


# Minnesota Attorney General: Administrative Rules Proceedings

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STATE OF MINNESOTA

DEPARTMENT: ATTORNEY GENERAL

# Office Memorandum

TO : CLYDE R. INGLE, Executive Director
Minnesota Higher Education
Coordinating Board

DATE: 11-10-80

Attn. CATHARINE F. HAUKEDAHL

FROM : JERRY S. ANDERSON
Special Assistant
Attorney General

PHONE: 296-1288

SUBJECT: Rules as Approved In the Matter of the Proposed Adoption of Amendments to Rules of the Minnesota Higher Education Coordinating Board Governing the Scholarships and Grants-in-Aid, Private College Contracts, Work-Study Grants, etc.

Enclosed herewith are the rules you have submitted for approval. These rules have been approved by this office and filed with the Secretary of State. Note that they have NOT been filed with the State Register; this must be done promptly by your agency.

Upon receipt and before transmittal to your agency, however, it is important that you recheck these rules as to:

1. Affixation of the stamps of the Attorney General and Secretary of State to the last page of the rules;

2. Coverage by these stamps of all rules submitted; and

3. Inclusion of all pages of the rules in the approved set.

Directly following the approved rules is a complete set of required documents and transcript which must be retained with the rules by you or your agency.

If you have any questions in this regard, please contact me.

JSA/bw
Encl.
cc: Duane Harves
Susan Robertson

STATE OF MINNESOTA

MINNESOTA HIGHER EDUCATION COORDINATING BOARD

In the Matter of the Proposed Adoption of Amendments to Rules of the Minnesota Higher Education Coordinating Board Governing the Scholarships and Grants-in-Aid, Private College Contracts, Work-Study Grants, Minnesota Medical and Osteopathic Loans, Minnesota Foreign Student Assistance, Minnesota Veterans' Dependents Student Assistance, Part-Time Student Grants, Private Institutions Registration and the Area Vocational-Technical Institute Tuition Subsidy Programs

ORDER ADOPTING AMENDMENTS TO RULES

The above entitled matter came on for hearing before Peter C. Erickson, Hearing Examiner of the Office of Hearing Examiner of the State of Minnesota on the 28th day of July, 1980, which hearing was held in Conference Room A, 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 made my Findings of Fact, and upon all of the testimony and proceedings herein, and applicable statutory standards or criteria, having withheld action on the proposed amendments to rules for the required period of time after receipt of the Hearing Examiner's Findings, and having confirmed the need for the above-captioned amendments to rules and the reasonableness thereof;

Now, therefore, it is ordered that these amendments to rules, attached hereto as "Exhibit A," are adopted this 29th day of September, 1980, pursuant to authority vested in me by Resolution of the Higher Education Coordinating Board dated March 27, 1980 and by Minn. Stat. §136A.03.

Dated: September 29, 1980

Clyde R. Ingle
Executive Director
Higher Education Coordinating Board

IN THE MATTER OF THE PROPOSED AMENDMENTS TO THE RULES OF THE MINNESOTA HIGHER EDUCATION COORDINATING BOARD REGARDING SCHOLARSHIPS AND GRANTS-IN-AID, PRIVATE COLLEGE CONTRACTS, WORK-STUDY GRANTS, MINNESOTA MEDICAL AND OSTEOPATHIC LOANS, MINNESOTA FOREIGN STUDENT ASSISTANCE, MINNESOTA VETERANS' DEPENDENTS STUDENT ASSISTANCE, PART-TIME STUDENT GRANTS, PRIVATE INSTITUTIONS REGISTRATION, AND THE AREA VOCATIONAL-TECHNICAL INSTITUTE TUITION SUBSIDY PROGRAM

AMENDMENTS AS ADOPTED

Amendments to the Rules Governing
the Scholarships and Grants-in-Aid Program
Chapter One 5MCAR §2.0101-2.0108

§2.0102 Definitions

F. "BEOG" or the Basic Educational Opportunity Grant is the major federal grant available to post-secondary students.

G. "Undergraduate" shall be any full-time post-secondary student enrolled for a maximum of eight (8) semesters, or twelve (12) quarters, or their equivalent. For purposes of the Minnesota Scholarship and Grants-in-Aid Program, a student is no longer an "undergraduate" after obtaining a baccalaureate degree or after completing the number of semesters or quarters herein specified, whichever occurs first.

H. "Uniform methodology" is any of the needs analysis methodologies which existed on March 28, 1980, and was recognized and approved by the Department of Education in 45 Federal Register, p. 20567. In implementing any of those methodologies, the benchmarks established by the Department of Education, 44 Federal Register, p. 56938 must be used.

§2.0103 Definition of eligible applicants

A. Applicants eligible for initial scholarship awards as provided for in Statutes shall include:

1. Those who will enter an eligible institution as beginning full-time, first-year students without any previous post-secondary education.

B. Applicants eligible for initial grant-in-aid awards as provided for in Statutes shall include:

1. Any full-time undergraduate student who will attend an eligible institution and has not previously received a scholarship or grant-in-aid.
2. Those who will be enrolled in an eligible institution in a nursing education program leading to licensure as a registered nurse or a licensed practical nurse, as defined in Minn. Stat., §148.171 et. seq. (1976).

C. Applicants eligible for renewals as provided for in statutes shall include those who have previously qualified for and been acknowledged by the eligible institution as having received a scholarship or grant-in-aid.

§2.0104 Determination of financial need. The determination of financial need shall take into account educational costs and expected parental and student contribution as determined by a uniform methodology needs analysis, subject to the review and approval of the Board.

§2.0105 A. Applicants who reside with, receive support from, or are claimed as tax exemptions by their parents or guardians in the years prior to or during the academic year for which application is made shall be considered to be domiciled with such parents or guardians and a resident of the state where so domiciled.

§2.0106 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 Board through use of a uniform methodology needs analysis. Stipends in amounts so determined 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 education costs until available funds are exhausted.

§2.0107 Nature of Scholarship and Grants-in-Aid

A. Financial stipends accompanying scholarship and grant-in-aid awards shall be those prescribed by Statutes, ranging from a minimum of $100 to a maximum of $1,250 in the 1980-81 school year and $1,400 in the 1981-82 school year and subsequent school years but shall not exceed one-half of the applicant's demonstrated financial need. In those cases where the combination of the Basic Educational Opportunity Grant for which an applicant is eligible and the state scholarship or grant-in-aid for which the applicant is eligible exceeds 75% of the applicant's demonstrated financial need, the state scholarship or grant-in-aid shall be reduced so that the combination of the two awards does not exceed 75% of the applicant's demonstrated financial need. The state scholarship or grant-in-aid will be further reduced if additional gift assistance, in combination with the Basic Educational Opportunity Grant and the state scholarship or grant-in-aid, exceeds 100% of the applicant's demonstrated financial need.

Amendments to the Rules Governing the
Private College Contracts Program

Chapter Two: 5MCAR § 2.0201 - 2.0300

§2.0202 Definitions

B. "Program of studies" as set forth in Section 136A.19, Subdivision 5, means:

1. a program leading to an associate, bachelor, master, specialist, or first professional degree or to a diploma;
2. a program of at least one academic year in duration; and
3. a program which, although it may provide for the scholarly study of religion as a discipline of knowledge in a manner similar to that provided for any field of study, does not require a student

a. to take courses based upon a particular set of religious beliefs,

b. to receive instruction intended to propagate or promote any religious beliefs,

c. to participate in religious activities,

d. to maintain affiliation with a particular church or religious organization, or

e. to attest to any particular religious beliefs.

C. "Full-time student" as set forth in Section 136A.20, shall be a full-time student as defined by the institution and shall be enrolled during the fall term in an approved program of studies for at least 12 credit hours or its equivalent in an associate, baccalaureate, or first professional degree or diploma program or for 9 credit hours or its equivalent in a master and/or specialist degree program.

D. "First professional degree" shall be the first degree required of professionals, as defined in Minnesota Statutes §319A.02, Subd. 3 (1978), and of those entering professional services, as defined in Minnesota Statutes §319A.02, Subd. 2, (1978).

§2.0207 Certification of the Number of Eligible Students. The chief executive officer of each institution contracting with the Board under the terms of Sections 136A.18 to 136A.22 shall certify as of the tenth class day of the fall term the exact number of Minnesota residents then enrolled in approved programs. The Executive Director of the Board shall specify which Minnesota residents are grant-in-aid recipients and which Minnesota residents are not grant-in-aid recipients. Each institution shall provide such accounting information used in determining eligible students as may from time to time be required by the Board.

Amendments to the Rules
Governing the State Work-Study Grants Program

Chapter Three 5 MCAR §2.0301 - 2.0310

§2.0302 Definitions:

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 the amount of financial need calculated through use of a uniform methodology by the educational institution, plus an amount to replace expected family contributions. Written documentation supporting the decision of the financial aid officer to replace any portion of the family contribution with a State Work-Study award must appear in the student's file maintained by the financial aid officer at the educational institution.

J. "Minnesota resident" shall be defined as a person who either:

1. is dependent upon the financial support of his parents or guardians who reside in and are legal residents of the State of Minnesota at the time of his application for a loan, or
2. is independent of his parental or guardians' financial support and has resided in Minnesota, for purposes other than obtaining an education, for not less than twelve consecutive months immediately prior to his application for work-study.

K. "Uniform methodology" is any of the needs analysis methodologies which existed on March 28, 1980, and was recognized and approved by the Department of Education in 45 Federal Register p. 20567. In Implementing any of those methodologies, the benchmarks established by the Department of Education, 44 Federal Register, p. 56938 must be used.

Amendments to the Rules Governing the
Minnesota Medical and Osteopathic Loan Program

Chapter Four: 5MCAR §2.0401 - 2.0407

§2.0404 Delegation of authority. The Executive Director of the Board is hereby

delegated the authority and responsibility for administration of the Minnesota Medical and Osteopathy Loan Program in accordance with these rules and state laws, 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. 5MCAR §2.0405

E. 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 Executive Director, 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.

Amendments to the Rules Governing
the Minnesota Foreign Student Assistance Program

Chapter Six: 5MCAR §2.0601 - 2.0607

§2.0604

A. Each eligible institution shall be authorized and be responsible for informing any foreign student who receives funds or residency status pursuant to the Program that the funds are provided initially as a loan and will not be converted to a grant until the student submits evidence that the student has returned to his home country within one year of completion of the student's education and has not returned to the United States for five years as a permanent resident.

§2.0604

E. Any loan and interest amounts collected by any institution under 5MCAR 2.0604B of the Program shall revert back to the Board.

Amendments to the Rules Governing the
Minnesota Veterans' Dependents Student Assistance Program

Chapter Seven: 5MCAR §2.0701 - 2.0800

§2.0701 Purpose

The purpose of the chapter is to augment Minn. Stat. 197.09 to 197.11 establishing a state program of financial assistance for dependents of Prisoners of War and Persons Missing in Action by providing standards, criteria, rules and regulations therefore.

§2.0702

A. "Minnesota Veterans' Dependents Student Assistance Program" is the state program of financial assistance for post-secondary students as defined in Minnesota Statutes 197.09 to 197.11, hereinafter referred to as the Program.

D. "Private Minnesota institution" shall be defined as any Minnesota institution of higher education or any Minnesota technical or vocational school which is eligible under the State Student Loan Program as defined in Minnesota Statutes, 136A.15, and which are not included under 5MCAR §2.0702C.

F. "Dependent" (as used in Minnesota Statutes, 197.07 to 197.11) shall be the spouse of a P.O.W. or P.M.I.A., or any child born before or during the period of time his parent served as a P.O.W. or was declared a P.M.I.A., or any child legally adopted or in the legal custody of the parent prior to or during the time the parent served as P.O.W. or was declared to be a P.M.I.A. Once a person qualifies as a dependent under the terms and provisions of Minnesota Statutes 197.07 to 197.11 there shall be no situation such as the return of the father or the reported death of the father that will remove the dependent from provisions or benefits of this law.

Amendments to the Rules Governing
the Part-time Student Grant Program

Chapter Eight: 5MCAR §2.0801 - 2.0806

§2.0801 Purpose. The purpose of this chapter is to augment Minnesota Statutes, §136A.132 et seq., establishing a state program of part-time student grants by providing standards, criteria, rules and regulations therefor.

§2.0802B1.a. Applicants who reside with, receive support from, or are claimed as tax exemptions by their parents or guardians in the years prior to, or during the academic year for which application is made shall be considered domiciled with such parents or guardian and a resident of the state where so domiciled.

§2.0803 Determination of financial need. Annually each eligible institution shall be required to solicit demographic, educational and financial data from eligible students requesting funds under this program as specified by the Board prior to each academic year for the purpose of determining financial need. Annually, all eligible institutions shall make available upon request of the Board reports of all such data collected. Determination of financial need shall be based on base year income. In the following circumstances, estimated year income may provide the basis for determination of financial need if:

§2.0803D. A parent or an eligible student has become separated or divorced during the estimated year; or

Amendments to the Rules Governing the
Private Institution Registration Program

Chapter Nine: 5MCAR §§ 2.0901 - 2.1000

§2.0901 Purpose. The purpose of this chapter is to provide for the registration of private and non-Minnesota public post-secondary institutions and the approval of degrees to be granted and names to be used under Minn. Stat. 136A.61 - 136A.71.

