

Minnesota Attorney General: Administrative Rules Proceedings

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Version 3
August 20, 2018

MINNESOTA STATE REGULATIONS

Notice of filing by the Commissioner of Administration

We have received on this date, stamped and filed 2 copies of Rules and Regulations pertaining to the Minnesota Higher Education Coordinating Commission
(Agency or Board)

Regulation No. HECC 101 thru 107 (amended)

Subject: Scholarships and Grants in Aid

Department of Administration
Publication, Central Services Division
Documents Section
140 Centennial Office Building
St. Paul, Minnesota 55155
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FILED
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Commissio[illegible]dministration

OCT 22 1974 3:35 pm

BY Eda Staudenmaier
AUTH. SIGNATURE EJ

Stamped and filed with the Secretary of State 10-22-74

Rev. 9-72

RULES AND REGULATIONS

Section 6 of Laws, 1971, Chapter 862: "Minnesota Statutes 1969, Sections 136A.095, 136A.10. 136A.11 136A.12 and 136A.13 and Laws, 1969, Chapter 1144 are repealed." The Rules and Regulations pertaining thereto, adopted by the Minnesota Higher Education Coordinating Commission on June 27, 1969, and filed with the Department of State on August 13, 1969, and with the Commissioner of Administration on August 14, 1969 are hereby appealed. The following Rules and Regulations of the Minnesota Higher Education Coordinating Commission relating to Minnesota State Scholarships and Grants-in-Aid apply to administration of the student aid programs defined in Laws, 1971, Chapter 862.

CHAPTER ONE: HECC 101-200
SCHOLARSHIPS AND GRANTS-IN-AID

HECC 101 - PURPOSE.

The purpose of this chapter is to augment Minn. Stat. 1971, 136A.096 through 136A.131 and Laws, 1971, Ch. 862, establishing a state program of student scholarships and student grants-in-aid by providing standards, criteria, rules and regulations therefore:

HECC 102 - DEFINITIONS.

The following terms shall have the meaning hereinafter ascribed to them:

(a) "Eligible institution" as defined in Minn. Stat. 1971,136A.101, Subd. 4 shall be any Minnesota post-secondary institution which has been determined by the Commission to qualify for attendance by a scholarship or grant recipient for any given academic year. Annually, by resolution, the Commission shall adopt a list of such institutions so qualifying.

(b) "Academic standards" as required by Minn. Stat. 1971, 136A.101, Subd. 6 shall be the applicant's ranking in his class based upon his cumulative scholastic record in senior high school through the junior year as determined by his secondary school administration in each local school district.

(c) "Standards" as required by Minn. Stat. 1971, 136A.121, Subd. 1 (4) shall be the ordered rank as determined by ~~the composite of the applicant's high school ranking and the Minnesota Scholastic Aptitude Test (college bound norm score), weighted equally:~~ 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 Commission by resolution by which all applications for original or renewal scholarships and grants-in-aid shall be filed. The application date shall be at least 30 days following the date of the adoption of the list of eligible institutions.

(e) "Eligible applicants" as defined by Minn. Stat. 1971, 136A.121, Subd. 1 and Subd. 2 shall include those who will enter an eligible college or university as beginning first-year students notwithstanding any previous post-secondary education and those who may have had previous post-secondary education but who were not enrolled as full-time students during the twelve months immediately preceding application for financial assistance under terms of Minn. Stat. 1971, 136A.096 through 136 A.131.

(f) "Transfer students" as defined Minn. Stat. 1971, in 136A.121 Subd.2 (3) shall include students who will have completed at least one academic year of study in an eligible junior college at the time of transfer to an eligible senior college or university.

HECC 103 - DETERMINATION OF FINANCIAL NEED.

The determination of financial need shall take into account educational costs and shall be made by the ~~College Scholarship Service, Princeton, New Jersey;~~ American College Testing Program, Iowa City, Iowa, subject to the review and approval of the Commission.

HECC 104 - DETERMINATION OF RESIDENCY AND CITIZENSHIP REQUIREMENTS.

Residency and citizenship requirements as prescribed in Minn. Stat. 1971, 136A.121, Subd. 1 (1) and (2) shall be determined by the Commission and shall apply to the recipient's status as of the application date as defined herein.

(a) Applicants who are dependent upon parental or guardian's financial support shall be considered to be domiciled with parents or guardian and residency so determined.

(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 the Minnesota State Scholarship and Grant-in-Aid program provided that they have resided in the State of Minnesota for not less than twelve consecutive months for purposes other than that of obtaining an education.

HECC 105 - DELEGATION OF AUTHORITY.

The Executive Director of the Commission is hereby delegated the authority and responsibility for issuance of public information, designing of application forms, prescribing of procedures for submission of application for scholarships and grants-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 defined in HECC 102. Stipends in amounts determined by the financial needs analysis described in HECC 103 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 Commission by ~~the College Scholarship Service~~ the American College Testing Program. Stipends in amounts determined by the financial needs analysis described in HECC 103 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 Commission on the status of the student aid programs.

HECC 106 - NATURE OF SCHOLARSHIPS AND GRANTS-IN-AID.

(a) Monetary scholarships shall be those prescribed by Minn. Stat. 1971, 136A.121, Subd. 3 (2) ranging from a minimum of $100 to a maximum of $1,000, but shall not exceed one-half of the applicant's demonstrated financial need.

(b) Honorary scholarships shall be those granted to all applicants who have no financial need but who rank equally with or above the last monetary scholarship recipient according to standards defined in HECC 102 (c) or who have not requested a financial stipend but who otherwise have qualified.

(c) Grants-in-aid shall range from a minimum of $100 to a maximum of $1,000, but shall not exceed one-half of the applicant's demonstrated financial need.

HECC 107 - 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 Minn. Stat. 1971. 136A.121 Subd.3 (11), 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 Commission'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 Commission 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 Commission.

HECC 108 - 200 RESERVED FOR FUTURE USE.

APPROVED AS TO FORM AND LEGALITY
October 22 1974
WARREN SPANNAUS, ATTORNEY GENERAL
BY Michael B Miller
SPECIAL ASSISTANT ATTORNEY GENERAL

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED
OCT 22 1974 — 3:30 pm
Arlen I. Erdahl
Secretary of State

FILED
RICHARD L. BRUBACHER
Commissioner of Administration
OCT 22 1974 3:35 pm
BY Ella Staudenmaier
AUTH. SIGNATURE

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HECC 108 - 200 RESERVED FOR FUTURE USE.

TRANSCRIPT OF A PUBLIC HEARING

Held Thursday, April 25, 1974
in the Capitol Square Building
Room 716
550 Cedar Street
St. Paul, Minnesota

In the matter of proposed adoption of a change in the rules and regulations of the Minnesota Higher Education Coordinating Commission governing the Minnesota State Scholarship and Grant-in-Aid Program.

PRESIDENT GOLDFINE: I will only say that many of your faces have become indelibly imprinted in my mind over the past few months. The State of Minnesota, County of Ramsey in the matter of a proposed adoption of a change in the rules and regulations of the Minnesota Higher Education Coordinating Commission governing the Minnesota State Scholarship and Grant-in-Aid Program before Richard C. Hawk, Executive Director, Minnesota Higher Education Coordinating Commission - Notice of Hearing. Notice is hereby given that a public hearing will be held pursuant to M.S. 1971, Section 15.0412 Subdivision 4 in the above entitled matter in Room 716 of the Capitol Square Building, 550 Cedar Street, St. Paul, Minnesota, Thursday, April 25, 1974, commencing at 9:00 a.m. and continuing until all representatives of post-secondary educational institutions and other interested groups or persons have had the opportunity to be heard concerning the adoption of a change in the rules and regulations captioned above by submitting either oral or written statements or arguments. Statements or briefs may be submitted to the Commission prior to the hearing without appearing at the hearing. A copy of the proposed changes of the rules and regulations captioned above may be obtained from the Commission at least ten days prior to the date of the hearing. Signed - State of Minnesota, Minnesota Higher Education Coordinating Commission, Richard C. Hawk, Executive Director. In order to start the hearing, at this time I would ask everybody as a generalization to make their statements as brief as possible. I would like to call on Don Johnson who acted in the capacity of a member of the Committee and is going to submit the report. Don, would you come to the table? Don is from Anoka-Ramsey Junior College. When you step to the table would you give who you are, please, and the institution you represent?

DON JOHNSON, ANOKA-RAMSEY JUNIOR COLLEGE: I am representing the Student Aid Advisory Committee today as a member of that Committee. I will try to follow your remarks on longevity. I would like to say thank you to the Commission and the Chairman on behalf of the Student Aid Advisory Committee, first of all, in allowing us to make this recommendation to you. And secondly, for the confidence I feel you did place in our Student

Aid Advisory Committee in referring some very important questions regarding needs analysis services to us. The Student Aid Advisory Committee is made up of 12 financial aid administrators from various institutions in the state of Minnesota. Six of us serve in that capacity as the elected advisory council to the Financial Aid Administrators Assn. of the state. The other six members of that committee are nominated by the president, Mr. Jim Hausmann, the president of the State Assn. of Financial Aid Administrators. You're certainly aware that on February 25 the Commission referred the question of needs analysis service to our Aid Advisory Committee. Subsequent to that, Dr. Smith called the Committee to session on March 12 with one of the primary orders of business to be considered to consider and take action on one of the three alternatives which were open to the Commission. These are the three alternatives that were conveyed in Mr. Hawk's memo of February 19. That included, of course, to invite proposals from ACT and CSS and in anticipation of the hearings for April and May with possible changes to be made in the service for 1974-75. The second alternative was to table the decision indefinitely The third alternative - to request proposals from ACT and CSS in the fall of 1974 to be studied further during the coming year with the possibility of changes for the year 1975-76. The Committee, after a very lengthy discussion, approved alternative number one inviting proposals from ACT and CSS this spring. The Committee members have these proposals in hand, had reactions from the financial aid officers and our representatives from the Minnesota Counselor Assn. and Secondary Principals Assn. prior to the April 9 meeting. At that time the proposals were submitted by ACT and CSS, we heard the oral presentation of those proposals and before an open meeting of perhaps 20 to 25 other aid officers from around the state, had an opportunity to question them about the proposals, to interact within the group and hear from others who were at that meeting. Again, after a day of considerable discussion, the Committee did approve the following motion: That the ACT needs analysis system be adopted and recommended by the Committee for the 1974-75 processing year. Without attempting to go into a great deal of detail regarding rationale that we might have, I'm sure that others may wish to speak to that

point. There are Committee members here also. I could honestly not speak for every member of our Committee, but think I might indicate the view of at least myself and other members who favored that motion. I think that the specifics of the proposals that we read and heard and the presentation that day by the ACT service was superior. Part of that presentation, of course, was the question of cost of the service and there the Commission and the state would realize the savings would be somewhere from $7-to $12 thousand per year. I'm sure that a great deal of the question and the decision by the Committee was in regard to their familiarity with the services and which they felt might do a better job providing the needs analysis. Again I believe that members who voted in favor of the ACT service did feel that on their experience over the past year or two the aid officers in the state were receiving better service, more coordination, more information from the ACT system. I think a third factor was then that in terms of realistic determination of financial need that the ACT service was doing a better job at this point. There are some facts and figures which some of the colleges have studied regarding this factor, seem to show that for the low and moderate income students the ACT service is presenting a more realistic picture of what they truly can contribute to that student's college education. Again, for me at least, this was a very important factor that those students who we are hoping to help most with this service, with the State Grant and Scholarship Program, are perhapspthe people who are getting the most realistic outdepth from the ACT service. In conclusion, then, I would simply restate our recommendation that the ACT needs analysis system be adopted recommended by the Committee for the 1974-75 year.

