

Minnesota Attorney General: Administrative Rules Proceedings

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Version 3
August 20, 2018

PROPOSED
ADOPTED: IDENTICAL TO PROPOSED
HIGHER EDUCATION
COORDINATING COMMISSION

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"Minnesota Statutes 1969, Sections 136A.095, 136A.10, 136A.11, 136A.12 and 136A.13 and Laws, 1969, Chapter 1144 are repealed."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of State on August 13, 1969, and with the Commissioner of Administration on August 14, 1969, are hereby ~~appealed.~~ repealed. 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.~~ Minnesota Statutes, Sections 136A.09 - 136A.131 (1974), as amended.

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

HECC 101 - PURPOSE.

The purpose of this chapter is the augment Minnesota Laws 1975, Chapter 433 and Minnesota Statutes 1974, 136A.09 ~~1971, 136A.096~~ through 136A.131 ~~and Laws, 1971, Ch. 862,~~ , as amended by Minnesota Laws 1975, Chapter 390, 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,~~ 1974, 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,~~ 1974, 136A.121, Subd. 1 (4) shall be the ordered rank as determined by the applicant's high school rank converted to a percentile ranking at the end of six semesters or the junior year.

(d) "Application date" shall be that date set each year by the 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,~~ 1974, 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 but who were not enrolled as full-time students during the twelve months immediately preceding application for financial assistance under terms of Minn. Stat. 1974 ~~1971, 136A.096~~ 136A.09 through 136A.131.

(f) "Transfer students" as defined Minn. Stat. ~~1971,~~ 1974, 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 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~~, 1974, 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 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~~, 1974, 136A.121, Subd. 3 (2), as amended by Minn. Laws 1975, Ch. 390, ranging from a minimum of $100 to a maximum of ~~$1,000~~ $1,100 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~~ $1,100, 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,~~ 1974, 136A.121 Subd. 3 (11), as amended by Minn. Laws 1975, Ch. 390, 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 - UNUSUAL FINANCIAL DIFFICULTIES AWARDS.

Notwithstanding any other rule in this chapter, pursuant to Minn. Laws 1975, Ch. 433 Sec. 10, each eligible institution may recommend to the Commission students who did not receive an award for the first year of post-secondary education and who show evidence of unusual financial difficulties after the first year. The Commission shall make up to five percent of the monies allocated for first-year grants-in-aid available for the purposes of this section. Each eligible institution shall be allowed to recommend to the Commission the number of students equivalent to five percent of the number of their first-year grant-in-aid recipients for the previous academic year. Insofar as applicable, the conditions, criteria, terms, and amounts of awards made to students under this section shall be the same as prescribed for other recipients in the grant-in-aid program except that the application date prescribed in HECC 102 (d) shall not apply to potential recipients under this section.

HECC ~~108~~ 109-200 - RESERVED FOR FUTURE USE.

PROPOSED
ADOPTED: IDENTICAL TO PROPOSED
MINNESOTA HIGHER EDUCATION COORDINATING COMMISSION

Rules and Regulations Governing Administration
of Loans to Medical and Osteopathy Students
~~Defined in Laws 1973, Chapter 727.~~ Pursuant to Minnesota Statutes,
Sections 147.30 - 147.33 (1974), as amended by Minnesota Laws 1975, Chapter 390.

Chapter Four: HECC 401-500

LOANS TO MEDICAL AND OSTEOPATHY STUDENTS

HECC 401 - PURPOSE.

The purpose of this chapter is to augment ~~Laws, 1973, Chapter 727,~~ Minnesota Statutes, Sections 147.30 - 147.33 (1974), as amended by Minnesota Laws 1975, Chapter 390, establishing a state program of loans to medical and osteopathy students by providing standards, criteria, rules and regulations therefor:

HECC 402 - DEFINITIONS.

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

(a) "Accredited medical school" ~~as defined in Laws, 1973, Chapter 727, Section 1,~~ shall be any ~~one of the three schools of medicine in Minnesota, namely, Minneapolis, Duluth, and Mayo at Rochester.~~ medical school accredited by the Liason Committee on Medical Education, as founded by the American Medical Association and the Association of American Medical Colleges and as recognized by the United States Office of Education.

(b) "Accredited school of osteopathy" ~~as defined in Laws, 1973, Chapter 727, Section 1~~ shall be one whose graduates are eligible for licensure in Minnesota. ~~Annually, by resolution, the Commission shall adopt a list of such schools so qualifying.~~

(c) "Area in need of medical doctors or osteopaths" ~~as defined in Laws, 1973, Chapter 727, Section 1,~~ shall be a rural community in Minnesota where the health care needs of its

residents are not fully met by available physicians and/or osteopaths. Annually, by resolution, the Commission shall adopt a list of such areas based upon recommendations of the Minnesota State Board of Medical Examiners and other agencies concerned with planning health care of Minnesota residents.

(d) "Good standing of the student" ~~as required by Laws, 1973, Chapter 727, Section 1,~~ shall mean that the student is attending full-time in an approved school of medicine or osteopathy and is making satisfactory progress toward completion of academic and internship requirements according to standards of the institution the student is attending.

~~(e) "Three years in an area" as required by Laws, 1973, Chapter 727, Section 1, shall mean 36 consecutive months of medical practice in an approved area of need as defined in HECC 402 (c).~~

(e) "Eighteen months for each initial or renewal period of the loan" shall mean eighteen months times the number of years the student received funds from the program.

(f) "Service requirement" shall mean the number of months the student must practice in a rural area of medical need in order to satisfy the loan cancellation provisions of the program.

HECC 403 - CRITERIA FOR SELECTION.

(a) Priority will be given to applicants with financial need. The applicant's need for loan assistance provided by the terms of this act shall be determined by the ~~Board of Medical Examiners~~ Commission which shall take into account educational costs and financial resources available to the student.

~~(b) Eligibility of applicants for loan benefits shall be restricted to United States citizens with preference given to those applicants who have resided in Minnesota for one year or more before applying for a loan under terms of this program.~~

(b) In selecting medical students priority shall be given to students enrolled in schools in Minnesota.

~~(c) Priority shall be given to applicants who previously received a loan from the Board of Medical Examiners if they satisfy the requirements of HECC 403 (a) and (b).~~

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

HECC 404 - 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 applications for loans and for the selection of qualified recipients of loans provided by the terms of this act.