§2.0902 C. "School" means: any individual, partnership, company, firm, society, trust, association, corporation or any combination thereof operating or doing business in Minnesota which (1) is, owns or operates a private, non-profit post-secondary education institution, (2) provides a post-secondary instructional program or course leading to a degree whether or not for profit, (3) is, owns or operates a private post-secondary education institution which uses the term "academy", "college", "institute", or "university" in its name or advertising or (4) operates for profit and provides programs or courses which are intended to allow an individual to fulfill in part or totally the requirements necessary to maintain a license to practice an occupation. "School" shall alsc mean any public post-secondary educational institutien located outside Minnesota which offers programs or courses within Minnesota.

§2.0902D. "Schools located outside Minnesota which offer programs or courses within Minnesota" in Minn. Stat. 136A.63 means: schools located outside Minnesota which offer any program or educational activity which is available to residents of Minnesota and which does not require them to leave the state for the major portion of such.

## Amendments to the Rules Governing the Area Vocational-Technical Institute Tuition Subsidy Program

### Chapter Ten: 5MCAR §2.1001 - 2.1008

§2.1001 Purpose. The purpose of this chapter is to augment 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 therefor.

§2.1002 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 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 reciprocity agreements are not eligible) and,
3. who has not been awarded a Minnesota State Scholarship or Grant-in-Aid for the period of attendance for which the tuition subsidy has been awarded.

§2.1002 C. "Educational costs" shall include tuition and required fees, room and board, books and miscellaneous expenses as defined on a nine month basis in 5MCAR §2.0102E., prorated on a monthly basis for the actual number of months in the student's academic program for the fiscal year.

K. "Uniform Methodology" is any of the needs analysis methodologies which existed on March 28, 1980, and was recognized and approved by the Department of Education in 45 Federal Register, p. 20567. In implementing any of those methodologies, the benchmarks established by the Department of Education, 44 Federal Register, p. 56938 must be used.

§2.1003 F. The student may defer tuition payment during the application process. Applicants receiving tuition subsidy 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 a Minnesota State Scholarship or Grant-in-Aid award 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. Recipients of a Minnesota State Scholarship or Grant-in-Aid are eligible for tuition subsidies only for enrollment periods in their educational programs which do not coincide or overlap with the period for which they have been awarded a Minnesota State Scholarship or Grant-in-Aid.

§2.1004A. 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 a uniform methodology.

APPROVED AS TO FORM AND LEGALITY

11/10 19 80

WARREN SPANNAUS, ATTORNEY GENERAL

BY _____

SPECIAL ASSISTANT ATTORNEY GENERAL

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED
NOV 10 1980
Joan Anderson Growe
Secretary of State
3:30 PM

Our File #645

Permanent Rule X

Temporary Rule _____

RULES REVIEW CHECKLIST

DATE RULES RECEIVED 10/20 DUE DATE (10/30) 11/9.

Resubmitted and Received _____

a. Returned to Agency w/o Filing w/Secretary of State _____
b. Approved _____ Date Sent Back to Agency _____

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1. Rules as Adopted ✓
2. Rules as Proposed ✓
3. Certificate of Board's Authorizing Resolution, where applicable ✓
4. Order for Hearing ?
5. Notice of Hearing ✓ 7.23.80
   Sufficiency ✓
6. Secretary of State's List ✓ (one copy only)
7. Certificate of Acquisition of Secretary of State's List ✓
8. Secretary of State's Certification of Delivery of Secretary of State's List to Agency ✓
9. Affidavit of Mailing ✓
   At least 30 days prior to hearing ✓
10. Publication in State Register ✓
    At least 30 days prior to hearing ✓ 6.23.80
11. Statement of Need and Evidence ✓
12. Hearing Examiner's Report ✓
13. Agency's Findings of Fact ✓
14. Certificate of Board's Resolution Adopting Rules, where applicable ✓
15. Order Adopting _____
16. Report of Chief Hearing Examiner ✓
17. Order Approving Incorporation by Reference, where applicable ✓
18. Certificate of Compliance with Rulemaking Procedures ✓
19. Copy of Notice of Intent to Solicit Outside Opinion, where applicable ✓ 4.21.80
20. Petition by Public, where applicable _____

IN THE MATTER OF THE PROPOSED AMENDMENTS TO THE RULES OF THE MINNESOTA HIGHER EDUCATION COORDINATING BOARD REGARDING SCHOLARSHIPS AND GRANTS-IN-AID, PRIVATE COLLEGE CONTRACTS, WORK-STUDY GRANTS, MINNESOTA MEDICAL AND OSTEOPATHIC LOANS, MINNESOTA FOREIGN STUDENT ASSISTANCE, MINNESOTA VETERANS' DEPENDENTS STUDENT ASSISTANCE, PART-TIME STUDENT GRANTS, PRIVATE INSTITUTIONS REGISTRATION, AND THE AREA VOCATIONAL-TECHNICAL INSTITUTE TUITION SUBSIDY PROGRAM

AMENDMENTS AS PROPOSED

Proposed Amendments to the Rules Governing the Scholarships and Grants-in-Aid Program Chapter One 5MCAR §2.0101-2.0108

§2.0102 Definitions

F. "BEOG" or the Basic Educational Opportunity Grant is the major federal grant available to post-secondary students.

G. "Undergraduate" shall be any full-time post-secondary student enrolled for a maximum of eight semesters or 12 quarters, or their equivalent, ~~for the completion of a baccalaureate degree~~. For purposes of the Minnesota Scholarship and Grants-in-Aid Program, a student is no longer an "undergraduate" after obtaining a baccalaureate degree or after completing the number of semesters or quarters herein specified, whichever occurs first.

H. "Uniform methodology" is a nationally recognized standard, established by the United States Department of Education, which provides educational institutions with a uniform and systematic method of determining an applicant's need for financial assistance from various financial aid programs.

§2.0103 Definition of eligible applicants

A. Applicants eligible for initial scholarship awards as provided for in Statutes shall include:

1. Those who will enter an eligible institution as beginning full-time, first-year students ~~notwithstanding~~ without any previous post-secondary education.

B. Applicants eligible for initial grant-in-aid awards as provided for in Statutes shall include:

~~2.--Those-who-will-attend-an-eligible-institution-as-full-time-second year-students-who-did-not-receive-a-scholarship-or-grant-in-aid-for their-first-year-of-post-secondary-education.~~

~~3.--Those-students-who-will-have-completed-at-least-one-academic-year of-study-in-an-eligible-community-or-junior-institution-at-the-time of-transfer-to-an-eligible-senior-institution-as-full-time-students and-who-have-not-previously-received-a-scholarship-or-a-grant-in-aid.~~

1. Any full-time undergraduate student who will attend an eligible institution and has not previously received a scholarship or grant-in-aid.

-4- 2. Those who will be enrolled in an eligible institution in a nursing education program leading to licensure as a registered nurse or a licensed practical nurse, as defined in Minn. Stat., §148.171 et. seq. (1976)

-B- C. Applicants eligible for renewals as provided for in statutes shall include those who have previously qualified for and been acknowledged by the eligible institution as having received a scholarship or grant-in-aid.

§2.0104 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,~~ expected parental and student contribution, as determined by a uniform methodology needs analysis, subject to the review and approval of the Board.

§2.0105 A. Applicants who reside with, receive support from, or are claimed as tax exemptions by their parents or guardians in the years prior to, or during~~,-or-following~~ the academic year for which application is made shall be considered to be domiciled with such parents or guardians and a resident of the state where so domiciled.

§2.0106 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 Board ~~by the American College Testing Program,~~ through use of a uniform methodology needs analysis. Stipends in amounts so determined ~~by the financial needs analysis described in 5MCAR §2.0104~~ 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 education costs until available funds are exhausted.

§2.0107 Nature of Scholarship and Grants-in-Aid

A. Financial stipends accompanying scholarship and grant-in-aid awards shall be those prescribed by Statutes, ranging from a minimum of $100 to a maximum of ~~$1,100~~ $1,250 in the 1980-81 school year and $1,400 in the 1981-82 school year and subsequent school years but shall not exceed one-half of the applicant's demonstrated financial need. In those cases where the combination of the Basic Educational Opportunity Grant for which an applicant is eligible and the state scholarship or grant-in-aid for which the applicant is eligible exceeds 75% of the applicant's demonstrated financial need, the state scholarship or grant-in-aid shall be reduced so that the combination of the two awards does not exceed 75% of the applicant's demonstrated financial need. The state scholarship or grant-in-aid will be further reduced if additional gift assistance, in combination with the Basic Educational Opportunity Grant and the state scholarship or grant-in-aid, exceeds 100% of the applicant's demonstrated financial need.

## Proposed Amendments to the Rules Governing the Private College Contracts Program

### Chapter Two: 5MCAR § 2.0201 - 2.0300

§2.0202 Definitions

B. "Program of studies" as set forth in Section 136A.19, Subdivision 5, means:

1. a program leading to an associate, baccalaureate, or first professional degree or to a diploma,

~~1.~~ 2. a program of at least one academic year in duration; and

~~2.~~ 3. a program which, although it may provide for the scholarly study of religion as a discipline of knowledge in a manner similar to that provided for any field of study, does not require a student

a. to take courses based upon a particular set of religious beliefs,

b. to receive instruction intended to propagate or promote any religious beliefs,

c. to participate in religious activities,

d. to maintain affiliation with a particular church or religious organization, or

e. to attest to any particular religious beliefs.

C. "Full-time student" as set forth in Section 136A.20, shall be a full-time student as defined by the institution and shall be enrolled during the fall term in an approved program of studies for at least 12 credit hours or its equivalent in an associate, baccalaureate, or first professional degree ~~programs and in~~ or diploma programs ~~of two or more years~~ or for 9 credit hours or its equivalent in a master's and/or specialist's degree programs.

D. "First professional degree" shall be the first degree required of professionals, as defined in Minnesota Statutes §319A.02, Subd. 3 (1978), and of those entering professional services, as defined in Minnesota Statutes §319A.02, Subd. 2, (1978).

§2.0207 Certification of the Number of Eligible Students. The chief executive officer of each institution contracting with the Board under the terms of Sections 136A.18 to 136A.22 shall certify as of the tenth class day of the fall term the exact number of Minnesota residents then enrolled in approved programs. ~~specifying~~ The Executive Director of the Board shall specify which Minnesota residents are grant-in-aid recipients and which Minnesota residents are not grant-in-aid recipients. Each institution shall provide such accounting information used in determining eligible students as may from time to time be required by the Board.

Proposed Amendments to the Rules
Governing the State Work-Study Grants Program

Chapter Three 5 MCAR §2.0301 - 2.0310

§2.0302 Definitions:

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 Guaranteed Student Loan Program as determined by the school of attendance~~ the amount of financial need calculated through use of a uniform methodology by the educational institution, plus an amount to replace expected family contributions. Written documentation supporting the decision of the financial aid officer to replace any portion of the family contribution with a State Work-Study award must appear in the student's file maintained by the financial aid officer at the educational institution.

J. "Minnesota resident" shall be defined as a person who either:

1. is dependent upon the financial support of his parents or guardians who reside in and are legal residents of the State of Minnesota at the time of his application for a loan, or

2. is independent of his parental or guardians' financial support and has resided in Minnesota for not less than twelve consecutive months immediately prior to his application for work-study.

K. "Uniform methodology" is a nationally recognized standard, established by the United States Department of Education, which provides educational institutions with a uniform and systematic method of determining an applicant's need for financial assistance from various financial aid programs.

Proposed Amendments to the Rules Governing the
Minnesota Medical and Osteopathic Loan Program

Chapter Four: 5MCAR §2.0401 - 2.0407

§2.0404 Delegation of authority. The Executive Director of the Board is hereby delegated the authority and responsibility for administration of the Minnesota

Medical and Osteopathy Loan Program in accordance with these rules and state laws, 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. 5MCAR §2.0405

E. 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 ~~Board~~ Executive Director, 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.

Proposed Amendments to the Rules Governing
the Minnesota Foreign Student Assistance Program

Chapter Six: 5MCAR §2.0601. - 2.607

§2.0604

A. Each ~~eligible~~ eligible institution shall be authorized and be responsible for informing any foreign student who receives funds or residency status pursuant to the Program that the funds are provided initially as a loan and will not be converted to a grant until the student submits evidence that the student has returned to his home country within one year of completion of the student's education and has not returned to the United States for five years as a permanent resident.

§2.0604

E. Any loan and interest amounts collected by any institution under 5MCAR 2.0603B of the Program shall revert back to the Board.

Proposed Amendments to the Rules Governing the
Minnesota Veterans' Dependents Student Assistance Program

Chapter Seven: 5MCAR §2.0701 - 2.0800

§2.0701 Purpose. The purpose of the chapter is to augment ~~Laws of 1974, ch. 496, §2, subd. 2 and 3,~~ Minnesota Statutes 197.09 to 197.11, establishing a state program of financial assistance for dependents of Prisoners of War and Persons Missing in Action by providing standards, criteria, rules and regulations therefor.

§2.0702

A. "Minnesota Veterans' Dependents Student Assistance Program" is the state program of financial assistance for post-secondary students as defined in ~~Laws of 1974, ch. 496, §2, subd. 2 and 3,~~ Minnesota Statutes 197.09 to 197.11, hereinafter referred to as the Program.

