

Minnesota Attorney General: Administrative Rules Proceedings

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Version 3
August 20, 2018

STATE OF MINNESOTA
HIGHER EDUCATION COORDINATING BOARD

IN THE MATTER OF THE ADOPTION OF THE)
RULES RELATING TO THE AREA VOCATIONAL-) STATEMENT OF NEED
TECHNICAL INSTITUTE TUITION GRANT PROGRAM)

The above-captioned rules are not amendments to existing rules of the Higher Education Coordinating Board.

The Minnesota Higher Education Coordinating Board is granted the authority to promulgate rules governing the Area Vocational-Technical Institute Tuition Grant Program as authorized by Minnesota Laws, 1977, Chapter 447, Section 11, to be codified as Minnesota Statutes 136A.236.

The above-captioned rules are needed to clarify how the program, authorized by Statute, will be implemented by the Board. 5 MCAR § 2.1002 (A) defines eligibility of participating institutions and is prescribed by legislation.

The nature of vocational education with varied educational program starting dates and waiting lists of students who have been granted admission and been accepted for enrollment requires careful definition of eligible students. 5 MCAR § 2.1002 (B) provides this definition. Subd. B (1) provides eligibility to those students currently in attendance and those admitted and accepted but still on a waiting list. In this manner, students attending an eligible institution on the date the tuition subsidy program is implemented (July 1, 1978) will be eligible to apply for assistance for the remainder of their educational program while students beginning classes after July 1, 1978 will be able to arrange financial assistance prior to the first day of classes should they so choose. The legislation restricts eligibility to those students under 21 years of age. Subds. B (2) and (3) of 5 MCAR § 2.1002 are needed to carefully define this restriction without excluding students unnecessarily. This is achieved by providing benefits to those individuals who are accepted for attendance and apply for a tuition subsidy before their 21st birthday even though the actual starting day of classes may follow their 21st birthday. The purpose of this rule is not to exclude anyone because of inconsistency of program starting dates from school to school. However, since funds are disbursed and controlled by fiscal year, new subsidy applications are required for each fiscal year. Subd. B (3) requires that the student be under 21 years of age for some portion of the fiscal year during which the subsidy is to be used.

The legislation restricts eligibility to Minnesota residents. In order to provide consistency between those students assessed resident tuition and those eligible for tuition assistance, Subd. B (4) is required. Without a statutory residency definition, each educational system in Minnesota has defined residency for educational purposes independently. This definition for vocational-technical institutes is further complicated by variations among the local governing boards. Provision of a statewide definition for purposes of this program would result in contradictory determination for students; students judged to be residents for tuition purposes may not be residents for tuition assistance purposes. By coupling determination for tuition payment with eligibility for tuition subsidy, this potential problem will be eliminated. Students attending Minnesota institutions by virtue of reciprocity agreements are considered residents for admittance and tuition purposes only; they are not eligible for Minnesota state financial gift

assistance programs. This fact is clearly identified in Subd. B (4) and this portion of the rule is necessary to clarify any confusion which might arise. Subd. B (5) is necessary to clearly identify the state scholarship and grant-in-aid program mentioned in the legislation.

5 MCAR § 2.1002 (C) provides a definition of educational costs which include tuition, fees, room, board, books, and miscellaneous costs. These educational costs are the standard budgets by program and institution utilized by the institution in the administration of federally-funded campus-based student assistance programs. This section further specifies that budgets will be submitted to the Board by each institution for all programs annually and that the Board has final approval on the validity of the budgets.

5 MCAR § 2.1002 (D) provides a definition of educational program, required for the administration of the grants.

The legislation requires that funds appropriated for tuition subsidies be distributed to the eligible institutions by the Board. 5 MCAR § 2.1002 (E) defines the basis for the allocation formula and is needed to clarify that initial allocations will be made on projected figures while subsequent allocations will utilize actual figures as available in order to accurately reflect actual need at the particular institution.

5 MCAR § 2.1002 (F) defines application date which is required for the administration of the program, providing a starting date for tuition reduction for applications submitted after the first day of class. This date is also used in the determination of eligibility concerning the age requirement, the deferment of tuition during the application process as specified by the legislation, and forgiveness of accrued tuition for denied applicants as provided for in the legislation.

5 MCAR § 2.1002 (G, H, I, and J) are definitional and are required to eliminate confusion.

5 MCAR § 2.1003 (A) is required to clarify that tuition subsidies are for one year or the period required for completion of the applicant's educational program, whichever is less and are not automatically renewable. Subd. B is needed to clarify that tuition subsidies do not provide funds directly to students but result in a reduction of tuition. By statute, funds are to be disbursed directly to each eligible institution and recipients are to be selected by the institution. It is necessary, therefore, that each institution account for all funds designated for each recipient attending the institution. 5 MCAR § 2.1003 (C) is necessary to clarify this responsibility. According to Statute (Chapter 16A) funds must be accounted for by fiscal year. Many educational programs at the eligible institutions overlap fiscal years. 5 MCAR § 2.1003 (D) is required to explain how tuition subsidies shall be administered for students in programs overlapping two fiscal years.

In order to be flexible and provide assistance to all needy students, applications may be submitted at any time. 5 MCAR § 2.1003 (E) is required to explain when tuition reduction begins for each student according to the timing of his application.

