

1 Higher Education Coordinating Board

2

3 Adopted Rules Relating to Financial Assistance

4

5 Rules as Adopted

6 4810.2100 DEFINITIONS.

7 Subpart 1. to 3. [Unchanged.]

8 Subp. 4. Area in need of medical doctors or

9 osteopaths. "Area in need of medical doctors or osteopaths"

10 shall be a rural community in Minnesota where the health care

11 needs of its residents are not fully met by available physicians

12 and/or osteopaths. At least annually, by resolution, the board

13 shall adopt a list of such areas based upon recommendations of

14 the Minnesota Board of Medical Examiners and other agencies

15 concerned with planning health care of Minnesota residents. The

16 list of areas in need is applicable to the student at the time

17 the student commences practice.

18 Subp. 5. to 7. [Unchanged.]

19 4810.2500 TERMS OF LOANS.

20 Subpart 1. to 7. [Unchanged.]

21 Subp. 8. Appeal procedure. During the year that a

22 recipient is due to commence service in Minnesota, the recipient

23 may appeal the exclusion of a community from the list of

24 eligible areas in need. The appeal must contain at least the

25 following:

26 A. a written request for an appeal to the executive

27 director; and

28 B. documentation to establish that a community be

29 added to the board's list of eligible areas in need, including:

30 (1) documentation from the representative of the

31 local health systems agency defining the health care needs of

32 the residents, and services provided by available physicians and

33 osteopaths;

34 (2) notarized statements from available

35 physicians and osteopaths documenting their intention to retire,

1 leave the area, or otherwise reduce their services to the  
2 community;

3 (3) demographic and geographic data demonstrating  
4 the level of medical service provided within the community; and

5 (4) other relevant data concerning the health  
6 care of the community.

7 The executive director shall initially decide the appeal.  
8 An adverse decision must automatically be forwarded to the  
9 financial aid committee of the board, or its representatives,  
10 for a decision. The recipient may appeal an adverse  
11 determination of the financial aid committee to the Office of  
12 Administrative Hearings.

13 4830.0100 DEFINITIONS FOR HIGHER EDUCATION PROGRAMS.

14 Subpart 1. to 4. [Unchanged.]

15 Subp. 5. Eligible student. "Eligible student" means a  
16 student who meets, at a minimum, all of the following  
17 requirements:

18 A. to C. [Unchanged.]

19 D. is enrolled or is intending to enroll as at least  
20 a half-time student in an eligible school;

21 E. and F. [Unchanged.]

22 Subp. 6. to 10. [Unchanged.]

23 Subp. 11. Audit requirements. Audit requirements means  
24 that the school must make available to the board and its  
25 authorized representatives all pertinent books, documents,  
26 papers, and records for audit and examination for five years  
27 after the last day of a fiscal year, unless all audit exceptions  
28 for the period are resolved earlier.

29 4830.0400 APPLICATION DATES AND STUDENT ELIGIBILITY.

30 Subpart 1. [Unchanged.]

31 Subp. 2. Minnesota resident. "Minnesota resident" means a  
32 student who graduated from a Minnesota high school and has not  
33 since established residence in another state, or a student whose  
34 parent or legal guardian resides in Minnesota on the date of  
35 application if the student:

1           A. lives with the parent or legal guardian for at  
2 least six weeks; or

3           B. receives support from the parent or legal  
4 guardian; or

5           C. is claimed as a tax exemption by the parent or  
6 legal guardian in the calendar year prior to or during the  
7 calendar year in which the application is made.

8           "Minnesota resident" means a student who graduated from a  
9 Minnesota high school and has not established residence in  
10 another state, or a student who has resided in Minnesota for  
11 other than educational purposes for at least 12 consecutive  
12 months prior to becoming an eligible student, for a student who  
13 meets the conditions indicated in part 4830.0600, subpart 1,  
14 item B, subitem (1), (2), or (3).

15           Subp. 3. Eligibility for initial scholarship. To be  
16 eligible for an initial scholarship a student must be an  
17 eligible student, as defined in part 4830.0100, subpart 5,  
18 except E, and:

19           A. in financial need;

20           B. ranked in the upper quarter of the class at the  
21 end of the junior year of senior high school, or the equivalent,  
22 based on the student's cumulative scholastic record in senior  
23 high school; and

24           C. must not have received a previous scholarship or  
25 grant-in-aid.

26           Subp. 4. Eligibility for initial grant-in-aid. To be  
27 eligible for an initial grant-in-aid a student must be an  
28 eligible student, as defined in part 4830.0100, subpart 5,  
29 except E, and:

30           A. in financial need;

31           B. if under 17 years old, a holder of a high school  
32 diploma or the equivalent; and

33           C. must not have received a previous scholarship or  
34 grant-in-aid.

35           Subp. 5. Renewal awards. A scholarship or grant-in-aid is  
36 renewable for a maximum of six semesters, nine quarters, or the

1 equivalent. To be eligible to renew a scholarship or  
2 grant-in-aid a student must apply each year and continue to meet  
3 the requirements for an initial scholarship or grant-in-aid,  
4 except for subparts 3 and 4, item C. A student must have made  
5 satisfactory progress as determined by the school.