D. "Private Minnesota institution" shall be defined as any Minnesota institution of higher education or any Minnesota technical or vocational school which is eligible under the State Student Loan Program as defined in ~~Laws of 1973, ch. 605,~~ Minnesota Statutes, 136.15, and which are not included under 5MCAR §2.0702C.

F. "Dependent" (as ~~defined~~ used in ~~Laws of 1974, ch. 496,~~ Minnesota Statutes, 197.07 to 197.11.) shall be the spouse of a P.O.W. or P.M.I.A., or any child born before or during the period of time his parent served as a P.O.W. or was declared a P.M.I.A., or any child legally adopted or in the legal custody of the parent prior to or during the time the parent served as P.O.W. or was declared to be a P.M.I.A. Once a person qualifies as a dependent under the terms and provisions of ~~Laws of 1974, ch. 496,~~ Minnesota Statutes 197.07 to 197.11, there shall be no situation such as the return of the father or the reported death of the father that will remove the dependent from provisions or benefits of this law.

Proposed Amendments to the Rules Governing
the Part-time Student Grant Program

Chapter Eight: 5MCAR §2.0801 - 2.0806

§2.0801 Purpose. The purpose of this chapter is to augment ~~Laws of 1977, ch. 384, §17 and 18, as amended, to be codified as~~ Minnesota Statutes, §136A.132 et seq., establishing a state program of part-time student grants by providing standards, criteria, rules and regulations therefor.

§2.0802B1.a. Applicants who reside with, receive support from, or are claimed as tax exemptions by their parents or guardians in the years prior to, or during, ~~or following~~ the academic year for which application is made shall be considered to be domiciled with such parents or guardian and a resident of the state where so domiciled.

§2.0803 Determination of financial need. ~~Each~~ Annually each eligible institution shall be required to solicit demographic, educational and financial data from eligible students requesting funds under this program as specified by the Board prior to each academic year for the purpose of determining financial need. Annually, all eligible institutions shall make available upon request of the Board reports of all such data collected. Determination of financial need shall be based on base year income. In the following circumstances, estimated year income may provide the basis for determination of financial need if:

§2.0803D. A parent or an eligible student has become separated or divorced during the estimated year; or

Proposed Amendments to the Rules Governing the
Private Institution Registration Program

Chapter Nine: 5 MCAR §§ 2.0901 - 2.1000

§2.0901 Purpose. The purpose of this chapter is to provide for the registration of private and non-Minnesota public post-secondary institutions and the approval of degrees to be granted and names to be used under Minn. Stat. 136A.61 - 136A.71.

§2.0902C. "School" means: any individual, partnership, company, firm, society, trust, association, corporation or any combination thereof operating or doing business in Minnesota which (1) is, owns or operates a private, non-profit post-secondary education institution, (2) provides a post-secondary instructional program or course leading to a degree whether or not for profit, (3) is, owns or operates a private post-secondary education institution which uses the term "academy", "college", "institute", or "university" in its name or advertising or (4) operates for profit and provides programs or courses which are intended to allow an individual to fulfill in part or totally the requirements necessary to maintain a license to practice an occupation. "School" shall also mean any public post-secondary educational institution located ~~in another state or country~~ outside Minnesota which offers ~~or makes available to a Minnesota resident any course,~~ programs or ~~educational activity which does not require the leaving of the state for its completion;~~ courses within Minnesota;

§2.0902D. "Schools located outside Minnesota which offer programs or courses within Minnesota" in Minn. Stat. 136A.63 means: schools located outside Minnesota which offer any ~~course,~~ program or educational activity which is available to residents of Minnesota and which does not require them to leave the state for the ~~completion~~ major portion of such;

Proposed Amendments to the Rules Governing the
Area Vocational-Technical Institute Tuition Subsidy Program

Chapter Ten: 5MCAR §2.1001 - 2.1008

§2.1001 Purpose. The purpose of this chapter is to augment ~~Laws of 1977, ch. 447, Article 5, § 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 therefor.

§2.1002 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.~~ 2. 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 reciprocity agreements are not eligible) and,

~~5.~~ 3. ~~who is not receiving~~ who has not been awarded a Minnesota State Scholarship or Grant-in-Aid for the period of attendance for which the tuition subsidy has been awarded.

§2.1002 C. "Educational costs" shall include tuition and ~~processing~~ required 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.~~ defined on a nine month basis in 5MCAR §2.0102E., prorated on a monthly basis for the actual number of months in the student's academic program for the fiscal year.

K. "Uniform methodology" is a nationally recognized standard, established by the United States Department of Education, which provides educational institutions with a uniform and systematic method of determining an applicant's need for financial assistance from various financial aid programs.

§2.1003 F. ~~Payment of tuition may be deferred~~ The student may defer tuition payment during the application process. Applicants receiving tuition subsidy 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 award 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. Recipients of a Minnesota State Scholarship or Grant-in-Aid are eligible for tuition subsidies only for enrollment periods in their educational programs which do not coincide or overlap with the period for which they have been awarded a Minnesota State Scholarship or Grant-in-Aid.

§2.1004 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~~ a uniform methodology~~;~~. ~~including that approved by the United States Office of Education; or the Basic Educational Opportunity Grant needs analysis.~~

SF-00006-01

STATE OF MINNESOTA

DEPARTMENT ATTORNEY GENERAL - Bremer Tower **Office Memorandum**

RECEIVED
AUG 20 1980
OFFICE OF HEARING EXAMINERS

TO : Peter Erickson
Hearing Examiner

DATE: August 19, 1980

FROM : Catharine F. Haukedahl CFH
Special Assistant Attorney General

PHONE: 6-8115

SUBJECT: In the Matter of the Proposed Amendments to the Rules of the Minnesota Higher Education Coordinating Board, etc.
HE Docket No. HECK-80-0001-PE

Per your telephone conversation with Michael J. Bradley yesterday, the following amendments to the proposed amendments in the above-referenced matter are requested. 5 MCAR §§ 2.0102H, 2.0302K , and 2.1002K should be amended to read:

> "Uniform methodology is any of the needs analysis methodologies which existed on March 28, 1980, and was recognized and approved by the Department of Education in 45 Federal Register, p. 20567. In implementing any of those methodologies, the benchmarks established by the Department of Education 44 Federal Register, p. 56938 must be used.

Please call me if you have any question regarding this.

CFH:bl

cc: Mary Samoszuk

MINNESOTA
HIGHER EDUCATION
COORDINATING BOARD

SUITE 400
CAPITOL SQUARE
550 CEDAR STREET
SAINT PAUL 55101

(612) 296-3974

TO: PETER ERICKSON
HEARING EXAMINER

FROM: MARY SAMOSZUK
ADMINISTRATIVE ASSISTANT TO EXECUTIVE DIRECTOR

DATE: JULY 18, 1980

SUBJECT: AMENDMENT TO PROPOSED AMENDMENTS TO THE RULES OF THE MINNESOTA HIGHER EDUCATION COORDINATING BOARD

The HECB staff responsible for testifying at the hearing on July 28th has requested that an amendment be made to the proposed amendments. Cathy Haukedahl, MHECB's attorney, has suggested that I notify you of the change before it is raised at the hearing.

The amendment changes the definition "uniform methodology" in proposed 5MCAR §§ 2.0102H, 2.0302K, and 2.1002K. The amendment to the amendment should read:

> "Uniform Methodology" is a nationally recognized standard, ~~established~~ approved by the United States Department of Education, which provides educational institutions with a uniform and systematic method of determining an applicant's need for financial assistance from various financial aid programs.

The change from "establish" to "approve" is necessary to clarify the relationship between the Department of Education and the needs analysis methods, among which is the "uniform methodology".

MS/kjp

STATE OF MINNESOTA

COUNTY OF RAMSEY

In the matter of the Proposed Adoption of Rules of the Minnesota Higher Education Coordinating Board governing the Scholarships and Grants-in-Aid, Private College Contracts, Work-Study Grants, Minnesota Medical and Osteopathic Loans, Minnesota Foreign Student Assistance, Minnesota Veterans' Dependents Student Assistance, Part-Time Student Grants, Private Institutions Registration, and the Area Vocational-Technical Institute Tuition Subsidy Program

AFFIDAVIT OF NOTIFICATION BY THE AGENCY WHEN HEARING RECORD HAS BEEN SUBMITTED TO THE ATTORNEY GENERAL

Mary Samoszuk, being first duly sworn, deposes and says:

That on the 10th day of October, 1980, at the City of St. Paul, County of Ramsey, State of Minnesota, she served the attached letter by depositing in the United States Mail at said City of St. Paul, properly enveloped, with postage prepaid, to all persons, at the addresses listed on the attached Rule Hearing Register who requested notification.

Mary Samoszuk

Subscribed and sworn to before me

this 7th day of November, 1980

Judith A. Morgan

JUDITH A. MORGAN
RAMSEY COUNTY
NOTARY PUBLIC-MINNESOTA
MY COMMISSION EXPIRES SEPT. 14, 1982

MINNESOTA
HIGHER EDUCATION
COORDINATING BOARD

SUITE 400
CAPITOL SQUARE
550 CEDAR STREET
SAINT PAUL 55101

(612) 296-3974

On July 28, 1980, a hearing to amend the rules governing the Scholarships and Grants-in-Aid, Private College Contracts, Work-Study Grants, Minnesota Medical and Osteopathic Loans, Minnesota Foreign Student Assistance, Minnesota Veterans' Dependents Student Assistance, Part-Time Student Grants, Private Institution Registration, and the Area Vocational Technical Institute Tuition Subsidy Programs was held. At that time, you requested to be notified when the hearing record has been submitted to the Attorney General.

Pursuant to Minnesota Statutes § 15.042, this letter shall serve to inform you that the hearing record has been submitted to the Attorney General.

If you have any questions, please do not hesitate to give me a call.

Sincerely,

Mary Samoszuk
Administrative Assistant to the
Executive Director

MS/kjp

If you wish to be notified when the Hearing Examiner's Report is available, please put your name and address on one of the envelopes supplied.

# RULE HEARING REGISTER

PLEASE PRINT CLEARLY

| NAME | REPRESENTING | COMPLETE ADDRESS | TELEPHONE | CHECK HERE IF YOU WISH TO MAKE A STATEMENT AT THE HEARING | CHECK HERE IF YOU WISH TO BE NOTIFIED BY THE AGENCY WHEN THE HEARING RECORD HAS BEEN SUBMITTED TO THE ATTORNEY GENERAL |
|---|---|---|---|---|---|
| Stephen Fritz | College of St. Thomas | 2115 Summit Ave. St. Paul 55105 | 647-5232 | | ✓ |
| Fran Van Sluyt-Zaslofsky | U of Minnesota | Extension Counseling & 314 Nolte Center, 315 Pillsbury Dr SE, Mpls, MN 55455 | 373-3905 | ✓ | |
| [illegible] | Vocational Div. Minn Dept of Ed. | 550 Capitol Square 550 Cedar St. St Paul 55101 | [illegible] | | |
| Larry Kennedy | MN Dept of Ed. Voc. Div. | 539 CAPITOL SQ BLDG 550 CEDAR ST. ST. PAUL MN 55101 | 296-3987 | | ✓ |
| Marlene Ayer-Kynard | City of M (Twin City) | 106 Pleasant St. S.E. Mpls 55455 | 373-3937 | ✓ | |
| Cathy McCune | Mankato State Univ. | Mankato State Univ. Bx 37 | 389-1185 | | ✓ |
| Carolyn Shrewsbury | | 135 Hawaiian Dr Mankato, Minn 56001 | 625-3764 | | ✓ |
| Harriet Olson | Jackson AVTI - MANTISSA | 134 CIRCLE DR JACKSON MN 56143 | (507) 847-3320 | ✓ | |
| Jon Dahlgren | Austin AVTI | 1901 10th St. SW Austin Mn 55912 | (507) 437-2112 | ✓ | |
| Jerry D. Zook | University of LaVerne | 1950 Third St. LaVerne Ca 91750 | 714 593-1912 | | ✓ |
| Fred Hamm | Gustavus Adolphus College | St. Peter, MN 56082 | (507) 931-4500 | ✓ | ✓ |
| Dan McDonald | Northwestern College of Chiropractic | 1834 S. Mississippi River Blvd | (612) 690-1735 | | ✓ |
| DAVE BEAUCHAMP | MOORHEAD STATE UNIV | 8-STATE UNIV. SYSTEM MOORHEAD MN 56560 | 218 236-2251 | ✓ | ✓ |
| CALVIN K. JOHNSON | BETHANY LUTHERAN COLLEGE | 734 MARSH ST., MANKATO, MN 56001 | (507) 625-2977 | | |
| Norman Holte | " | " | " | | |
| John Aasen | Arrowhead AVTI | P.O. Box 191, Arrowhead MN | (612) 427-1850 | ✓ | ✓ |

To: Mike Myles

MINNESOTA
HIGHER EDUCATION
COORDINATING BOARD

SUITE 400
CAPITOL SQUARE
550 CEDAR STREET
SAINT PAUL 55101

(612) 296-9665

OFFICE OF THE EXECUTIVE DIRECTOR

RECEIVED
OCT 20 1980
ATTORNEY GENERAL
ADMINISTRATIVE AGENCIES

TO: WARREN SPANNAUS
ATTORNEY GENERAL

FROM: CLYDE R. INGLE
EXECUTIVE DIRECTOR

DATE: OCTOBER 10, 1980

SUBJECT: AMENDMENTS TO THE RULES OF THE MINNESOTA HIGHER EDUCATION COORDINATING BOARD REGARDING THE SCHOLARSHIPS AND GRANTS-IN-AID, PRIVATE COLLEGE CONTRACTS, WORK-STUDY GRANTS, MINNESOTA MEDICAL AND OSTEOPATHIC LOANS, MINNESOTA FOREIGN STUDENT ASSISTANCE, MINNESOTA VETERANS' DEPENDENTS STUDENT ASSISTANCE, PART-TIME STUDENT GRANTS, PRIVATE INSTITUTIONS REGISTRATION, AND THE AREA VOCATIONAL-TECHNICAL INSTITUTE TUITION SUBSIDY PROGRAM

The above entitled matter came on for hearing before Hearing Examiner Peter C. Erickson of the Office of Administrative Hearings at 8:30 a.m. on Monday, July 28, 1980, in Conference Room A of the Capitol Square Building, St. Paul, Minnesota.

