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

Subdivision 1. **Creation.** The home and community-based services employee scholarship grant and loan forgiveness program is established for the purposes of assisting qualified provider applicants to fund employee scholarships for education in nursing and other health care fields, funding scholarships to individual home and community-based services workers for education in nursing and other health care fields, and repaying qualified educational loans secured by employees for education in nursing or other health care fields.

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

Subd. 2. **Provision of grants; scholarships; loan forgiveness.** (a) The commissioner shall make grants available to qualified providers of home and community-based services for older adults. Grants must be used by home and community-based service providers to recruit and train staff through the establishment of an employee scholarship fund.

(b) The commissioner may provide scholarships for qualified educational expenses to individual home and community-based services workers who are employed in the home and community-based services field.

(c) The commissioner may use up to one-third of the annual funding available for this section to establish a loan forgiveness program for eligible home and community-based services workers who provide home and community-based services to older adults and for whom an eligible provider employer submits their names to the commissioner for consideration. To the extent possible, the loan forgiveness program must meet the standards of the loan forgiveness program in section 144.1501.

Subd. 3. **Eligibility.** (a) Eligible providers must primarily provide services to individuals who are 65 years of age and older in home and community-based settings, including assisted living facilities as defined in section 144G.08, subdivision 7; adult day care as defined in section 245A.02, subdivision 2a; and home care services as defined in section 144A.43, subdivision 3.

(b) Under the scholarship program, qualifying providers must establish a home and community-based services employee scholarship program, as specified in subdivision 4. Providers that receive funding under this section must use the funds to provide educational programs or award scholarships to employees who: (1) are enrolled in a course of study that leads to career advancement with the provider or in the field of long-term care, including home care, care of persons with disabilities, nursing, or as a licensed assisted living director; and (2) work an average of at least ten hours per week for the provider. Employees who receive a scholarship under this section must use the scholarship funds for eligible costs of enrolling in a course of study that leads to career advancement in the facility or in the field of long-term care, including home care, care of persons with disabilities, nursing, or as a licensed assisted living director.

(c) Under the loan forgiveness program, qualifying providers that provide employee names to the commissioner for consideration must be located in Minnesota. If necessary due to the volume of applications for loan forgiveness, the commissioner, in collaboration with home and community-based services stakeholders, shall determine priority areas for loan forgiveness. Employees eligible for loan forgiveness include employees working as a licensed assisted living director. Employees selected to receive loan forgiveness must agree to work a minimum average of 32 hours per week for a minimum of two years for a qualifying provider organization in order to maintain eligibility for loan forgiveness under this section.

Subd. 4. **Duties of participating qualifying providers.** (a) Each qualifying provider under this section must propose a home and community-based services employee scholarship program, propose to provide contracted programming from a qualified educational institution, or submit employee names for consideration for participation in the loan forgiveness program.

(b) For the scholarship program, providers must establish criteria by which funds are to be distributed among employees. At a minimum, the scholarship program must cover employee costs related to a course of study that is expected to lead to career advancement with the provider or in the field of long-term care, including home care, care of persons with disabilities, nursing, or as a licensed assisted living director.

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

Subd. 6. **Application requirements.** (a) Eligible providers seeking a grant to provide scholarships and educational programming and eligible employees seeking a scholarship shall submit an application to the commissioner. Applications from eligible providers must contain a complete description of the employee scholarship program being proposed by the applicant, including the need for the organization to enhance the education of its workforce, the process for determining which employees will be eligible for scholarships, any other sources of funding for scholarships, the expected degrees or credentials eligible for scholarships, the amount of funding sought for the scholarship program, a proposed budget detailing how funds will be spent, and plans for retaining eligible employees after completion of their scholarship.

(b) Eligible providers seeking loan forgiveness for employees shall submit to the commissioner the names of their employees to be considered for loan forgiveness. An employee whose name has been submitted to the commissioner and who wishes to apply for loan forgiveness must submit an application to the commissioner. The employee is responsible for securing the employee's qualified educational loans. The commissioner shall select employees for participation based on their suitability for practice as indicated by experience or training. The commissioner shall give preference to employees close to completing their training. For each year that an employee meets the service obligation required under subdivision 3, up to a maximum of four years, the commissioner shall make annual disbursements directly to the employee equivalent to 15 percent of the average educational debt for indebted graduates in their profession in the year closest to the employee's selection for which information is available, not to exceed the balance of the employee's qualified educational loans. Before receiving loan repayment disbursements and as requested, the employee must complete and return to the commissioner a confirmation of practice form provided by the commissioner verifying that the employee is practicing as required under subdivision 3. The employee must provide the commissioner with verification that the full amount of loan repayment disbursement received by the employee has been applied toward the designated loans. After each disbursement, verification must be received by the commissioner and approved before the next loan repayment disbursement is made. Employees who move to a different eligible provider remain eligible for loan repayment as long as they practice as required in subdivision 3. If an employee does not fulfill the required minimum service commitment according to subdivision 3, the commissioner shall collect from the employee the total amount paid to the employee under the loan forgiveness program, plus interest at a rate established according to section 270C.40. The commissioner shall deposit the money collected in an account in the special revenue fund and money in that account is annually appropriated to the commissioner for purposes of this section. The commissioner may allow waivers of all or part of the money owed to the commissioner as a result of a nonfulfillment penalty if emergency circumstances prevented fulfillment of the minimum service commitment.

Subd. 7. **Selection process.** The commissioner shall determine a maximum award for grants and loan forgiveness, and shall make selections based on the information provided in the grant application, including the demonstrated need for an applicant provider to enhance the education of its workforce, the proposed employee scholarship or loan forgiveness selection process, the applicant's proposed budget, and other criteria as determined by the commissioner. Notwithstanding any law or rule to the contrary, amounts appropriated for purposes of this section do not cancel and are available until expended.

Subd. 8. **Reporting requirements.** (a) Participating providers who receive a grant for employee scholarships shall submit an invoice for reimbursement and a report to the commissioner on a schedule determined by the commissioner and on a form supplied by the commissioner. The report shall include the amount spent on scholarships; the number of employees who received scholarships; and, for each scholarship recipient, the name of the recipient, the current position of the recipient, the amount awarded, the educational institution attended, the nature of the educational program, and the expected or actual program completion date. During the grant period, the commissioner may require and collect from grant recipients other information necessary to evaluate the program.

(b) Employees who receive scholarships from the commissioner shall report information to the commissioner on a schedule determined by the commissioner and on a form supplied by the commissioner.

(c) Participating providers whose employees receive loan forgiveness shall submit a report to the commissioner on a schedule determined by the commissioner and on a form supplied by the commissioner. The report must include the number of employees receiving loan forgiveness, and for each employee receiving loan forgiveness, the employee's name, current position, and average number of hours worked per week. During the loan forgiveness period, the commissioner may require and collect from participating providers and employees receiving loan forgiveness other information necessary to evaluate the program and ensure ongoing eligibility.

History: *2015 c 71 art 6 s 1; 2022 c 98 art 1 s 5; 2026 c 121 art 2 s 1; 2026 c 127 art 1 s 18*