The legislation has provided for the deferment of tuition during the application procedure. 5 MCAR § 2.1003 (F) is required to define institutional and student responsibility concerning this accrued tuition.

The Minnesota State Scholarship and Grant-In-Aid Program awards students a number of times during an academic year depending upon availability of funds. A

student who initially did not receive a Minnesota State Scholarship or Grant-In-Aid may receive assistance in a later round of awards. 5 MCAR § 2.1003 (G) is required to define the student's responsibility to the tuition subsidy program should he accept payment of a Minnesota State Scholarship or Grant-In-Aid.

Because students may change educational programs during an academic year and because financial need is based upon the cost of the educational program, 5 MCAR § 2.1003 (H) is required. This subdivision explains institutional responsibility to the tuition subsidy program for students changing educational programs. This subdivision also identifies the date on which a change in benefits is to occur.

Students also change educational institutions within an academic year. Since funds are disbursed to institutions and not to students, a tuition subsidy cannot automatically transfer to another institution with the student. 5 MCAR § 2.1003 (I) is required to define this condition and to clarify student responsibilities.

Because tuition may be deferred during the application process, it is possible for an applicant who is denied a subsidy to postpone the payment of tuition by continual re-application to the subsidy program. 5 MCAR § 2.1003 (J) is required to prevent this situation while still providing for emergency situations by allowing discretion on the part of the aid officer.

The legislation provides that subsidies shall be contingent upon financial need. 5 MCAR § 2.1004 is needed to define the method by which financial need shall be determined. The purpose is to take advantage of already existing methods of needs analysis, resulting in greater simplicity for the institution and student.

5 MCAR § 2.1004 (B) is required to define how the student's need shall be the portion of educational costs remaining after the deduction of family contribution, federal Basic Educational Opportunity Grant funds, and other assistance not controlled by the institution. In this manner, the state is continuing its policy of utilization of federal assistance while allowing maximum flexibility to the aid officer to arrange the most advantageous aid package for each student.

5 MCAR § 2.1005 limits tuition subsidies to a maximum of 75% of tuition and a minimum of 5% of tuition. The maximum is set by Statute. The minimum has been set at 5% to provide benefits to needy students without creating overwhelming administrative burdens. At tuition of $2.00 per day, 5% is $.10 or $18.00 for an educational program of 180 days.

5 MCAR § 2.1006 (A) is necessary to eliminate confusion concerning application procedures and recipient selection. The Higher Education Coordinating Board has responsibility to supervise this program of subsidies. In order to assess the effectiveness of the program in meeting the financial needs of students, various data is needed. Subd. B and C of 5 MCAR § 2.1006 are required to define institutional responsibility for the provision of this data.

5 MCAR § 2.1007 (A) is needed to provide allocation formula to be used for the disbursement of funds. 5 MCAR § 2.1007 (B) is required to define the Board's responsibility in notifying institutions of allocated funds. 5 MCAR § 2.1007 (C) is needed to specify dates by which institutions will notify the Board of funds needed to meet subsidy commitments. The Board's responsibilities concerning disbursement of needed funds are also contained in this subdivision.

Since the actual financial need of students attending the institutions may vary, a re-allocation of unused funds to institutions requiring additional funds

is desirous to fully utilize funds and maximize assistance to students. 5 MCAR § 2.1007 (D) is needed to provide for this re-allocation.

5 MCAR § 2.1007 (E) is needed to define institutional responsibilities for funds disbursed to each institution. 5 MCAR § 2.1007 (F) is required to explain institutional responsibilities for refunds necessitated by the withdrawal of students and provides choice in the re-assignment or remittance of such refunded amounts.

5 MCAR § 2.1008 is needed to provide the delegation of authority to the Executive Director which is necessary for the administration of the program.

Clyde R. Ingle
EXECUTIVE DIRECTOR

Exhibit A

As Adopted

ICAR § 2.1001 - 2.1008

CHAPTER TEN: AREA VOCATIONAL-TECHNICAL INSTITUTE

TUITION SUBSIDY PROGRAM

§ 2.1001 Purpose. The purpose of this chapter is to augment Minnesota Laws, 1977, Chapter 447, Article 5, Section 11, to be codified as Minnesota Statutes 136A.236, establishing a state program of tuition subsidies for students in attendance at Minnesota area vocational-technical institutes by providing standards, criteria, rules, and regulations therefore.

§ 2.1002 Definitions. The following terms shall have the meaning hereinafter ascribed to them:

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

B. "Eligible student" shall be any student:

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

2. who is under 21 years of age at the time of application to the tuition subsidy program;

3. who is under 21 years of age for some portion of the fiscal year during which the tuition subsidy will be utilized;

4. who qualifies for payment of resident tuition at the eligible institution (those qualifying for resident tuition through the interstate tuition reciprocity agreements are not eligible) and,

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

C. "Educational costs" shall include tuition and processing fees, room and board, books, and miscellaneous expenses as applicable for each educational program as approved by the Board in an annual budget survey of all eligible institutions.

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

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

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

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

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

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

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

§§ 2.1003 Nature of Tuition Subsidies.

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

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

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

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

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

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

G. Recipients of tuition subsidies who subsequently receive payment

of a Minnesota State Scholarship or Grant-in-Aid for the same period of attendance for which the tuition subsidy was awarded shall be responsible for reimbursing the eligible institution for all tuition subsidized through the tuition subsidy program.