On October 2, 1980, the Minnesota Higher Education Coordinating Board submitted Findings of Fact and an Order Adopting Amendments to Rules, dated September 29, 1980, signed by Clyde R. Ingle, Executive Director, to the Chief Hearing Examiner. On October 6, 1980, the Chief Hearing Examiner found that the defects in the rules as enumerated by the Hearing Examiner in his Report have been corrected.

Therefore, I am submitting two copies of the following documents for your review:

1) Rules as Adopted
2) Rules as Proposed, (Hearing Exhibit #11)
3) Order for Hearing, (Hearing Exhibit #2)
4) Certificate of Board's Authorizing Resolution, (Hearing Exhibit #1)
5) Notice of Hearing, (Hearing Exhibit #3)
6) Secretary of State's List, and Certificate of Labels, (Hearing Exhibit #'s 6 & 5)

7) Affidavit of Receipt of Secretary of State's List, (Hearing Exhibit #4)
8) Affidavit of Mailing, (Hearing Exhibit #7)
9) Statement of Need, (Hearing Exhibit #8)
10) Statement of Evidence, (Hearing Exhibit $12)
11) Hearing Examiner's Finding of Fact and Recommendations together with the Chief Hearing Examiner's Report
12) Agency's Request for Incorporation by Reference
13) Agency's Findings of Fact of the Minnesota Higher Education Coordinating Board
14) Order Adopting Amendments to Rules
15) Certificate of Board's Adoption of Rules Resolution
16) Order of the Chief Hearing Examiner
17) Notice of Solicitation of Outside Information (Hearing Exhibit #9), and two letters received in response to Notice of Intent to Solicit (Hearing Exhibit #10)
18) All exhibits not identified above
19) Statement of Compliance with Manual of Rule Making Procedures.

If you have any questions, please call.

CRI/MS/kjp
enclosure

Exhibit A

MINNESOTA HIGHER EDUCATION COORDINATING BOARD
OFFICE OF THE EXECUTIVE DIRECTOR

AMENDMENTS TO THE RULES GOVERNING THE SCHOLARSHIPS AND GRANTS-IN-AID, PRIVATE COLLEGE CONTRACTS, WORK-STUDY GRANTS, MINNESOTA MEDICAL AND OSTEOPATHIC LOANS, MINNESOTA FOREIGN STUDENT ASSISTANCE, MINNESOTA VETERANS' DEPENDENTS STUDENT ASSISTANCE, PART-TIME STUDENT GRANTS, PRIVATE INSTITUTIONS REGISTRATION, AND THE AREA VOCATIONAL-TECHNICAL INSTITUTE TUITION SUBSIDY PROGRAM

AMENDMENTS
AS
ADOPTED

The rules published and proposed at State Register, Volume 4, Number 51, pp. 1967-1971, June 23, 1980 (4 S.R. 1967) are now adopted, with the following amendments.

Chapter One 5MCAR §§ 2.0101-2.0108

5MCAR § 2.0102 Definitions

G. "Undergraduate" shall be any full-time post-secondary student enrolled for a maximum of eight semesters or 12 quarters, or their equivalent, ~~for the completion of a baccalaureate degree.~~ For purposes of the Minnesota Scholarship and Grants-in-Aid Program, a student is no longer an "undergraduate" after obtaining a baccalaureate degree or after completing the number of semesters or quarters herein specified, whichever occurs first.

H. "Uniform methodology" is ~~a nationally recognized standard, established by the United States Department of Education, which provides educational institutions with a uniform and systematic method of determining an applicant's need for financial assistance from various financial aid programs.~~ any of the needs analysis methodologies which existed on March 28, 1980, and was recognized and approved by the Department of Education in 45 Federal Register, p.20567. In implementing any of those methodologies, the benchmarks established by the Department of Education, 44 Federal Register, p.56938 must be used.

Chapter Three 5MCAR §§ 2.0301-2.0310

5MCAR § 2.0302 Definitions

J. "Minnesota resident" shall be defined as a person who either:

1. is dependent upon the financial support of his parents or guardians who reside in and are legal residents of the State of Minnesota at the time of his application for a loan, or

2. is independent of his parental or guardian's financial support and has resided in Minnesota, for purposes other than obtaining an education, for not less than twelve consecutive months immediately prior to his application for work-study.

K. "Uniform methodology" is ~~a nationally recognized standard, established by the United States Department of Education, which provides educational institutions with a uniform and systematic method of determining an applicant's need for financial assistance from various financial aid programs.~~ any of the needs analysis methodologies which existed on March 28, 1980, and was recognized and approved by the Department of Education in 45 Federal Register, p.20567. In implementing any of those methodologies, the benchmarks established by the Department of Education, 44 Federal Register, p.56938 must be used.

Chapter Ten 5 MCAR §§ 2.1001-2.1008

5MCAR § 2.1002 Definitions

K. "Uniform methodology" is ~~a nationally recognized standard, established by the United States Department of Education, which provides educational institutions with a uniform and systematic method of determining an applicant's need for financial assistance from various financial aid programs.~~ any of the needs analysis methodologies which existed on March 28, 1980, and was recognized and approved by the Department of Education in 45 Federal Register, p.20567. In implementing any of those methodologies, the benchmarks established by the Department of Education, 44 Federal Register, p.56938 must be used.

IN THE MATTER OF THE PROPOSED AMENDMENTS TO THE RULES OF THE MINNESOTA HIGHER EDUCATION COORDINATING BOARD REGARDING SCHOLARSHIPS AND GRANTS-IN-AID, PRIVATE COLLEGE CONTRACTS, WORK-STUDY GRANTS, MINNESOTA MEDICAL AND OSTEOPATHIC LOANS, MINNESOTA FOREIGN STUDENT ASSISTANCE, MINNESOTA VETERANS' DEPENDENTS STUDENT ASSISTANCE, PART-TIME STUDENT GRANTS, PRIVATE INSTITUTIONS REGISTRATION, AND THE AREA VOCATIONAL-TECHNICAL INSTITUTE TUITION SUBSIDY PROGRAM

AMENDMENTS AS ADOPTED

Amendments to the Rules Governing
the Scholarships and Grants-in-Aid Program
Chapter One 5MCAR §2.0101-2.0108

§2.0102 Definitions

F. "BEOG" or the Basic Educational Opportunity Grant is the major federal grant available to post-secondary students.

G. "Undergraduate" shall be any full-time post-secondary student enrolled for a maximum of eight (8) semesters, or twelve (12) quarters, or their equivalent. For purposes of the Minnesota Scholarship and Grants-in-Aid Program, a student is no longer an "undergraduate" after obtaining a baccalaureate degree or after completing the number of semesters or quarters herein specified, whichever occurs first.

H. "Uniform methodology" is any of the needs analysis methodologies which existed on March 28, 1980, and was recognized and approved by the Department of Education in 45 Federal Register, p. 20567. In implementing any of those methodologies, the benchmarks established by the Department of Education, 44 Federal Register, p. 56938 must be used.

§2.0103 Definition of eligible applicants

A. Applicants eligible for initial scholarship awards as provided for in Statutes shall include:

1. Those who will enter an eligible institution as beginning full-time, first-year students without any previous post-secondary education.

1. Any full-time undergraduate student who will attend an eligible institution and has not previously received a scholarship or grant-in-aid.

2. Those who will be enrolled in an eligible institution in a nursing education program leading to licensure as a registered nurse or a licensed practical nurse, as defined in Minn. Stat., §148.171 et. seq. (1976)

C. Applicants eligible for renewals as provided for in statutes shall include those who have previously qualified for and been acknowledged by the eligible institution as having received a scholarship or grant-in-aid.

§2.0104 Determination of financial need. The determination of financial need shall take into account educational costs and expected parental and student contribution as determined by a uniform methodology needs analysis, subject to the review and approval of the Board.

§2.0105 A. Applicants who reside with, receive support from, or are claimed as tax exemptions by their parents or guardians in the years prior to or during the academic year for which application is made shall be considered to be domiciled with such parents or guardians and a resident of the state where so domiciled.

§2.0106 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 Board through use of a uniform methodology needs analysis. Stipends in amounts so determined 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 education costs until available funds are exhausted.

§2.0107 Nature of Scholarship and Grants-in-Aid

A. Financial stipends accompanying scholarship and grant-in-aid awards shall be those prescribed by Statutes, ranging from a minimum of $100 to a maximum of $1,250 in the 1980-81 school year and $1,400 in the 1981-82 school year and subsequent school years but shall not exceed one-half of the applicant's demonstrated financial need. In those cases where the combination of the Basic Educational Opportunity Grant for which an applicant is eligible and the state scholarship or grant-in-aid for which the applicant is eligible exceeds 75% of the applicant's demonstrated financial need, the state scholarship or grant-in-aid shall be reduced so that the combination of the two awards does not exceed 75% of the applicant's demonstrated financial need. The state scholarship or grant-in-aid will be further reduced if additional gift assistance, in combination with the Basic Educational Opportunity Grant and the state scholarship or grant-in-aid, exceeds 100% of the applicant's demonstrated financial need.

## Amendments to the Rules Governing the Private College Contracts Program

### Chapter Two: 5MCAR § 2.0201 - 2.0300

§2.0202 Definitions

B. "Program of studies" as set forth in Section 136A.19, Subdivision 5, means:

1. a program leading to an associate, bachelor, master, specialist, or first professional degree or to a diploma;
2. a program of at least one academic year in duration; and
3. a program which, although it may provide for the scholarly study of religion as a discipline of knowledge in a manner similar to that provided for any field of study, does not require a student
    a. to take courses based upon a particular set of religious beliefs,

b. to receive instruction intended to propagate or promote any religious beliefs,

c. to participate in religious activities,

d. to maintain affiliation with a particular church or religious organization, or

e. to attest to any particular religious beliefs.

C. "Full-time student" as set forth in Section 136A.20, shall be a full-time student as defined by the institution and shall be enrolled during the fall term in an approved program of studies for at least 12 credit hours or its equivalent in an associate, baccalaureate, or first professional degree or diploma program or for 9 credit hours or its equivalent in a master and/or specialist degree program.

D. "First professional degree" shall be the first degree required of professionals, as defined in Minnesota Statutes §319A.02, Subd. 3 (1978), and of those entering professional services, as defined in Minnesota Statutes §319A.02, Subd. 2, (1978).

§2.0207 Certification of the Number of Eligible Students. The chief executive officer of each institution contracting with the Board under the terms of Sections 136A.18 to 136A.22 shall certify as of the tenth class day of the fall term the exact number of Minnesota residents then enrolled in approved programs. The Executive Director of the Board shall specify which Minnesota residents are grant-in-aid recipients and which Minnesota residents are not grant-in-aid recipients. Each institution shall provide such accounting information used in determining eligible students as may from time to time be required by the Board.

## Amendments to the Rules Governing the State Work-Study Grants Program

Chapter Three 5 MCAR §2.0301 - 2.0310

§2.0302 Definitions:

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 the amount of financial need calculated

through use of a unifo[redacted] methodology by the educationa[redacted]nstitution, plus an amount to replace expected family contributions. Written documentation supporting the decision of the financial aid officer to replace any portion of the family contribution with a State Work-Study award must appear in the student's file maintained by the financial aid officer at the educational institution.

J. "Minnesota resident" shall be defined as a person who either:

1. is dependent upon the financial support of his parents or guardians who reside in and are legal residents of the State of Minnesota at the time of his application for a loan, or
2. is independent of his parental or guardians' financial support and has resided in Minnesota, for purposes other than obtaining an education, for not less than twelve consecutive months immediately prior to his application for work-study.

K. "Uniform methodology" is any of the needs analysis methodologies which existed on March 28, 1980, and was recognized and approved by the Department of Education in 45 Federal Register p. 20567. In implementing any of those methodologies, the benchmarks established by the Department of Education, 44 Federal Register, p. 56938 must be used.

\Amendments to the Rules Governing the
Minnesota Medical and Osteopathic Loan Program

Chapter Four: 5MCAR §2.0401 - 2.0407

§2.0404 Delegation of authority. The Executive Director of the Board is hereby delegated the authority and responsibility for administration of the Minnesota Medical and Osteopathy Loan Program in accordance with these rules and state laws, 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.

