules and regulations therefor.

5 MCAR S 2.0502 Definitions. The following terms shall have the meaning hereinafter ascribed to them:

A. "Minnesota State Student Loan Program" is the state program of loans to post-secondary students as provided for in statutes, hereinafter referred to as the program.

B. "Executive director" is the executive director of the Minnesota Higher Education Coordinating Board.

C. "Higher Education Act of 1965" is the title given to Title IV, Part B, of Public Law 89-329, as amended.

D. "Guaranteed student loan program" shall refer to that student guaranteed loan program created by the Higher Education Act of 1965, as amended.

E. "Eligible institution" as referred to in statutes, shall be any public educational institution or any private educational institution, in any state, which is approved by the U.S. Commissioner of Education in accordance with requirements set forth in the Higher Education Act of 1965, as amended.

F. "Eligible student" as defined in statutes, shall be any person who is officially registered or accepted for enrollment at an eligible institution in Minnesota or a Minnesota resident who is officially registered as a student or accepted for enrollment at an eligible institution in another state and who meets criteria for student eligibility for the guaranteed student loan program.

G. "Minnesota resident" shall be defined as a person who either:

1. is dependent upon the financial support of parents or guardians who reside in and are legal residents of the state of Minnesota at the time of application for a loan, or

2. is independent of parental or guardian's financial support and has resided in Minnesota for not less than 12 consecutive months immediately prior to application for a loan.

H. "School period" shall mean that period between the beginning and ending dates of that block of academic enrollment for which the loan funds will be used.

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5 MCAR § 2.0503

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5 MCAR S 2.0503 Criteria for approving borrowers.

A. Loans may be approved for students who satisfy the requirements as defined in 5 MCAR S 2.0502 F., 5 MCAR S 2.0503 B. and C.

B. Eligible students who are not Minnesota residents as defined in 5 MCAR S 2.0502 G., and who have previously obtained an insured student loan from a lender in another state may be required to submit documentation that they have been unsuccessful in obtaining further loans through that loan program before they may receive approval to borrow under terms of the program.

C. Students who are not Minnesota residents as defined in 5 MCAR S 2.0502 G. shall not be eligible for a loan unless domiciled in Minnesota for the school period for which the loan is approved.

5 MCAR S 2.0504 Amount and terms of loans.

A. The maximum loan for any school period and aggregate outstanding principal balance of insured student loans shall be those maximums as prescribed by the Higher Education Act of 1965, as amended.

B. No individual student loan or transaction for which a separate promissory note is required shall be made in an amount less than the minimum amount to be established by majority vote of the board at an official public meeting of the board.

C. Each loan shall be evidenced by a promissory note and shall bear interest at a rate designated by the executive director not to exceed the maximum rate prescribed by the Higher Education Act of 1965, as amended.

D. Terms and conditions for repayment of loans shall be established by the executive director in accordance with provisions of the guaranteed student loan program.

E. A loan shall not be approved for any school period in excess of one academic year as required by the Higher Education Assistance Foundation.

5 MCAR S 2.0505 Disbursement of funds.

A. The principal amount of an approved loan shall be made payable to the student borrower.

B. The payment shall be sent to a designated school official as defined in 5 MCAR S 2.0506 B. for delivery to the student.

C. No payment to the student borrower shall be made prior to

21 days before the beginning of the school period for which the loan is made.

D. No payment of loan principal to the student borrower shall be made for a school period after that school period has expired.

E. If, after disbursement, a student borrower does not attend school for the intended school period, the loan shall be declared immediately due and payable.

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5 MCAR S 2.0506 Eligible institution responsibilities.

A. Each eligible institution shall be required to execute an agreement with the executive director prior to the approval of a loan to a student attending that institution. The agreement shall stipulate the institution's responsibilities as prescribed by the executive director and shall include, but need not be limited to, those responsibilities described in 5 MCAR S 2.0506 B., C., D., E., F., G., and H.

B. The institution shall designate one school official who shall serve as the institutional representative for purposes defined in the agreement.

C. The institutional representative shall cause to be completed and shall certify the institutional section of each student loan application under the program.

D. The institutional representative shall assist the board by providing loan counseling to students under the program.

E. The institutional representative shall assist the board in advising each student of his or her obligations and responsibilities when accepting a loan under the program.

F. The institutional representative shall transmit loan disbursements from the program to the student borrowers.

G. The institutional representative shall promptly notify the executive director when a student borrower discontinues at least half-time enrollment at that institution.

H. The executive director may terminate an agreement with an institution when, in the judgment of the executive director, continuation of the agreement is not in the best interest of the program.

5 MCAR S 2.0507 Delegation of authority. The executive director is hereby delegated necessary authority and responsibility for administration of student loans in accordance with these rules, state law, and applicable federal laws and regulations, including issuing public information, designing related forms, prescribing application procedures, prescribing procedures and

Repealed 8 SR 196
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5 MCAR § 2.0507

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terms for collection and repayment of loans, and establishing such policies and practices as the executive director may deem necessary for effective administration in accordance with the purposes and requirements of the Minnesota State Student Loan Program.

Chapter Six: Minnesota Foreign Student Assistance Program

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5 MCAR S 2.0601 Purpose. The purpose of the chapter is to augment Minnesota Statutes, sections 136A.143 et seq., as amended (hereinafter "statutes"), establishing a state program of financial assistance to post-secondary students by providing standards, criteria, rules and regulations therefor.

5 MCAR S 2.0602 Definitions. The following terms shall have the meaning hereinafter ascribed to them:

A. "Minnesota Foreign Student Assistance Program" is the state program of financial assistance to post-secondary foreign students as provided for in statutes, hereinafter referred to as the program.

B. "Executive director" is the executive director of the Minnesota Higher Education Coordinating Board.

C. "Eligible institution" shall be any public or private institution of higher education in Minnesota which is eligible for the state grant-in-aid program as defined in Minnesota Statutes, section 136A.101, subdivision 4 and 5 MCAR S 2.0102 A. and which has foreign students enrolled.