PRESIDENT GOLDFINE: Thank you. Before we continue on, I would like at this time to welcome Peter Fugina, who is the Chairman of the House Higher Education Committee. Pete, as you know, is an outstanding legislator from my favorite part of the state of Minnesota and one who is deeply concerned about education, and Pete, we welcome you. If you would like to be heard at any time on your busy schedule - would you want to be heard at this particular time?

REPRESENTATIVE FUGINA: Today I come to you with kind of a bad voice. I come to you as a counselor of 15 years in Minnesota systems, and an educator about 30, and not as a legislator. Of course, I must have legislative concerns, but I want to remove that today. As counselor, I probably processed about 15 applications a year and there are more than that that I over see, but I am personally responsible for those. A year ago I was quite concerned when I found out that a certain amount of work had to be done in order for our students to apply for the Minnesota grants-in-aid program and the scholarship program because we had to use a PCS form by the College Scholarship Service. I find the form very complicated. I find also that my communication with CSS had been practically nonexistent. Just yesterday a girl came to me and she told me she was very surprised that she appeared before the counselor at Mesabi State and that she would not qualify for any assistance according to the rating of the evaluation by CSS. I didn't understand this because she has one sister at Mesabi State at the present time and she has another sister in her junior year at Scholastica, and that, of course, is a high-class program as you well know, and the father works in the mines, and the mother has a part-time job as a secretary. I think there are some other children involved. It's hard for me to understand this. But as I say, that my contact actually with the office at Evanston has been practically nill. I have never had any explanations given to me in the manner in which the need assessment is determined. I don't think that would be very difficult to do, and I think really the heart of the problem exists pretty much with the counselor for this reason. It appears that the people who are in good circumstances, those children whose parents are in business understand income tax forms and can take information from there and provide where it is necessary. But the middle income students whose parents probably did not go to college, and if we're concerned with making a living to survive, their children are going to suffer because of the fact that the parents practically refuse to fill out complicated forms. And in this respect, I think the CSS is very complicated and relatively very difficult for most of our people. I tried everything I could do, that is meeting with the parents, even traveling to their homes. And since they

live in rural areas, it's 40 - 50 miles for many of them. And I've asked them to come after school, come in the evenings, and spend my own time to do it. The very ones that I would like to get there are the ones that don't show up. There has to be a better system. I don't know where this exists. I understand that you had some hearings. I have over the years, of course, given them tests, and I don't want to bother you with tests except that this gives me some opportunity to have some contact with ACT people and the counselors who have appeared before counselors groups here in Minnesota several times and we should have some communication with them. I am not certain - I am not familiar with their proposal because I didn't realize this meeting was going on today until just a couple of days ago and at that tiume I called and said I would like to appear and to place before you my concern and my explanation of the problems I have faced and if there would be some way that because of the fact that most of the applications are through and even now more so through the Minnesota loan program that some system of probably contracting with an agency to provide additional services because it appeared that the legislature did not provide you with sufficient people to carry out the mandate that was given you, and I know that every year we give you more and more work to do and I take that upon myself as part of my responsibility. And if this can be accomplished, then I urge you to study the proposals and to give serious consideration to those proposals which will help you with the burden and which will also help us with the burden and will also help the parents understand what the problem is all about and helping and encouraging their young people to go on to greater efforts in higher education - post-high school education, whichever

PRESIDENT GOLDFINE: Thank you, Chairman Fugina. Are there any questions that you would like to ask the Chairman before he leaves?

JACK LYNCH: I was wondering, Pete, if you are familiar with the ACT now. Have you worked with that form?

REPRESENTATIVE FUGINA: I did last year, then but this year we seemed to work with the CSS form.

JACK LYNCH: How -was that in your opinion?

REPRESENTATIVE FUGINA: I didn't like the CSS form.

JACK LYNCH: No, I mean the ACT form.

REPRESENTATIVE FUGINA: I found that they are easier to follow

PRESIDENT GOLDFINE: Thank you for taking the time. Can we then have Don Johnson - are there any questions of Don before he leaves? Okay, I'm sure they'll get back to you. Can we have the next person who wishes to appear, please.

JAMES L. HAUSMANN, CONCORDIA COLLEGE - MOORHEAD: I was a member of the advisory committee - a rather ex-officio member and in that capacity did not vote. But I would like to further expand upon the makeup of that committee. It represented people from various educational systems in the state, and in that respect was a fair representation I feel. On the other hand, I don't think it gives fair representation to the real recipients of the state scholarships and grants. The majority of the recipients are going to the colleges, and I think you understand this since the factor of the cost. The private colleges and the University of Minnesota vote at that meeting was in favor of CSS and those two would comprise the majority of recipients for state scholarships and grants. And so I could feel it was an unfair representation of the real recipients of the program. The vote also was 6 to 5 which is clearly not a mandate for ACT. I would like to comment a bit on the purpose of financial aid. I think financial aid counselors often ~~find~~ speak to financial aid serving needs - essentially three different needs, the society needs, student needs and institutional needs. And in the case of the State Scholarship and Grant Program, of course, it is to serve the state of Minnesota and the state Commission office. There are others, the high school counselors, the parents and any other number of groups that are involved in this. The state scholarship staff has stated that they could work with either system. And I think that has been

evidenced this year that either system works. We have had some problems in the past in the State Scholarship and Grant Program, primarily one of tardiness of the awards. This year using the CSS and a computer analysis renewal awards or 85% of them or so are already out for next year. And the Commission staff should be commended for that.

PRESIDENT GOLDFINE: That's the first kind word that has been said. I would like to make a note of it.

JAMES L. HAUSMANN: Addressing these other needs, I think we've heard Don Johnson say that ACT system might have a better analysis of low and moderate incomes - we're given a more realistic picture of their needs. I don't know that any of us have seen enough information to give a good sound statistical information on that; our Committee looked at a sample of a few cases and it did show in many ranges that there was a difference in need in these two systems. And that is an important point. I have a feeling, however, that one of the greatest benefits of financial aid is to give some money to students, and whether or not the need under the two systems comes out with plus or minus $200 difference - when you apply the state scholarship and grant formula, you're in many instances talking of 50 to 100 or maybe even rare instances several hundred dollars. But in most cases just a few dollars it would involve $50 - $100. I think spreading money around, because if more people get the aid with the advantage, I think really that both systems can serve society in a like manner. When you look at the student's needs, again both systems will analyze their need. However, the colleges also have to look at the need, and we administered on our campus six or seven times as many dollars for our own students and we've covered the dollars that we have and we want to spend them where they will do enough good. So we utilize an eyeball review of these applications. It's the feeling of myself and the majority - I'm sure that the people who preferred the PCS, that the PCS, excuse me, let me explain. The College Scholarship Service form is the Parents Confidential Statement, the PCS. There you get the original document that the parents filled out and you have their own narrative of special circumstances. You can look at this - you can reflect on it, and a professional aid officer at that time can make

judgmental decisions on the basis of the information that he has. So that we prefer this on our campus. We realize that running a program with the magnitude of the State Scholarship and Grant Program that you cannot afford the staff nor the time to do this eyeball review. We can - we must do it. So that I feel that the students' needs are served best by the PCS and at the same time the institutional needs are served better by the PCS. The private colleges to a great extent and I am sure many of the public institutions also, have a significant number of out-of-state students. In our case about 35% of our students come from out of state, and the PCS is by far the most common financial aid application in the country. So if we have applications from New York, New Jersey or the West coast, they're filling out PCS's, and if we at that point not use a dual system of awarding aid there are going to be inequities within our own system if we're awarding some aid to some students on the PCS and others on the ACT form. Even within your own state, you might have brothers and sisters coming in on two different forms. I feel that we have to have an opportunity to remove barriers for students to come to college, and if we're asking students to fill out two forms we're simply putting up an additional girdle for their entering school. We've heard something about the cost of the two proposals and the difference in that. There is a difference in terms of the cost of CSS versus ACT. But I think one also has to look at the cost of the institutions fuel us for a change from one system to another; from our own institution which is relatively small I would anticipate that we spend at least $2000 just in computer time and getting our system changed to go to ACT from the PCS system. So if you multiply that by those last number of institutions in the state, you're going to have a very significant amount of money that is going to be invested for simply a change from one system to another. I guess I would summarize this by saying that I would be in favor of any change if there were distinct advantages to the change. As I see, there are only disadvantages in terms of cost to the institutions. I believe you have the testimony that was submitted by high school counselors principals which showed that their favorite was the PCS system. I guess I would have to when I honestly say that intended to discredit much of the testimony that was presented in those.

But the high schools are also familiar with the PCS system. Representative Fugina has indicated that he thinks it is more complicated than the other one. I am not sure of that. It may be. But we're talking about millions of dollars and I think we need a refined tool. Finally I guess I would address myself to something else that this Committee has done. They have recommended the abolition of testing as being a selection criteria in the scholarship program. I think it's a bit unusual in the state scholarship program to base this entirely on high school rank. You're undoubtedly familiar with the differences in the size of schools throughout the state in that rank begins to lose its significance in some of the smaller schools. Another thing, and I look at the female members of the Commission and destined to continue but it's very evident that women and girls will do better in high school in terms of high school rank, and already they have been the recipients of a majority of the state's scholarships and grants. And if we eliminate testing, women's lib will have another giant step forward. I realize there have been problems with this in the past in terms of testing under the Statewide Testing Program. MSAT was free to all students; it had its drawbakcs and it was changed so that PSAT and now we're getting into - if you will allow me - PSAT and SCAT are given one is free and one is charged for. There are, I believe it is on your agenda for today to talk about the possibility of the state and the Commission handling this statewide testing and paying the fee for those students who want to take the PSAT test. I feel that we need a test, and I do feel that it can be accomplished without delaying the state scholarships and grants next year for the state scholarships. Test scores are available in the spring so that we have the whole summer to get things in shape and ready for the state scholarship applications in the fall. Again speaking to this committee of financial aid officers I don't think we are that knowledgeable about testing, and I would like to just bring up my minority report on that that we really need testing in the state scholarship distribution.

PRESIDENT COLDFINE: Are there any questions? Thank you very much, Jim.