5MCAR §2.0405

E. 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 Executive Director, 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.

Amendments to the Rules Governing
the Minnesota Foreign Student Assistance Program

Chapter Six: 5MCAR §2.0601. - 2.0607

§2.0604

A. Each eligible institution shall be authorized and be responsible for informing any foreign student who receives funds or residency status pursuant to the Program that the funds are provided initially as a loan and will not be converted to a grant until the student submits evidence that the student has returned to his home country within one year of completion of the student's education and has not returned to the United States for five years as a permanent resident.

§2.0604

E. Any loan and interest amounts collected by any institution under 5MCAR 2.0603B of the Program shall revert back to the Board.

Amendments to the Rules Governing the
Minnesota Veterans' Dependents Student Assistance Program

Chapter Seven: 5MCAR §2.0701 - 2.0800

§2.0701 Purpose

The purpose of the chapter is to augment Minn. Stat. 197.09 to 197.11 establishing a state program of financial assistance for dependents of Prisoners of War and Persons Missing in Action by providing standards, criteria, rules and regulations therefore.

§2.0702

A. "Minnesota Veterans' Dependents Student Assistance Program" is the state program of financial assistance for post-secondary students as defined in Minnesota Statutes 197.09 to 197.11, hereinafter referred to as the Program.

D. "Private Minnesota institution" shall be defined as any Minnesota institution of higher education or any Minnesota technical or vocational school which is eligible under the State Student Loan Program as defined in Minnesota Statutes, 136.15, and which are not included under 5MCAR §2.0702C.

F. "Dependent" (as used in Minnesota Statutes, 197.07 to 197.11.) shall be the spouse of a P.O.W. or P.M.I.A., or any child born before or during the period of time his parent served as a P.O.W. or was declared a P.M.I.A., or any child legally adopted or in the legal custody of the parent prior to or during the time the parent served as P.O.W. or was declared to be a P.M.I.A. Once a person qualifies as a dependent under the terms and provisions of Minnesota Statutes 197.07 to 197.11 there shall be no situation such as the return of the father or the reported death of the father that will remove the dependent from provisions or benefits of this law.

## Amendments to the Rules Governing the Part-time Student Grant Program

### Chapter Eight: 5MCAR §2.0801 - 2.0806

§2.0801 Purpose. The purpose of this chapter is to augment Minnesota Statutes, §136A.132 et seq., establishing a state program of part-time student grants by providing standards, criteria, rules and regulations therefor.

§2.0802B1.a. Applicants who reside with, receive support from, or are claimed as tax exemptions by their parents or guardians in the years prior to, or during the academic year for which application is made shall be

considered to be domiciled with such parents or guardian and a resident of the state where so domiciled.

§2.0803 Determination of financial need. Annually each eligible institution shall be required to solicit demographic, educational and financial data from eligible students requesting funds under this program as specified by the Board prior to each academic year for the purpose of determining financial need. Annually, all eligible institutions shall make available upon request of the Board reports of all such data collected. Determination of financial need shall be based on base year income. In the following circumstances, estimated year income may provide the basis for determination of financial need if:

§2.0803D. A parent or an eligible student has become separated or divorced during the estimated year; or

Amendments to the Rules Governing the
Private Institution Registration Program

Chapter Nine: 5 MCAR §§ 2.0901 - 2.1000

§2.0901 Purpose. The purpose of this chapter is to provide for the registration of private and non-Minnesota public post-secondary institutions and the approval of degrees to be granted and names to be used under Minn. Stat. 136A.61 - 136A.71.

§2.0902C. "School" means: any individual, partnership, company, firm, society, trust, association, corporation or any combination thereof operating or doing business in Minnesota which (1) is, owns or operates a private, non-profit post-secondary education institution, (2) provides a post-secondary

instructional program or course leading to a degree whether or not for profit, (3) is, owns or operates a private post-secondary education institution which uses the term "academy", "college", "institute", or "university" in its name or advertising or (4) operates for profit and provides programs or courses which are intended to allow an individual to fulfill in part or totally the requirements necessary to maintain a license to practice an occupation. "School" shall also mean any public post-secondary educational institution located outside Minnesota which offers programs or courses within Minnesota.

§2.0902D. "Schools located outside Minnesota which offer programs or courses within Minnesota" in Minn. Stat. 136A.63 means: schools located outside Minnesota which offer any program or educational activity which is available to residents of Minnesota and which does not require them to leave the state for the major portion of such.

Amendments to the Rules Governing the
Area Vocational-Technical Institute Tuition Subsidy Program

Chapter Ten: 5MCAR §2.1001 - 2.1008

§2.1001 Purpose. The purpose of this chapter is to augment 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 therefor.

§2.1002 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 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 reciprocity agreements are not eligible) and,
3. who has not been awarded a Minnesota State Scholarship or Grant-in-Aid for the period of attendance for which the tuition subsidy has been awarded.

§2.1002 C. "Educational costs" shall include tuition and required fees, room and board, books and miscellaneous expenses as defined on a nine month basis in 5MCAR §2.0102E., prorated on a monthly basis for the actual number of months in the student's academic program for the fiscal year.

K. "Uniform Methodology" is any of the needs analysis methodologies which existed on March 28, 1980, and was recognized and approved by the Department of Education in 45 Federal Register, p. 20567. In implementing any of those methodologies, the benchmarks established by the Department of Education, 44 Federal Register, p. 56938 must be used.

§2.1003F. The student may defer tuition payment during the application process. Applicants receiving tuition subsidy 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 a Minnesota State Scholarship or Grant-in-Aid award 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. Recipients of a Minnesota State Scholarship or Grant-in-Aid are eligible for tuition subsidies only for enrollment periods in their educational programs which do not coincide or overlap with the period for which they have been awarded a Minnesota State Scholarship or Grant-in-Aid.

§2.1004A. 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 a uniform methodology.

HECB-80-001-PE

STATE OF MINNESOTA
OFFICE OF ADMINISTRATIVE HEARINGS

FOR THE MINNESOTA HIGHER EDUCATION COORDINATING BOARD

In the Matter of the Proposed Amendments to the Rules of the Minnesota Higher Education Coordinating Board Regarding Scholarships and Grants-in-Aid, Private College Contracts, Work-Study Grants, Minnesota Medical and Osteopathic Loans, Minnesota Foreign Student Assistance, Minnesota Veterans' Dependents Student Assistance, Part-Time Student Grants, Private Institutions Registration, and the Area Vocational-Technical Institute Tuition Subsidy Program.

REPORT OF THE
HEARING EXAMINER

The above-entitled matter came on for hearing before Hearing Examiner Peter C. Erickson of the Office of Administrative Hearings at 8:30 a.m. on Monday, July 28, 1980, in conference room A of the Capitol Square Building, St. Paul, Minnesota.

Catherine Haukedahl, Special Assistant Attorney General, appeared on behalf of the Higher Education Coordinating Board. David Dresbach, manager of self-help programs; Elizabeth Kelley, manager of private college contract programs; and David Laird, deputy executive director, appeared and testified in support of the proposed rules on behalf of the Board. The hearing continued until all interested groups or persons had had an opportunity to testify concerning the adoption of the proposed rules.

Pursuant to the provisions of Minn. Stat. § 15.0412, subd. 4d., this Report has been submitted to the Chief Hearing Examiner for approval. If the Chief Hearing Examiner approves the findings of this Report, he will advise the Agency of actions which will correct the defects and the Agency may not adopt the rule until the Chief Hearing Examiner determines that the defects have been corrected. However, in the cases where the Chief Hearing Examiner identifies defects which relate to the issues of need or reasonableness, the Agency may either adopt the Hearing Examiner's recommendations to cure the defects or, in the alternative, if the Agency does not elect to adopt the recommendations, it may submit the proposed rule to the Legislative Commission to Review Administrative Rules for the Commission's advice and comment. Provisions relating to this submission to the Commission may be found in Laws of Minnesota 1980, Chapter 615, § 6, subd. 4d. Upon receipt of this Report and the Report of the Chief Hearing Examiner, the Agency must wait at least five working days before taking any final action on the rule; during that period, this Report must be made available to all interested persons upon request.

When the rule is submitted to the Attorney General, the Board shall give notice on the day of submission to all persons who requested that they be informed of the submission to the Attorney General.

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

## FINDINGS OF FACT

1. On May 25, 1980, the Board filed the following documents with the Chief Hearing Examiner:

(a) A copy of the proposed rules.
(b) The Order for Hearing proposed to be issued.
(c) The Notice of Hearing proposed to be issued.
(d) A Statement of the number of persons expected to attend the hearing and estimated length of the Agency's presentation.

2. On June 23, 1980, a Notice of Hearing and a copy of the proposed rules were published at 4 State Register 1958.

3. On June 27, 1980, 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.

4. On July 1, 1980, the Board filed the following documents:

(a) The Order for Hearing and authorizing resolution.
(b) The Notice of Hearing as mailed.
(c) The Affidavit of Receipt of the Secretary of State's list.
(d) The Affidavit of Mailing the Notice to all persons on the Secretary of State's list.
(e) The Secretary of State's Certificate and list.
(f) The Statement of Need and Reasonableness.
(g) All materials received following a Notice of Intent to Solicit Outside Opinion published at 4 State Register 1698 (April 21, 1980).
(h) The names of Board personnel who will represent the Agency at the hearing together with the names of any other witnesses solicited by the Agency to appear on its behalf.

The documents were available for inspection at the Office of Administrative Hearings from the date of filing to the date of the hearing.

5. The record remained open through August 11, 1980 for the receipt of written comments and statements.

6. Statutory authority to promulgate the proposed rules is contained in Minn. Stat. §§ 136A.111, 136A.16, 136A.21, 136A.234, 136A.236, 136A.70 (1978).

7. Many of the rule amendments proposed by the Board are merely of a housekeeping variety or are intended to clarify and update the purpose and intent of existing language. This Report will not address those non-controversial rule amendments which are adequately supported in the Statement of Need and Reasonableness. As to those amendments, the Examiner finds that need and reasonableness have been established by the Minnesota Higher Education Coordinating Board. The only rule amendments that will be specifically addressed in this Report are those about which questions of need, reasonableness and compliance with the substantive and procedural requirements of law have been raised.

8. 5 MCAR § 2.0102 G.

The proposed new rule defines the term "Undergraduate" to establish criteria for Minnesota Scholarship and Grants-in-Aid applicant eligiblilty.

a. Darlene Lynch, University of Minnesota, testified that the proposed definition of "Undergraduate" would have an unfair effect upon older students, minority students and other "nontraditional" students. This unfair effect results from wording contained in the definition which states that a student will no longer be considered an "undergraduate" after the student has been enrolled for greater than eight (8) semesters, or twelve (12) quarters, or their equivalent Ms. Lynch indicated that many nontraditional students, as well as an increasing number of traditional students, are taking five (5) years

to complete the normal four-year program. Her concern was that these students should receive aid for eight (8) semesters, or twelve (12) quarters, or their equivalent regardless of how long they have been enrolled.

b. Dave Beauchamp, Moorhead State University and member of the Financial Aid Advisory Committee of the Minnesota Higher Education Coordinating Board, testified that the word "enrolled" should be removed from the proposed new rule. He indicated that the legislative history of the Minnesota Scholarship and Grant-in-Aid program shows the intent of the legislature was to prohibit aid to students who had already received aid for eight (8) semesters, or twelve (12) quarters, or their equivalent, rather than just been enrolled for that length of time.

c. Jim McDonald, Northwestern College of Chiropractic, testified against the proposed new rule because of the wording: ". . . for the completion of a baccalaureate degree". He indicated that this language could be read to exclude some students at his institution who have completed two years of post-secondary education and then transferred to Northwestern College of Chiropractic.

Two letters were received subsequent to the hearing objecting to this same language because of the exclusionary effect it would have upon students in Area Vocational-Technical Institutes (hereinafter referred to as "ATVIs"), and community colleges who are enrolled in terminal programs which do not lead to a baccalaureate degree.

d. The Board responded to these comments as follows:

> The proposed definition of "undergraduate" is based on Minnesota Statutes 136A.121, Subdivision 8. However, HECB staff agree that the intent of the statute was not to exclude students who are not working toward a baccalaureate degree, or who are non-traditional, but to put limits on the renewability of awards.
>
> In an effort to clarify the intent of the statute the following amendment to the proposed definition is proposed:
>
> G. "Undergraduate" shall be any full-time post-secondary student ~~enrolled~~ who has not received, for a maximum of eight semesters, or 12 quarters, or their equivalent, a Minnesota State Scholarship or Grant-in-Aid. ~~for the completion of a baccalaureate degree.~~ For purposes of the Minnesota Scholarship and Grants-in-Aid program, a student is no longer an "undergraduate" after obtaining a baccalaureate degree or after ~~completing~~ receiving a Minnesota State Scholarship or Grant-in-Aid for the number of semesters or quarters herein specified, whichever occurs first.

e. Minn. Stat. § 136A.121, subd. 8, reads as follows:

> Each scholarship or grant-in-aid shall be awarded for one academic year but shall be renewable for a maximum of six semesters or nine quarters or their equivalent but may not continue after the recipient has obtained a baccalaureate degree or been enrolled full-time or the equivalent for the number of semesters or quarters normally required to complete a baccalaureate degree, whichever occurs first.