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

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

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

§ 2.1004 Determination of Financial Need

A. The determination of family contribution shall be made by a nationally recognized student financial assistance service utilizing uniform methodology as approved by the United States Office of Education or the Basic Grant needs analysis procedures subject to the review and approval of the Board.

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

§ 2.1005 Amount of Tuition Subsidies

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

§ 2.1006 Institution Responsibility - Selection and Reporting

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

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

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

§ 2.1007 Allocation and Disbursement of Funds

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

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

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

C. No later than August 1, each eligible institution shall inform the

Board of funds needed to meet commitments during the current quarter. The Board shall disburse such requested funds no later than August 15.

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

D. Periodically, at the request of the Board, each eligible institution shall inform the Board of projected utilization of allocated funds. Unneeded funds shall be released by the eligible institution and shall be available for reallocation according to the formula defined in 5 MCAR § 2.1007 (A) to eligible institutions requiring funds in excess of the original allocation for the fiscal year.

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

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

§ 2.1008 Delegation of Authority

The Executive Director is hereby delegated necessary authority and responsibility for administration of the Area Vocational-Technical Institute Tuition Subsidy Program in accordance with these rules, state law and applivable federal laws and regulations, including issuing public information, designing related forms, prescribing application procedures, prescribing terms and conditions and agreements with eligible institutions, and establishing such

policies and practices as the Executive Director may deem necessary for effective administration in accordance with the purposes and requirements of the Area Vocational-Technical Institute Tuition Subsidy Program.

STATEMENT OF COMPLIANCE WITH
MANUAL OF RULE MAKING PROCEDURES

I, Special Assistant Attorney General Gregory P. Huwe, 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.

Gregory P. Huwe
Special Assistant Attorney General

Dated: May 3, 1978

CERTIFICATE OF BOARD'S
ADOPTION OF RULES RESOLUTION

I, Jack Lynch, do hereby certify that I am secretary of the Higher Education Coordinating Board, 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 Higher Education Coordinating Board duly and properly called and held on the twenty-seventh day of April, 1978; 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 the Area Vocational-Technical Institute Tuition Subsidy Program be and they hereby are approved and adopted as recommended in Findings of Fact, dated February 2, 1978, by Hearing Examiner, and the Supplemental Report of the Chief Hearing Examiner, dated April 20, 1978, pursuant to authority vested in us by Minnesota Laws, 1977, Chapter 447, Section 11, to be codified as Minnesota Statutes 136A.236, and that Clyde R. Ingle, Executive Director of the Higher Education Coordinating Board, be and hereby is authorized to sign an order adopting those rules.

In Witness Whereof, I have hereunto subscribed my name this twenty-seventh day of April, 1978.

Jack Lynch

JACK LYNCH, Secretary
Higher Education Coordinating Board

Emil A. Erickson

Attested to by
EMIL A. ERICKSON, President
Higher Education Coordinating Board

STATE OF MINNESOTA
HIGHER EDUCATION COORDINATING BOARD

IN THE MATTER OF THE ADOPTION OF THE)
RULES RELATING TO THE AREA VOCATIONAL-) ORDER ADOPTING RULES
TECHNICAL INSTITUTE TUITION SUBSIDY PROGRAM)

The above-entitled matter came on for hearing before Steve M. Mihalchick, Hearing Examiner of the Office of Hearing Examiner of the State of Minnesota on the 9th day of January, 1978, which hearing was held in the 7th Floor Conference Room, Capitol Square Building, 550 Cedar Street, in St. Paul, Minnesota, after proper notice required by Minn. Stat., 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 reviewed all of the testimony, having considered all of the evidence adduced, having considered the Report of the Hearing Examiner, having considered the Supplemental Report of the Chief Hearing Examiner, and upon all of the testimony and proceedings herein, and applicable statutory standards or criteria, having withheld action on the proposed rules for the required period of time after receipt of the Hearing Examiner's Findings, and having confirmed the need for the above-captioned rules and the reasonableness thereof.

Now, therefore, it is ordered that these rules identified as 5 MCAR § 2.1001 - 2.1008, attached hereto as "Exhibit A," are adopted this 27th day of April, 1978, pursuant to authority vested in me by Resolution of the Higher Education Coordinating Board dated April 27, 1978, and by Minn. Stat. § 136.03.

CLYDE R. INGLE
Executive Director
Higher Education Coordinating Board

Exh. "A"

5 MCAR § 2.1001 - 2.1008

CHAPTER TEN: AREA VOCATIONAL-TECHNICAL INSTITUTE

TUITION SUBSIDY PROGRAM

§ 2.1001 Purpose. The purpose of this chapter is to augment Minnesota Laws, 1977, Chapter 447, Article 5, Section 11, to be codified as Minnesota Statutes 136A.236, establishing a state program of tuition subsidies for students in attendance at Minnesota area vocational-technical institutes by providing standards, criteria, rules, and regulations therefore.

§ 2.1002 Definitions. The following terms shall have the meaning hereinafter ascribed to them:

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B. "Eligible student" shall be any student:

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

2. who is under 21 years of age at the time of application to the tuition subsidy program;

3. who is under 21 years of age for some portion of the fiscal year during which the tuition subsidy will be utilized;

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

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

C. "Educational costs" shall include tuition and processing fees, room and board, books, and miscellaneous expenses as applicable for each educational program as approved by the Board in an annual budget survey of all eligible institutions.