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

(b) The Board of Medical Examiners shall evaluate the respective qualifications of applicants and present its recommendations to the Commission for its final review and approval.

HECC 405 - AMOUNT AND TERMS OF LOANS.

(a) The amount of a loan shall not exceed ~~$6,000~~ $5,000 for any given academic year nor ~~$24,000~~ $20,000 in total to any one student.

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

(c) Each recipient of a loan provided under Minnesota Laws 1975, Chapter 390, shall be required to agree in writing to practice medicine or osteopathy for a period not less than ~~three (3) years~~ 18 months for each year the student received funds from the program, or five years, whichever is less, in a rural community in Minnesota designated by the Commission as an area in need of medical doctors or osteopaths as defined in HECC 402 (c); and shall further agree that such practice shall begin not later than three (3) months after being certified as qualified to practice medicine or osteopathy in Minnesota except as otherwise provided in HECC 405 (d).

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

(e) The recipient of a loan provided by terms of this act shall be considered to have discharged the full amount of his obligation, both principal and interest of loans, upon certification of satisfactory completion of required medical practice as defined in HECC 405 (c).

(f) If the recipient of a loan provided by this act fails to fulfill his agreement to practice medicine or osteopathy as set forth in HECC 405 (c), the full amount of his loan obligations, both principal and interest, shall become due and payable upon demand.

HECC 406 - METHOD OF PAYMENT.

(a) Upon approval of a loan under terms of this act and after the promissory note and service agreement have been executed in accordance with requirements set forth in HECC 405 (b) and HECC 405 (c), respectively, the Executive Director of the Commission shall cause to be remitted to the loan recipient the principal amount of the loan.

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

HECC 407 - RESERVE FUND.

The Commission shall be required to maintain a reserve fund. ~~as stipulated in Laws, 1973, Chapter 727, Section 4, for the purpose stated.~~ Loan obligations forgiven in accordance with HECC 405 (e) and any uncollectible loans made in accordance with the terms of this act shall be charged to the reserve fund and the loan fund credited for the amount so charged.

HECC 408 - 500 RESERVED FOR FUTURE USE.

PROPOSED

ADOPTED: IDENTICAL TO PROPOSED

Rules and Regulations entitled "Work-Study Scholarships and Work-Study Grants" which were promulgated pursuant to Minnesota Laws 1973, Chapter 682 and which were filed with the Secretary of State and Commissioner of Administration on November 13, 1973, are hereby repealed.

CHAPTER THREE: HECC 301-400

WORK-STUDY GRANTS
Rules and Regulations Governing Administration of Work-Study Grants

HECC 301 - PURPOSE.

The purpose of this chapter is to augment Minnesota Laws 1975, Chapter 433 and Minnesota Statutes 1974, Sections 136A.231 through 136A.234, as amended by Laws 1975, Chapter 430, establishing a state program of Work-Study Grants by providing standards, criteria, rules, and regulations therefor.

HECC 302 - DEFINITIONS.

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

(a) "Minnesota State Work-Study Program" is the state work-study program for post-secondary students as provided for in Minnesota Laws 1975, Chapter 433 and Minnesota Statutes 1974, Sections 136A.231 through 136A.234, as amended by Laws 1975, Chapter 430, hereinafter referred to as the program.

(b) "Executive Director" is the Executive Director of the Minnesota Higher Education Coordinating Commission.

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

(d) "Eligible post-secondary institution" shall be any post-secondary institution eligible

for participation in the Minnesota State Scholarship and Grant Program pursuant to Minnesota Laws 1975, Chapter 433 and Minnesota Statutes, Sections 136A.09 through 136A.131 (1974), as amended by Minnesota Laws 1975, Chapter 390.

(e) "Financial need" shall be the amount of monetary assistance necessary for the student to meet post-secondary education costs but in no event shall exceed an amount equal to the amount of loan on which the student would be eligible to receive interest benefits from the Federal Insured Student Loan Program as determined by the school of attendance.

(f) "Eligible employer" means any eligible post-secondary institution and any non-profit, non-sectarian agency located in the State of Minnesota.

(g) "School" shall mean the eligible institution of post-secondary education in which the student is enrolled or intends to enroll.

(h) "Full-time equivalent fall term enrollment" shall be that enrollment which is determined by the Commission in its annual enrollment survey in the year prior to the academic year for which Program funds are allocated.

HECC 303 - CRITERIA FOR SELECTION.

Each student shall apply to the school for participation in the program. The student must be an eligible student as defined in HECC 302 (c) and must be a full-time student as defined by the school. Students shall be selected for participation in the program by the school on the basis of student financial need as defined in HECC 302 (e).

HECC 304 - AMOUNT AND TERMS OF AWARDS.

The maximum a student may earn under this program shall be the amount of the student's

financial need less all scholarship and grant dollars awarded to the student for that academic year. Students will be paid for hours actually worked and the maximum hourly rate of pay shall not exceed the maximum hourly rate of pay permitted under the Federal College Work-Study Program. Minimum pay rates will be determined by applicable federal or state law.

HECC 305 - ALLOCATION OF FUNDS.

Funds shall be allocated to participating schools according to procedures prescribed by the Executive Director. The allocation formula for the program shall be as follows:

The full-time equivalent fall term enrollment for each participating schools divided by the full-time equivalent fall term enrollment for all participating schools, times the appropriation as provided for by the Minnesota Legislature.

HECC 306 - SCHOOL RESPONSIBILITIES.

(a) Each participating school shall be accountable for any funds disbursed to students under the provisions of these rules and regulations. Not more than 50 percent of the institution's work-study allocation shall be used to employ students by the schools under the provisions of this program. The percent of the school's work-study allocation provided to graduate students shall not exceed the percentage of graduate students in the total enrollment at the participating school.

(b) Any allocated funds shall be used only during the fiscal year of disbursement and any unused funds shall be remitted to the Commission.

(c) Student earnings shall be paid to the student according to Federal regulations governing the payment of earnings to students under the Federal Work-Study Program.

(d) The school shall report to the Executive Director information on the program using

the same formats and timetable the school uses to report activity under the Federal Work-Study Program to the U. S. Office of Education.

HECC 307 - EMPLOYER RESPONSIBILITIES.