This language plainly indicates that a scholarship or grant-in-aid may not be continued after the recipient has been "enrolled" full-time, or the equivalent, for the number of semesters or quarters normally required to complete a baccalaureate degree. Although the statute may not reflect legislative intent, it is unambiguous on its face. The amendment proposed by the Board in paragraph d. above is in conflict with the statute and cannot be adopted. A remedy to this problem must be sought in the next legislative session.

The Board's proposal to change the proposed new rule by eliminating the language "for the completion of a baccalaureate degree" is supported by the wording of Minn. Stat. § 136A.121, subd. 8. The first sentence of the proposed new rule should be changed as follows: "'Undergraduate' shall be any full-time post-secondary student enrolled for a maximum of eight (8) semesters, or twelve (12) quarters, or their equivalent." As amended in this paragraph, the Examiner finds the proposed rule to be both needed and reasonable. The rule, as initially proposed without this amendment, is in violation of the substantive provisions of law because it excludes students not in a degree program, which is in conflict with the statutory criteria. To correct this defect, the first sentence must be changed as set forth in this paragraph

9. 5 MCAR § 2.0102 H.

This proposed new rule defines the term "Uniform methodology" as the form of analysis used to rank scholarship and grant-in-aid applicants according to their need for financial assistance.

a. At hearing, the Examiner indicated to the Board that the proposed new rule may be defective because of faulty incorporation by reference and/or illegal delegation of authority.

b. The Board responded by submitting a request to the Chief Hearing Examiner for approval of incorporation by reference of needs analysis methodologies recognized and approved by the Department of Education in 45 Fed. Reg., p. 20567. The Chief Hearing Examiner approved the incorporation by reference in an Order dated the 25th day of August, 1980. As amended, with the incorporation, the proposed new rule reads as follows:

> "Uniform methodology" is any of the needs analysis methodologies which existed on March 28, 1980, and was recognized and approved by the Department of Education in 45 Federal Register, p. 20567. In implementing any of those methodologies, the benchmarks established by the Department of Education, 44 Federal Register, p. 56938 must be used.

The Examiner finds that the language in the proposed amended new rule is both needed and reasonable. These changes should be adopted to cure the defects in the rule as initially proposed. This same amendment must also be made in 5 MCAR §§ 2.0302 K. and 2.1002 K. wherein the term "uniform methodology" is also defined.

10. 5 MCAR § 2.0302 E.

The proposed amendment changes the definition of the term "Financial need" for the purpose of Work-Study Grants. The existing rule sets the maximum amount of a student's financial need at an amount equal to the size of the loan upon which the student would be eligible to receive interest benefits under the Guaranteed Student Loan Program. Recent federal legislation has removed all income and financial need criteria from the Guaranteed Student Loan Program. The Board testified that the Minnesota State Work-Study Program has been a need based program since its inception. See, Minn. Stat. § 136A.233, subd. 2. The proposed amendment is intended to bring the rules back into conformance with the need based character of the program which had been altered by the changes made to the Guaranteed Student Loan Program.

a. Dave Beauchamp objected to the use of the term "documentation" in line 7 of the proposed amendment. He feels that the term has too many diverse meanings. He suggested that the language be changed to specify that a written

statement submitted by a financial aid officer be sufficient. The Board responded to this as follows:

> The meanings of the terms are the same. The substance of the proposed amendment would not change if one term were substituted for the other. The rule would require, in either case, that a financial aid officer include in a student's file the reason for replacing any portion of the family contribution with a State Work-Study award.

b. Dave Beauchamp also objected to the wording "plus an amount to replace expected family contribution". He feels that the proposed amendment would be inequitable due to the different results that would occur at a low-cost institution as opposed to a high-cost institution. He suggested that the followng language be inserted after line 9 of the amendment: "greater than the cost of attendance at the highest cost Minnesota post-secondary federal aid eligible institution". The Board responded as follows:

> Currently the formula by which financial need is determined for the Work-Study Srogram is as follows: Institutional budget, minus the expected parental contribution, minus the expected student contribution, equals financial need. If the cost of the highest cost post-secondary institution were used as the institutional budget in the formula for every case, the program would no longer be need-based.
>
> For example, a student attending an institution which will cost the student $1,000 per year may have an expected $300 parental contribution and a $300 student contribution. According to the proposed formula, the student's financial need will be $400 plus an amount which the financial aid officer may decide should replace part or all of the family contribution. If the cost at the highest cost institution is used in a need formula for the same student the result could look like this: $6,000 (inst. budget) minus $300 (parental contribution) minus $300 (student contribution) equals $5,400 plus an amount which the financial aid officer may decide should replace part or all of the family contribution. In this case, a student attending an institution which will cost $1,000 per year will have a financial need far in excess of the cost of education.
>
> Clearly, if "greater than the cost of attendance at the highest cost post-secondary institution" were added to the rule, the program would no longer be need based. Thus, the suggested change should not be considered consistent with the purpose of the proposed rule but rather a proposal for a fundamental change in state policy.

c. Cathy McCune, Assistant Director of Financial Aids at Mankato State University, commented that the changes made to the existing rule are unnecessary because, as a practical matter, only students in need will apply for the grants and all the proposed amendment will do is apply some "window dressing" and add an additional "layer of bureaucracy" without substantive effect.

d. The Examiner finds that the Board has established the need for and reasonableness of the proposed amendment.

11. 5 MCAR § 2.0302 J.

The proposed new rule defines who is considered as a "Minnesota Resident" for the purpose of Work-Study grants.

a. Melvin E. Johnson, manager of the Operational Services Section, Division of Vocational-Technical Education, and Horace Olson, President of the Minnesota ATVI Student Services Association, each commented that it would be better to have a residency definition that was consistent with that of the accepting institutions.

b. Frank E. Loncorich, Director of Financial Aids at St. Cloud State University, commented that the proposed new rule should be changed to include "for purposes other than obtaining an education" in subdivision J.2. right after "Minnesota". He indicated that this proposed change would make the new rule more consistent with the legislative intent in the Work-Study grant area. The Board concurred with Mr. Loncorich's comments and suggested changing the proposed rule to read as follows:

> . . . is independent of his parental or guardians' financial support and has resided in Minnesota, for purposes other than obtaining an education, for not less than twelve consecutive months immediately prior to his application for work-study.

so amended P.5

c. The Examiner finds that the proposed rule, as amended in paragraph b. above, is both needed and reasonable.

12. 5 MCAR § 2.1002 B.

This amendment to the existing rule substitutes "awarded" for "receiving". The existing wording only eliminates students from the ATVI Tuition Subsidy Program who are already receiving Minnesota State Scholarship or Grant-in-Aid assistance. The proposed amendment would also eliminate students who are awarded but have chosen not to receive Minnesota State Scholarship or Grant-in-Aid assistance. The Board testified that the change was made to comply with recent statutory changes. See Minn. Stat. § 136A.236 (1979 Supp.).

a. Jon Falgren, Austin AVTI, testified against the proposed amendment as he feels that the new wording would penalize some AVTI students.

b. Horace Olson recommended that the original wording in the rule be retained. He feels that the change in wording leaves the student no choice as to the type of funding he or she will accept. Those students awarded a scholarship or grant which is less than a tuition subsidy would be forced by the proposed amendment to accept the scholarship or grant.

c. The Board responded as follows:

> It is the Coordinating Board's contention that the legislative intent in Minnesota Statutes 136A.236, Subd. 2 was to provide a source of funds to the AVTIs to be used in emergency situations when a student is not able to secure funds through the Scholarship and Grant-in-Aid Program.
>
> Clearly, the statute states that a student may not receive both an AVTI Tuition Subsidy and a Minnesota Scholarsip or Grant at the same time. An AVTI student is eligible to receive a Minnesota Scholarhip or Grant for three quarters or two terms, (or their equivalent) and a tuition subsidy only for enrollment periods in their educational programs which do not coincide or overlap either the period for which they have been awarded a Minnesota State Scholarsip or Grant-in-Aid.
>
> If a uniform methodology is used in all Minnesota financial aid programs, financial need for the same student will be the same for each state financial aid program. This would mean that there would no longer be a difference in financial need for the same student as determined by the Scholarshp and Grant Program and the AVTI Tuition Subsidy Program.

d. Minn. Stat. § 136A.236, subd. 2 (1979 Supp.) reads as follows:

> Subd. 2. Effective July1, 1979, any Minnesota resident who attends a public post-secondary vocational-technical school, and who is not receiving a state scholarhip or grant-in-aid for the current year of attendance, shall be eligible to apply for a tuition subsidy pursuant to this section.

The statute clearly refers to AVTI students who are "not receiving" a state scholarship or grant-in-aid for the current year. The Board has stated that use of a uniform methodology will result in the same need regardless of which program is utilized. Minn. Stat. § 136A.236, subd. 7, gives the Board authority to distribute tuition subsidy funds according to adopted rules and procedures. This proposed amendment, changing receiving to awarded, essentially prioritizes the use of tuition subsidy funds, i.e., if a scholarsip or grant is awarded to a student, tuition subsidy funds will not be available. Since the amount a student would receive in each of the programs remains the same, the Examiner finds that the proposed amendment is needed and reasonable and not in conflict with the statute.

13. 5 MCAR § 2.1002 C.

The proposed amendment allows for the proration of costs, on a monthly basis, to conform to the applicant's actual number of months in his or her academic program.

a. Horace Olson suggested that for independent students and married students, either the institution should have the right to establish budgets or the Board should adopt the ACT formula (standard maintenance allowance based on family size).

b. The Board responded as follows:

> Assuming that the need analysis in the AVTI Tuition Subsidy Program is to be based upon a uniform methodology, it does not seem reasonable that the same student with the same financial resources, attending the same institution, for the same time period, etc. should be determined as having one financial need by the AVTI Tuition Subsidy Program and a different financial need by the Scholarship and Grant-in-Aid Program. If the "educational costs" or budgets are standardized for all Minnesota financial aid programs, regardless of from which program the student may receive aid, the financial need will be the same for that student.

c. The Examiner finds the proposed amendment to be both needed and reasonable.

14. 5 MCAR § 2.1003 F.

The proposed amendment gives the student the sole right to decide whether tuition payment will be deferred. The Board testified that the proposed amendment is necessary because Minn. Stat. § 136A.236, subd. 4, specifically leaves this option up to the student.

a. Jon Falgren testified against the proposed amendment and stated that if a student chooses to defer tuition payments and drops out of school prior to obtaining his or her "F.F.S." results or "S.I.R." results, the AVTI would lose the student's tuition payment. Several other persons also attacked the proposed amendment as being administratively unworkable and stated that it would place the financial burden on the institution. Horace Olson suggested that the period during which payment of tuition may be deferred be limited to just six (6) weeks.

b. The Board responded as follows:

> The current rule could be interpreted to mean that institutional officials may choose to defer payment of tuition. The proposed amendment refers specifically to the student as the person who may choose to defer tuition payment during the application process. This change is consistent with the statutory language (MN. Stat. 136A.236, Subd. 4) on delayed tuition payment which reads: "A student attending a public post-secondary vocational-

technical school may delay tuition payments for the period of enrollment during which his application for a tuition subsidy pursuant to this section is being processed. If his application for a subsidy is denied and he therefore promptly withdraws from school, his tuition for that period should be forgiven."

c. The Examiner finds that the proposed amendment complies with the statutory mandate and is both needed and reasonable.

15. 5 MCAR § 2.1004 A.

The proposed amendment to the existing rule eliminates one of the two methods of analysis for the determination of family contribution. This was proposed to standardize the procedure used in making the family contribution calculation. The Board testified that a student would be eligible for two different award amounts based upon the two different analysis methodologies as currently exist.

a. John Overson, Anoka Area AVTI, testified that the proposed amendment would do a disservice to independent students. He gave two examples of independent students who he feels are in need of AVTI tuition subsidies. In one example, the proposed amendment lessened the student's subsidy, and in the other example, it eliminated it completely. He suggested that the language stricken from the existing rule be left in.

b. The Board responded as follows:

Specifically, . . . AVTI representatives were concerned that a uniform methodology should not be used in determining an independent student's family contribution. 45 C.F.R. 174.13(e), 175.13(e) and 176.13(e). . . states that individuals or organizations that wish to have their system of need analysis approved for dependent students must also submit their system of need analysis for independent students to the Commissioner of Education. The Commissioner will approve the need analysis system for independent students of those individuals or organizations if the system for dependent students is approved. When uniform methodology is used to determine an independent student's family contribution, the institution may further adjust the expected family contribution: 1) if the financial aid officer believes that the expected family contribution does not accurately reflect the student's or parents' ability to contribute and 2) the institution documents all adjustments in writing with an accompanying explanation and makes them part of the institution's records.

Furthermore, the language in 5 MCAR 2.1004., "including that approved by the United States Office of Education or the Basic Educational Opportunity Grant needs analysis" should be deleted as proposed because it is redundant. The term "uniform methodology" encompasses all systems approved by the U. S. Department of Education among which is the BEOG needs analysis.