D. "Foreign student" shall be defined as a person who possesses a student visa as established by the U.S. Immigration and Naturalization Service.

E. "Resident status" shall be defined as that status assigned to a student by a public institution for the purpose of paying in-state tuition fees.

F. "Full-time equivalent fall term enrollment" shall be defined as that enrollment which is determined by the board in its annual enrollment survey in the year prior to the academic year for which program funds are allocated.

G. "Total cost of education" shall be defined as the institutional budget established for the state grant-in-aid program adjusted to include out-of-state tuition fee.

H. "Total student resources" shall be defined as the sum of the family contribution, student income, other financial aid received, any and all other resources which are available to the student to pay for the cost of education.

I. "Financial need" shall be defined as the difference between the total cost of education which is paid by the student and the total student resources available to the student to meet that cost.

J. "Unexpected financial needs" shall be defined as those needs which any reasonable person could not anticipate and plan

for by reading standard printed cost quotations in various institutional publications or any unanticipated loss of resources.

K. "Student family" shall be defined as the student, the student's spouse, the student's dependents, the student's parents, the student's brothers and sisters, or any other legal relative of the student.

L. "Participating institution" shall be defined as any eligible institution which applies for participation in the program in accordance with the procedures prescribed in 5 MCAR S 2.0605.

M. "Allocation formula" shall be defined as the full-time equivalent fall term enrollment for each participating institution multiplied by the cost of education divided by the sum of the products for all participating institutions times the appropriation as provided for by the Minnesota Legislature.

3425-
3511 5 MCAR S 2.0603 Criteria for determining student recipients.

A. Resident status may be authorized by an eligible institution for any foreign student who has been domiciled in Minnesota for at least one year immediately prior to application, provided that the institution documents the financial need of the student according to procedures prescribed by the executive director, and further provided that the total number of these residencies shall not exceed one-half of one percent of total full-time equivalent fall term enrollment of the institution.

B. Funds may be awarded by an eligible institution for any foreign student provided that the institution documents the unexpected financial need of the student according to procedures prescribed by the executive director.

C. Eligible institutions shall have the authority to grant resident status to any foreign student who is a recipient of scholarship or grant funds contributed by Minnesota individuals, organizations or corporations in sufficient amounts to cover such resident tuition fees provided that the institution documents that the scholarship or grant funds did not originate from the student or any member of the student's family.

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5 MCAR S 2.0604 Terms of loans and grants.

A. Each eligible institution shall be authorized and be responsible for informing any foreign student who receives funds or residency status pursuant to the program that the funds are provided initially as a loan and will not be converted to a grant until the student submits evidence that the student has returned to his home country within one year of completion of the student's education and has not returned to the United

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States for five years as a permanent resident.

B. Each eligible institution shall be responsible for establishing sound procedures for loan principal and interest collection including the execution of a promissory note and disclosure of finance charges at the time of making of each loan.

C. Each loan shall be evidenced by a promissory note and shall bear interest at a rate of eight percent simple from the time of the making of the loan.

D. Each loan and accrued interest shall be payable to and upon demand of the eligible institution in the event that the student does not satisfy the requirements in 5 MCAR S 2.0604 A.

E. Any loan and interest amounts collected by any institution under 5 MCAR S 2.0604 B. of the program shall revert back to the board.

F. The eligible institutions shall provide reasonable reports as are requested by the executive director.

5 MCAR S 2.0605 Allocation formula.

A. Annually the board shall notify eligible institutions of the funds available for allocation that year.

B. Upon receipt of notification by the board, eligible institutions wishing to participate shall submit to the board:

1. a written request for participation in the program for that year, and
2. an estimate of the amount of funds necessary at that institution to meet expected financial needs of eligible foreign students.

C. Upon receipt of institutional request for participation the board shall calculate each institution's allocation according to the allocation formula.

D. If the estimate of funds by each participating institution is less than the amount which would be allocated to that institution under the allocation formula, the board shall allocate to the institution funds equal to the institution's estimate.

E. If the institution's estimate of need exceeds the allocation determined by the allocation formula, the board shall allocate additional funds to the institution to utilize funds remaining from the earlier allocations to institutions whose estimates of need are less than the amount determined under the allocation formula.

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5 MCAR S 2.0606 Disbursement of funds.

A. Funds shall be disbursed to participating institutions according to procedures prescribed by the executive director.

B. Any disbursed funds shall be for use only during the fiscal year of disbursement and any unused funds shall be remitted to the board according to procedures prescribed by the executive director.

C. Each participating institution shall be accountable for any funds disbursed to students under the provisions of these rules and regulations.

5 MCAR S 2.0607 Delegation of authority. The executive director is hereby delegated necessary authority and responsibility for administration of the program in accordance with these rules, state law and applicable federal laws and regulations, including issuing public information, designing related forms, prescribing application procedures, prescribing procedures and terms for collection and repayment of loans, prescribing terms and conditions for agreements with eligible institutions, approving and disapproving applications, and establishing such policies and practices as the executive director may deem necessary for effective administration in accordance with the purposes and requirements of the Minnesota Foreign Student Assistance Program.

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(5 MCAR S 2.0100-

*Repealed
SR 190**8-8-83*

Chapter Seven: Minnesota Veterans' Dependents
Student Assistance Program

Rules and Regulations Governing Administration of
Post-secondary School Financial Assistance for Dependents of
Prisoners of War and Persons Missing in Action as Defined in
Laws of 1974, chapter 496.

5 MCAR S 2.0701 Purpose. The purpose of the chapter is to
augment Minnesota Statutes, sections 197.09 to 197.11,
establishing a state program of financial assistance for
dependents of prisoners of war and persons missing in action by
providing standards, criteria, rules and regulations therefore.