Not less than 20 percent of the amount earned by the student under the state Work-Study Program shall be paid by the eligible employer. The employer shall maintain appropriate pay and/or time records and shall certify to the school the student's pay rate and number of hours worked for the period of employment. Time records shall be signed by both the student and the student's employment supervisor.

HECC 308 - CONTRACTS AND WORK AGREEMENTS.

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

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

HECC 309 - SUPERVISION

The school with the employer shall develop a program of supervision for each work-study assignment which is consistent with the nature of the assignment and the needs of the individual student. A description of the program of supervision shall be filed with the Executive Director and shall be subject to review and approval.

HECC 310 - DELEGATION OF AUTHORITY.

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

HECC 311 - 400 RESERVED FOR FUTURE USE.

APPROVED AS TO FORM AND LEGALITY
NOV 06 1975 19
WARREN SPANNAUS, ATTORNEY GENERAL
BY /s/ Michael B. Miller
SPECIAL ASSISTANT ATTORNEY GENERAL

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED
NOV 6 - 1975 - 11:00 am
Joan Anderson Growe
Secretary of State

FILED
RICHARD L. BRUBACHER
Commissioner of Administration
NOV 6 1975
BY Eda Staudenmaier
AUTH. SIGNATURE
11:20 AM.

STATE OF MINNESOTA

COUNTY OF RAMSEY

BEFORE RICHARD C. HAWK
Executive Director
MINNESOTA HIGHER EDUCATION
COORDINATING COMMISSION

In the matter of the Proposed Adoption of Rules of the Minnesota Higher Education Coordinating Commission Governing the State Scholarship and Grant Program, the Medical Student Loan Program, and the Work-Study Program

ORDER FOR HEARING

To effectively implement Minn. Laws 1975, ch. 390 §§ 4, 5, 8, 9, Minn. Laws 1975, ch. 430, and Minn. Laws 1975, ch. 433 § 10, which laws amend the State Scholarship and Grant Program, the Medical Student Loan Program, and the Work-Study Program, the Minnesota Higher Education Coordinating Commission deems it necessary to consider adoption of the proposed rules captioned above pursuant to the authority vested in the Commission by Minn. Laws 1975, ch. 380.

NOW, THEREFORE, IT IS ORDERED this 10th day of July 1975, that a public hearing on the proposed rules captioned above be held in Room 716 of the Capitol Square Building, 550 Cedar Street, St. Paul, Minnesota 55101, on August 28, 1975, commencing at 9:00 a.m. and continuing until all representatives of associations or other interested groups or persons 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 groups or persons who have registered their names with the Secretary of State for that purpose and all persons who are presently members of the Minnesota Legislature.

STATE OF MINNESOTA
HIGHER EDUCATION COORDINATING
COMMISSION

By _____
RICHARD C. HAWK
Executive Director

CERTIFICATE OF COMMISSION'S
AUTHORIZING RESOLUTION

I, Harding Noblitt, 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 the Commission duly and properly called and held on the 29th day of May, 1975, that a quorum was present at said meeting, that a majority of those present voted for the resolution, and that said resolution is set forth in the minutes of said meeting and has not been rescinded or modified.

"RESOLVED, that Richard C. Hawk, the 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 promulgating and amending rules of the Minnesota Higher Education Coordinating Commission governing the State Scholarship and Grant Programs, as authorized by Minnesota Laws 1971, Chapter 862, the Medical Student Loan Program, as authorized by Minnesota Laws 1973, Chapter 727, and the Work-Study Program, as authorized by Minnesota Laws 1973, Chapter 682, as well as perform any and all acts incidental thereto, including but without being limited thereto, signing an order for hearing and notice of hearing as well as acting as presiding officer at all hearings."

IN WITNESS WHEREOF, I have hereunto subscribed my name this 29th day of May, 1975.

Harding C. Noblitt
Secretary

Barbara Clark
President

RESOLVED, that Richard C. Hawk, the 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 promulgating and amending rules of the Minnesota Higher Education Coordinating Commission governing the State Scholarship and Grant Programs, as authorized by Minnesota Laws 1971, Chapter 862, the Medical Student Loan Program, as authorized by Minnesota Laws 1973, Chapter 727, and the Work-Study Program, as authorized by Minnesota Laws 1973, Chapter 682, as well as perform any and all acts incidental thereto, including but without being limited thereto, signing an order for hearing and notice of hearing as well as acting as presiding officer at all hearings.

STATE OF MINNESOTA

COUNTY OF RAMSEY

BEFORE RICHARD C. HAWK
Executive Director
MINNESOTA HIGHER EDUCATION
COORDINATING COMMISSION

In the matter of the Proposed Adoption of Rules of the Minnesota Higher Education Coordinating Commission Governing the State Scholarship and Grant Program, the Medical Student Loan Program, and the Work-Study Program

NOTICE OF HEARING

Notice is hereby given that a public hearing will be held pursuant to Minn. Laws 1975, ch. 380 § 2, in the above-entitled matter in Room 716 of the Capitol Square Building, 550 Cedar Street, St. Paul, Minnesota 55101, on August 28, 1975, commencing at 9:00 a.m., and continuing until all representatives of associations or other interested groups or persons have had an opportunity to be heard concerning adoption of the proposed rules captioned above by submitting either oral or written data, statements or arguments. Statements or briefs may be submitted without appearing at the hearing.

Under Minnesota Statutes § 10A.01, subdivision 11 (1974), any individual representing persons or associations attempting to influence administrative action, such as promulgation of these rules, must register with the State Ethics Commission as a lobbyist within five days of the commencement of such activity by the individual. The State Ethics Commission is located at 410 State Office Building, St. Paul, Minnesota 55155.

The Commission proposes to adopt rules relating to the following matters:

State Scholarship and Grant Program

The definition of institutions eligible to participate in the program, the maximum amount for student awards, awards to students with unusual financial difficulties after the first year of post-secondary education.

Medical Student Loan Program

The definition of medical school, the time participants must practice in a rural area to have their loans forgiven, the determination of financial need, priorities for choosing participants in the program, the maximum amount of loans available under the program.

Work-Study Program

All rules relating to the program will be amended.

Copies of the proposed rules are now available and may be obtained by writing to the Minnesota Higher Education Coordinating Commission, Suite 400, Capitol Square Building, 550 Cedar Street, St. Paul, Minnesota 55101. Additional copies will be available at the door on the date of the hearing.