MARGARET K. WEIGEL, COLLEGE OF ST. TERESA, WINONA: - I represent the private colleges. Now I think you can see they can very well represent themselves. I have attended a great many meetings here so and entered into many, many discussions about the relative merits of testing by both the College Board and ACT and now we come to the Financial Aid - we have the same dichotomy between the two systems. And I would support everything that Jim said except the one thing - I have made the motion to go with rank. Since I have thought that there would be some delay in deciding whether there would be a statewide test or not or just what sort of test it would be, and I thought it might delay the work with the students. The high school rank is still considered probably the best indicator, and I have some questions and doubts as many people do, about equating exactly the high school rank with the test. If there were some rating of the high school rank above the rating of the test this might be a much more fair procedure. However, are we going to go back to the needs analysis - I think we certainly have felt that neither system is an absolute giant, and either system is good. Either system will serve it very well, and from what I can understand about the cost as we heard them mentioned to us, they would be relatively the same and the students would pay about the same and the state would pay about the same in using this service. And as Jim has mentioned, in switching there has to be some other sort of consideration which would mean that cost, even I imagine, for the state office would be increased in a change. And certainly those of us who have used the CSS system for many, many years would have costs. Now, we do feel that we do have a rather strong statistic in favor of CSS. Now this is what I heard from one of the presentations. Over 87% of the students entering institutions served CSS. Now that's a rather overwhelming familiarity with that particular system. If those students are to renew and the families are familiar with this, they're going to have to use a new system if we switch to ACT. And for those people who say it is easier to fill ACT forms over the CSS, I find it difficult to see it. In the one page you use figures for words and in the other case you do something with bubbles as I see it on that form. Now whether you mark x's or - someone can better explain this. Beyond that, it seems to me any needs anslysis system is going to be diffcult because first of all parents have to collect

the information and get the data. For them to get the data together would probably be the most difficult thing they have to do. Then to put it on paper. Either system I would think would not be that difficult at that point. Now in the collection of the data I think you should be very much aware that the CSS has a superior self-edit on the material that's given by the parents. So that the less chance for errors and for that effor to be perpetrated throughout the system, as I understand it, the ACT takes what the parent says and there isn't that kind of editing going on. Now is you have 87% of the students entering institutions served by CSS that is as uniform an instrument as you are going to get. CSS serves now 18 state programs including the Iowa program, which is the home of the ACT. Now in view of all that we have heard, we come right back to the question of why change since change does take time and effort and is difficult. And I listened again to see what I could hear which would be an overriding reasong for making the change. And the only one I could hear is this - we're going to get more monmy. I don't know whether this is a good reason or not, the idea being if you go to ACT the parental contribution will be less. If that's true, and this is not proven, there is a limited amount of money, I mean you appropriate to a certain amount of money. All right, if that money goes to fewer students because those students are going to get more money, then you're going to come out of it that are applying. Now, Jim mentioned also that there is very little difference actually that we can find. The middle income is going to be in a crunch no matter which needs analysis you use. But actually, for some of those things you can spot check, you find only a difference of $100 or $200 if what should be the parent's contribution. So that we feel that many, many students are being helped, of course. But we do find that there are middle income families that are in trouble. Another thing I would like to mention is while our advisory committee voted, it is like a senate vote in that it doesn't represent vote for vote a number of PCS users. Probably the five who voted for CSS represent the majority of CSS users. Also, since I am supposedly representing the private colleges, I have polled them. And I say poll because that is simply what I did, and to a person they were referring to CSS system. Now I think what we all want is what is best for

the students, but I thought these remarks should be made. Thank you very much.

PRESIDENT GOLDFINE: Margaret, one thing that disturbed me about the large 87% maybe that wasn't the intent of the legislature to give 87% of the monies in the way it is being distributed now. As our program expands, I doubt if that's the intent. And I don't want to pit private colleges or the University against any other system. I am not interested in that. But I would doubt in my short time in this office and the short term I have been on the board, I don't think it's best to say that 87% of the beneficiaries are those that are using the system, because I think that's not what was intended by the legislature. And I think this Commission has a responsibility to implement the intent of the legislature.

BARBARA CLARK: Erv, I think you misunderstood what she was saying

MARGARET WEIGEL: 87% of the students entering institutions using the system were scholarship recipients

CARL KROENING: You said that was hearsay. That's whatrI understood you to say.

MARGARET WEIGEL: This is a figure from the College Scholarship Service. I said I heard because I have been going to all of these meetings and I haven't gone back to check the books for the source of material. But this was proposed, and also the fact that something like 2 million students across the country are served by CSS. So that if you are having students from out of state, you are going to have two forms.

CARL KROENING: Mr. Chairman, perhaps you could respond to this question on my part. I have been on the Commission for about three years and I have heard nothing but complaints against that other form. You know - we need a simple form, etc., etc. I have heard nothing good about that form until recently. Why is that?

MARGARET WEIGEL: Well, I don't know who has been speaking with you in giving that information. I have heard this information constantly of a simpler form. And if you look at both of them, it is very difficult to see that any one is simpler than the

other. I feel that any needs analysis from the state has to be complicated; it has to collect information. And what is most important is that parents have to pull it together and that is what they don't want to face.

CARL KROENING: I understand that.

MARGARET WEIGEL: Probably those of us who have used it - we want to help the student every way we can. Where there is a question of need or whether we feel the needs analysis hasn't come through in the way it should we do from CSS get additional documentation. We get the whole story. We get a copy of the PCS, we get a supplement if they have a business of their own and we get a printout. From the ACT you get a single sheet which is the printout - it gives you no other information. We would seriously miss that.

EMIL ERICKSON: Just so the misleading impression is not carried away, the student preferences here have not been consulted, so that no one should get the idea that CSS is the system preferred by 87% of the students but by financial aids officers from institutions who represent 87% of the students, which is quite a different thing.

DONALD HAMERLINCK: Mr. Chairman, the term "middle income" is used quite often. Would you care to give me your own definition of what constitutes middle income?

MARGARET WEIGEL: Well, I suppose middle income is around $20,000 now. The Federally Insured Student Loan Program still talks in terms of an adjusted $15,000 as a sort of a grapevine when you look at needs there. It is very difficult to define when you have a number of children involved.

DONALD HAMERLINCK: Well, then if there is some difficulty in finding middle income, then that should be the group that you say is neglected - somewhat neglected. Do you think that one system or the other will aid the middle income family?

MARGARET WEIGEL: Well, each year the needs analysis systems can change the curves, and they can swing them in different directions. Now, the year before I think you may

have heard that CSS was very hard on the assets. And so this was changed, and so not so much is required from assets and added to the affected income of that parent. So there are variations from year to year on how the needs analysis system works. Now there are other people here who know a great deal more about the curves.

PRESIDENT GOLDFINE: I would like to take some prerogatives of the chair, if I might. I would like to call from some of the other systems now, because I think we have heard from the private college system and I think we have heard from the community college system, and I would like to know if there is somebody here from the University.

PHILIP F. MORGAN, UNIVERSITY OF MINNESOTA, MPLS: I am financial aid counselor at the University. I would like to say a word or two in behalf of the College Scholarship Service need analysis system. We have used that system for a number of years and in the past couple of years we have also used the ACT need analysis system for part of our processings. So we have had some experience with both systems - considerably more, of course, with the College Scholarship Service. We feel that CSS has done a good job for us over the years. We like their work. We feel that we understand their system. We like the fact that we get the original document the parents have filled because we use that in counseling with students and families about (end of tape) amount of money. It seems to us that it is easier having this original document to talk with students and their families about this. We have observed that the State Scholarship and Grant Program is ahead of schedule this spring, and since they have already sent us their roster of renewal recipients and we're not only ahead of schedule but have had a higher percentage of completions or results on their first round of awards than they predicted, and so we feel that the College Scholarship Service is also serving the state well. Our preference is to continue with the College Scholarship Service needs analysis system.

PRESIDENT GOLDFINE: Thank you. Does anyone have any questions of the University?

BARBARA CLARK: Yes, I have heard that if the state did change to the ACT system

that the University would change from CSS to ACT. Is that not correct?

PHILIP F. MORGAN: We have not concluded yet that we would change if the state changes. I'd reckon Mr. Lewis would consult with the branches - Duluth, Morris, Crookston, Waseca. The conclusion could be drawn that at this point we have not concluded that we would change to ACT if the state changes.

DONALD C. HAMERLINCK: I thought we were indicated to previously that indeed the University would go whichever way the decision went.

PHILIP F. MORGAN: That was a possibility, but I would say that we have not yet drawn any conclusions.

CARL KROENING: Mr. Chairman, what is your most serious objection to ACT?

PHILIP F. MORGAN: I personally haven't had that much experience with ACT because I don't work with the health professions financial aid applications at the University. I think probably the most serious disadvantage is that since in our operation we have and have had for some time an emphasis on counseling with students and families that we find yet more difficult in talking with students and families not having the original document. The report we have from ACT, while it is a good report and complete, it does not show us in a direct way all of the details of the family situation that in some cases it is helpful to know.

JACK LYNCH: Would you find it real difficult to work with the ACT?

PHILIP F. MORGAN: I think we would be able to work with either system. As I said, we have been working with both systems, and as I say, our preference is to continue with CSS.

EMIL ERICKSON: I don't mean to be offensive about this, but is part of your preference that you are accustomed to CSS and therefore to change over would require a retooling of some of the things you do and this is difficult to do and time consuming?

PHILIP F. MORGAN: I am certain there is a measure of that in our thinking. Of course one of the things we like about CSS is simply that we are familiar with it, that we understand it, we're accustomed to using it and we're able to explain it to people.

EUNICE JOHNSON: Would that also be true of high school counselors and other people who are working with it then - that they're familiar with it and therefore can do a better job?

PHILIP F. MORGAN: I cannot really speak in behalf of high school counselors, except to say that I am also a member of the Advisory Committee from the Minnesota Assn. of Financial Aid Administrators and so I have seen the letters that were sent in response to Dale Smith's request and, of course, in terms of numbers they seem to indicate that high school counselors favor the CSS. And I guess having read all those letters I think the ones that prefer CSS do that on the basis of familiarity.

PRESIDENT GOLDFINE: Are there any further questions?

HARDING C. NOBLITT: Yes, would there be a possibility that if the change were made it would require both - they might continue with CSS in addition to ACT?

PHILIP F. MORGAN: I guess I wouldn't see it as us requiring both. I'm just saying that if the state requires ACT, that if it is possible, that would continue to require CSS.

PRESIDENT GOLDFINE: Do you have any further questions? Barbara?

BARBARA CLARK: Yes, I have one last question. If parents should have to fill out both forms, would you agree that the difficult thing is gathering the information and to put on the form and that the actual putting of the information on the form takes somewhat less time than the information gathering. If parents were required to make out two sets of forms, how much more time would be required to make out the

two sets?

PHILIP F. MORGAN: I am not really sure how to answer that. I would assume that the family has gathered information for filling out one form that it would not be so difficult to use the same information for another form.

PRESIDENT GOLDFINE: Do we have somebody here from the State College System that might speak?