6 4830.0600 AWARDS.

7 Subpart 1. Monetary awards. The amount of a scholarship  
8 or grant-in-aid financial stipend may not exceed an applicant's  
9 cost of attendance, as defined in Minnesota Statutes, section  
10 136A.121, subdivision 6, after deducting the following:

11 A. A contribution by the applicant of at least 50  
12 percent of the cost of attending the institution of the  
13 applicant's choosing.

14 B. A contribution by the applicant's parents, as  
15 determined by a financial need analysis. The parental  
16 contribution will be considered in determining the state award,  
17 unless one of the four following situations applies.

18 (1) The applicant has been involuntarily  
19 separated from parental support because the applicant is an  
20 orphan or a ward of the state, the applicant's parents cannot be  
21 located, or the applicant has suffered mental or physical abuse  
22 necessitating the separation. The conditions must be  
23 established by court document or by an affidavit from a member  
24 of the clergy, social worker, lawyer, or physician.

25 (2) The applicant is 22 years of age or older on  
26 October 1 of the state fiscal year for which aid is received,  
27 and establishes that she or he is not dependent upon parental  
28 support, based on the following information for the applicant's  
29 parents' tax year ending during that fiscal year, and the  
30 preceding tax year:

31 (a) the parents did not and will not claim  
32 the student as an income tax exemption;

33 (b) the student did not and will not live  
34 with his or her parents more than six weeks in either calendar  
35 year; and

1 (c) the parents did not and will not provide  
2 direct or indirect support worth \$750 or more in either calendar  
3 year.

4 If the board has reason to believe that the information  
5 provided by the student is not correct, the facts must be  
6 established by affidavit from the parents if they can be  
7 located, and by additional documentation, such as income tax  
8 returns, proof of residence, voter registration, or similar  
9 documentation that reasonably may be requested by the board or  
10 its agents and employees.

11 (3) and (4) [Unchanged.]

12 C. [Unchanged.]

13 Subp. 1a. [Unchanged.]

14 Subp. 1b. Letter. The applicant applying under subpart 1,  
15 item B, subitem (4) shall write a letter requesting  
16 determination of eligibility to the board's manager of the  
17 scholarship and grant-in-aid program for presentation to the  
18 fact finding committee of the board. The letter must be  
19 accompanied by the following documentation:

20 A. a statement from the applicant establishing that  
21 the applicant's parents have severed relations with the  
22 applicant and have refused to provide financial support to the  
23 applicant;

24 B. if possible, a notarized statement from the  
25 applicant's parents establishing that they have severed  
26 relations with the applicant and have refused to provide  
27 financial support to the applicant;

28 C. two notarized statements from members of the  
29 clergy, social workers, lawyers, educational advisors, or  
30 professional counselors documenting from personal knowledge that  
31 the applicant's parents have severed relations with the  
32 applicant and refuse to provide financial support to the  
33 applicant;

34 D. additional documentation such as income tax  
35 returns, rent payments, proof of residence, or voter  
36 registration may be requested by the board or its agents and

1 employees to establish that the applicant's parents have severed  
2 relations with the applicant and that the applicant has  
3 established a pattern of self-supporting behavior; and

4 E. the parents' addresses for the last two years.

5 Subp. 1c. [Unchanged.]

6 Subp. 1d. **Fact finding committee.** The fact finding  
7 committee of the board shall consist of the executive director  
8 of the board or a designee, one financial aid officer appointed  
9 by the board, and one student appointed by the board. The  
10 appointments will be for one year or until a successor is  
11 appointed. The board's representative will act as chairperson  
12 of the fact finding committee and will convene the committee as  
13 necessary. In the event the financial aid officer or the  
14 student is involved in any way in a case before the committee  
15 the one involved ~~one~~ must be replaced by an alternate appointed  
16 by the board.

17 Subp. 2. [Unchanged.]

18 Subp. 3. [See Repealer.]

19 4830.0700 METHOD OF PAYMENT.

20 Subpart 1. and 2. [Unchanged.]

21 Subp. 3. **School accounting requirements.** Schools shall  
22 maintain separate accounts for scholarship and grant-in-aid  
23 funds. Refunds to the board must be accompanied with a list  
24 stating the social security number, name, award type, amount of  
25 refund, term, and refund code for each student included in the  
26 refund. The refund must be made to the board within 30 days of  
27 from the end of the academic term, or 30 days from the date the  
28 school is notified of a student's withdrawal, whichever is  
29 less. Schools must provide evidence, prepared according to  
30 generally accepted accounting principles, that all awards have  
31 either been distributed or refunded to the board.