STATE OF MINNESOTA
HIGHER EDUCATION COORDINATING
COMMISSION

By Richard C. Hawk
RICHARD C. HAWK
Executive Director

by Neal W. Burns.

AFFIDAVIT

Richard C. Hawk, being duly sworn in oath deposes and says:

1. That he is the Executive Director of the Higher Education Coordinating Commission.

2. That on the 29th day of May, 1975, the Commission passed a resolution granting him the authority to sign a Notice of Hearing for the purpose of promulgating rules governing the State Scholarship and Grant Programs, the Medical Student Loan Program, and the Work-Study Program.

3. That on the 25th day of July, 1975, in the affiant's absence from St. Paul, Neal Burns, the Associate Executive Director of the Commission, signed the affiant's name to the attached Notice of Hearing.

4. That before the mailing of the Notice on the 25th day of July, and having full knowledge of the Notice, he fully approved and ratified the the signature of his name thereon.

FURTHER THE AFFIANT SAYETH NOT.

Richard C. Hawk

KATHRINE A. FISCH
Notary Public, Ramsey Co., Minn
My Commission Expires
Nov. 21, 1981

Subscribed and sworn to before me
this 30th day of July, 1975.

AFFIDAVIT

Anne Carlson, being duly sworn on oath deposes and says:

1) That she is an employee of the Higher Education Coordinating Commission of the State of Minnesota.

2) That on the 17th day of July 1975, she went to the Secretary of State's office for the State of Minnesota and requested a current list of all representatives of associations or other interested groups or persons who had registered their names with the Secretary of State for the purpose of obtaining notices of public hearings relating to the promulgation of rules pursuant to Minn. Laws 1975, ch. 380 §2.

3) That on the 17th day of July 1975, in response to the above request, the Secretary of State provided her with such a list, a copy of which is attached hereto and incorporated by reference.

Further affiant sayeth not.

Anne Carlson

Subscribed and sworn to before me
this 17th day of July 1975.

Kathrine A. Fisch

KATHRINE A. FISCH
Notary Public, Ramsey Co., Minn
My Commission Expires
Nov. 21, 1981

STATE OF MINNESOTA

COUNTY OF RAMSEY

CERTIFICATE

In the matter of the Proposed Adoption of Rules of the Minnesota Higher Education Coordinating Commission Governing the State Scholarship and Grant Program, the Medical Student Loan Program, and the Work-Study Program

I hereby certify that the attached 432 labels ~~sheets~~ constitute the complete list of persons, associations, and other interested groups who as of 9:30 o'clock am, this 17th day of July, 1975, have requested pursuant to Minn. Laws 1975, ch. 389 § 2, that their names be placed on file with the Secretary of State for the purpose of receiving notice of public hearing on proposed rules on the subject captioned above. (M.S. sec. 15.0412)

Secretary of State

Joan Anderson Growe

By Ceil Dieu

STATE OF MINNESOTA

COUNTY OF RAMSEY

In the matter of the Proposed Adoption of Rules of the Minnesota Higher Education Coordinating Commission Governing the State Scholarship and Grant Program, the Medical Student Loan Program, and the Work-Study Program

AFFIDAVIT OF MAILING

Anne Carlson, being first duly sworn, deposes and says:

That on the 25 day of July, 1975, 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 at the addresses listed on the attached Certificate of the Secretary of State as well as to all persons listed on the attached sheet as presently being members of the Minnesota Legislature.

Anne D. Carlson

Subscribed and sworn to before me this 25 day of July, 1975.

Myrtle A. Benson

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

STATE OF MINNESOTA
COUNTY OF RAMSEY

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

In the matter of Proposed Rules
Relating the State Scholarship
and Grant Program

STATEMENT OF NEED

The new proposed rules for the State Scholarship and Grant In Aid Program are amendments to existing rules of the Minnesota Higher Education Coordinating Commission. The existing rules were last amended on October 22, 1974.

Legislation enacted during the 1975 session of the Minnesota legislature changed three requirements in the Scholarship and Grant In Aid Program defining:

1. School eligibility.
2. Maximum amounts for scholarships and grants.
3. Unusual financial difficulties awards.

The legislature enacted these changes in order to expand the number of schools whose students could participate in the program, to make the program available not only to students who received a state scholarship or grant in their first year of post-secondary education but also to a number of students who did not receive a state scholarship or grant in their first year of study, and to increase the maximum amount of award a scholarship or grant winner may receive.

Each of the proposed rules implements one of the legislatively mandated changes to the program. These are the only changes which have been proposed.

STATE OF MINNESOTA
HIGHER EDUCATION COORDINATING
COMMISSION

By Richard C. Hawk
RICHARD C. HAWK
Executive Director

STATE OF MINNESOTA
COUNTY OF RAMSEY

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

In the matter of Proposed Rules
Relating to The State Work-Study
Program

STATEMENT OF NEED

The new proposed rules for the State Work-Study Program are amendments to existing rules of the Minnesota Higher Education Coordinating Commission. The existing rules were written on September 26, 1973, and as yet have not been amended.

Legislation enacted by the 1975 session of the Minnesota legislature made three changes to the Work-Study Program defining:

1. Student eligibility
2. School eligibility.
3. Amount of awards.

The legislature enacted these changes in order to expand the number of schools whose students could participate in the program, to make the program available not only to students receiving state scholarships and grants but also to students who did not receive them, and to increase the amount of money participants may earn in the program.

These proposed rules implement the legislative mandates precisely as enacted and also implement reporting and contracting requirements necessary for program administration. These are the only changes which have been proposed.

STATE OF MINNESOTA
HIGHER EDUCATION COORDINATING
COMMISSION

By _____
RICHARD C. HAWK
Executive Director

STATE OF MINNESOTA
COUNTY OF RAMSEY

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

In the matter of Proposed Rules
Relating to The Minnesota Medical
and Osteopathy Loan Program

STATEMENT OF NEED

The new proposed rules for the Minnesota Medical and Osteopathy Loan Program are amendments to existing rules of the Minnesota Higher Education Coordinating Commission. The existing rules were first written on November 12, 1973, and as yet have not been amended.