5 MCAR S 2.0702 Definitions. The following terms shall have the
meaning hereinafter ascribed to them:

A. "Minnesota Veterans' Dependents Student Assistance
Program" is the state program of financial assistance for
post-secondary students as defined in Minnesota Statutes,
sections 197.09 to 197.11, hereinafter referred to as the
program.

B. "Executive director" is the executive director of the
Minnesota Higher Education Coordinating Board.

C. "Minnesota state supported institution" shall be defined
to include state colleges, state community colleges, the
University of Minnesota, and public area vocational technical
institutions.

D. "Private Minnesota institution" shall be defined as any
Minnesota institution of higher education or any Minnesota
technical or vocational school which is eligible under the state
student loan program as defined in Minnesota Statutes, section
136A.15, and which are not included under 5 MCAR S 2.0702 C.

E. "Prisoner of War" and "Persons Missing in Action",
hereinafter referred to as P.O.W. or P.M.I.A., shall be defined
as a person who has been declared to be a prisoner of war or a
person missing in action as established by the Secretary of
Defense after August 1, 1958, and who was a resident of
Minnesota at the time of entrance into service of the United
States Armed Forces, or who maintains official residence within
the state at the time of designation as a prisoner of war or
person missing in action.

F. "Dependent" (as used in Minnesota Statutes, sections
197.07 to 197.11) shall be the spouse of a P.O.W. or P.M.I.A.,
or any child born before or during the period of time his parent
served as a P.O.W. or was declared a P.M.I.A., or any child
legally adopted or in the legal custody of the parent prior to

or during the time the parent served as P.O.W. or was declared to be a P.M.I.A. Once a person qualifies as a dependent under the terms and provisions of Minnesota Statutes, sections 197.07 to 197.11, there shall be no situation such as the return of the father or the reported death of the father that will remove the dependent from provisions or benefits of this law.

G. "Tuition and fees" shall be defined as those charges which are assessed students for enrollment purposes by the post-secondary institution.

H. "Undergraduate student" shall be defined as a person who is officially registered for an undergraduate program which leads to a bachelor's degree or a certificate of completion in an eligible institution as defined in 5 MCAR S 2.0702 C. or 5 MCAR S 2.0702 D.

5 MCAR S 2.0703 Criteria for approving dependents.

A. Each Minnesota state supported institution as defined in 5 MCAR S 2.0702 C. and each private Minnesota institution as defined in 5 MCAR S 2.0702 D. shall have the authority to certify dependent status as defined in 5 MCAR S 2.0702 F. to a student according to procedures prescribed by the executive director for so long as that student is an undergraduate student as defined in 5 MCAR S 2.0702 H.

5 MCAR S 2.0704 Amount and terms of assistance.

A. Each Minnesota state supported institution as defined in 5 MCAR S 2.0702 C. shall have the authority to allow certified dependents as defined in 5 MCAR SS 2.0702 F. and 2.0703 A. to attend such institution free of tuition and fee charge as defined in 5 MCAR S 2.0702 G.

B. Each private Minnesota institution as defined in 5 MCAR S 2.0702 D. shall have the authority to certify to the board each eligible dependent as defined in 5 MCAR SS 2.0702 F. and 2.0703 A. so that the board may make the entitlement payment to same institutions the amount prescribed in 5 MCAR S 2.0704 C. on behalf of the same dependent.

C. The amount of the entitlement payment shall be the lesser amount of the tuition and fees as defined in 5 MCAR S 2.0702 G. assessed by the private Minnesota institution as defined in 5 MCAR S 2.0702 D. or the maximum undergraduate tuition charge as defined in 5 MCAR S 2.0702 G. at Minnesota state supported institutions as defined in 5 MCAR S 2.0702 C.

D. Each dependent as defined in 5 MCAR S 2.0702 F. shall be entitled to the benefits as described in 5 MCAR SS 2.0704 A. or 2.0704 B. for so long as he is eligible to attend such institutions as defined in 5 MCAR SS 2.0702 C. and 2.0702 D. and for so long as he is working toward a bachelor's degree or

Repealed 8 SR 196

certificate of completion.

5 MCAR S 2.0705 Disbursement of funds.

A. Payments as described in 5 MCAR S 2.0704 B. will be made to institutions as defined in 5 MCAR S 2.0702 D. according to procedures prescribed by the executive director.

5 MCAR S 2.0706 Delegation of authority. The executive director is hereby delegated necessary authority and responsibility for administration of the program in accordance with these rules, state law and applicable federal laws and regulations, including issuing public information, designing related forms, prescribing application procedures, prescribing terms and conditions and agreements with eligible institutions, and establishing such policies and practices as the executive director may deem necessary for effective administration in accordance with the purposes and requirements of the Minnesota Dependents of Veterans' Student Assistance Program.

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5MCAR § 2.0801

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Chapter Eight: Part-time Student Grant Program

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5 MCAR S 2.0801 Purpose. The purpose of this chapter is to augment Minnesota Statutes, section 136A.132 et seq., establishing a state program of part-time student grants by providing standards, criteria, rules and regulations therefore.

5 MCAR S 2.0802 Definitions. The following terms shall have the meaning hereinafter ascribed to them:

A. "Eligible institution" shall be any post-secondary institution in Minnesota which is eligible for the state grant-in-aid program as defined in Minnesota Statutes, section 136A.101, subdivision 4 (1976) and 5 MCAR S 2.0102 A.