JOHN SCHULLO, BEMIDJI STATE COLLEGE: I am a member of the advisory committee for Bemidji State College where the air is clear and the water fresh. Because of that we have a little different approach to things at Bemidji. We have always conducted our own needs analysis - our attempt since ACT began their need analysis in 1968 was aim somewhere between the 2 of them. Last year we received information from the Department of Health, Education and Welfare that we had to choose one of the two systems. We could have come up with our own and presented it, but they more or less discouraged that. So we set out to analyze both systems. We took our own approach first. We sat down and took the family's adjusted gross income and we started chipping away at that by subtracting the federal tax the family paid, the state tax, the social security tax, any supplemental retirement that might have come out, the amount of sales tax they reported on the tax forms to chipping away we got down to what we've got with their take home pay. After that we started to look at what they were paying for car payment, rent, etc. We got down to what was left over for their education. We were in for quite a surprise at that point. One problem we did encounter in developing our own system was how to handle net worth of the family which is a federal requirement. So we looked to the other two systems for help. We liked best of all what we saw in the ACT system - the complications of how they bring the net worth into the picture I won't go into, but just simply say they handled it in what we thought was a fair and equitable manner. So between the

two systems we saw that the one we were developing independently was paralleling quite closely to the ACT system. So we decided to swing to ACT for this year - the first year we have ever been on a commercial system. Needless to say, we prefer it if we were on our own system for one very simple reason and that is savings that we can pass on to our students if we had our own system. For example, last year doing our own need analysis on our own computer we saved our student body $14,000. This is money that would stay in the state if we had our own need analysis. But that's not the issue at hand today. I used the same approach and took the information we received from Dale Smith's office this past week. This information was simply a list of scholarship and grant recipients for next year - very exciting to get that this early in the year. I started about with about 5 cases using that same approach. Looked at a case from Hibbing, Minnesota - family with adjusted gross income of $9,536. Their take-home pay got down to $6,762. After they paid fuel, electricity and telephone, etc., we found that their remaining income at the end was about $1,412. The reason it was so high was because they have no house payments. They didn't have much of a house to begin with, however. The CSS need analysis expected $390, the ACT $177. A case from Bary, Minnesota - $11, 277 adjusted gross income. Take-home pay, however, after taxes, brought them down within $2 of the family I just cited - $6,764. This is where at Bemidji we call the middle income family about $9,000 to $12,000. Students at Bemidji, like most of the state colleges, I believe, if their family income reaches $15, 16 to $20,000, they're probably not qualified for any financial aid unless they had a large number of students and people in the family. Anyway, this particular family from Bary, Minnesota - the remaining income after we took out the fuel, electricity, telephone, auto payment, house payments, etc., clothing, medical, was $44, The CSS expected $210 and ACT expected 0. A family from Cloquet, Minnesota - $9,982 family income. CSS - $580 and ACT $550. A family from Amboy, Minnesota -$9,280 - take home pay $6,514- CSS $880, ACT $650. I think $650 was a little unrealistic when they saw after

looking through their family expenses - they only had $274 left over. So this is the approach I took to it and I don't know by what miracle this family could help their child $880 let alone $650. This family, incidentally, in that particular case, said they were willing to contribute $300. It's rather interesting - they had $274 when I got through with deductions. They say they could help $300. Another very interesting point in this comparison between the CSS and the ACT systems is to look at what a family of about $7,214 (for some reason Bureau of Labor Statistics took that family and called it a lower budget. It's interesting what percentages they're spending on food, on housing, on transportation, on clothing, on basic necessities of life. For example on the family of $7,200 they're spending 34% of their income on food alone, another 26% of their income on housing. Okay, here's where we would call an intermediate family, a middle income family according to Bureau of Labor Statistics using the same figures. A family income - $10,971 - 29% is spent on food - 31% on housing. You can see it is beginning to diminish now, the amount spent on food - the percentage of their family income. The higher budget according to Bureau of Labor Statistics - $15,905. We do see a few of those at Bemidji State College. 27% of their income is spent on food. 33% is spent on housing. I think just those figures are enough to impress upon you that the lower income families are spending a greater percentage of their income on bare necessities of life and yet when comparing the two needs analysis systems we can see that CSS is expecting more from this lower income group. Another interesting point - this past week dated April 1974 I received a bulletin here, FINANCIAL AID NEWS from the College Scholarship Service which indicated they updated their cost of living index - consumer price index. They have incorporated the 7.7 percent change in figures. So I went to the library at Bemidji State and I think we have some of the same books as anybody else would have Consumer Price Index - looked at it from March 1973 and compared it to March 1974. Looked at some items here as far as what inflation is doing to these families and where it is hitting them finding some very devastating things happening. For example, the overall consumer price index from January 1973

to January 1974 jumped 12%. Food jumped 25.2%. Rend jumped a percent up in the twenties. The cost of gas and fuel jumped some 50 some percent. These are the basic necessities of life for the lower income family. They may be absorbed by the upper income family. So It didn't take long to conclude what system here was a more realistic system. A couple of points which I should like to make before I leave here. We heard that more schools use the CSS system, therefore we should stay with that. I think that would change if we adopted a different system. I think in those statistics that show that more schools are using CSS figure that you're going to find some schools such as Mankato State College, St. Cloud State College, Moorhead State College, etc., they are now using the PCS form. They are all indicating they are going to change to the ACT system when the state does. So you're going to see some changes. We've heard that if we used a more liberal need analysis system we could get rid of all the money in the pot faster and therefore there isn't enough to go around. Apparently this is the feeling I picked up here anyway. It occurs to me that what we're really talking about when we talk about a need analysis system is not a rationing device for money as much as a realistic picture of what a family is really able to contribute after we deduct the necessities from that family. And this is the whole point of a need analysis system. It's completely independent of how much money it is going to cost. It's me talking to mother and father and the child that wants to go to college and telling them what we're expected to tell them. And for a $9,200 family income I'm supposed to tell them $880, well that fellow would probably pick up a chair and hit me over the head. There is no way that family can break loose out of their take-home pay $880. Okay, we've heard the words no advantages of one system over the other. I think certainly what I have said here - there are advantages.

PRESIDENT GOLDFINE: Are there questions from members of the Commission?

DR. EDGAR CARLSON: Might I ask - with respect to this one where you said the $650 was also unrealistic, now from what I hear other people saying is that they would have the original

of the one that said $850 and could decide that it was unrealistic, but they would not have the original or the $650 so they would not know that it was unrealistic.

JOHN SCHULLO : What Margaret referred to is the basic document that the family submitted to CSS, the basic document where they reported their federal tax paid their adjusted gross income, all of these items I have been talking about. ACT - the college does not get that document. However, it was pointed out that by Mr. Willis and I spoke to him and I know others have on that subject that it's quite easy for you to ask the family to provide you with a xerox of the same document they provided to ACT and you could have that information.

PRESIDENT GOLDFINE: Are there any questions? Thank you, John. Next, we would like to call somebody from the AVTIs who might speak to it. Before we start, I would like to thank the Wadena Technical Institute.

HORACE OLSON, JACKSON AVTI, JACKSON, MINN.: I am the student personnel director and I guess financial aid officer for the vocational school at Jackson. Now, compared to some of the other people who have talked to you, I am kind of a neophrite in terms of financial aid. I guess it has only been about four years possibly where really people in my position in the area vo-techs have been getting involved in the financial aid picture. I guess I would like to begin by making the statement that I would like to commend the legislature and your Commission and on fostering the growth of the Minnesota State Scholarship and Grant Program in the adoption and implementation of the Minnesota loan program. I think there have been tremendous advancements in terms of financial aid resources to the students in the state of Minnesota no matter where they intend to enroll, and, of course, in the last couple of years we have seen great improvement in the amounts of money and the number of recipients of scholarships and grants in the AVTIs and the way things look now with the number of need analyses I am receiving and the number that indicate that they have applied for the state scholarship and grant program, I can see this growth continuing in the future. I think this is

tremendous. As I say, we only became eligible really for some federal financial aid programs and for the state scholarship and grant program in the last several years. In working with (?) essay and attending the hearing of the advisory committee and talking to other people I have some recollections I guess I would like to make to you some statements. First of all, one of my concerns is really the improvement of data collection for the State Scholarship and Grant Program, and an upgrading of the time schedule for collecting and analyzing data, determining awards, notifying recipients of the awards and then also concerning the payment of the awards to the recipients, and I guess there have been problems in the past with this. I think it is a little illogical for a notice of an award in August perhaps, and then to have to wait until February to receive the initial payment on that award. I have people from September 1 until February this year walking in every other week saying -"is my money here" and I have to say, "No, you have to wait and be patient." So I think this is a fine factor. Anything that can be done to improve the system, to back up the time schedule and to get the money out to the recipients at a more logical time. This is important. Now I've heard discussion of the need analysis systems and which would be best for the State scholarship and grant system. This controversy was going on for a couple of years. I remember a hearing about this time a year ago with the same problem we are talking about now was May. And I guess another concern I have is that whether I am on the winning side or the losing side - something is settled once and for all. I think the controversy has dragged on long enough. Specifications were submitted to CSS and ACT to develop proposals for data collection and proposed need analysis system to be used by the State Scholarship and Grant Program. In my opinion from what I have learned of the proposal, I feel the ACT proposal is a superior proposal, and, of course, it was offered at a considerably less cost. Speaking for the vo-techs we have received much more in the way of training in the last three to four years. I am talking about the people who have been assigned the

responsibility for financial aids in the vo-techs system. We have received much more in the way of in-service training, workshops materials to try to help us to become professional in this area from ACT than we have received from CSS. I guess I for one appreciate the efforts of ACT to try to bring us up to at least a minimum quality of expertise in this area. I have a concern that ACT does better treat middle income families. In my limited experience I have become more and more concerned working with need analysis that the middle income family with a guy on a salary of $10,000 - $12,000, $14,000 - $15,000 a year is really taking it on the chin. He is really being treated in an equitable fashion. That is very much a concern for me. I feel that ACT is a much more logical treatment for these people. When the vo-techs got into the financial aid business, so to speak, several years ago, we had another meeting of the people who were assigned responsibility and trying to look at both systems in a logical way, we finally sort of adopted ACT, and we have suggested from day one that there are students who use the ACT system. I think one of the main reasons for that is in looking atrthe document the family prepares, we felt that the document was more simplified with ACT, and I guess we felt that we poll students from kind of a different type of family situation than perhaps than the colleges and the University of Minnesota do. We also felt that these parents were much less sophisticated perhaps in handling documents of this type applying for aid. So we felt that the simpler document at that time was very necessary to encourage people from the families who reared our students to go through the process. I would guess that I would say that it is still simpler and I think that's a factor for us. I am concerned that after your staff gave specifications to both agencies and ask them to make proposals and when the proposals were submitted a week or so ago through the advisory committee that after the proposals were submitted there were some basic changes made in indicated cost by one of the agencies. Maybe this wasn't the bidding process, but I guess I reacted during that meeting to the fact that one of the agencies said, well, we made a mistake on postage cost estimates and that can be cut in half and some changes there. There has been the argument

that more schools are using CSS. I think the state scholarship and grant program and the growth of this program has dictated this. For instance, although we prefer and have always preferred ACT, we have accepted both because of our students getting involved in the state program. A year ago 80% of the applicants for financial aid at my school submitted ACT applications, and 20% submitted CSS applications. This year it is exactly reverse. 80% have submitted CSS and 20 % have submitted ACT. Now the basic reason for that is the Minnesota State Scholarship and Grant Program, because of the majority of students who have submitted CSS, almost all of them have listed the Minnesota State Scholarship and Grant Program on the application. So, the scholarship and grant program and the growth of this program and the fact that counselors in high school are making students on all levels going to all institutions more aware of the resources available, has created a lot of this growth and has sort of forced students to accept and fill out CSS forms. I really feel this way. Data on the preference of high school counselors toward one system or another - I feel it not particularly valid. In my position I am also admissions director. I go to many, many career nights. I visit about 120 high schools within about a 100 mile radius of our school every year. I talk to counselors in these high schools in southwestern Minnesota. The feedback I have gotten back from counselors is that they're not particularly - they don't particularly favor one system or the other. The thing they're most concerned about is that an apparent equitable system is arrived at that will enhance the chances of the students to get awards at a reasonable time and, I don't think, the majority of counselors I have talked to anyway, at least Southwest, really have stated a preference of one over the other. They say, well let's get the problem settled. They're concerned about the number of applications that their families - their parents have to submit to try to receive aid from the various types of aid programs. And when a parent has to submit two or three or four need analysis different systems and all the application forms for Federally Insured Student Loans and for institutional application, this sort of thing, the paper work gets to be a little absurd. The counselors I have talked

to, I think feel pretty much this way. The private college people have stated that they would face many problems, you know, if there was a switch because they probably would have to handle two forms. I guess I would have to say that the vo-techs have been forced by the present system to handle two forms for four years, and I'll leave that statement as it is. As far as the majority of recipients being found in the private colleges and the University of Minnesota, I think we'll see changes in this too. As I say, our recipients at our school are more than doubling each year, and I think this will continue. Based on the number of applicants, the number of CSS forms that I have received that indicate application for scholarships and grants students coming to our school this year, I'm sure our percentage of students winning these awards will increase greatly over this year next year. So I think we're going to see some changes in the numbers and amounts of our scholarship and grant money going to our students who are attending various types of institutions. Again, I guess I am biased. I feel that ACT is the best system. I feel that they can more realistically meet the demands that the staff of the scholarship and grant system has indicated they want met. I feel there are definite benefits to students and parents in being required ACT rather than CSS, or rather than both perhaps and I believe I speak for all the people in my position at the vo-tech school in making the statements I make.