Legislation enacted during the 1975 session of the Minnesota Legislature changed four requirements in the Medical Loan Program defining:

1. School eligibility.
2. Service requirements in rural areas of medical need.
3. Student eligibility.
4. Loan maximums.

The legislature enacted these changes in order to expand the number of medical schools whose students could participate in the program to medical schools outside Minnesota, to increase the number of months program participants must practice in a rural area of medical need in order to qualify for cancellation of their loans, and to reduce the amount of money participants could borrow from the program.

The proposed rules implement these legislatively mandated changes to the program and three additional changes proposed by MHECC. These additional three changes, and the reasons for their change, are as follows:

1. Change: The transfer of the administration of student financial need analysis from the Board of Medical Examiners to the Commission.

   Reason: The Board of Medical Examiners requested that the Commission administer these needs tests since the Commission is knowledgeable and experienced with such systems, while the Board is not.

2. Change: Removal of the rule requiring that the Commission adopt annually by resolution a list of osteopathy schools approved for the program.

   Reason: The list of eligible schools is not necessary since only students from three schools of osteopathy show interest in the program.

3. Change: Removal of the rule giving priority to students participating in the Board of Medical Examiner's loan program.

Reason: The Board of Medical Examiner's loan program was disbanded two years ago.

Tha above changes are the only ones which have been proposed.

STATE OF MINNESOTA
HIGHER EDUCATION COORDINATING
COMMISSION

By _____
RICHARD C. HAWK
Executive Director

STATE OF MINNESOTA
COUNTY OF RAMSEY

BEFORE Richard C. Hawk
EXECUTIVE DIRECTOR OF MINNESOTA
HIGHER EDUCATION COORDINATING
COMMISSION

In the matter of the Proposed
Adoption of Rules of the State
Higher Education Coordinating
Commission Governing Loans to
Medical and Osteopathy Students,
Scholarships and Grants-in-Aid,
and Work-Study Grants.

FINDINGS OF FACT

The above-entitled matter came on for hearing before the Executive Director of the Minnesota Higher Education Coordinating Commission on the 28th day of August, 1975, at 9:00 A.M. in Room 716 of the Capitol Square Building, 550 Cedar Street, St. Paul, Minnesota, after proper notice required by M.S. 1974, Section 15.0412 was served upon all persons, associations and other interested groups registered with the Secretary of State for that purpose.

After affording interested 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, I find the following:

FINDINGS OF FACT-AMENDMENTS TO STATE SCHOLARSHIP AND GRANT-IN-AID PROGRAM REGULATIONS

Change in Regulation	Reason for Change
1. Preamble, second sentence-"Appealed" changed to "repealed".	1. The inclusion of the word "appealed" in the preamble was a typographical error. The original intent, and the intent which remains today, has been to "repeal" regulations promulgated in 1969.
2. Preamble, third sentence-Change in statutory citation.	2. The new statutory citation includes recent amendments to the scholarship and grant-in-aid program.
3. HECC 101-Change in statutory citation.	3. The new statutory citation includes recent amendments to the scholarship and grant-in-aid program.
4. HECC 102-Changes to statutory citations.	4. The new statutory citation includes recent amendments to the scholarship and grant-in-aid program.
5. HECC 102-Elimination of word "Minnesota".	5. This change is statutorily mandated.
6. HECC 104-Change to statutory citation.	6. The new statutory citation includes recent amendments to the scholarship and grant-in-aid program.
7. HECC 106-Change to statutory citations.	7. The new statutory citation includes recent amendments to the scholarship and grant-in-aid program.
8. HECC 106-Change in maximum award	8. Statutorily mandated.
9. HECC 107-Change in statutory citation.	9. The new statutory citation includes recent amendments to the scholarship and grant-in-aid program.
10. HECC 108-Unusual financial difficulties awards.	10. The Minnesota legislature directed MHECC to promulgate regulations providing for scholarships and grants to upper-class students experiencing unusual financial difficulties. These students would be students who had not received scholarships or grants in their first year of post-secondary education. The Commission chose to allocate 5% of each year's grant-in-aid allocation for this purpose because the Division of Financial Aid estimates that 5% of grant-in-aid funds will be available through attrition in the fall of the academic year and will be available to fund students experiencing these unusual financial difficulties. Additional funds will probably be available through attrition later in the year, but too late to be reused.

FINDINGS OF FACT-CHANGES TO MINNESOTA MEDICAL AND OSTEOPATHY LOAN PROGRAM REGULATIONS

Changes in Regulation	Reason for Change
1. HECC 401-Change in statutory citation	1. The new citation includes recent legislative amendments to the program.
2. HECC 402-Change in definition of "accredited medical schools".	2. Recent program amendments extend program eligibility to medical schools outside Minnesota. Staff research into the accrediting process for medical schools identified the Liaison Committee on Medical Education, as defined in the proposed regulations, to be the nationally accepted organization for accrediting medical schools.
3. HECC 402-Change in statutory citation.	3. New regulations include recent statutory amendments to the program.
4. HECC 402-Elimination of the listing of eligible schools of osteopathy.	4. Students from only three schools of osteopathy demonstrate interest in the program. Since these three institutions are established and stable, there is no question about their eligibility.
5. HECC 402-Change in definition of length of rural medical practice.	5. Proposed regulations implement legislative amendments to the program.
6. HECC 402-Definition of "service requirement".	6. Later regulations use the term "service requirement"; the Commission therefore chose to define it in HECC 402.
7. HECC 403-Change in agency determining financial resources.	7. The Board of Medical Examiners requested that the Commission determine the financial circumstances of each student, since the Commission is knowledgeable and experienced in the field while the Board of Medical Examiners in not.
8. HECC 403-Change in student eligibility.	8. This change in student eligibility is statutorily mandated.

Changes in Regulation	Reason for Change
9. HECC 403-Elimination of priority to previous Board of Medical Examiners' program participants.	9. All such students have already been incorporated into the program. Since the Board of Medical Examiners no longer conducts a loan program, there will be no additional students in this category.
10. HECC 403-Addition of multi-year quarantee to program participants.	10. State statutes imply that, when selected, program participants are eligible to borrow from the program each academic year until graduation from medical or osteopathy school. For example the total maximum loan amount is exactly four times larger than the maximum yearly amount. It is clear from this that the statute intends that program participants be allowed to participate in the program for a maximum of four years, the length of medical study.
11. HECC 405-Change in loan amounts.	11. Change in loan amounts are statutorily mandated.
12. HECC 405-Change in service requirement.	12. This change in statutorily mandated.
13. HECC 407-Elimination of statutory citation.	13. Legal counsel has determined that this particular citation is superfluous.