B. "Eligible student" shall be any student:

1. who is a Minnesota resident as provided herein:

a. Applicants who reside with, receive support from, or are claimed as tax exemptions by their parents or guardians in the years prior to, or during the academic year for which application is made shall be considered domiciled with such parents or guardian and a resident of the state where so domiciled.

b. Applicants who are adjudged to be independent of parental or guardian's financial support shall be considered as residents of the state of Minnesota for purposes of this program provided that they have resided in the state of Minnesota for not less than 12 consecutive months immediately prior to making application for purposes other than that of obtaining an education, and

2. who is granted formal admission to and enrolled in good standing or accepted for enrollment in an eligible institution less than full time, pursuing a program or course of study leading to a recognized degree, diploma, or certificate, and

3. who is not eligible for other state or federal educational gift assistance, and

4. whose tuition and fees are not to be paid or reimbursed by other sources.

C. "Single term" shall be a quarter or semester or its equivalent, as determined by the eligible institution.

D. "Part-time fall term enrollment" shall be the total of all resident and extension part-time students reported as lower division, upper division, graduate, professional, and vocational for each eligible institution, as determined by the board in its annual enrollment survey in the year prior to the academic year

Repealed 8 SR 196

for which program funds are allocated.

E. "Base year" shall be the tax year prior to the academic year for which aid is requested.

F. "Estimated year" shall be the tax year subsequent to the base year.

G. "Executive director" is the executive director of the Minnesota Higher Education Coordinating Board.

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5 MCAR S 2.0803 Determination of financial need. Annually each eligible institution shall be required to solicit demographic, educational, and financial data from eligible students requesting funds under this program as specified by the board prior to each academic year for the purpose of determining financial need. Annually, all eligible institutions shall make available upon request of the board reports of all such data collected. Determination of financial need shall be based on base year income. In the following circumstances, estimated year income may provide the basis for determination of financial need if:

A. A parent or spouse who provided income in the base year died during the base year or the estimated year;

B. A parent or spouse who provided income in the base year has experienced a complete loss of all employment for at least ten weeks in the estimated year;

C. A parent or spouse who provided income in the base year has been unable to pursue normal income-producing activities in the estimated year for at least ten weeks, due to either disability occurring in the base year or the estimated year or a natural disaster that occurred in the estimated year;

D. A parent of an eligible student has become separated or divorced during the estimated year; or

E. The eligible student who was employed for an average of 35 hours per week for at least 30 weeks in the base year is no longer employed on a full-time basis in the estimated year.

An eligible student shall be considered to be financially needy for an award under the provisions of this program if: there are fewer than four persons in the student's family and its income for the base year or the estimated year as provided herein is no greater than the U.S. Bureau of Labor Statistics Urban Family Budget Study, Intermediate Budget for families of the size of the student's family; or if there are four or more persons in the student's family and its income for the base year or the estimated year as provided herein is no greater than the U.S. Bureau of Labor Statistics Urban Family Budget Study, Lower Budget for a five-person family.

Repealed 8 SR 196

5 MCAR § 2.0804

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5 MCAR S 2.0804 Amount and terms of awards. Awards shall be granted to those eligible students adjudged to be financially needy as defined in 5 MCAR S 2.0803 but in no case shall the award amount exceed the cost of resident tuition and fees at the eligible institution or the cost of resident tuition and fees for an equivalent program at the University of Minnesota, whichever is less. Awards shall be for a single term and shall not be automatically renewable. Re-application may be made for each term in which aid is desired.

5 MCAR S 2.0805 Allocation and disbursement of funds.

A. Funds shall be allocated to eligible institutions according to the following formula:

Part-time fall term enrollment divided by the total part-time fall term enrollment for all eligible institutions multiplied by the then-current appropriation as provided for by the Minnesota Legislature.

B. Annually, the board shall notify each eligible institution of the amount of funds allocated according to the formula specified in 5 MCAR S 2.0805 A.

C. Periodically, each eligible institution shall inform the board of funds needed to meet commitments. Funds will be disbursed accordingly to the amount allocated by the formula specified in 5 MCAR S 2.0805 A.

D. Periodically, at the request of the board, each eligible institution shall inform the board of anticipated utilization of funds. Unused funds shall be released by the eligible institution and shall be available for reallocation, according to the formula defined in 5 MCAR S 2.0805 A., to eligible institutions desiring additional funds.

E. Each eligible institution shall be accountable for any funds disbursed to eligible students under the provisions of the rules and regulations.

F. Any allocated funds shall be used only during the fiscal year of disbursement and may be applied to any single term.

G. Each eligible institution shall be responsible for refunds of unused tuition and fees necessitated by the withdrawal of any students. The eligible institution may apply any refunded amounts to other eligible students or remit such funds to the board.

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5 MCAR S 2.0806 Delegation of authority. The executive director is hereby delegated necessary authority and responsibility for administration of the part-time student grant program in accordance with these rules, state law and applicable federal

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laws and regulations, including issuing public information, designing related forms, prescribing application procedures, prescribing terms and conditions and agreements with eligible institutions, and establishing such policies and practices as the executive director may deem necessary for effective administration in accordance with the purposes and requirements of the part-time student grant program.

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5MCAR § 2.0901

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Chapter Nine: Private Institutions Registration

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5 MCAR S 2.0901 Purpose. The purpose of this chapter is to provide for the registration of private and non-Minnesota public post-secondary institutions and the approval of degrees to be granted and names to be used under Minnesota Statutes, sections 136A.61 to 136A.71.