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

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

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

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

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

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

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

§ 2.1003 Nature of Tuition Subsidies.

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

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

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

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

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

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

G. Recipients of tuition subsidies who subsequently receive payment

of a Minnesota State Scholarship or Grant-in-Aid for the same period of attendance for which the tuition subsidy was awarded shall be responsible for reimbursing the eligible institution for all tuition subsidized through the tuition subsidy program.

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

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

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

§ 2.1004 Determination of Financial Need

A. The determination of family contribution shall be made, subject to review and approval of the Board, by a nationally recognized student financial assistance service utilizing either uniform methodology, including that approved by the United States Office of Education, or the Basic Educational Opportunity Grant needs analysis.

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

§ 2.1005 Amount of Tuition Subsidies

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

§ 2.1006 Institution Responsibility - Selection and Reporting

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

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

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

§ 2.1007 Allocation and Disbursement of Funds

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

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

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

C. No later than August 1, each eligible institution shall inform the

Board of funds needed to meet commitments during the current quarter. The Board shall disburse such requested funds no later than August 15.

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

D. Periodically, at the request of the Board, each eligible institution shall inform the Board of projected utilization of allocated funds. Unneeded funds shall be released by the eligible institution and shall be available for reallocation according to the formula defined in 5 MCAR § 2.1007 (A) to eligible institutions requiring funds in excess of the original allocation for the fiscal year.

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

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

§ 2.1008 Delegation of Authority

The Executive Director is hereby delegated necessary authority and responsibility for administration of the Area Vocational-Technical Institute Tuition Subsidy Program in accordance with these rules, state law and applicable federal laws and regulations.

APPROVED AS TO FORM AND LEGALITY
MAY 8 1978 19__
WARREN SPANNAUS ATTORNEY GENERAL
BY Lee E. Sheehy
SPECIAL ASSISTANT ATTORNEY GENERAL

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED
MAY 8 - 1978
Joan Anderson Growe
Secretary of State
11:45 AM

4-20-78

STATE OF MINNESOTA

OFFICE OF HEARING EXAMINERS

ROOM 300 – 1745 UNIVERSITY AVENUE

ST. PAUL, MINNESOTA 55104

(612) 296-6910

April 20, 1978

Mr. Gregory P. Huwe
Special Assistant Attorney General
303 Capitol Square Building
St. Paul, Minnesota 55101

Dear Mr. Huwe:

Enclosed with this letter and herewith served upon you please find the Supplemental Report of the Chief Hearing Examiner relating to your resubmission of the rules of the Higher Education Coordinating Board for Area Vocational-Technical Institute Tuition Subsidy Program.

Yours very truly,

DUANE R. HARVES
Chief Hearing Examiner

DRH:sh
Enc.

STATE OF MINNESOTA
OFFICE OF HEARING EXAMINERS

FOR THE HIGHER EDUCATION COORDINATING BOARD

IN THE MATTER OF THE PROPOSED ADOPTION OF RULES OF THE HIGHER EDUCATION COORDINATING BOARD RELATING TO THE AREA VOCATIONAL-TECHNICAL INSTITUTE TUITION SUBSIDY PROGRAM.

SUPPLEMENTAL REPORT OF THE CHIEF HEARING EXAMINER

WHEREAS, on March 14, 1978, the Minnesota Higher Education Coordinating Board submitted the above-entitled rules to the Chief Hearing Examiner for review pursuant to Minn. Stat. § 15.052, Subd. 4, and Rule HE 107; and

WHEREAS, on March 16, 1978, the Chief Hearing Examiner issued his report finding that the rules as proposed to be adopted were not substantially different from those proposed at the public hearing and that the Higher Education Coordinating Board had met all requirements of Minn. Stat. § 15.0412, Subd. 4; and

WHEREAS, the Higher Education Coordinating Board subsequently submitted the rules and the record of the proceedings to the Attorney General for his review as to form and legality pursuant to Minn. Stat. § 15.0412, Subd. 4; and

WHEREAS, the Attorney General recommended to the Higher Education Coordinating Board that certain of the rules be amended; and

WHEREAS, the Higher Education Coordinating Board has now resubmitted the rules to the Chief Hearing Examiner for his review; and

WHEREAS, the Chief Hearing Examiner finds that the changes made in the rules do not make the rules substantially different from those proposed at the public hearing.

NOW, THEREFORE, upon receipt of this report, the Higher Education Coordinating Board has the responsibility of resubmitting the complete hearing record and the rules as adopted by the Board to the Attorney General and to publish in the State Register, all pursuant to Minn. Stat. § 15.0412, Subd. 4.

Dated this 20th day of April, 1978.