FINDINGS OF FACT-AMENDMENTS TO MINNESOTA STATE WORK-STUDY PROGRAM REGULATIONS

The MHECC has proposed that all prior regulations be repealed because recent statutory changes completely revised all sections of the Work-Study Program

Change of Regulation	Reason for Change
1. HECC 302 (a-d)-New program definitions.	1. These new definitions are statutorily mandated.
2. HECC 302 (e)-New definition of financial need.	2. The legislature directed the Commission to implement a system for determining the financial needs of student participants. HECC 302-(e) defines this financial need in a manner similar to the definitions of financial need for other non-gift assistance programs.
3. HECC 302 (f-g)-New program definitions.	3. These new definitions are statutorily mandated.
4. HECC 302 (h)-Full time equivalent full term enrollment.	4. Each fall HECC conducts a survey of enrollments at Minnesota post-secondary institutions. This survey is not complete until January. By using the prior academic year survey, the Commission can implement the program at the beginning of each academic year. One individual, testifying at the public enrollment hearing, did express a preference for current enrollment data rather than data from the previous year.
5. HECC 303-304-Criteria for selection and amount and terms of awards.	5. These program requirements are statutorily mandated.
6. HECC 305-Allocation of funds.	6. Program statutes directed HECC to allocate funds under the program, taking into consideration each school's full-time equivalent fall term enrollment. HECC 305 defines the allocation formula accordingly.
7. HECC 306-School responsibilities or regulations in this section are statutorily mandated except for the requirements that schools use the procedures established in the federal work-study program.	7. Since procedures of this type are necessary, the Commission chose to simplify the process by using methods already in use and understood by educational institutions.

Change of Regulation	Reason for Change
8. HECC 307-Employer responsibilities.	8. The requirement that the employer pay at least 20% of the student earnings is statutorily mandated. The other regulations explain the procedures required in order for schools to maintain proper program control.
9. HECC 309-310-Supervision and delegation of authority.	9. The legislature requires HECC to satisfactorily supervise the program and perform other activities necessary for proper program maintenance. These two sections define the method of supervision and other authority to meet this statutory requirement.

All hearing testimony, other than the testimony described in the above findings, was supportive of the proposed changes as presented.

STATE OF MINNESOTA
MINNESOTA HIGHER EDUCATION
COORDINATING COMMISSION

EXECUTIVE DIRECTOR

STATE OF MINNESOTA
COUNTY OF RAMSEY

BEFORE Richard C. Hawk
EXECUTIVE DIRECTOR OF MINNESOTA
HIGHER EDUCATION COORDINATING
COMMISSION

In the matter of the Proposed
Adoption of Rules of the State
Higher Education Coordinating
Commission Governing Loans to
Medical and Osteopathy Students,
Scholarships and Grants-in-Aid,
and Work-Study Grants.

ORDER ADOPTING
RULES

The above-entitled matter came on for hearing before the Executive Director of the Minnesota Higher Education Coordinating Commission on the 28th day of August, 1975, at 9:00 A.M. in Room 716 of the Capitol Square Building, 550 Cedar Street, St. Paul, Minnesota, after proper notice required by M. S. 1974, Section 15.0412 was served upon all persons, associations and other interested groups registered with the Secretary of State for that purpose.

After affording interested 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 or criteria, and having confirmed the need for the above captioned rules.

NOW, THEREFORE, IT IS ORDERED that these rules identified as Loans to Medical and Osteopathy Students, Scholarships and Grants-in-Aid, and Work-Study Grants are adopted this 28th day of September, 1975, pursuant to authority vested in me by **Minnesota Higher Education Coordinating Commission.**

STATE OF MINNESOTA
MINNESOTA HIGHER EDUCATION
COORDINATING COMMISSION

EXECUTIVE DIRECTOR

CERTIFICATE OF BOARD'S

ADOPTION OF RULES RESOLUTION

I, Mary Schertler, do hereby certify that I am secretary of the Minnesota Higher Education Coordinating Commission, a board 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 the Minnesota Higher Education Coordinating Commission duly and properly called and held on the 25th day of September, 1975; that a quorum was present at said meeting; (that a majority of those present voted for the resolution); that said resolution is set forth in the minutes of said meeting and has not been rescinded or modified.

> "RESOLVED, that the rules relating to Loans to Medical and Osteopathy Students, Scholarships and Grants-in-Aid, and Work-Study Grants be and they hereby are approved and adopted, pursuant to authority vested in us by M. S. Sec. 136A.04, 136A.111, and 136A.234 (1974), and that Richard C. Hawk, Executive Director of the Minnesota Higher Education Coordinating Commission, be and hereby is authorized to sign an order adopting those rules."

IN WITNESS WHEREOF, I have hereunto subscribed my name this 25th day of September, 1975.

Mary Schertler
Secretary

Ellmie Johnson
Attest by one other Officer.

Resolved, that the rules relating to Loans to Medical and Osteopathy Students, Scholarships and Grants-in-Aid, and Work-Study Grants be and they hereby are approved and adopted, pursuant to authority vested in us by M. S. Sec. 136A.04, 136A.111, and 136A.234 (1974), and that Richard C. Hawk, Executive Director of the Minnesota Higher Education Coordinating Commission, be and hereby is authorized to sign an order adopting those rules.

STATEMENT OF COMPLIANCE WITH
MANUAL OF RULE MAKING PROCEDURES

I, Special Assistant Attorney General Mark B. Levinger, 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.

Unfortunately, the person who received the mailing list (consisting of 432 mailing labels) from the office of the Secretary of State failed to make a copy of these labels before they were used in the mailing of the Notices of Hearing. As her Affidavit of Mailing indicates, she did mail a Notice of Hearing to all interested parties or associations.

Mark B. Levinger
Special Assistant Attorney General

Dated: October 14, 1975

PROPOSED

HIGHER EDUCATION
COORDINATING COMMISSION

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.~~ repealed. 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.~~ Minnesota Statutes, Sections 136A.09 - 136A.131 (1974), as amended.