PRESIDENT GOLDFINE: Thank you, Mr. Olson. I would hope that the one statement you made, though, and we all can agree on whatever we do this year will be final that we'll live with it, and we'll try to clear the air. Any questions? I would like to recommend that those who would like to speak would speak for 5 minutes. I was at a Senate hearing in the last two or three days in Washington, and that's the limitations they place, and so I think that everybody should be heard, but we should try to make a limitation from now on. Community College System, please?

BANNING HANSCOM, MINNESOTA COMMUNITY COLLEGE BOARD: I am director of student affairs for the Minnesota community colleges. I am not currently a financial aids officer. I was a number of years ago, but not really acquainted with all of the specifics of the program. There are a number of people that could be here from the community colleges today that are financial aids officers that I think could give you all the pros and cons and go through all their feelings on both of these programs. Now they are not able to be here today. I think they could probably do it as adequately as any of the other persons have done who have also done a fine job. All I would like to say is that in the communications and in the meetings I have held with deans of students who work shoulder to shoulder with the financial aid officer, there is at this point an overwhelming support for the ACT program on the part of the community colleges, and I won't go into the specifics. Again, if you want specifics from a financial aids officer, Don Johnson is very informed on that, but I just would like to give you that feeling that comes from the community colleges, from the deans of students, and from the financial aids officers.

PRESIDENT GOLDFINE: Any questions? Thank you very much. I think we're now into the area of general testimony.

EUNICE JOHNSON: I guess I am one of the people here who has had something to do with CSS forms and all kinds of things like that. Bruce Gray is in the back of the room. I am glad to see him there. He knows more about my financial situation than I do. I would just like to ask him and anybody else who cares to respond what about the farmer and the small businesseman who has this fantastic capital investment for the apparent size of his operation and for the small income he really gets out of it. My husband would have liked to have been here today, because he is very interested, but couldn't be. He said that last year we got the benefit of a few good prices and paid some bills, and our income had been considerably more than it had been for a few years and that the ACT would have killed us, because he assumed that that took

into consideration some very bad years a couple of years ago, some things like that that we still got some _____ state scholarships. Bruce, would you care to respond to that. Are we wrong or would somebody else like to challenge it?

MARLENE PINTEN, LINCOLN HIGH SCHOOL, BLOOMINGTON, representing Minnesota School Counselors Assn. I think there was some reference made to letters received prior to the initial hearing by the Advisory Committee which indicated that the _____ were in favor of continuing CSS. The counselors had no knowledge at the time the letters were written of what the proposals actually were. Since that time we have been contacted and received our full packet of materials and presentation made by ACT. I might mention that this is indicative of the cooperation we always receive from ACT, whether it is in relation to testing or whether it is in relation to financial aid. They have always maintained close contact with counselors and involvement in the advisory counselors workshop. They asked for our suggestions and the key factor is that they implement our suggestions. I have talked to many counselors and have found none that have never had this type of personal contact, or any personal contact with representatives from CSS. So, we may be biased a bit, because we do have some cooperative effort at the present time and it has - and it looks as though it would continue with ACT. Having their proposal in hand, a group of counselors did study it and we found that it was very concise, very clear. I agree and the counselors who were in the meeting agree with many of the points that have already been made. The forms do seem simpler for the parents to fill out. Their system for distribution is excellent and it will reach more students than we have been able to reach individually. The time line is excellent. They have built in a feedback to counselors so we know which students have applied, and if they have not we can follow up and do the work in our own home schools. The quality of aid - that question has come up repeatedly and it is our feeling also as we work with the students that it is not seem to be realistic what is coming back from CSS.

I heard someone say it doesn't make any difference in so far as there may be a couple hundred dollars difference between the forms and what the family can contribute. But I could speak personally that often times this is a major factor, and many students do change their educational plans because of just a few hundred dollars difference in what CSS says they can contribute. They cannot come up with that extra money. So the counselors do feel that this appraisal of needs is more realistic with ACT. I do some financial aid work with private scholarship foundations and I have worked with the financial need analysis form of PCS to a greater extent than most counselors do. And I, from my personal experience have found situations similar to the cases that were presented by the gentleman from Bemidji where I really wonder how they arrived at this figure that they feel the family can contribute, and I know families, and I know that they simply cannot do so. Materials that would be going out are very complete and the materials that would be offered to the counselors for use in the interpretation of the ACT program to parents and students are excellent. In summary, I would say that - also one more point. You indicated that we do get the 87% of PCS, and I don't give out ACT family financial statements because it means giving out a double form. And so if an institution says either or, I always go with PCS, because that would mean then, as I indicated previously, most of these same students are applying for your scholarship and grant-in-aid program and this way there is only one form instead of two. I think our only hesitancy in recommending ACT would be that we do shudder a bit if we considered the possibility of parents having to fill out both forms. I guess we're optimistic in thinking that the state scholarship program would go for the ACT package. One by one the other institutions would begin to accept this on an either or basis. This is what happened in the testing program. At one time in the state all private colleges required the SAT, the CEEB test for admission, and the public colleges required the ACT. Only one private college fell off the bandwagon and said they would take either or, and before long all of the colleges followed this rule with the exception of Carleton. This problem was solved. I

believe we're optimistic that this would happen with the financial aid program as well. If this did not happen, it would be a concern because there would be duplication of whether there would be tests or whether there would be financial aid applications, we feel that unreasonable.

PRESIDENT GOLDFINE: Marlene, you're from where?

MARLENE PINTEN: Lincoln High School in Bloomington.

PRESIDENT GOLDFINE: Could I ask you a question? Are you getting our Newsletter - did you get our last Newsletter?

MARLENE PINTEN: Yess.

PRESIDENT GOLDFINE: Are we mailing the Newsletter to all counselors?

PHILIP LEWENSTEIN: To all high school counselors.

PRESIDENT GOLDFINE: Do you think we could get distribution of your forms to students - this is the area that seems to be -?

MARLENE PINTEN: Under the present system it has been in the hands of the counselor to distribute the forms, and you know you make the usual announcements for the new school bulletin, etc., but you still find that not all students are responding. Sometimes what they do is go down the list of the students and see who has not picked up a form and go out and find them and ask why they haven't applied. But every counselor may not go seek new students. And this is difficult. As I understand the proposal, mass mailing will be done through the statewiding testing bureau. Now you will miss some students there at the present time. Yet you will be having a direct mailing to a very large majority of students within the state. On the Newsletter I wonder if you address it to the counselors or to the principal. Now the notice of

hearing and the notice to send in written recommendations I got the day after they were due because first the letter goes to the principal and then by the time he gets through with it and sends it to the counselor, it's a little late.

PRESIDENT GOLDFINE: I would like tol have the list checked, because it bugs me that we're always going to expend some work. This is kind of disturbing. We don't have to get into it, but I would like to have some method tested.

PHILIP LEWENSTEIN: The list we are using is one that I got from the Financial Aids Division that they use to send out their mailing to the high schools.

MARLENE PINTEN: You should have a listing of every counselor in the state. We get mailings in various ways. Sometimes it just says "guidance department". Sometimes it says "principal or counselor". In some instances it has "superintendent".

PRESIDENT GOLDFINE: Thank you. Are there any questions? May we have an answer to Eunice's question?

?: I guess I would not like to get into a discussion of the system and the internal involvement of the system. I prefer to talk to Eunice afterward about her particular case. But, generally

EUNICE JOHNSON: I was just trying to give us an example.

?: No question about that. Farmers are making more money, and based on that the needs are going to go down.

EUNICE JOHNSON: But what about the long-standing capital debt?

?: But you are going to have an income this year.

PRESIDENT GOLDFINE: Let's continue on to the next person who would like to appear.

LEONARD WENC, DIRECTOR OF FINANCIAL AID, CARLETON COLLEGE, NORTHFIELD: I would just like to make a short presentation. I think the Commission is in a dilemma. I think to choose one system or another and not to recognize the problem it is going to cause for somebody else is unrealistic. It seems to me somewhere along the lines some trade-offs are going to have to be made. By the very nature of the state scholarship program where it cannot exceed one-half of a student's need testifys to the fact that half of the student's need that the state is not needing is going to have to come from somebody else. If that somebody else by and large is the institution - so that dismiss the fact that a large percentage of the students in the program currently attend certain types of institutions cannot be dismissed lightly. So there is the interrelationship between the student and the institution and the Commission. I think I would be willing to make a trade-off, and I think there was a fair presentation in how the systems were going to be chosen. But I think the closeness of the vote recognized that you must recognize by the closeness of a vote that they are in a serious dilemma. I believe the application for public assistance should be simple and with no cost. You don't charge anybody a fee for a social security card. Because a change in a need analysis system will necessitate parents and students to fill out two forms, and they will have to fill out fwo forms, it certainly does not promote but rather hinder the student's search for necessary financial resources. The added cost to the parents and the student all compounds the issue. What am I recommending - I am recommending two things: that any change in the need analysis sytem be accompanied by an early notification date of February 1 of each year for both renewal and initial year state scholarship and grants. So that would take the sting out of the many changes I will have to make and my colleagues will have to make. It seems to me if I could know what amount the student is going to get early enough I would be willing to make some sacrifices. My second recommendation to the Commission is that the Commission pursue the necessary appropriation that will cover all costs of individual application so that to make application for the state scholarship and grant program cost free.

CARL KROENING: Mr. Chairman, I have a question. The gentleman is asking an impossible task. We can't in any way tell you how much the student is going to get, because the amount of money we have is divided amongst the number of students who are eligible. Am I wrong in that?

LEONARD WENC: No, I'm just saying I don't care you divide it. Just tell us who gets what.

CARL KROENING: That's just the problem, friend. We can't because there is a certain amount of money that is appropriated and it depends upon the number of people who have the need and we can't determine that.

LEONARD WENC: You just told me what my renewal applicants are going to get last week.

DALE SMITH: The deadline was February 1. We would have to move the deadline further back into the fall to accomplish this.

BARBARA CLARK: How far back?

DALE SMITH: November 1.

PRESIDENT GOLDFINE: Len, there is one thing you must keep in mind when you're proposing February 1. The type of institut ion you represent would represent the type of person more equipped to make an application than some of the other institutions. I may be speaking out of turn. I think you understand what I am driving at. I have helped people make out three forms this year. I think the second request is a sound request. And I think it is one we should take under serious advisement, and maybe something we should propose to the next legislature.

EDGAR CARLSON: Wouldn't it be true that if you had a rolling deadline such as Illinois does that then the first one might very well be February 1. But if you had rolling deadlines so that you could come in later and get out later, that would not altogether be unrealistic.

PRESIDENT GOLDFINE: There's one question I would like to ask of Marlene that occurred to me. The Duluth counselors are screaming now that we have moved the deadline too early. Can you live with a November 1 deadline, and can your students live with the November 1 deadline?