5 MCAR S 2.0902 Definitions. The following terms, words and phrases shall have the meanings hereinafter ascribed to them for the purpose of this chapter:

A. "Act" means: Minnesota Statutes, sections 136A.61 to 136A.71;

B. "Registration" means: the process by which a school pursuant to Minnesota Statutes, section 136A.63 and 5 MCAR S 2.0903 files an application, submits required information pursuant to Minnesota Statutes, section 136A.64 and 5 MCAR S 2.0904 and pays fees pursuant to Minnesota Statutes, section 136A.69 and 5 MCAR S 2.0914;

C. "School" means: any individual, partnership, company, firm, society, trust, association, corporation or any combination thereof operating or doing business in Minnesota which (1) is, owns or operates a private, non-profit post-secondary education institution, (2) provides a post-secondary instructional program or course leading to a degree whether or not for profit, (3) is, owns or operates a private post-secondary education institution which uses the term "academy", "college", "institute" or "university" in its name or advertising or (4) operates for profit and provides programs or courses which are intended to allow an individual to fulfill in part or totally the requirements necessary to maintain a license to practice an occupation. "School" shall also mean any public post-secondary educational institution located outside Minnesota which offers programs or courses within Minnesota;

D. "Schools located outside Minnesota which offer programs or courses within Minnesota" in Minnesota Statutes, section 136A.63 means: schools located outside Minnesota which offer any program or educational activity which is available to residents of Minnesota and which does not require them to leave the state for the major portion of such;

E. "Degree" means: any award given by a school which signifies or is generally taken to signify completion of a program or course and which is designated by the term degree, associate, bachelor, baccalaureate, master, doctor or education specialist;

F. "Records" means: those school documents and files containing student data relating to academic credits, grades, degrees awarded and periods of attendance. School transcripts

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5 MCAR § 2.0904

or documents on which are recorded each student's data relating to academic credits earned, courses completed, grades awarded, degrees awarded and periods of attendance qualify as "records";

G. "Approval" means: authorization from the board for a school to offer specified degrees or to use the terms "academy," "college," "institute" or "university" in its name or both of the foregoing pursuant to Minnesota Statutes, section 136A.65, 5 MCAR SS 2.0905 and 2.0906;

H. "Board" means: The Minnesota Higher Education Coordinating Board;

I. "Executive director" means: the executive director of the Minnesota Higher Education Coordinating Board.

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5 MCAR S 2.0903 Registration. All schools located within Minnesota and those schools located outside of Minnesota which offer programs or courses within Minnesota shall annually register with the board. The board shall by annual resolution adopt and publish a list of those schools registered pursuant to Minnesota Statutes, section 136A.63. A school is registered when it has filed an application, submitted required information pursuant to Minnesota Statutes, section 136A.64 and 5 MCAR S 2.0904 and pays fees pursuant to Minnesota Statutes, section 136A.69 and 5 MCAR S 2.0914. A school need not be approved to be registered.

5 MCAR S 2.0904 Information required for registration. Pursuant to Minnesota Statutes, section 136A.64 schools subject to registration shall provide the board with such information as the board needs to determine the nature and activities of the school. The board shall have the authority to verify the accuracy of the information submitted to it by inspection, visitation or any other means it deems necessary. Any and all information submitted to the board for the purpose of registration shall be public information except those financial records required pursuant to 5 MCAR S 2.0904 E. or a request under this rule for further financial information, which records the board shall not disclose except for the purposes of defending at hearings under Minnesota Statutes, chapter 15 or other legal proceedings its decision to approve or not to approve the granting of degrees or the use of a name.

Each applicant for registration shall submit the following accompanied by an affidavit attesting to the accuracy and truthfulness of the same:

A. a copy of the school articles of incorporation, constitution, by-laws or other operating documents;

B. a duly adopted statement of the school's mission and goals;

C. evidence of any school or program licenses granted by agencies of the state of Minnesota or any other state;

D. a copy of the current school catalog and if not contained in the catalog:

1. a list of members of the board of trustees or directors, if any;
2. a list of current institutional officers;
3. a list of current faculty, full-time and part-time, with degrees held or applicable experience;
4. a list and description of all school facilities;
5. a list and description of all current course offerings;
6. a list of all requirements for satisfactory completion of courses, programs and degrees;
7. a statement of the school's policy pertaining to freedom or limitation of expression and inquiry;
8. a current schedule of fees, charges for tuition, required supplies, student activities, housing and all other standard charges;
9. a statement of the school policy regarding refunds and adjustments;
10. a statement of the school policy relating to granting of credit for prior education, training and experience;
11. a statement of the school policies relating to student admission, evaluation, suspension and dismissal;

E. a copy of the fiscal balance sheet on an accrual basis or of a certified audit of the immediate past fiscal year for the school or, if the school is a public institution outside Minnesota, an income statement for the immediate past fiscal year;

F. one copy of all promotional and recruitment materials and advertisements;

G. a plan for the preservation of student records pursuant to 5 MCAR § 2.0908.

If on the basis of the above information the board is unable to determine the nature and activities of a school, the board will require any additional information needed to make such determination.

5 MCAR § 2.0905 Approval of degrees. Degrees granted by

registered schools which meet the requirements of this section, 5 MCAR S 2.0904, 5 MCAR S 2.0908 and the policies and standards of 5 MCAR S 2.0907 shall be approved by the board if said schools provide:

A. teaching personnel to provide the educational programs for each degree for which approval is sought;

B. educational programs leading to each degree for which approval is sought;

C. appropriate and accessible library, laboratory and other physical facilities to support the educational program for each degree for which approval is sought;

D. a rationale showing that degree programs are consistent with the school mission and goals.

Degrees granted by registered schools which do not meet these requirements shall not be approved by the board unless granted conditional approval under 5 MCAR S 2.0911. No school located in Minnesota even if otherwise registered pursuant to the act and this chapter and no school located outside Minnesota which offers programs or courses within Minnesota even if otherwise registered pursuant to the act shall grant a degree to students in Minnesota where the student has not left Minnesota for the major portion of the program or course unless such degree is approved by the board. After reviewing the recommendations of its staff and advisory committee, the board shall by resolution annually adopt and publish a list of schools approved to offer degrees together with a list of the specified degrees so approved.

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5 MCAR S 2.0906 Approval of names. The board shall approve a school using the term "academy," "college," "institute" or "university" in its name provided the school meets the minimum requirements of this chapter. No school subject to registration under 5 MCAR S 2.0903 shall use the terms "academy," "college," "institute" or "university" in its name in maintaining, advertising, promoting or conducting any program or educational activity in Minnesota without the approval of the board.