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

HECC 101 - PURPOSE.

The purpose of this chapter is the augment Minnesota Laws 1975, Chapter 433 and Minnesota Statutes 1974, 136A.09 ~~1971, 136A.096~~ through 136A.131 ~~and Laws, 1971, Ch. 862,~~ , as amended by Minnesota Laws 1975, Chapter 390, 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,~~ 1974, 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,~~ 1974, 136A.121, Subd. 1 (4) shall be the ordered rank as determined by the applicant's high school rank converted to a percentile ranking at the end of six semesters or the junior year.

(d) "Application date" shall be that date set each year by the 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,~~ 1974, 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 but who were not enrolled as full-time students during the twelve months immediately preceding application for financial assistance under terms of Minn. Stat. 1974 ~~1971, 136A.096~~ 136A.09 through 136A.131.

(f) "Transfer students" as defined Minn. Stat. ~~1971,~~ 1974, 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 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~~, 1974, 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 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~~, 1974, 136A.121, Subd. 3 (2), as amended by Minn. Laws 1975, Ch. 390, ranging from a minimum of $100 to a maximum of ~~$1,000~~ $1,100 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~~ $1,100, 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,~~ 1974, 136A.121 Subd. 3 (11), as amended by Minn. Laws 1975, Ch. 390, 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 - UNUSUAL FINANCIAL DIFFICULTIES AWARDS.

Notwithstanding any other rule in this chapter, pursuant to Minn. Laws 1975, Ch. 433 Sec. 10, each eligible institution may recommend to the Commission students who did not receive an award for the first year of post-secondary education and who show evidence of unusual financial difficulties after the first year. The Commission shall make up to five percent of the monies allocated for first-year grants-in-aid available for the purposes of this section. Each eligible institution shall be allowed to recommend to the Commission the number of students equivalent to five percent of the number of their first-year grant-in-aid recipients for the previous academic year. Insofar as applicable, the conditions, criteria, terms, and amounts of awards made to students under this section shall be the same as prescribed for other recipients in the grant-in-aid program except that the application date prescribed in HECC 102 (d) shall not apply to potential recipients under this section.

HECC ~~108~~ 109-200 - RESERVED FOR FUTURE USE.

PROPOSED

Rules and Regulations entitled "Work-Study Scholarships and Work-Study Grants" which were promulgated pursuant to Minnesota Laws 1973, Chapter 682 and which were filed with the Secretary of State and Commissioner of Administration on November 13, 1973, are hereby repealed.

CHAPTER THREE: HECC 301-400

WORK-STUDY GRANTS
Rules and Regulations Governing Administration of Work-Study Grants

HECC 301 - PURPOSE.

The purpose of this chapter is to augment Minnesota Laws 1975, Chapter 433 and Minnesota Statutes 1974, Sections 136A.231 through 136A.234, as amended by Laws 1975, Chapter 430, establishing a state program of Work-Study Grants by providing standards, criteria, rules, and regulations therefor.

HECC 302 - DEFINITIONS.

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

(a) "Minnesota State Work-Study Program" is the state work-study program for post-secondary students as provided for in Minnesota Laws 1975, Chapter 433 and Minnesota Statutes 1974, Sections 136A.231 through 136A.234, as amended by Laws 1975, Chapter 430, hereinafter referred to as the program.

(b) "Executive Director" is the Executive Director of the Minnesota Higher Education Coordinating Commission.

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

(d) "Eligible post-secondary institution" shall be any post-secondary institution eligible

for participation in the Minnesota State Scholarship and Grant Program pursuant to Minnesota Laws 1975, Chapter 433 and Minnesota Statutes, Sections 136A.09 through 136A.131 (1974), as amended by Minnesota Laws 1975, Chapter 390.

(e) "Financial need" shall be the amount of monetary assistance necessary for the student to meet post-secondary education costs but in no event shall exceed an amount equal to the amount of loan on which the student would be eligible to receive interest benefits from the Federal Insured Student Loan Program as determined by the school of attendance.

(f) "Eligible employer" means any eligible post-secondary institution and any non-profit, non-sectarian agency located in the State of Minnesota.

(g) "School" shall mean the eligible institution of post-secondary education in which the student is enrolled or intends to enroll.

(h) "Full-time equivalent fall term enrollment" shall be that enrollment which is determined by the Commission in its annual enrollment survey in the year prior to the academic year for which Program funds are allocated.

HECC 303 - CRITERIA FOR SELECTION.

Each student shall apply to the school for participation in the program. The student must be an eligible student as defined in HECC 302 (c) and must be a full-time student as defined by the school. Students shall be selected for participation in the program by the school on the basis of student financial need as defined in HECC 302 (e).

HECC 304 - AMOUNT AND TERMS OF AWARDS.

The maximum a student may earn under this program shall be the amount of the student's

financial need less all scholarship and grant dollars awarded to the student for that academic year. Students will be paid for hours actually worked and the maximum hourly rate of pay shall not exceed the maximum hourly rate of pay permitted under the Federal College Work-Study Program. Minimum pay rates will be determined by applicable federal or state law.

HECC 305 - ALLOCATION OF FUNDS.

Funds shall be allocated to participating schools according to procedures prescribed by the Executive Director. The allocation formula for the program shall be as follows:

The full-time equivalent fall term enrollment for each participating schools divided by the full-time equivalent fall term enrollment for all participating schools, times the appropriation as provided for by the Minnesota Legislature.

HECC 306 - SCHOOL RESPONSIBILITIES.

(a) Each participating school shall be accountable for any funds disbursed to students under the provisions of these rules and regulations. Not more than 50 percent of the institution's work-study allocation shall be used to employ students by the schools under the provisions of this program. The percent of the school's work-study allocation provided to graduate students shall not exceed the percentage of graduate students in the total enrollment at the participating school.

(b) Any allocated funds shall be used only during the fiscal year of disbursement and any unused funds shall be remitted to the Commission.

(c) Student earnings shall be paid to the student according to Federal regulations governing the payment of earnings to students under the Federal Work-Study Program.

(d) The school shall report to the Executive Director information on the program using

the same formats and t[redacted]etable the school uses to report a[redacted]vity under the Federal Work-Study Program to the U. S. Office of Education.

HECC 307 - EMPLOYER RESPONSIBILITIES.