DUANE R. HARVES
Chief Hearing Examiner

STATE OF MINNESOTA
HIGHER EDUCATION COORDINATING BOARD

IN THE MATTER OF THE ADOPTION OF THE)
RULES RELATING TO THE AREA VOCATIONAL-) ORDER ADOPTING RULES
TECHNICAL INSTITUTE TUITION SUBSIDY PROGRAM)

The above-entitled matter came on for hearing before Steve M. Mihalchick, Hearing Examiner of the Office of Hearing Examiner of the State of Minnesota on the 9th day of January, 1978, which hearing was held in the 7th Floor Conference Room, Capitol Square Building, 550 Cedar Street, in St Paul, Minnesota, after proper notice required by Minn. Stat., 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 reviewed all of the testimony, having considered all of the evidence adduced, having considered the Report of the Hearing Examiner, and upon all of the testimony and proceedings herein, and applicable statutory standards or criteria, having witheld action on the proposed rules for the required period of time after receipt of the Hearing Examiner's Findings, and having confirmed the need for the above-captioned rules and the reasonableness thereof.

Now, therefore, it is ordered that these rules identified as 5 MCAR § 2.1001 - 2.1008, attached hereto as "Exhibit A," are adopted this 23rd day of February, 1978, pursuant to authority vested in me by Resolution of the Higher Education Coordinating Board dated February 23, 1978, and by Minn. Stat. § 136.03.

CLYDE R. INGLE
Executive Director
Higher Education Coordinating Board

MCAR § 2.1001 - 2.1008

CHAPTER TEN: AREA VOCATIONAL-TECHNICAL INSTITUTE TUITION GRANT PROGRAM

§ 2.1001 Purpose. The purpose of this chapter is to augment Minnesota Laws, 1977, Chapter 447, Article 5, Section 11, to be codified as Minnesota Statutes 136A.236, establishing a state program of tuition grants for students in attendance at Minnesota area vocational-technical institutes by providing standards, criteria, rules, and regulations therefore.

§ 2.1002 Definitions. The following terms shall have the meaning hereinafter ascribed to them:

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

B. "Eligible student" shall be any student:

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

2. who is under 21 years of age at the time of application to the tuition grant program;

3. who is under 21 years of age for some portion of the fiscal year during which the tuition grant will be utilized;

4. who qualifies for payment of resident tuition at the eligible institution (those qualifying for resident tuition through the interstate tuition reciprocity agreements are not eligible) and,

5. who is not receiving a Minnesota State Scholarship or Grant-in-Aid for the period of attendance for which the tuition grant has been awarded.

C. "Educational costs" shall include tuition and processing fees, room and board, books, and miscellaneous expenses as applicable for each educational program as approved by the Board in an annual budget survey of all eligible institutions.

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

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

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

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

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

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

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

§ 2.1003 Nature of Tuition Grants

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

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

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

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

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

F. Payment of tuition may be deferred during the application process. Applicants receiving tuition grants shall be responsible, upon notification of such grants, for all tuition which accrued during the application process and which is not subsidized by the grant. Applicants not receiving tuition grants may, upon notification of denial, promptly withdraw from the eligible institution and be forgiven all tuition which accrued during the application process. Applicants not receiving tuition grants who choose not to withdraw from the eligible institution shall be responsible for all tuition which accrued during the application process.

G. Recipients of tuition grants who subsequently receive payment of a Minnesota

State Scholarship or Grant-in-Aid for the same period of attendance for which the tuition grant was awarded shall be responsibile for reimbursing the eligible institution for all tuition subsidized through the tuition grant program.

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

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

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

§ 2.1004 Determination of Financial Need

A. The determination of family contribution shall be made by a nationally recognized student financial assistance service utilizing uniform methodology as approved by the United States Office of Education or the Basic Grant needs analysis procedures subject to the review and approval of the Board.

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

§ 2.1005 Amount of Tuition Grants

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

§ 2.1006 Institution Responsibility - Selection and Reporting

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

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

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

§ 2.1007 Allocation and Disbursement of Funds

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

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

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

C. No later than August 1, each eligible institution shall inform the Board

of funds needed to meet commitments during the current quarter. The Board shall disburse such requested funds no later than August 15.

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

D. Periodically, at the request of the Board, each eligible institution shall inform the Board of projected utilization of allocated funds. Unneeded funds shall be released by the eligible institution and shall be available for reallocation according to the formula defined in 5 MCAR § 2.1007 (A) to eligible institutions requiring funds in excess of the original allocation for the fiscal year.

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

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

§ 2.1008 Delegation of Authority

The Executive Director is hereby delegated necessary authority and responsibility for administration of the Area Vocational-Technical Institute Tuition Grant Program in accordance with these rules, state law and applicable federal laws and regulations, including issuing public information, designing related forms, prescribing application procedures, prescribing terms and conditions and agreements with eligible

institutions, and establishing such policies and practices as the Executive Director may deem necessary for effective administration in accordance with the purposes and requirements of the Area Vocational-Technical Institute Tuition Grant Program.

STATE OF MINNESOTA
COUNTY OF RAMSEY

CERTIFICATE

In the matter of the Proposed Adoption
of Rules of Financial Aids Division, Minnesota Higher Education Coordinating Board
Governing AVTI Tuition Subsidy Program

I hereby certify that the attached 486 Labels 2 sheets constitute the complete list of persons, associations, and other interested groups who as of 9 o'clock A .M, this 30th day of November, 19 77, have requested pursuant to M.S. 19 76, 15.0412 Subd. 4, 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.

Secretary of State

Joan Anderson Growe

By Cheri L. Mattson

AFFIDAVIT

Sandra L. Clark, being duly sworn on oath deposes and says:

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

2) That on the 30th day of November, 1977, 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 M. S. 15.0412.