The board shall approve any school using the above terms in its name if the school meets all the following requirements:

A. Any school using the term "academy" in its name must meet the policies and standards of 5 MCAR S 2.0907 and the minimum requirements of this chapter.

B. Any school using the term "institute" in its name must meet the policies and standards of 5 MCAR S 2.0907 and the minimum requirements of this chapter.

C. Any school using the term "college" in its name must meet the policies and standards of 5 MCAR S 2.0907, must meet the

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minimum requirements of this chapter and must offer at least one program leading to an associate degree. If it so chooses, it may use the term "academy" or "institute" in its name.

D. Any school using the term "university" in its name must meet the policies and standards of 5 MCAR S 2.0907, must meet the minimum requirements of this chapter and must offer at least one program leading to a baccalaureate, master's or doctorate degree. If it so chooses, it may use the term "academy," "college," or "institute" in its name.

E. A school subject to registration which submits the information required for registration pursuant to 5 MCAR S 2.0904, meets the policies and standards of 5 MCAR S 2.0907, and meets the standards for protecting students records pursuant to 5 MCAR S 2.0908 and which was organized, operating and using one of the terms academy, college, institute or university in its name on or before August 1, 1975, shall be granted approval to use such term in its name whether or not it offers a program leading to a degree.

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5 MCAR S 2.0907 Policies and standards. After reviewing the recommendations of its staff and advisory committee, the board by resolution shall annually adopt and publish a list of registered schools pursuant to 5 MCAR S 2.0903, of schools approved to offer specified degrees pursuant to 5 MCAR S 2.0905 and of schools approved to use the names "college," "academy," "institute" and "university" in Minnesota pursuant to 5 MCAR S 2.0906. The criteria which will be used to make these determinations with respect to approval are those listed below:

A. has an organizational framework with administrative and teaching personnel to provide the educational programs it purports to offer;

B. has financial resources sufficient to meet the school's financial obligations including refunding tuition and other charges consistent with its stated policy in the event of dissolution of the institution or in the event of claims for refund against the institution, to provide service to the students as purported and to provide educational programs leading to degrees as purported;

C. operates in conformity with generally accepted budgeting and accounting procedures. One such set of standards are those adopted by the National Association of College and University Business Officers;

D. provides for an educational program leading to the degree it purports to offer;

E. provides appropriate and accessible library, laboratory and other physical facilities to support the educational program offered;

Repealed 85K 198

F. has a policy on freedom or limitation of expression and inquiry for faculty and students which is published or available on request;

G. provides information to students and prospective students concerning:

1. comprehensive and accurate policies relating to student admission, evaluation, suspension and dismissal;

2. clear and accurate policies relating to granting of credit for prior education, training and experience and for courses offered by the school;

3. current schedule of fees, charges for tuition, required supplies, student activities, housing and all other standard charges;

4. policy regarding refunds and adjustments for withdrawal or modification of enrollment status;

5. procedures and standards used for the selection of recipients as well as the terms of payment and repayment for any financial aid program;

H. uses for promotion and student recruitment only publications and advertisements which are truthful and do not give any false, fraudulent, deceptive, inaccurate or misleading impression with respect to the school, its personnel, programs, services or occupational opportunities for its graduates;

I. has any compensated recruitment agents operating in Minnesota identify themselves as agents of the school when talking to or corresponding with students and prospective students.

Failure to meet any one of these criteria will not necessarily prevent a school from being given approval. Rather a judgment will be made on the basis of a pattern which in the whole supports a legitimate educational program, sufficient finances and sound institutional policies and practices.

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5 MCAR S 2.0908 Records. Any school located or operating within Minnesota must maintain permanent records for all students enrolled therein at any time. Each school must provide a plan for the preservation of such records which meet the following criteria:

A. There shall be at least one copy of the records held in a secure depository;

B. An appropriate official shall be designated to provide copies of the record or transcript when requested to do so by the student;

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5 MCAR § 2.0908

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C. Provision shall be made for the preservation of student records after the school shall cease to exist. Such provisions shall be consistent with clauses A. and B.;

D. In instances where the school does not have a binding agreement for the preservation of student records after the school shall cease to exist, the school shall demonstrate financial security for the preservation of student records after the school shall cease to exist in the form of continuous surety bond or trust arrangement.

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5 MCAR S 2.0909 Disapproval and appeal. If approval for degree or name is not granted by the board, the applying school shall have the opportunity for a hearing pursuant to Minnesota Statutes, chapter 15. If a school wishes a hearing, it has 30 days from the date of notification of the board's decision to present a written request for a hearing.

5 MCAR S 2.0910 Withdrawal of approval. The board may, after notice and upon providing an opportunity for a hearing pursuant to Minnesota Statutes, chapter 15 if requested by the parties adversely affected, refuse to renew, revoke or suspend any approval for any one or any combination of the following grounds:

A. violation of any provisions of the act or of this chapter;

B. furnishing to the executive director false, misleading or incomplete information;

C. presenting to prospective students information relating to the school which is false, fraudulent, deceptive, inaccurate in a material respect or misleading;

D. refusal to allow reasonable inspection or supply reasonable information after written request therefor by the executive director.

5 MCAR S 2.0911 Conditional approval. Notwithstanding anything in this chapter to the contrary, the board may grant conditional approval of degrees and names for periods of less than one year if to do so would be in the best interests of currently enrolled students or prospective students of registered schools.

5 MCAR S 2.0912 Unauthorized representations. No school and none of its officials or employees shall advertise or represent in any manner that such school is approved or accredited by the board or state of Minnesota except that any school which is duly registered with the board or any of its officials or employees may represent that the school is registered with the board with the following language: "_____ is registered with the Minnesota Higher Education Coordinating Board."

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5 MCAR S 2.0913 Non-refundable fees. All fees collected by the board pursuant to the act and this chapter are not refundable.