32 4830.2200 APPLICATION AND DISTRIBUTION OF FUNDS FOR GRANTS.

33 Subpart 1. to 3. [Unchanged.]

34 Subp. 4. **Accountability.** Each participating school shall  
35 be accountable for any funds disbursed to students for

1 work-study grants. Funds may be used only during the fiscal  
2 year of disbursement. The school must document its efforts to  
3 place students with off-campus employers. The percent of the  
4 school's allocation provided to graduate students shall not  
5 exceed the percent of graduate students in the total enrollment  
6 at the participating school.

7 Subp. 5. **Unused funds.** The school must return funds which  
8 the school determines will not be used within 30 days ~~of~~ from  
9 the date of a request by the board. The board shall reallocate  
10 the funds to other participating schools requesting additional  
11 funds.

12 Subp. 6. **Reallocation.** The board shall reallocate funds  
13 using the formula specified in subpart 2, items A and B.

14 4830.2300 ELIGIBLE STUDENTS.

15 A school shall determine if a student is eligible for a  
16 work-study grant. To be eligible a student must be an eligible  
17 student, as defined in part 4830.0100, subpart 5, except that  
18 the student may be a graduate student. A student employed  
19 during periods of nonenrollment must sign a statement of intent  
20 to enroll full-time the next term or provide proof of  
21 registration for the next term.

22 4830.2500 CONTRACTS WITH EMPLOYERS.

23 Subpart 1. to 4. [Unchanged.]

24 Subp. 5. **Reasonable effort.** An institution must make a  
25 reasonable effort to place a student in eligible off-campus  
26 employment. The institution must document its efforts with  
27 documents such as:

28 A. copies of correspondence with eligible employers;  
29 and

30 B. notes of telephone contact with eligible  
31 employers. This shall include name of person contacted and date.

32 4830.2600 REPORT BY SCHOOL.

33 When requested by the board, each school shall report  
34 demographic information and program activity about work-study

1 grants by August 10, or the first working day after August 10.

2 4830.5200 ELIGIBLE STUDENTS.

3 Subpart 1. In general. To be eligible for a state student  
4 loan, a student must meet all of the following requirements:

5 A. is eligible for the guaranteed student loan  
6 program created by the Higher Education Act of 1965, as amended,  
7 published in United States Code, title 20, chapter 28;

8 B. is enrolled at least half-time;

9 C. is in good standing, as determined by the school;

10 D. lives in Minnesota during the school period for  
11 which the loan is approved, for a student who is not a Minnesota  
12 resident;

13 E. has a loan refusal letter from a commercial lender  
14 when applying for a loan for the first time as an undergraduate  
15 student; and

16 F. is one of the following:

17 (1) enrolled in an eligible school in Minnesota;

18 or

19 (2) a Minnesota resident enrolled in an eligible  
20 school in any other state.

21 Subp. 2. [See Repealer.]

22 Subp. 3. Students in default. A student is not eligible  
23 for a loan if the student is currently in default on a student  
24 loan or has a default claim filed with the guarantee agency at  
25 the time of application unless the student has made repayment  
26 arrangements satisfactory to the guarantee agency and the board.

27 4830.5300 SCHOOL AGREEMENTS AND STUDENT APPLICATIONS.

28 Subpart 1. and 2. [Unchanged.]

29 Subp. 3. Application, guarantee, and note. The student  
30 and school must complete appropriate parts of the application  
31 and promissory note and send them to the board for its review.  
32 The board must complete the lender's part of the application and  
33 send it to the guarantee agency. The guarantee agency must  
34 determine the loan amount it will guarantee. Once the loan  
35 amount has been guaranteed, the board must send the loan amount



1 to the school as prescribed in the Higher Education Act of 1965,  
2 as amended.

3 4830.5400 AMOUNT, TERMS, AND PAYMENT.

4 Subpart 1. to 5. [Unchanged.]

5 Subp. 6. Refunds. Refunds from schools to the board must  
6 be made as prescribed in the Higher Education Act of 1965, as  
7 amended.

8 4840.0500 APPROVAL OF NAMES AND DEGREES.

9 Subpart 1. In general. A school must be registered if it  
10 uses the term "academy," "institute," "college," or "university"  
11 in its name or if it grants a degree to a student in Minnesota,  
12 where the student has not left Minnesota for the major portion  
13 of the program or course leading to the degree. It also must  
14 substantially meet the criteria in subpart 2. In addition, it  
15 must meet the requirements in subparts 4 and 5, as applicable.  
16 The board shall maintain and publish a list of the schools  
17 approved to use regulated terms in their names and a list of  
18 schools approved to grant degrees with a list of the approved  
19 specified degrees.

20 Subp. 2. to 8. [Unchanged.]

21

22 REPEALER. Minnesota Rules, parts 4830.0600, subpart 3; and  
23 4830.5200, subpart 2 are repealed.