In summary, use of a uniform methodology of needs analysis will standardize need analysis for all dependent students applying for aid from any of Minnesota's financial aid programs. At the same time, an approved uniform methodology is flexible enough to allow institutions to evaluate the small, but growing number of independent students' individual cases. The use of a uniform methodology will require increased documentation by financial aid officers when independent students' expected contributions are determined. However, this should be viewed as mere inconveniences relative to the greater equity and uniformity of needs analysis which will result through the use of a uniform methodology. The agency believes this approach will meet the concerns for students raised by the objection.

c. The Examiner finds the Board has established the need for and reasonableness of the proposed amendment.

Based upon the foregoing Findings of Fact, the Hearing Examiner makes the following:

## CONCLUSIONS

1. The Higher Education Coordinating Board gave due, timely and adequate legal notice of the hearing.

2. All relevant procedural requirements of law or rule within the meaning of Minn. Laws 1980, Ch. 615, § 6, subd. 4c, have been met.

3. The Board has documented its statutory authority to promulgate the proposed rules and has met all other substantive requirements of law or rule with the exceptions noted in Findings 8 and 9.

4. The Board has demonstrated the need for and reasonableness of the proposed rules, as amended herein, by an affirmative presentation of facts.

5. Correction of the defects as suggested by the Examiner in Findings 8 and 9, and the other changes proposed by the Board, would not result in a rule which is substantially different from the rule as published in the State Register within the meaning of Minn. Laws 1980, Ch. 615, § 6, subd. 4d.

6. Due to Conclusion 3, this Report has been submitted to the Chief Hearing Examiner for approval pursuant to Minn. Laws 1980, Ch. 615, § 6, subd. 4d (to be codified as Minn. Stat. § 15.0412, subd. 4d).

7. Any Findings which might properly be termed Conclusions, and any Conclusions which might properly be termed Findings are hereby adopted as such.

Based upon the foregoing Conclusions, the Hearing Examiner makes the following:

## RECOMMENDATION

That the Higher Education Coordinating Board adopt the proposed rules consistent with the Findings and Conclusions above.

Dated this 8 day of September, 1980.

Peter C. Erickson

PETER C. ERICKSON
Hearing Examiner

STATE OF MINNESOTA
OFFICE OF ADMINISTRATIVE HEARINGS

FOR THE MINNESOTA HIGHER EDUCATION COORDINATING BOARD

In the Matter of the Proposed Amendments to the Rules of the Minnesota Higher Education Coordinating Board Regarding Scholarshps and Grants-in-Aid, Private College Contracts, Work-Study Grants, Minnesota Medical and Osteopathic Loans, Minnesota Foreign Student Assistance, Minnesota Veterans' Dependents Student Assistance, Part-Time Student Grants, Private Institutions Registration, and the Area Vocational-Technical Institute Tuition Subsidy Program.

REPORT OF THE CHIEF HEARING EXAMINER

The above-entitled matter came on for review by the Chief Hearing Examiner pursuant to the provisions of Minn. Laws 1980, Ch. 615, § 6, subd. 4d (to be codified as Minn. Stat. § 15.0412, subd. 4d) which provides in part:

> If the [hearing examiner's] report contains a finding that the proposed rule is substantially different from that which was proposed at the public hearing, or that the agency has not met the requirements of section 15.0412, subdivisions 4 through 4f, it shall be submitted to the chief hearing examiner for approval. If the chief hearing examiner approves the finding of the hearing examiner, he shall advise the agency of actions which will correct the defects, and the agency shall not adopt the rule until the chief hearing examiner determines that the defects have been corrected. If the chief hearing examiner determines that the need for and reasonableness of the rule has not been established pursuant to subdivision 4, clause (c), and if the agency does not elect to follow the suggested actions of the hearing examiner to correct that defect, then the agency shall submit the proposed rule to the legislative commission to review administrative rules for the commission's advice and comment. The agency shall not proceed to adopt the rule until it has received and considered the advice of the commission; provided, that the agency is not required to delay adoption longer than 30 days after the commission's receipt of the agency's submission.

Based upon a review of the record in this proceeding, the Chief Hearing Examiner hereby approves the Report of the Hearing Examiner in all respects and specifically as to any finding of substantial change or of failure to comply with Minn. Laws 1980, Ch. 615, § 6 (to be codified as Minn. Stat. § 15.0412, subd. 4-4f), or of failure to establish need for and reasonableness of the proposed rule.

In order to correct the defects enumerated by the Hearing Examiner, the agency shall either take the action recommended by the Hearing Examiner or reconvene the rule hearing if appropriate. If the agency chooses to reconvene the rule hearing, it shall do so as if it is initiating a new rule hearing, complying with all substantive and procedural requirements imposed on the agency by law or rule.

If the agency chooses to take the action recommended by the Hearing Examiner, it shall, prior to submitting the rules to the Attorney General for review, submit to the Chief Hearing Exmainer a copy of the rules as initially published in the State Register, a copy of the rules as proposed for final adoption in

the form required by the State Register for final publication, and a copy of the agency's Findings of Fact and Order Adopting Rules. The Chief Hearing Examiner will then make a determination as to whether the defect in regard to substantial change and the requirements of Minn. Laws 1980, Ch. 615, § 6 (to be codified as Minn. Stat. § 15.0412, subd. 4-4f) have been corrected.

Should the agency make changes in the rules other than those recommended by the Hearing Examiner, it shall also, prior to submitting the rule to the Attorney General, submit the complete record to the Chief Hearing Examiner for a review in regard to substantial changes.

Dated this 9th day of September, 1980.

Duane R. Harves

DUANE R. HARVES
Chief Hearing Examiner

# Minnesota Higher Education Coordinating Board Office of the Executive Director

## Proposed Amendments to the Rules Governing the Scholarship and Grants-in-aid; Private College Contract; State Work-study; Minnesota Medical and Osteopathic Loan; Minnesota Foreign Student Assistance; Veterans' Dependents Student Assistance; Part-time Student Grant; Private Institution Registration; and Area Vocational-Technical Institute Tuition Subsidy Programs

### Notice of Hearing

Notice is hereby given that a public hearing in the above-titled matter will be held in Conference Room A, Capitol Square Building, 550 Cedar St., St. Paul, Minnesota 55101 on July 28, 1980, commencing at 8:30 a.m.

All interested or affected persons will have an opportunity to participate. Statements may be made orally and written material may be submitted at the hearing. In addition, written materials may be submitted by mail to: Peter C. Erickson, Office of Hearing Examiners, Room 300, 1745 University Avenue, St. Paul, Minnesota 55104, (612) 296-8118. Unless a longer period not to exceed twenty calendar days is ordered by the hearing examiner at the hearing, the hearing record will remain open for the inclusion of written material for five working days after the hearing ends. The hearing shall be conducted in accordance with the rules of the Office of Hearing Examiners, 9 MCAR § 2.101 et seq., Minn. Stat. §§ 15.411-15.0417 and 15.052.

The proposed amendments, if adopted, would bring the rules relevant to the programs listed in the caption into conformance with statutory changes made during the 1979 Legislative Session and would clarify certain rules which have led to confusion heretofore.

Copies of the proposed amendments are now available and one free copy may be obtained by writing to Mary Samoszuk, Minnesota Higher Education Coordinating Board, Suite 400 Capitol Square, 550 Cedar Street, St. Paul, Minnesota 55101.

The statutory authority to promulgate the amendments is contained in Minn. Stat. §§ 136A.111, 136A.16, 136A.21, 136A.234, 136A.236, 136A.70 (1978).

**Notice:** The proposed rules are subject to change as a result of the rules hearing process. The agency therefore strongly urges those who are potentially affected in any manner by the substance of the proposed rules to participate in the hearing process.

Please be advised that pursuant to Minn. Stat. § 10A.03, subd. 1 (1978), as amended by Laws of 1979, § 3, lobbyists must register with the State Ethical Practices Board within five (5) days after becoming lobbyists.

"Lobbyist" means any inidividual:

(a) Engaged for pay or other consideration, or authorized by another individual or association to spend money, who spends more than five hours in any month or more than $250, not including *his own* travel expenses and membership dues, in any year, for the purpose of attempting to influence legislative or administrative action by communicating or urging others to communicate with public officials; or

(b) Who spends more than $250, not including *his own* traveling expenses and membership dues, in any year for the purpose of attempting to influence legislative or administrative action by communicating or urging others to communicate with public officials.

"Lobbyist" does not include any:

(a) Public official or employee of the state or any of its political subdivisions or public bodies acting in his official capacity;

(b) Party or his representative appearing in a proceeding before a state board, commission or agency of the executive branch unless the board, commission or agency is taking administrative action;

(c) Individual while engaged in selling goods or services to be paid for by public funds;

(d) News media or their employees or agents while engaged in the publishing or broadcasting of news items, editorial comments or paid advertisements which directly or indirectly urge official action;

(e) Paid expert witness whose testimony is requested by the body before which he is appearing, but only to the extent of preparing or delivering testimony;

(f) Stockholder of a family farm corporation as defined in § 500.24, subd. 1, who does not spend over $250, excluding *his own* travel expenses, in any year in communicating with public officials; or

KEY: RULES SECTION — Underlining indicates additions to proposed rule language. ~~Strike-outs~~ indicate deletions from proposed rule language. PROPOSED RULES SECTION — Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated "all new material."

(g) Party or his representative appearing to present a claim to the legislature and communicating to legislators only by the filing of a claim form and supporting documents and by appearing at public hearings on the claim.

Questions concerning lobbyists or their required registration should be directed to the State Ethical Practices Board, Room 41, State Office Building, Wabasha Street, St. Paul, Minnesota 55155, at telephone number (612) 296-5615.

Notice is hereby given that 25 days prior to a hearing, a Statement of Need and Reasonableness will be available for review at the Minnesota Higher Education Coordinating Board office and at the Office of Hearing Examiners. This Statement of Need and Reasonableness will include a summary of all of the evidence which will be presented by the Minnesota Higher Education Coordinating Board at the hearing justifying the need for and the reasonableness of the proposed rules. Copies of the Statement of Need and Reasonableness may be obtained from the Office of Hearing Examiners at a minimal charge.

**Notice:** Any person may request notification of the date on which the Hearing Examiner's Report will be available, after which date the Minnesota Higher Education Coordinating Board may not take any final action on the rules for a period of five (5) working days. Any person may request notification of the date on which the hearing record has been submitted (or resubmitted) to the Attorney General by the Minnesota Higher Education Coordinating Board. If you desire to be notified, you may so indicate at the hearing. After the hearing, you may request notification by sending a written request to the hearing examiner (in the case of the Hearing Examiner's Report), or to the Minnesota Higher Education Coordinating Board, (in the case of the agency's submission or resubmission to the Attorney General).

Clyde R. Ingle, Executive Director
Minnesota Higher Education
Coordinating Board

## Amendments as Proposed

### Chapter One: 5 MCAR §§ 2.0101-2.0108

**5 MCAR § 2.0102 Definitions.**

F. "BEOG" or the Basic Educational Opportunity Grant is the major federal grant available to post-secondary students.

G. "Undergraduate" shall be any full-time post-secondary student enrolled for a maximum of eight semesters or 12 quarters, or their equivalent, for the completion of a baccalaureate degree. For purposes of the Minnesota Scholarship and Grants-in-Aid Program, a student is no longer an "undergraduate" after obtaining a baccalaureate degree or after completing the number of semesters or quarters herein specified, whichever occurs first.

H. "Uniform methodology" is a nationally recognized standard, established by the United States Department of Education, which provides educational institutions with a uniform and systematic method of determining an applicant's need for financial assistance from various financial aid programs.

**5 MCAR § 2.0103 Definition of eligible applicants.**

A. Applicants eligible for initial scholarship awards as provided for in statutes shall include:

1. Those who will enter an eligible institution as beginning full-time first-year students ~~notwithstanding~~ without any previous post-secondary education.

B. Applicants eligible for initial grant-in-aid awards as provided for in statutes shall include:

~~2. Those who will attend an eligible institution as full-time second year students who did not receive a scholarship or grant-in-aid for their first year of post-secondary education.~~

~~3. Those students who will have completed at least one academic year of study in an eligible community or junior institution at the time of transfer to an eligible senior institution as full-time students and who have not previously received a scholarship or a grant-in-aid.~~

1. Any full-time undergraduate student who will attend an eligible institution and has not previously received a scholarship or grant-in-aid.

2. ~~4.~~ Those who will be enrolled in an eligible institution in a nursing education program leading to licensure as a registered nurse or a licensed practical nurse, as defined in Minn. Stat., § 148.171 *et. seq.* (1976).

C.~~B.~~ Applicants eligible for renewals as provided for in statutes shall include those who have previously qualified for and been acknowledged by the eligible institution as having received a scholarship or grant-in-aid.

**5 MCAR § 2.0104 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,~~ expected parental and student contribution, as determined by a uniform methodology needs analysis, subject to the review and approval of the board.

**5 MCAR § 2.0105 Determination of residency requirements.**

A. Applicants who reside with, receive support from, or are claimed as tax exemptions by their parents or guardians in the years prior to~~,~~ or during~~, or following~~ the academic year for which application is made shall be considered to be domiciled with such parents or guardians and a resident of the state where so domiciled.

**5 MCAR § 2.0106 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 Board ~~by the American College Testing Program,~~ through use of a uniform methodology needs analysis. Stipends in amounts so determined ~~by the financial needs analysis described in 5 MCAR § 2.0104~~ 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 education costs until available funds are exhausted.