5 MCAR S 2.0914 Delegation of authority. The executive director is hereby delegated the authority and responsibility for issuance of public information, designing of application forms, reviewing applications, securing information, making recommendations, setting guidelines and approving uses pursuant to 5 MCAR S 2.0906 E., the appointment of appropriate advisory committees, the establishment of visitation teams and prescribing of procedures and setting of fees for this program. The executive director shall at least annually advise and report to the board the status of the program.

5 MCAR S 2.0915 Advisory committee. The executive director shall appoint an advisory committee on private institutions of at least ten but no more than 20 members. The members of the advisory committee should be qualified to give respected judgments in those areas covered by the act and this chapter. The principal purposes of the advisory committee shall be:

A. to assist in maintaining an appropriate and responsible environment in which applications for registration and approval will be fairly and equitably reviewed;

B. to review staff summaries of all applications within established guidelines and criteria;

C. to review reports of site visitations;

D. to forward recommendations on all active applications to the board.

5 MCAR S 2.0916 Schools licensed under Minnesota Statutes. Any school subject to the provisions of Minnesota Statutes, chapter 141 (1974) or any school required to be licensed by any board authorized under Minnesota law to issue such licenses must have a currently valid license from the commissioner of education of the state of Minnesota or from any other licensing board to which that school is subject prior to any approval by the board under the act. The board will accept as final the determinations of the commissioner of education and of any other board as to whether a school is subject to the license requirements of Minnesota Statutes, chapter 141 or any other Minnesota licensing law and whether that school meets the requirements of chapter 141 and of any other Minnesota licensing law; the board will not conduct separate inquiries into the substantive basis for those determinations.

The requirement of this rule is in addition to and not a substitute for any other requirements or obligations of this chapter.

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5 MCAR S 2.0917 Rights, duties and obligations not impaired by Minnesota Statutes, chapter 141. Except as expressly stated to the contrary in this chapter, any action taken pursuant to Minnesota Statutes, chapter 141 (1974) by the commissioner of education of the state of Minnesota in relation to any school, person or other entity does not in any manner alter the rights, duties and obligations of that school, person or entity under this chapter or under Minnesota Statutes, sections 136A.61 to 136A.71.

5 MCAR S 2.0918 Exemptions. Those schools and educational programs exempted from the act are exempted from these rules. Any school or educational program exempted from the act pursuant to Minnesota Statutes, section 136A.653 may voluntarily waive their exemption and submit to the act by informing the board of its intent and filing the information and registration fee pursuant to 5 MCAR S 2.0903 and 5 MCAR S 2.0904. Upon such filing and registration any such school or educational program otherwise exempted from the act, shall be subject to all applicable requirements of that act and these rules pursuant to Minnesota Statutes, section 136A.653, subdivision 4.

5 MCAR S 2.0990 Separability. If any rule or portion thereof within this chapter or the application thereof to any school or other circumstances is held or declared invalid, the remainder of the chapter and the application of such rule or portion to other schools or circumstances shall not be affected thereby.

Chapter Ten: Area Vocational-Technical Institute
Tuition Subsidy Program

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5 MCAR S 2.1001 Purpose. The purpose of this chapter is to augment Minnesota Statutes, section 136A.236, establishing a state program of tuition subsidies for students in attendance at Minnesota area vocational-technical institutes by providing standards, criteria, rules, and regulations therefore.

5 MCAR S 2.1002 Definitions. The following terms shall have the meaning hereinafter ascribed to them:

A. "Eligible institution" shall be any public post-secondary vocational-technical institute established pursuant to Minnesota Statutes, section 121.21, as amended.

B. "Eligible student" shall be any student:

1. who is granted admission to and enrolled in good standing or accepted for enrollment in an eligible institution at the time of application to the tuition subsidy program;

2. who qualifies for payment of resident tuition at the eligible institution pursuant to the then-current State Board of Education rules pertaining to vocational-technical education (those qualifying for resident tuition through the interstate tuition reciprocity agreements are not eligible) and,

3. who has not been awarded a Minnesota State Scholarship or Grant-in-Aid for the period of attendance for which the tuition subsidy has been awarded.

C. "Educational costs" shall include tuition and required fees, room and board, books, and miscellaneous expenses as defined on a nine month basis in 5 MCAR S 2.0102 E., prorated on a monthly basis for the actual number of months in the student's academic program for the fiscal year.

D. "Educational program" shall be an approved State Board of Education course of study pursued by the applicant.

E. "ADM" shall be the projected average daily membership for each eligible institution as approved by the State Department of Education, Vocational-Technical Division, adjusted by actual figures, as available, for the fiscal year for which program funds are allocated.

F. "Application date" shall be the date on which the eligible student files an application for a tuition subsidy with the financial aid officer of the eligible institution of attendance.

G. "Financial aid officer" shall be the person responsible for the administration of financial aid programs at the eligible

Chapter One: Scholarships and Grants-in-Aid

5 MCAR S 2.0101 Purpose. The purpose of this chapter is to augment Minnesota Statutes, section 136A.09 et seq., as amended, (hereinafter "statutes"), establishing a state program of student scholarships and student grants-in-aid by providing standards, criteria, rules and regulations therefor.

5 MCAR S 2.0102 Definitions. The following terms shall have the meaning hereinafter ascribed to them.

A. "Eligible institution" shall be any post-secondary institution which has been determined by the board pursuant to standards set forth in statutes to qualify for attendance by a scholarship or grant recipient for any given academic year. Annually, by resolution, the board shall adopt a list of such institutions so qualifying.

B. "Academic standards" as used to determine "qualified applicants," defined in statutes shall be the applicant's ranking in the applicant's class based upon the applicant's cumulative scholastic record in senior high school through the junior year as determined by the applicant's secondary school administration in each local school district.

C. "Standards" as used in statutes to determine eligibility of applicants shall be the ordered rank as determined by the applicant's high school rank converted to a percentile ranking at the end of six semesters or the junior year.