LEONARD WENC: Let me offer this possibility of going to Dr. Carlson's recommendation or suggestion that to consider a rolling application so that a group of students that I am concerned with will get information saying that they are interested in attending my institution they must file an application by November 1, and that application will be seriously considered for a March 1 notification date realizing that that might only take care of 20% of their emergency.

PRESIDENT GOLDFINE: All right, thank you. Next?

SISTER ANNE ELISE, COLLEGE OF ST. CATHERINE, ST. PAUL: I am the financial aid officer. I don't have any philosophical statements to make except for some the gentleman has made. I wish to ask practical questions. First of all, I wish you would be aware of there is a great difference between any college saying we are willing to change the form and being glad to do it. The financial aid office exists to serve the student, and therefore, we would not ask our students to file two forms, but we certainly would not be happy with ACT. Why? - a couple of reasons. There are a couple of questions - if you are familiar with the ACT form, the student filled out a worksheet. The instructions on the worksheet are send this worksheet to the college of your first choice or the first agency you choose. My question is - will the state demand to be that first agency? Secondly, once that student mails that to the first college of his choice, how are the rest of us ever going to get a copy of it because the student doesn't have a copy left. It's gone, and you can say that they should have xeroxed it before the sent it in. That's very nice, but unless they work someplace where there is a xerox or a public library with a xerox machine, the student doesn't have the opportunity to xerox it to have a copy of it. Therefore, we don't have any information. And what information do we want. I thought I was going to be practical,

and I went through and compared the ACT analysis with the CSS analysis. We use the CSS analysis about 95% of our students who filed that. Although we say we will accept either, we have a very small number of ACT forms. We got the _____ this year from ACT. I don't have one single worksheet or one single page for it that one single student sent me. Now I could write back to all of them and say would you send me a copy of this. That's a delay in time, and a few other problems come up. There's a great deal of information we do not have. And I think if we are to serve the student and if this state commission is to serve the students, you ought to have the information. Where else is the student applying for aid and the gentleman from ACT just said to me well that would appear in a footnote on the form. Well, I guess that answers that. THere is no opportunity for any explanation from the students. So, the income in '73 was $45,000 - the income in '74 will be $20,000, why? If I do not get that worksheet, I do not know what the change in income was. I do not have an estimated resources statement such as I have on the back of the PCS. Where does the student think he or she will get the money? That may not be valid, but it's a good idea. There is no explanation of indebtedness. It's just a number - indebtedness, and I don't know what that is. Other real estate - I don't know what that is. It could make a difference to me. I am interested in knowing if that's an aparement house or a lakeshore cabin. That makes a difference. The purchase price of the house, not the net value, but the purchase price and when was it purchased. You know, I do anticipate knowing enough about real estate to know that the purchase price of a house is very different in areas and at different times, and to say the net value of the house is $30,000 is no help to me, because I don't know if he purchased it for $30,000 and paid nothing on it, or if you purchased it for $90,000 and you've got a $50,000 mortgage. I don't know that. There is not sufficient retirement information on what kind of a retirement plan there is. There is this little box that says "number of dependents". I don't know who the dependents are. Is that children? Grandparents? How old are those children? Where do they go to school? If another

one is in college, where is that other one in college? How much aid does that other one get in college? That's useful to me. There's a dandy blank called "investments". What are they? There is a great differente between a family which have $35,000 in stock and $35,000 in cash which are listed as indefinite on that statement. There is no indication of the source -

PRESIDENT GOLDFINE: What's the difference between the two?

SISTER ANNE ELISE: Cash is a liquid asset and securities are not necessarily liquid in this day and age or they're not worth what you say. Source of other income is just a blank. And finally, the statement says the main wage earner indicates the total wages for the family or the total income and then says "If both parents work indicate the smaller income of the two," but it does not tell me and laugh if you will, which of the two earns the smaller. That is also related to who is sick in the family. If the main wage earner is the mother because the father is somewhat disabled or some things like that, that is not there for me to know. Nor, does it tell me where the parents work, and maybe it doesn't affect some schools, but it does affect us. Right now, we're going through PCSs to see how many students we have from Silver Bay area which could involve us a great deal in making adjustments. These are practical things and maybe people who use ACT will tell where to find the information. But lacking that original source document, I do not know where the schools are going to get that oinformation and I really wonder how the state programs are going to operate without some of that.

PRESIDENT GOLDFINE: Might I ask, without any reflection because I know you have done a great deal of research and you should be commended, but the attack on the Carnegie Commission Report is set that it isn't the job of the Commission nor the job of any institution to adjust the income of the national population. And that is basically one thing we've got to keep in mind. If you want the information I think you want, you may have some need to personally interview some of the people, because who are

you to judge today when Judge Lord and the three judges from Missouri cannot judge the area I come from. As you might well imagine, that's my deep concern in the back of my mind this morning. Could we get the form to somebody who really uses the form because the person who is using the form doesn't have the understanding of the questions that you raise this morning.

SISTER ANNE ELISE: Oh, but sir, that information is on the source document of the ACT form. It's just that I don't get that source document.

PRESIDENT GOLDFINE: All right, Dale, she raises the question would the state be the first agency?

DALE SMITH: No.

PRESIDENT:GOLDFINE: What is the distribution going to be after he makes out what happens. Who gets the document?

DALE SMITH: The source document will be sent to whatever school he wants to attend.

PRESIDENT GOLDFINE: Any other questions?

JACK LYNCH: Sister, if you get the source document, let's say they may not be worth three or four of them, then would most of your objections be over now?

SISTER ANNE ELISE: Yes, sir. I consider that the greatest objection I have to ACT - the lack of information that comes to us. I admit I have not sufficient experience as many people here have to divide the net results of these forms as to who is being treated fairly or not.

DONALD HAMERLINCK: And yet even 3ith this, this is sent in this case, to Evanston Illinois. And even in that case the most the parent has is a copy that they made.

SISTER ANNE ELISE: But I get a copy of that whole thing.

DONALD HAMERLINCK: All right, but as far as the parent retaining anything, they're only retaining what they have a good chance to retain.

PRESIDENT GOLDFINE: Sister, thank you. Next? Are there any Commission members who want to be heard on the subject?

DONALD HAMERLINCK: We're just going to speak about the ACT compared with the CSS. We don't want to talk about the other rules and regulations?

PRESIDENT GOLDFINE: Yes, we do. As I understand it, we're talking about the ACT and CSS and we're talking about the scholarship rank. Those are the only two things. I thought everybody was adresssing it to both aspects of it. Am I missing something,

DONALD HAMERLINCK: I thought we would have to speak too all of these things here.

PRESIDENT GOLDFINE: The hearing is called only to the changes.

PAUL GARMAN, CARLETON COLLEGE: I am director of admissions. Since he spoke with such eloquence and reason, I should like to associate myself and endorse all of my remarks with Mr. Hausmann. 1202 C at the end of the junior year or the sixth semester, and I would like to know _____, that some students very good in deserving one, accelerate and finish high school in three rather than in four years. I would hope the language of this section would not disqualify.

CARL KROENING: They have six semesters, is that what you are referring to?

PAUL GARMAN: The person I am talking about might be called by his high school a sophomore at the end of his _____. Nor is he a junior. A person doesn't have a senior year. He has only freshman, sophomore and final year. But we're talking about rank in class at the end of either the junior year or six semesters and that information in the case of the student I am talking about has to be transmitted to the Commission at the second year, which is neither his junior year or his sixth semeste

There aren't many people like that, but there are some, and I wouldn't want to disqualify them because of the language of the ___. And I think you may not want to use the word, but if you were talking aboutrhis rank at the end of promotement year at high school you would then be serving all ___.

DALE SMITH: They will be ranked at the end of six semesters.

?: If you're talking about six semesters, then you're talking about a school that includes _____ high school rank, and in most schools high school rank only on 10, 11 and 12. I would assume this is in the metropolitan area. I am wondering how you would work this. It would be a rare person who would fall into this category. I think there are many more students now who are completing their graduation requirements maybe after the fall quarter or the winter quarter of their senior year or their first semester. There is a tremendous amount of acceleration of that type going on. But not so much that you should drop an entire year.

?: I don't want to implicate that these are large numbers of young people, just that there are some of them and they observe. And if junior year is understood to mean promotement year, then that's fine. But if it isn't, then we could get hung up on technicalities.

?: How do you feel about just dropping the test and having the high school rank?

?: I think it's a mistake, because I think that though it is true that high school rank is the best single indicator for potential performance in college better than test scores, that the two of them together are better than either one individually. I believe as Margaret Weigel does that they should be weighted, however, because to reflect the better of the two.

RICHARD HAWK: Could I ask what test you think should be used?

?: PSAT.

RICHARD HAWK: Even though the student has to pay an extra charge to take that?

?: If he has to, I would be happy to see the state pay for it.

PRESIDENT GOLDFINE: Are there any further questions by members of the Commission? Thank you, Paul, very much. Would anybody like to be heard before the adjournment?

DAVID ANDERSON, MOORHEAD STATE COLLEGE: I am director of financial aid,and I have been in the financial aid business I think probably as long as anyone in the room in the general college financial aid capacity, and I would like to just make a few comments. The Commission is probably confronted today with a decision and the information has been presented to it that the purpose of the state program which is to provide needed assistance to help students attend institutions of their choice strikes some balance between that position and the position that this Sister so nicely presented to you on the importance to the institution of counseling that student. That is, I don't suggest that institutional purposes are a cost purpose for the state program purposes but I don't think that the two purposes can be perfectly served in any decision the Commission has made. I would certainly underscore what has been said many times that in the proposals for service to the state program - that was just a part of the ACT/CSS proposal. The ACT system, as I understand it, and I have made a deliberate effort to work with it. I find that I must agree with the Sister again that there are some limitations in what additional information one might wish to have available for counseling purposes. But in terms of response to the economy and the circumstances of the economy, in my judgment the ACT system as a means and needs analysis, is better. Further, the ACT system is a system which is superior in my judgement in dealing with what we refer to in the financial aid business as the independent student, the kind of student situation which I think will become increasingly familiar on the scene of post-secondary education in the coming year. Certainly whatever the Commission decides, whether to remain with the present arrange-

ments with CSS or change to ACT, some students and therefore some parents are going to be confronted with multiple forms. That problem we're not going to solve here today. Therefore, there are going to be some institutions faced with the choice either of or or requiring one and penalizing or inflicting some kind of extra burden on certain other students who are _____use a different form. It was pointed out, and I would again endorse that commendation of that State Scholarship and Grant Program office that we have renewal offers for the 1974-75 already. And I would like to insert here a commendation to the Commission for their good standards in employment of Dr. Smith to put his hands to get some of these things moving along. We appreciate that. However, the rosters are not complete, and the reason those rosters are not complete is varied. One of the problems as I understand it from talking to Dr. Smith, is that the machine-edit is possible with CSS, is less flexible and less to the serving of purposes of a large program such as the state program is. The machine edit possible to CSS is less flexible, less workable, than the ACT proposal. And this is important to the purposes of the state program. It's going to take more people time - people are very expensive! The suggestions by Dr. Carlson that there be a rolling schedule is very good, and I think that that kind of schedule could be implemented so there is enough money. And I think that I have heard people talk about the kind of money it would take to make the state scholarship and grant program a rolling program so that everyone - every Minnesota student who needed assistance could apply for assistance and expect to receive it and not lose because they were out of money. That would be a beautiful thing. I don't know if the legislature can afford it. I don't really recall the figure of the kind of money it would take to run it. Mr. Schullo said that several of the state colleges, including the one which employs me, Moorhead State, would probably go to ACT if the state program shifted to ACT. We would do that in the spirit of two purposes: One, to try to be as simple and straightforward for our student families as possible. We would do so, though, knowing full well that the counseling potential available to the CSS document is so ably described by the Sister, that we

would lose some of that. She points out and acknowledges that she is not as familiar with the ACT procedure as she would like to be, and there is additional information supplied to the institution and I don't think it is as lost as she presents. The gentleman from the vocational school at Jackson pointed out that there is some shift - he expects, and I think statistics indicate the fact that there is a shift. The 1973-74 awards, that is awards for the current year, are 60%, that is 60% of the students enrolled in private colleges or at the main campus or branches of the University. It's 60% at those institutions or 40% at the other institutions. Last year, 1972-73, 67% of recipients students were enrolled at private colleges in Minnesota or the University and its branches, and that would leave 33% at the other institutions. The students are to be assisted to attend the institution of their choice. Perhaps what we see in those percentages is that students are changing their ____. I don't know if the Commission should try to influence the enrollment students to the state program, but it should certainly, what ever decision is made, try to student in what every he and his family are able to arrive at. The jest of what I would like to say is that I personally support, on my professional experience, the purposes of the state program of student financial aid the ACT proposal and I think the Commission will adopt that proposal.