Not less than 20 percent of the amount earned by the student under the state Work-Study Program shall be paid by the eligible employer. The employer shall maintain appropriate pay and/or time records and shall certify to the school the student's pay rate and number of hours worked for the period of employment. Time records shall be signed by both the student and the student's employment supervisor.

HECC 308 - CONTRACTS AND WORK AGREEMENTS.

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

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

HECC 309 - SUPERVISION

The school with the employer shall develop a program of supervision for each work-study assignment which is consistent with the nature of the assignment and the needs of the individual student. A description of the program of supervision shall be filed with the Executive Director and shall be subject to review and approval.

HECC 310 - DELEGATION OF AUTHORITY.

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

HECC 311 - 400 RESERVED FOR FUTURE USE.

PROPOSED

MINNESOTA HIGHER EDUCATION COORDINATING COMMISSION

Rules and Regulations Governing Administration
of Loans to Medical and Osteopathy Students
~~Defined in Laws 1973, Chapter 727.~~ Pursuant to Minnesota Statutes,
Sections 147.30 - 147.33 (1974), as amended by Minnesota Laws 1975, Chapter 390.

Chapter Four: HECC 401-500

LOANS TO MEDICAL AND OSTEOPATHY STUDENTS

HECC 401 - PURPOSE.

The purpose of this chapter is to augment ~~Laws, 1973, Chapter 727,~~ Minnesota Statutes, Sections 147.30 - 147.33 (1974), as amended by Minnesota Laws 1975, Chapter 390, establishing a state program of loans to medical and osteopathy students by providing standards, criteria, rules and regulations therefor:

HECC 402 - DEFINITIONS.

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

(a) "Accredited medical school" ~~as defined in Laws, 1973, Chapter 727, Section 1,~~ shall be any ~~one of the three schools of medicine in Minnesota, namely, Minneapolis, Duluth, and Mayo at Rochester.~~ medical school accredited by the Liason Committee on Medical Education, as founded by the American Medical Association and the Association of American Medical Colleges and as recognized by the United States Office of Education.

(b) "Accredited school of osteopathy" ~~as defined in Laws, 1973, Chapter 727, Section 1~~ shall be one whose graduates are eligible for licensure in Minnesota. ~~Annually, by resolution, the Commission shall adopt a list of such schools so qualifying.~~

(c) "Area in need of medical doctors or osteopaths" ~~as defined in Laws, 1973, Chapter 727, Section 1,~~ shall be a rural community in Minnesota where the health care needs of its

residents are not fully met by available physicians and/or osteopaths. Annually, by resolution, the Commission shall adopt a list of such areas based upon recommendations of the Minnesota State Board of Medical Examiners and other agencies concerned with planning health care of Minnesota residents.

(d) "Good standing of the student" ~~as required by Laws, 1978, Chapter 727, Section 1,~~ shall mean that the student is attending full-time in an approved school of medicine or osteopathy and is making satisfactory progress toward completion of academic and internship requirements according to standards of the institution the student is attending.

~~(e) "Three years in an area" as required by Laws, 1978, Chapter 727, Section 1, shall mean 36 consecutive months of medical practice in an approved area of need as defined in HECC 402 (c).~~

(e) "Eighteen months for each initial or renewal period of the loan" shall mean eighteen months times the number of years the student received funds from the program.

(f) "Service requirement" shall mean the number of months the student must practice in a rural area of medical need in order to satisfy the loan cancellation provisions of the program.

HECC 403 - CRITERIA FOR SELECTION.

(a) Priority will be given to applicants with financial need. The applicant's need for loan assistance provided by the terms of this act shall be determined by the ~~Board of Medical Examiners~~ Commission which shall take into account educational costs and financial resources available to the student.

~~(b) Eligibility of applicants for loan benefits shall be restricted to United States citizens with preference given to those applicants who have resided in Minnesota for one year or more before applying for a loan under terms of this program.~~

(b) In selecting medical students priority shall be given to students enrolled in schools in Minnesota.

~~(c) Priority shall be given to applicants who previously received a loan from the Board of Medical Examiners if they satisfy the requirements of HECC 403 (a) and (b).~~

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

HECC 404 - 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 applications for loans and for the selection of qualified recipients of loans provided by the terms of this act.

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

(b) The Board of Medical Examiners shall evaluate the respective qualifications of applicants and present its recommendations to the Commission for its final review and approval.

HECC 405 - AMOUNT AND TERMS OF LOANS.

(a) The amount of a loan shall not exceed ~~$6,000~~ $5,000 for any given academic year nor ~~$24,000~~ $20,000 in total to any one student.

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

(c) Each recipient of a loan provided under Minnesota Laws 1975, Chapter 390, shall be required to agree in writing to practice medicine or osteopathy for a period not less than ~~three (3) years~~ 18 months for each year the student received funds from the program, or five years, whichever is less, in a rural community in Minnesota designated by the Commission as an area in need of medical doctors or osteopaths as defined in HECC 402 (c); and shall further agree that such practice shall begin not later than three (3) months after being certified as qualified to practice medicine or osteopathy in Minnesota except as otherwise provided in HECC 405 (d).

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

(e) The recipient of a loan provided by terms of this act shall be considered to have discharged the full amount of his obligation, both principal and interest of loans, upon certification of satisfactory completion of required medical practice as defined in HECC 405 (c).

(f) If the recipient of a loan provided by this act fails to fulfill his agreement to practice medicine or osteopathy as set forth in HECC 405 (c), the full amount of his loan obligations, both principal and interest, shall become due and payable upon demand.

HECC 406 - METHOD OF PAYMENT.

(a) Upon approval of a loan under terms of this act and after the promissory note and service agreement have been executed in accordance with requirements set forth in HECC 405 (b) and HECC 405 (c), respectively, the Executive Director of the Commission shall cause to be remitted to the loan recipient the principal amount of the loan.

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

HECC 407 - RESERVE FUND.

The Commission shall be required to maintain a reserve fund. ~~as stipulated in Laws, 1973, Chapter 727, Section 4, for the purpose stated.~~ Loan obligations forgiven in accordance with HECC 405 (e) and any uncollectible loans made in accordance with the terms of this act shall be charged to the reserve fund and the loan fund credited for the amount so charged.

HECC 408 - 500 RESERVED FOR FUTURE USE.