D. "Application date" shall be that date set each year by the board by resolution by which all applications for initial or renewal scholarships and grants-in-aid shall be filed. The application date shall not be prior to February 15 of any given year, and shall be at least 30 days following the date of the adoption of the list of eligible institutions.

E. "Educational costs" shall include tuition and required fees, room and board, books, and miscellaneous expenses.

F. "BEOG" or the Basic Educational Opportunity Grant is the major federal grant available to post-secondary students.

G. "Undergraduate" shall be any full-time post-secondary student enrolled for a maximum of eight (8) semesters, or twelve (12) quarters, or their equivalent. For purposes of the Minnesota Scholarship and Grants-in-Aid Program, a student is no longer an "undergraduate" after obtaining a baccalaureate degree or after completing the number of semesters or quarters herein specified, whichever occurs first.

H. "Uniform methodology" is any of the needs analysis methodologies which existed on March 28, 1980, and was recognized and approved by the Department of Education in 45

F. The student may defer tuition payment during the application process. Applicants receiving tuition subsidy shall be responsible, upon notification of such subsidies, for all tuition which accrued during the application process and which is not subsidized by the subsidy. Applicants not receiving tuition subsidies may, upon notification of denial, promptly withdraw from the eligible institution and be forgiven all tuition which accrued during the application process. Applicants not receiving tuition subsidies who choose not to withdraw from the eligible institution shall be responsible for all tuition which accrued during the application process.

G. Recipients of tuition subsidies who subsequently receive a Minnesota State Scholarship or Grant-in-Aid award for the same period of attendance for which the tuition subsidy was awarded shall be responsible for reimbursing the eligible institution for all tuition subsidized through the tuition subsidy program. Recipients of a Minnesota State Scholarship or Grant-in-Aid are eligible for tuition subsidies only for enrollment periods in their educational programs which do not coincide or overlap with the period for which they have been awarded a Minnesota State Scholarship or Grant-in-Aid.

H. Recipients of tuition subsidies who choose to change educational programs within the eligible institution need not re-apply but must be re-evaluated concerning continued financial need. Cessation of the tuition subsidy because of lack of financial need or adjustment of the amount of the tuition subsidy shall begin with the date of transfer to a different educational program within the eligible institution.

I. Recipients of tuition subsidies who choose to transfer to another eligible institution must re-apply if a tuition subsidy is desired. Subsequent subsidies shall be contingent upon availability of funds, continued demonstration of financial need, and continued eligibility.

J. Applicants who are denied a tuition subsidy and who have not begun a new educational program or have not transferred to another eligible institution may not re-apply during the same fiscal year except with the permission of the financial aid officer of the eligible institution.

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5 MCAR S 2.1004 Determination of financial need.

A. The determination of family contribution shall be made, subject to review and approval of the board, by a nationally recognized student financial assistance service utilizing a uniform methodology.

B. Demonstrated financial need shall be that portion of educational costs remaining after the application of family contribution, as determined according to 5 MCAR S 2.1004 A., the Basic Education Opportunity Grant, and assistance not controlled by the eligible institution.

Repealed 8 SR 196

5 MCAR § 2.1005

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5 MCAR S 2.1005 Amount of tuition subsidies. The amount of a tuition subsidy shall be based on the demonstrated financial need of the applicant as defined in 5 MCAR S 2.1004 but in no instance shall exceed 75 percent of the cost of tuition for the applicant's educational program for the period of the tuition subsidy. An applicant whose demonstrated financial need does not exceed five percent of the cost of tuition shall not receive a tuition subsidy.

5 MCAR S 2.1006 Institution responsibility -- selection and reporting.

A. Eligible students shall make application to the eligible institution of attendance. Recipients shall be selected by the eligible institution under the provisions of the rules and regulations.

B. Each eligible institution shall be required to solicit demographic, educational, and financial data from eligible students requesting tuition subsidies as specified by the board prior to each fiscal year.

C. Annually, all eligible institutions shall make available upon request of the board reports of all such data collected.

5 MCAR S 2.1007 Allocation and disbursement of funds.

A. Funds shall be allocated to eligible institutions according to the following formula:

ADM divided by the total ADM for all eligible institutions multiplied by the then-current appropriation as provided for by the Minnesota Legislature.

B. Annually, no later than June 30, the board shall notify each eligible institution of the amount of funds allocated for the next fiscal year according to the formula specified in 5 MCAR S 2.1007 A.

C. No later than August 1, each eligible institution shall inform the board of funds needed to meet commitments during the current quarter. The board shall disburse such requested funds no later than August 15.

For the remaining three quarters of the fiscal year, each eligible institution shall notify the board by the last working day of each quarter of funds needed to meet commitments during the next quarter. The board shall disburse such requested funds within five working days of the first day of each quarter.

D. Periodically, at the request of the board, each eligible institution shall inform the board of projected utilization of allocated funds. Unneeded funds shall be released by the

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eligible institution and shall be available for reallocation according to the formula defined in 5 MCAR S 2.1007 A. to eligible institutions requiring funds in excess of the original allocation for the fiscal year.

E. Each eligible institution shall be accountable, in accordance with existing state law, for any funds disbursed. Allocated funds shall be used only during the fiscal year of disbursement and disbursed but unused funds must be remitted to the board within 30 days of the fiscal year-end.

F. Each eligible institution shall be responsible for refunds of unused tuition subsidies necessitated by the withdrawal of any students. The eligible institution may apply any refunded amounts to other eligible students or remit such funds to the board under provisions of 5 MCAR S 2.1007.

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5 MCAR S 2.1008 Delegation of authority. The executive director is hereby delegated necessary authority and responsibility for administration of the Area Vocational-Technical Institute Tuition Subsidy Program in accordance with these rules, state law and applicable federal laws and regulations.