PRESIDENT GOLDFINE: Any questions? Before we adjourn the hearing, we are going to take at this time a brief presentation. Mr. Kahl is from the Minnesota Institution for Medical and Dental Assistants. Cynthis Rae Hoffman from Maple Grove. Also, Mr. Carl Kroening, who is vice president of the Commission. This is a very symbolic and very important moment for us at the Commission. As you know, the Commission is very pleased with the Legislature and its widdom and our Governor, Wendell Anderson, and his wisdom have put into effect the Student Loan Program for the state of Minnesota. We think this is a real important date because we are going to issue our first check. We think that this program, through our Governor, and our Legislature, will bring to a vast number of students a method of getting an education and like this Commission

and most of you in the audience who know the problems of education and the financing of education. We think the citizens of this state are to be commended for their foresight and for their effort. Cynthia, on behalf of the state of Minnesota and on behalf of the Commission, its director Dick Hawk, and the Commissioners which you see here, we're pleased to present this check in the amount of $1400. We know that you will cherish it

CYNTHIA HOFFMAN: Well, I can say that without this check, I wouldn't be able to continue my education and it really means a lot to me.

MR. KAHL: I would like to just express my thanks to all those responsible for getting this program going because there are dozens and dozens of students that would not be able to go to school without this program, because there is difficulty in getting it lending from other institutions. So this is really great.

CARL KROENING: I think people ought to know that the bonds sold for this program on February 26, and that's a couple of months ago, and I think the Commission staff ought to be commended for the speedy movement forward of the student loan program.

RICHARD HAWK: I might say, Mr. Chairman, that this presentation is somewhat symbolic. The actual amount of checks written so far approaches $300,000.

PRESIDENT GOLDFINE: Has everybody been heard that wants to be heard?

JACK LYNCH: I would just like to ask the ACT people one question? Is it possible to get these forms to other institutions - the document?

WARREN WILLIS, ACT: It is possible, but a somewhat difficult task in our system because of the approach to the data collection problem. The forms are provided to high school counselors so that additional ones are available in the even that an institution should want the document. There is a way for that institution to so communicate to the student. The proposal, which I believe you have a copy of, there

is a document that goes back to the student called the Student Financial Aid Report. It is the way which we can communicate to the student yto the particular institution he or she has applied and would like an original document at which time he would simply pick up one from his high school counselor, complete it and send it to that particular institutinn.

JACK LYNCH: As I understand it, the original form just goes to the first choice?

WARREN WILLI$: If it is so desired by the institution. The data collection approach in this is different you see. The original document in the ACT form is simply a worksheet for the parent to write down the amount of income he earned in a given year and transposes that to an answer sheet. In a very real sense the original document is an answer sheet rather than a hand-written form of one kind or another. So, it's a little different approach to the data collection problem, that that isn't just a written ___, but it is possible to communicate with a student at a specific institution who wanta an original worksheet, and you also have a copy of that. Does that respond to your question?

JACK LYNCH: Yes. In other words, the institution can get it if it wants it.

PRESIDENT GOLDFINE: I would say this to the financial aid officers and to those involved with the aspects of entering students. I am appreciative on behalf of the Commission, for your efforts. As you know, it is a very difficult thing, and we have got to finalize it and come to some conclusion. We've got to operate under the rules we establish, what ever we establish. I appreciate your intensity, and I would also hope that you appreciate our intensity in trying to solve the money problem. It's a great step, and we've only done it with your cooperation. As you perhaps know, under all public hearings, you have 20 days to submit additional testimony in writing. We will finalize this at the next meeting of the Commission.

DONALD HAMERLINCK: I want to make one more comment. Does that relate to a change - I would like to suggest further changes that I have a feeling we'll make changes to this rules and regulations. I call attention to the Commission members to 102A which defines eligible institutions - "shall be any Minnesota post-secondary institution which has been determined . . ." On 102E on the next page the semantics slipped into the familiar syndrome again and they say "eligible applicants shall be those who will enter any eligible college or university" And they forgot the AVTIs there and the same would be true of F, where "shall include students who will have completed at least one academic year of study in an eligible junior college at the time of transfer to an eligible senior college or university" As a point of information, students do transfer from AVTIs to collegiate institutions. I would suggest subsequent changes would include the word AVTI.

RICHARD HAWK: I think, Mr. Chairman, the only point for clarification where we have the specific provision in the law which permits the students at the time of transfer from a junior college to a senior institution to apply for a scholarship. We don't have that legislative authorization to go further.

DONALD HAMERLINCK: That's why I am suggesting, for the record, a change for subsequent _____.

PRESIDENT GOLDFINE: Could we make that as one of the packages we will submit to the Legislature in the next session? The hearing is now adjourned.

STATE OF MINNESOTA

COUNTY OF RAMSEY

In the matter of the Proposed Adoption of a change in the Rules and Regulations of the Minnesota Higher Education Coordinating Commission governing the Minnesota State Scholarship and Grant-in-Aid Program.

BEFORE Richard C. Hawk
Executive Director
Minnesota Higher Education
Coordinating Commission

ORDER ADOPTING RULES

The above entitled matter came on for hearing before the Minnesota Higher Education Coordinating Commission on the 25th day of April, 1974, at 11:00 a.m., in Room 716, Capitol Square Building, 550 Cedar Street, St. Paul, Minnesota, after proper notice required by M. S. 1973, Section 15.0412 was served upon all persons, associations and other interested groups registered with the Secretary of State for that purpose, all representatives of post-secondary educational institutions participating in the Minnesota State Scholarship and Grant Program and all persons who are presently members of the Minnesota Legislature.

After affording any and all persons an opportunity to present written and oral data, statements and arguments, having heard all of the testimony, having considered all of the evidence adduced and upon the records, files and proceedings herein, and applicable statutory standards and criteria, and having confirmed the need for the changes in the above entitled matter,

NOW, THEREFORE, IT IS ORDERED that the amendments to the Rules and Regulations identified as Chapter One: HECC 102 (c), HECC 103 and HECC 105 (b) are adopted this 31st day of May, 1974, pursuant to the authority vested in me by a resolution of the Minnesota Higher Education Coordinating Commission at its meeting of May 30, 1974.

MINNESOTA HIGHER EDUCATION
COORDINATING COMMISSION

by _____
Richard C. Hawk, Executive Director

STATE OF MINNESOTA

COUNTY OF RAMSEY

CERTIFICATE OF COMMISSION'S
AUTHORIZING RESOLUTION

I, Barbara Clark, do hereby certify that I am Secretary of the Executive Committee of the Minnesota Higher Education Coordinating Commission, a commission duly authorized under laws of Minnesota, and that the following is a true, complete and correct copy of a resolution adopted at a meeting of said Executive Committee duly and properly called and held on the 12th day of March, 1974, and that the same has not been modified or rescinded:

> "RESOLVED, that Richard C. Hawk, Executive Director of the Minnesota Higher Education Coordinating Commission, be and he hereby is granted the authority and directed to call a hearing for the purpose of considering proposed amendments to the rules and regulations relating to the Minnesota State Scholarship and Grant Program, as authorized by Minnesota Statutes 1971, Section 136A.111, Subdivision 2, as well as perform any and all acts incidental thereto, including without being limited thereto, signing an order for hearing, notice of hearing, statement of need and findings of fact, as well as acting as presiding officer at such hearing, and that such public hearing be conducted in connection with the April meeting of the Commission."

IN WITNESS WHEREOF, I have hereunto subscribed my name this 12th day of March, 1974.

Erwin L. Goldfine, President

Barbara Clark, Secretary

STATE OF MINNESOTA

COUNTY OF RAMSEY

In the matter of the Proposed Adoption of a change in the Rules and Regulations of the Minnesota Higher Education Coordinating Commission governing the Minnesota State Scholarship and Grant-in-Aid Program.

BEFORE Richard C. Hawk
Executive Director
Minnesota Higher Education
Coordinating Commission

ORDER FOR HEARING

To effectively administer the Minnesota State Scholarship and Grant Program as provided by Minnesota Statutes 1971, 136A.09 through 136A.131, the Minnesota Higher Education Coordinating Commission deems it necessary to consider amendments to Rules and Regulations related thereto, Chapter One: HECC 102 (c), HECC 103 and HECC 105 (b) pursuant to the authority vested in said Commission by Minnesota Statutes 1971, Section 136A.111, Subdivision 2.

NOW, THEREFORE, IT IS ORDERED this 15th day of March, 1974, that a public hearing on the above entitled matter be held in Room 716, Capitol Square Building, 550 Cedar Street, St. Paul, Minnesota, Thursday, April 25, 1974 commencing at 9:00 a.m., and continuing until all representatives of post-secondary educational institutions, associations and other interested persons or groups have had an opportunity to be heard.

IT IS FURTHER ORDERED, that notice of said hearing be given to all representatives of associations or other interested persons or groups who have registered their names with the Secretary of State for that purpose, to representatives of post-secondary educational institutions participating in the Minnesota State Scholarship and Grant Program and to all persons who are presently members of the Minnesota Legislature.

MINNESOTA HIGHER EDUCATION
COORDINATING COMMISSION

by _____
Richard C. Hawk, Executive Director

STATE OF MINNESOTA

COUNTY OF RAMSEY

In the matter of the Proposed Adoption of a change in the Rules and Regulations of the Minnesota Higher Education Coordinating Commission governing the Minnesota State Scholarship and Grant-in-Aid Program.

BEFORE Richard C. Hawk
Executive Director
Minnesota Higher Education
Coordinating Commission

NOTICE OF HEARING

Notice is hereby given that a public hearing will be held pursuant to M.S. 1971, Section 15.0412, Subdivision 4, on the above-entitled matter in Room 716, Capitol Square Building, 550 Cedar Street, St. Paul, Minnesota, Thursday, April 25, 1974, commencing at 9:00 a.m., and continuing until all representatives of post-secondary educational institutions and other interested groups or persons have had an opportunity to be heard concerning adoption of a change in the rules and regulations captioned above by submitting either oral or written statements or arguments. Statements or briefs may be submitted to the Commission prior to the hearing without appearing at the hearing.