3) That on the 30th day of November, 1977, 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.

Sandra L. Clark

Subscribed and sworn to before me
this 6 day of December 1977.

Katherine A. Fisch

Notary Public,

Ramsey County, Minnesota
My Commission expires _____.

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

State of Minnesota

Higher Education Coordinating Board

In the matter of the proposed adoption of rules of the Higher Education Coordinating Board relating to the Area Vocational-Technical Institute Tuition Subsidy Program

STATEMENT OF EVIDENCE

In support of the adoption of the above-referenced rules, the Higher Education Coordinating Board introduced into the record at the hearing in the above-referenced matter the "Statement of Need" which was made available for inspection or purchase by all interested parties at the Office of Hearing Examiners prior to the hearing. The Statement of Need was read into the record by Deborah Reckinger, Coordinator of Student Financial Aid Programs.

In addition to the Statement of Need, testimony on behalf of the Higher Education Coordinating Board consisted of comments by Dr. David Laird, Deputy Executive Director, regarding the desirability of changing the title of the rules from Tuition Grant Program to Tuition Subsidy Program in order to avoid misinterpretation and in order to be consistent with statutory language.

There was no public testimony at the hearing and the only comments submitted on the proposed rules consisted of Public's Exhibit 1, submitted by the Minnesota State Advisory Counsel for Vocational Education.

Gregory P. Huwe

GREGORY P. HUWE
Special Assistant Attorney General

Dated: April 6, 1978

STATEMENT OF COMPLIANCE WITH
MANUAL OF RULE MAKING PROCEDURES

I, Special Assistant Attorney General Gregory P. Huwe, 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.

Gregory P. Huwe
Special Assistant Attorney General

Dated: March 21, 1978

STATE OF MINNESOTA
OFFICE OF HEARING EXAMINERS

FOR THE HIGHER EDUCATION COORDINATING BOARD

In the Matter of the Proposed Adoption of Rules of the Higher Education Coordinating Board Relating to the Area Vocational-Technical Institute Tuition Subsidy Program.	))))))	REPORT OF HEARING EXAMINER

The above-entitled matter came on for hearing in Saint Paul on January 9, 1978, before Steve M. Mihalchick, Hearing Examiner assigned by the Chief Hearing Examiner.

This is a rules hearing pursuant to Minn. Stat. ch. 15, to determine whether the proposed new rules captioned above should be adopted.

Appearing for the Higher Education Coordinating Board were Dr. David Laird, Deputy Executive Director; Deborah Reckinger, Coordinator of Student Financial Aid Programs; and Gregory P. Huwe, Special Assistant Attorney General. The hearing continued until all interested persons had an opportunity to participate.

Pursuant to Minn. Stat. § 15.0412, subd. 4, this Report shall be available for review to all affected individuals upon request for at least five days.

The Board shall, if it proposes to adopt the rules as originally proposed, submit the complete hearing record, including its Findings and Order, to the Chief Hearing Examiner no earlier than five days subsequent to the receipt of this Report. This submission shall clearly indicate any changes made to the rules as originally proposed, preferably in the format that will be submitted to the State Register for publication. The Chief Hearing Examiner shall complete his review and submit his report to the Board on the issues of substantial changes in the rule and compliance with Minn. Stat. § 15.0412, within ten calendar days. Thereafter, the Board shall be responsible

for filing the rules with the Attorney General and for notifying persons who have indicated that they wish to be notified of such filing.

Based upon all the records and proceedings herein, the Examiner makes the following:

FINDINGS OF FACT

PROCEDURAL REQUIREMENTS:

1. On November 1, 1977, the Board filed the following documents with the Chief Hearing Examiner:

(a) A copy of the proposed rules;
(b) The Certificate of the Board's authorizing resolution;
(c) A proposed Notice of Hearing; and
(d) A statement of the estimated length of the hearing and estimated number of people attending the hearing.

2. On November 30, 1977, the Board mailed the Notice of Hearing to all persons and associations who had registered their names with the Secretary of State for the purpose of receiving such notice.

3. On December 5, 1977, a Notice of Hearing and a copy of the proposed rules were published at 2 State Register 1096.

4. On December 13, 1977, the Board filed the following documents:

(a) The Order for Hearing;
(b) The Notice of Hearing as mailed;
(c) The Affidavit of Mailing;
(d) The Affidavit of Receipt of Secretary of State's Mailing List;
(e) The Secretary of State's Certificate;
(f) The Statement of Need; and
(g) The names of Board personnel who will represent the agency.

5. The documents were available for inspection at the Office of Hearing Examiners from the date of filing to the date of the hearing.

6. The record remained open through January 18, 1978, for the receipt of written comments and statements.

STATUTORY AUTHORITY, NEED, AND REASONABLENESS

7. With the additions noted in the following Findings, the Examiner adopts the Board's Statement of Need as his Findings

demonstrating the Board's statutory authority to adopt the proposed rules and the need for and reasonableness of the rules. The Statement is attached. The Statement was filed 25 days prior to the hearing, copies of it were provided at the hearing, and it was read in its entirety at the hearing. There were no objections to the proposed rules or the justification given.