A copy of the proposed changes to the rules and regulations captioned above may be obtained from the Commission at least 10 days prior to the date of the hearing.

STATE OF MINNESOTA
MINNESOTA HIGHER EDUCATION
COORDINATING COMMISSION

Richard C. Hawk
EXECUTIVE DIRECTOR

MINNESOTA
HIGHER EDUCATION
COORDINATING COMMISSION

SUITE 400
CAPITOL SQUARE
550 CEDAR STREET
SAINT PAUL 55101

OFFICE OF THE EXECUTIVE DIRECTOR

MEMORANDUM - NOTICE OF CORRECTION

TO : RECIPIENTS OF HEARING NOTICE

FROM : RICHARD C. HAWK, EXECUTIVE DIRECTOR

IN RE : PROPOSED ADOPTION OF A CHANGE IN RULES AND REGULATIONS GOVERNING MINNESOTA STATE SCHOLARSHIP AND GRANT-IN-AID PROGRAMS

Notice is hereby given that the public hearing referenced above and for which a copy of the original notice of hearing is attached will commence at 11:00 a.m., rather than 9:00 a.m., as originally announced, in Room 716, Capitol Square Building, 550 Cedar Street, St. Paul, Minnesota, on April 25, 1974.

RCH:jm
Attachment

Richard C. Hawk

STATE OF MINNESOTA

COUNTY OF RAMSEY

In the matter of the Proposed Adoption of a change in the Rules and Regulations of the Minnesota Higher Education Coordinating Commission governing the Minnesota State Scholarship and Grant-in-Aid Program.

AFFIDAVIT OF MAILING

Shirley B. Daily, being first duly sworn, deposes and says:

That on the 19th day of April, 1974, at the City of St. Paul, County of Ramsey, State of Minnesota, she served the attached Notices of Hearing by depositing in the United States mail at said City of St. Paul, a true and correct copy thereof, properly enveloped, with postage prepaid, to all persons and associations who have registered their names and addresses with the Secretary of State for that purpose, to all persons who are presently members of the Minnesota Legislature, and to all Student Aid Officers and Presidents of post-secondary educational institutions in Minnesota eligible to participate in the above captioned program of student aid.

Subscribed and sworn to before me this 19 day of April, 1974.

Shirley B. Daily
Signature of Affiant

Myrtle A. Benson
MYRTLE A. BENSON
Notary Public, Ramsey County, Minnesota
My Commission Expires June 14, 1977.

STATE OF MINNESOTA

COUNTY OF RAMSEY

In the matter of the Proposed Adoption of a change in the Rules and Regulations of the Minnesota Higher Education Coordinating Commission governing the Minnesota State Scholarship and Grant-in-Aid Program.

AFFIDAVIT OF MAILING

Kathleen A. Grad, being first duly sworn, deposes and says:

That on the 22 nd day of March, 1974, at the City of St. Paul, County of Ramsey, State of Minnesota, she served the attached Notice of Hearing by depositing in the United States mail at said City of St. Paul, a true and correct copy thereof, properly enveloped, with postage prepaid, to all persons and associations who have registered their names and addresses with the Secretary of State for that purpose, to all persons who are presently members of the Minnesota Legislature, and to all Student Aid Officers and Presidents of post-secondary educational institutions in Minnesota eligible to participate in the above captioned program of student aid.

Subscribed and sworn to before me
this 2 and day of March, 1974

Kathleen A. Grad
Signature of Affiant

Myrtle A. Benson

MYRTLE A. BENSON
Notary Public, Ramsey County, Minnesota
My Commission Expires June 24, 1977.

STATE OF MINNESOTA

COUNTY OF RAMSEY

In the matter of the Proposed Adoption of a change in the Rules and Regulations of the Minnesota Higher Education Coordinating Commission governing the Minnesota State Scholarship and Grant-in-Aid Program.

CERTIFICATE

I hereby certify that the attached 340 labels constitute the complete list of persons, associations, and other interested groups who as of 2:35 o'clock P.m., this 21st day of March, 1974, have requested pursuant to M.S. 1971, Section 15.0412, that their names be placed on file with the Secretary of State for the purpose of receiving notice of public hearing on proposed change in the rules and regulations on the subject captioned above.

SECRETARY OF STATE

Arlen I. Erdahl

By Ceil Dorn

STATE OF MINNESOTA

COUNTY OF RAMSEY

In the matter of the Proposed Adoption of a change in the Rules and Regulations of the Minnesota Higher Education Coordinating Commission governing the Minnesota State Scholarship and Grant-in-Aid Program.

CERTIFICATE

I hereby certify that the attached 345 labels constitute the complete list of persons, associations, and other interested groups who as of 2:45 o'clock P.m., this 18th day of April, 1974, have requested pursuant to M.S. 1971, Section 15.0412, that their names be placed on file with the Secretary of State for the purpose of receiving notice of public hearing on proposed change in the rules and regulations on the subject captioned above.

SECRETARY OF STATE

Arlen I Erdahl

By Gail Dorn

STATE OF MINNESOTA

COUNTY OF RAMSEY

In the matter of the Proposed Adoption of a change in the Rules and Regulations of the Minnesota Higher Education Coordinating Commission governing the Minnesota State Scholarship and Grant-in-Aid Program.

BEFORE Richard C. Hawk
Executive Director
Minnesota Higher Education
Coordinating Commission

FINDINGS OF FACT

Minn. Stat. 1971, 136A.09 through 136A.131 and Laws, 1971, Ch. 862 direct the Minnesota Higher Education Coordinating Commission to administer State Scholarship and Grant-in-Aid Programs.

The Minnesota Higher Education Coordinating Commission held hearings on proposed changes in existing rules and regulations for the Programs on the 25th day of April, 1974, at 11:00 a.m., in the Department of Education Conference Room, 716 Capitol Square Building, 550 Cedar Street, St. Paul, Minnesota, after proper notice required by Minn. Stat. 1973, Section 15.0412, was served upon all persons, associations and other interested groups registered with the Secretary of State for that purpose.

The two issues involved in consideration of a change in the rules and regulations were (1) a change in the methodology of determining an applicant's need for monetary assistance and (2) elimination of the requirement of aptitude test scores for the Scholarship Program.

Based upon both written and oral testimony on the above two suggested amendments to the Rules and Regulations of the Minnesota Higher Education Coordinating Commission I hereby make the following:

FINDINGS OF FACT

1. The issue of eliminating the aptitude test score for the Scholarship Program was caused by the decision of the Statewide Testing Program to discontinue administration of the Minnesota Scholarship Aptitude Test (hereinafter "MSAT"), which was the testing instrument specified in the existing Program rules and regulations, to high school students.
2. There is no uniform test available to replace the MSAT.
3. The cost of providing any new testing program in place of the MSAT would be significant.
4. The elimination of a scholastic aptitude test does reduce the number of discriminations used in the selection of scholarship recipients.
5. The issue of change in the method of determining financial need from the College Scholarship Service (hereinafter "CSS") to the American College Testing Program (hereinafter "ACT") grew out of a dissatisfaction on the part of many post-secondary school officials with the existing need analysis methods and associated administrative problems.
6. Service will be better from ACT.
7. ACT will provide cost savings over CSS.
8. ACT provides a more realistic needs assessment than does CSS.
9. ACT provides lower costs to applicants than does CSS.

10. The format of the ACT financial statement is easier to understand and complete by applicants and their parents than is the CSS financial statement.

11. ACT will reduce the processing time over the present CSS.

12. The automated techniques of ACT are more compatible with the Program's automated system than the present CSS.

13. Colleges, parents, and students are more familiar with the CSS system than they are with ACT.

14. More persons and institutions in Minnesota are presently using CSS.

15. The possibility exists if the change is made that applicants may have to submit two different financial statements; one for the program and one for the institution.

CONCLUSIONS

1. The lack of a uniform replacement test for MSAT, and the cost of providing any new testing program outweigh the loss of one factor used in the selection of scholarship recipients.

2. ACT's overall proposal for servicing the needs of the program are superior to the CSS proposal.

3. Therefore, the proposed rules should be adopted.

MINNESOTA HIGHER EDUCATION
COORDINATING COMMISSION

by _____
Richard C. Hawk, Executive Director

STATE OF MINNESOTA

COUNTY OF RAMSEY

In the matter of the Proposed Adoption of a change in the Rules and Regulations of the Minnesota Higher Education Coordinating Commission governing the Minnesota State Scholarship and Grant-in-Aid Program.

BEFORE Richard C. Hawk
Executive Director
Minnesota Higher Education
Coordinating Commission

STATEMENT OF NEED

The above captioned rules and regulations are amendments to existing rules and regulations of the Minnesota Higher Education Coordinating Commission. The last time the above captioned rules and regulations were amended by the Minnesota Higher Education Coordinating Commission was June 27, 1969. Amendments so adopted were filed with the Secretary of State on August 13, 1969 and with the Commissioner of Administration on August 14, 1969. Reference: Chapter One: HECC 101 - 200; Scholarships and Grants-in-Aid.

The need to adopt these changes in the rules and regulations arises for two reasons: 1. The statewide testing program has discontinued the Minnesota Scholastic Aptitude Test (MSAT) and no other standardized scholastic aptitude test compatible with the Minnesota State Scholarship Program will be offered. It is, therefore, necessary to amend rule HECC 102 (c). 2. To (a) improve administrative procedures pertinent to the State Scholarship and Grant-in-Aid Programs through more effective and efficient means of measuring applicants' need for non-family financial support and to (b) attain an earlier and more publicly acceptable time schedule for identifying award winners, changes in present practices are urgently needed. Amendments to rules HECC 103 and HECC 105 (b) are, therefore, proposed.

MINNESOTA HIGHER EDUCATION
COORDINATING COMMISSION

by _____
Richard C. Hawk, Executive Director

STATE OF MINNESOTA

COUNTY OF RAMSEY

CERTIFICATE OF COMMISSION'S
ADOPTION OF RULES RESOLUTION

I, Barbara Clark, do hereby certify that I am Secretary of the Minnesota Higher Education Coordinating Commission, a commission duly authorized under the laws of the State of Minnesota, and that the following is a true, complete and correct copy of a resolution adopted at a meeting of said commission duly and properly called and held on the 30th day of May, 1974; that a quorum was present at said meeting; that said resolution is set forth in the minutes of said meeting and has not been modified or rescinded.

> "RESOLVED, that the proposed amendments to the Rules and Regulations relating to the Minnesota State Scholarship and Grant Program, Chapter One: HECC 102(c), HECC 103 and HECC 105(b) be and they hereby are approved and adopted, pursuant to authority vested in us by Minnesota Statutes 1971, Section 136A.111, Subdivision 2, and that Richard C. Hawk, Executive Director of the Minnesota Higher Education Coordinating Commission, be and hereby is authorized to sign an order adopting the amendments to such Rules and Regulations."

IN WITNESS WHEREOF, I have hereunto subscribed my name this 30th day of May, 1974.

Erwin L. Goldfine

Erwin L. Goldfine, President

Barbara Clark

Barbara Clark, Secretary

STATEMENT OF COMPLIANCE WITH
MANUAL OF RULE MAKING PROCEDURES

I, Special Assistant Attorney General Michael J. Bradley, do hereby declare that I have examined the proposed rules and all related documents and that, based on them and my personal familiarity with the applicable procedures, the Manual of Rule Making Procedures has been followed. Any exceptions are noted below.

Michael J. Bradley
Special Assistant Attorney General

Dated: August 27, 1974