8. The proposed rules are entitled, "Area Vocational Technical Institute Tuition Grant Program". The statutory authority underlying the proposed rules at Minn. Stat. § 136A.236 is entitled, "Tuition subsidies for post secondary vocational-technical school students". Dr. Laird testified on behalf of the Board that the title of the rules should be changed to "Area Vocational Technical Institute Tuition Subsidy Program" in order to avoid misinterpretation and confusion and to be consistent with the statutory language. This modification is reasonable for the reasons stated and should be adopted. It would not be a substantial change under 9 MCAR § 2.108. Similarly, the word "grant(s)", should be changed to "subsidy (ies)", where appropriate, throughout the proposed rules.

9. The Minnesota State Advisory Council for Vocational Education, in the only comment submitted on the proposed rules, expressed its concern that the subsidies are only available to students under age 21, and that any subsidy cannot exceed 75 percent of the cost of tuition. They call the first provision discriminatory and the second a failure to meet the needs of the most needy.

The restrictions are required by the statute and it is axiomatic that an administrative agency cannot change the law. The Council recognized this truism, but stated:

> "The Council realizes that the Higher Education Coordinating Board was limited by the intent of the State Legislature in preparing these rules and is not directing its criticism solely at the Board. The Council intends to take every possible opportunity to voice its opinion on this matter in the hope that it will have some influence on the appropriate decision makers. The AVTI Tuition

Subsidy Program as it now exists is not a satisfactory solution to the foreseeable problems which will be generated by imposition of tuition charges on Minnesota's post-secondary vocational students." (Public's Ex. 1)

CONCLUSIONS

1. Due, timely and adequate notice of the hearing was properly served and published by the Board. All other substantive and procedural requirements have been fulfilled.

2. The Board has demonstrated its statutory authority to adopt the proposed amendments and rules.

3. The Board has demonstrated the need for and reasonableness of the proposed amendments and rules by an affirmative presentation of facts.

RECOMMENDATION

The Hearing Examiner recommends that the proposed rules be modified as suggested in Finding No. 8, and that, so modified, they be adopted.

Dated: February 2, 1978.

STEVE M. MIHALCHICK
Hearing Examiner

The attached Statement of Need is a part of this Report.

STATE OF MINNESOTA
OFFICE OF HEARING EXAMINERS

FOR THE HIGHER EDUCATION COORDINATING BOARD

IN THE MATTER OF THE PROPOSED)
ADOPTION OF RULES OF THE HIGHER)
EDUCATION COORDINATING BOARD)
RELATING TO THE AREA VOCATIONAL-)
TECHNICAL INSTITUTE TUITION SUB-)
SIDY PROGRAM.)

REPORT OF THE
CHIEF HEARING EXAMINER

WHEREAS, a hearing was held on January 9, 1978, before Steve M. Mihalchick, a Hearing Examiner of the State Office of Hearing Examiners, on the above-entitled matter in compliance with Minn. Stat. § 15.0412, Subd. 4; and

WHEREAS, the Report of Hearing Examiner made pursuant to Minn. Stat. § 15.052, Subd. 3, was issued to the Higher Education Coordinating Board on February 2, 1978; and

WHEREAS, the Higher Education Coordinating Board has now determined to adopt rules pursuant to Minn. Stat. § 15.0412, Subd. 4; and

WHEREAS, the Higher Education Coordinating Board has submitted said rules to the Chief Hearing Examiner for review pursuant to Minn. Stat. § 15.052, Subd. 4, and Rule HE 107; and

WHEREAS, the Chief Hearing Examiner finds that the final proposed rules are not substantially different from those proposed at the public hearing and that the Higher Education Coordinating Board has met all requirements of Minn. Stat. § 15.0412, Subd. 4.

NOW, THEREFORE, upon receipt of this Report, the Higher Education Coordinating Board has the responsibility of submitting the complete hearing record and the rules as adopted by the Board to the Attorney General and to publish in the State Register, all pursuant to Minn. Stat. § 15.0412, Subd. 4.

Dated this 16th day
of March, 1978.

Duane R. Harves
DUANE R. HARVES
Chief Hearing Examiner

STATE OF MINNESOTA
HIGHER EDUCATION COORDINATING BOARD

IN THE MATTER OF THE ADOPTION OF THE)
RULES RELATING TO THE AREA VOCATIONAL-) ORDER FOR HEARING
TECHNICAL INSTITUTE TUITION GRANT PROGRAM)

IT IS HEREBY ORDERED that a public hearing on the above-captioned rules be held in the 7th Floor Conference Room, Capitol Square Building, 550 Cedar Street, St. Paul, Minnesota, on January 9, 1978, commencing at 9:30 a.m. and continuing until all persons have had opportunity to be heard.

IT IS FURTHER ORDERED that a Notice of Hearing be mailed to all persons or representatives of associations or other interested groups who have registered their names with the Secretary of State for that purpose.

IT IS FURTHER ORDERED that the Notice of Hearing be published in the State Register.

CLYDE R. INGLE
EXECUTIVE DIRECTOR

November 1, 1977

STATE OF MINNESOTA
HIGHER EDUCATION COORDINATING BOARD

IN THE MATTER OF THE ADOPTION OF THE)
RULES RELATING TO THE AREA VOCATIONAL-) NOTICE OF HEARING
TECHNICAL INSTITUTE TUITION GRANT PROGRAM)

Notice is hereby given that a public hearing in the above-entitled matter will be held pursuant to Minn. Stat. § 15.0412, Subd. 4, in the 7th Floor Conference Room, Capitol Square Building, 550 Cedar Street, St. Paul, Minnesota on January 9, 1978, commencing at 9:30 a.m. and continuing until all persons have had an opportunity to be heard.

All interested or affected persons will have the opportunity to participate concerning the adoption of the proposed new rules. Statements may be made orally and written materials may be submitted, whether or not an appearance is made at the hearings, by mail to Steve Mihalchick, Room 300, 1745 University Avenue, St. Paul, Minnesota 55104, telephone (612)296-8112, either before, during, or within 5 working days (or for a longer period not to exceed 20 calendar days if ordered by the Hearing Examiner) after the closing of the public hearing.

NOTICE

All persons have the right to be notified of the date on which the Hearing Examiner's Report will be available, after which date the agency may not take any final action on the rules for a period of five working days. All persons have the right to be informed of the date on which the hearing record has been submitted to the Attorney General by the Agency. If you desire to be so notified, you may do so by so indicating at the hearing or by written request sent to the Hearing Examiner prior to the close of the record.

Notice is hereby given that 25 days prior to the first hearing date, a Statement of Need and Summary of Evidence will be available for review at the Office of Hearing Examiners. Copies of this document will be available for review at the hearing.

Copies of the proposed new rules are now available, and one free copy may be obtained by writing the Higher Education Coordinating Board, 901 Capitol Square Building, 550 Cedar Street, St. Paul, Minnesota 55101. Copies will be available at the hearing.

Statutory authority to adopt the newly proposed procedures relating to the Area Vocational-Technical Institute Tuition Grant Program is contained in Laws of Minnesota 1977, Chapter 447, Section 11.

The proposed rules relating to the Area Vocational-Technical Institute Tuition Grant Program, if adopted, would provide definition of eligible institutions and students; specify method for determination of recipients; provide the basis for and definition of the allocation method; clarify amount and nature of awards; and provide for institutional and agency accountability.

Please be advised that Minnesota Statutes, Chapter 10A, requires each lobbyist to register with the Ethical Practices Board within five days after he commences lobbying. Lobbying includes attemption to influence rule making by communicating or urging others to communicate with public officials. A lobbyist is generally any individual who spends more than $250 per year for lobbying or any individual who is engaged for pay or authorized to spend money by another individual or association and who spends more than $250 per year or five hours per month at lobbying. The statutes provides certain execptions. Questions should be directed to the Ethical Practices Board, 41 State Office Building, St. Paul, Minnesota 55155, phone (612)296-5615.

CLYDE R. INGLE
EXECUTIVE DIRECTOR

State of Minnesota
Higher Education Coordinating Board

IN THE MATTER OF THE ADOPTION OF THE)
RULES RELATING TO THE AREA VOCATIONAL-) AFFIDAVIT OF MAILING
TECHNICAL INSTITUTE TUITION GRANT PROGRAM)

Sandra L. Clark, being first duly sworn, deposes and says: That on the 30th day of November, 1977, 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.

Sandra Lee Clark

Subscribed and sworn to before me
this 6 day of December 1977.

Kathrine A. Fisch

Notary Public,

Ramsey County, Minnesota
My Commission expires _____.

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

CERTIFICATE OF BOARD'S AUTHORIZING RESOLUTION

I, Jack Lynch, do hereby certify that I am secretary of the Minnesota Higher Education Coordinating Board, 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 Board duly and properly called and held on the 27th day of October, 1977, 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 Clyde R. Ingle, the Executive Director of the Minnesota Higher Education Coordinating Board, be and hereby is granted the authority and directed to call a hearing for the purpose of promulgating rules of the Minnesota Higher Education Coordinating Board governing the Area Vocational-Technical Institute Tuition Grant Program as authorized by Minnesota Laws, 1977, Chapter 447, Section 11, to be codified as Minnesota Statutes 136A.236, 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 securing a hearing examiner for all hearings."

IN WITNESS WHEREOF, I have hereunto subscribed my name this 27th day of October, 1977.

Emil A. Erickson
President

Jack Lynch
Secretary

CERTIFICATE OF BOARD'S
ADOPTION OF RULES RESOLUTION

I, Jack Lynch, do hereby certify that I am secretary of the Higher Education Coordinating Board, 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 Higher Education Coordinating Board duly and properly called and held on the twenty-third day of February, 1978; that a quorum was present at said meeting, that a majority of those presented 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 the Area Vocational-Technical Institute Tuition Subsidy Program be and they hereby are approved and adopted as recommended in Findings of Fact, dated February 2, 1978, by Hearing Examiner, pursuant to authority vested in us by Minnesota Laws, 1977, Chapter 447, Section 11, to be codified as Minnesota Statutes 136A.236, and that Clyde R. Ingle, Executive Director of the Higher Education Coordinating Board, be and hereby is authorized to sign an order adopting those rules.

In Witness Whereof, I have hereunto subscribed my name this twenty-third day of February, 1978.

Jack Lynch
JACK LYNCH, Secretary
Higher Education Coordinating Board

Emil A. Erickson
Attested to by
EMIL A. ERICKSON, President
Higher Education Coordinating Board