**5 MCAR § 2.0107 Nature of scholarship and grants-in-aid.**

A. Financial stipends accompanying scholarship and grant-in-aid awards shall be those prescribed by Statutes, ranging from a minimum of $100 to a maximum of ~~$1,100~~ $1,250 in the 1980-81 school year and $1,400 in the 1981-82 school year and subsequent school years but shall not exceed one-half of the applicant's demonstrated financial need. In those cases where the combination of the Basic Educational Opportunity Grant for which an applicant is eligible and the state scholarship or grant-in-aid for which the applicant is eligible exceeds 75% of the applicant's demonstrated financial need, the state scholarship or grant-in-aid shall be reduced so that the combination of the two awards does not exceed 75% of the applicant's demonstrated financial need. The state scholarship or grant-in-aid will be further reduced if additional gift assistance, in combination with the Basic Educational Opportunity Grant and the state scholarship or grant-in-aid, exceeds 100% of the applicant's demonstrated financial need.

**Chapter Two: 5 MCAR §§ 2.0201-2.0300**

**5 MCAR § 2.0202 Definitions.**

B. "Program of studies" as set forth in § 136A.19, subd. 5, means:

1. a program leading to an associate, bachelor, master, specialist, or first professional degree or to a diploma;

2. ~~1.~~ a program of at least one academic year in duration; and

3. ~~2.~~ a program which, although it may provide for the scholarly study of religion as a discipline of knowledge in a manner similar to that provided for any field of study, does not require a student

a. to take courses based upon a particular set of religious beliefs,

b. to receive instruction intended to propagate or promote any religious beliefs,

c. to participate in religious activities,

d. to maintain affiliation with a particular church or religious organization, or

e. to attest to any particular religious beliefs.

C. "Full-time student" as set forth in § 136A.20, shall be a full-time student as defined by the institution and shall be enrolled during the fall term in an approved program of studies for at least 12 credit hours or its equivalent in an associate, baccalaureate, or first professional degree ~~programs and in~~ or diploma programs ~~of two or more years~~ or for 9 credit hours or its equivalent in a master's and/or specialist's degree programs.

D. "First professional degree" shall be the first degree required of professionals, as defined in Minn. Stat. § 319A.02, subd. 3 (1978), and of those entering professional services, as defined in Minn. Stat. § 319A.02, subd. 2, (1978).

**5 MCAR § 2.0207 Certification of the number of eligible students.** The chief executive officer of each institution contracting with the board under the terms of §§ 136A.18 to 136A.22 shall certify as of the tenth class day of the fall term the exact number of Minnesota residents then enrolled in approved programs, ~~specifying~~ The Executive Director of the board shall specify which Minnesota residents are grant-in-aid recipients and which Minnesota residents are not grant-in-aid recipients. Each institution shall provide such accounting information used in determining eligible students as may from time to time be required by the board.

**Chapter Three: 5 MCAR §§ 2.0301-2.0310**

**5 MCAR § 2.0302 Definitions.**

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 Guaranteed Student Loan Program as determined by the school of attendance~~ the amount of financial need calculated through use of a uniform methodology by the educational institution, plus an amount to replace expected family contributions. Written documentation supporting the decision of the financial aid officer to replace any portion of the family contribution with a state work-study award must appear in the student's file maintained by the financial aid officer at the educational institution.

J. "Minnesota resident" shall be defined as a person who either:

1. is dependent upon the financial support of his parents or guardians who reside in and are legal residents of the State of Minnesota at the time of his application for a loan, or

2. is independent of his parental or guardians' financial support and has resided in Minnesota for not less than twelve consecutive months immediately prior to his application for work-study.

K. "Uniform methodology" is a nationally recognized standard, established by the United States Department of Education, which provides educational institutions with a uniform and systematic method of determining an applicant's need for financial assistance from various financial aid programs.

**Chapter Four: 5 MCAR §§ 2.0401-2.0407**

**5 MCAR § 2.0404 Delegation of authority.** The Executive Director of the board is hereby delegated the authority and

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responsibility for administration of the Minnesota Medical and Osteopathy Loan Program in accordance with these rules and state laws, for issuance of public information, designing of application forms, prescribing of precedures for submission of applications for loans and for the selection of qualified recipients of loans provided by the terms of this act.

**5 MCAR § 2.0405** E. 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 ~~board~~ Executive Director, 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.

**Chapter Six: 5 MCAR §§ 2.0601-2.0607**

**5 MCAR § 2.0604** A. Each ~~elibible~~ eligible institution shall be authorized and be responsible for informing any foreign student who receives funds or residency status pursuant to the program that the funds are provided initially as a loan and will not be converted to a grant until the student submits evidence that the student has returned to his home country within one year of completion of the student's education and has not returned to the United States for five years as a permanent resident.

**5 MCAR § 2.0604** E. Any loan and interest amounts collected by any institution under 5 MCAR § 2.0603 B. of the Program shall revert back to the board.

**Chapter Seven: 5 MCAR §§ 2.0701-2.0800**

**5 MCAR § 2.0701 Purpose.** The purpose of the chapter is to augment ~~laws of 1974, ch. 496, §2, subd. 2 and 3,~~ Minn. Stat. §§ 197.09-197.11 establishing a state program of financial assistance for dependents of Prisoners of War and Persons Missing in Action by providing standards, criteria, rules and regulations therefor.

**5 MCAR § 2.0702** A. "Minnesota Veterans' Dependents Student Assistance Program" is the state program of financial assistance for post-secondary students as defined in ~~Laws of 1974, ch. 496, §2, subd. 2 and 3,~~ Minn. Stat §§197.09-197.11, hereinafter referred to as the program.

D. "Private Minnesota institution" shall be defined as any Minnesota institution of higher education or any Minnesota technical or vocational school which is eligible under the State Student Loan Program as defined in ~~Laws of 1973, ch. 605,~~ Minn. Stat. §136.15, and which is not included under 5 MCAR § 2.0702 C.

F. "Dependent" (as ~~defined~~ used in ~~Laws of 1974, ch. 496,~~ Minn. Stat. §§ 197.07-197.11.) shall be the spouse of a P.O.W. or P.M.I.A., or any child born before or during the period of time his parent served as a P.O.W. or was declared a P.M.I.A., or any child legally adopted or in the legal custody of the parent prior to or during the time the parent served as P.O.W. or was declared to be a P.M.I.A. Once a person qualifies as a dependent under the terms and provisions of ~~Laws of 1974, ch. 496,~~ Minn. Stat. §§ 197.07-197.11, there shall be no situation such as the return of the father or the reported death of the father that will remove the dependent from provisions or benefits of this law.

**Chapter Eight: 5 MCAR §§ 2.0801-2.0806**

**5 MCAR § 2.0801 Purpose.** The purpose of this chapter is to augment ~~Laws of 1977, ch. 381, §17 and 18, as amended, to be codified as~~ Minn. Stat. §§ 136A.132 *et. seq.*, establishing a state program of part-time student grants by providing standards, criteria, rules and regulations therefor.

**5 MCAR § 2.0802** B.1.a. Applicants who reside with, receive support from, or are claimed as tax exemptions by their parents or guardians in the years prior to~~,~~ or during~~, or following~~ the academic year for which application is made shall be considered to be domiciled with such parents or guardian and a resident of the state where so domiciled.

**5 MCAR § 2.0803 Determination of financial need.** ~~Each~~ Annually each eligible institution shall be required to solicit demographic, educational and financial data from eligible students requesting funds under this program as specified by the Board prior to each academic year for the purpose of determining financial need. Annually, all eligible institutions shall make available upon request of the Board reports of all such data collected. Determination of financial need shall be based on base year income. In the following circumstances, estimated year income may provide the basis for determination of financial need if:

**5 MCAR § 2.0803** D. A parent or an eligible student has become separated or divorced during the estimated year; or

**Chapter Nine: 5 MCAR §§ 2.0901-2.1000**

**5 MCAR § 2.0901 Purpose.** The purpose of this chapter is to provide for the registration of private and non-Minnesota public post-secondary institutions and the approval of degrees to be granted and names to be used under Minn. Stat. §§ 136A.61-136A.71.

**5 MCAR § 2.0902** C. "School" means: any individual, partnership, company, firm, society, trust, association, corporation or any combination thereof operating or doing business in Minnesota which (1) is, owns or operates a private, non-profit post-secondary education institution, (2) provides a post-secondary instructional program or course leading to a degree whether or not for profit, (3) is, owns or operates a private post-secondary education institution which uses the term "academy", "college", "institute", or "university" in its name or advertising or (4) operates for profit and provides programs or courses which are intended to allow an individual to fulfill in part or totally the requirements necessary to maintain a license to practice an occupation. "School" shall also mean any public post-secondary educational institution located ~~in another state or country~~ outside Minnesota which offers ~~or makes available to a Minnesota resident any course,~~ programs or ~~educational activity which does not require the leaving of the state for its completion:~~ courses within Minnesota;

5 MCAR § 2.0902 D. "Schools located outside Minnesota which offer programs or courses within Minnesota" in Minn. Stat. § 136A.63 means: schools located outside Minnesota which offer any ~~course,~~ program or educational activity which is available to residents of Minnesota and which does not require them to leave the state for the ~~completion~~ major portion of such;

**Chapter Ten: 5 MCAR §§ 2.1001-2.1008**

**5 MCAR § 2.1001 Purpose.** The purpose of this chapter is to augment ~~Laws of 1977, ch. 447, Article 5, § 11, to be codified as~~ Minn. Stat. § 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 therefor.

**5 MCAR § 2.1002** 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;~~

2.~~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 reciprocity agreements are not eligible) and,

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

**5 MCAR § 2.1002** C. "Educational costs" shall include tuition and ~~processing~~ required 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.~~ defined on a nine month basis in 5 MCAR § 2.0102 E., prorated on a monthly basis for the actual number of months in the student's academic program for the fiscal year.

K. "Uniform methodology" is a nationally recognized standard, established by the United States Department of Education, which provides educational institutions with a uniform and systematic method of determining an applicant's need for financial assistance from various financial aid programs.

**5 MCAR § 2.1003** F. ~~Payment of tuition may be deferred~~ The student may defer tuition payment during the application process. Applicants receiving tuition subsidy 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 award 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. Recipients of a Minnesota State Scholarship or Grant-in-Aid are eligible for tuition subsidies only for enrollment periods in their educational programs which do not coincide or overlap with the period for which they have been awarded a Minnesota State Scholarship or Grant-in-Aid.

**5 MCAR § 2.1004** 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~~ a uniform methodology~~,~~. ~~including that approved by the United States Office of Education, or the Basic Educational Opportunity Grant needs analysis.~~

# Peace Officer Standards and Training Board

## Proposed Amendments to Rules Relating to the Licensing of Peace Officers, Part-time Officers and Constables

### Notice of Hearing

A public hearing concerning the proposed rule amendments will be held at the State Office Building, 435 Park Street, Room 83, Saint Paul, Minnesota, on Thursday, July 24, 1980, commencing at 9:00 a.m. The proposed rule amendments may be modified as a result of the hearing process. Therefore, if you are affected in any manner by the proposed amendments, you are urged to participate in the rule hearing process.

Following the presentation of the Peace Officer Standards and Training Board (POST) at the hearing, all interested (or affected) persons will have an opportunity to ask questions and make comments. Statements may be made orally and written material may be submitted. In addition, whether or not an appearance is made at the hearing, written statements or materials may be submitted to Jon Lunde, Office of the Hearing Examiners, 1745 University Avenue, Room 300, Saint Paul,

KEY: RULES SECTION — Underlining indicates additions to proposed rule language. ~~Strike-outs~~ indicate deletions from proposed rule language. PROPOSED RULES SECTION — Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated "all new material."

STATE OF MINNESOTA
OFFICE OF ADMINISTRATIVE HEARINGS

FOR THE MINNESOTA HIGHER EDUCATION COORDINATING BOARD

| | |
|---|---|
| IN THE MATTER OF THE PROPOSED AMENDMENTS TO THE RULES GOVERNING THE SCHOLARSHIP AND GRANTS-IN-AID; PRIVATE COLLEGE CONTRACT; STATE WORK-STUDY; MINNESOTA MEDICAL AND OSTEOPATHIC LOAN; MINNESOTA FOREIGN STUDENT ASSISTANCE; VETERANS' DEPENDENTS STUDENT ASSISTANCE; PART-TIME STUDENT GRANT; PRIVATE INSTITUTION REGISTRATION; AND AREA VOCATIONAL-TECHNICAL INSTITUTE TUITION SUBSIDY PROGRAMS. | ORDER OF THE CHIEF HEARING EXAMINER |

WHEREAS, the Minnesota Higher Education Coordinating Board (hereinafter "HECB") has submitted a request to the Chief Hearing Examiner for approval of the incorporation by reference of certain documents in rules to be proposed; and

WHEREAS, pursuant to Minnesota Statutes 1978, § 15.0412, subd. 4, agencies may incorporate by reference provisions of federal law or rule or other materials from sources which the Chief Hearing Examiner determines are conveniently available for viewing, copying and acquisition by interested persons; and

WHEREAS, the Chief Hearing Examiner has reviewed the methodologies referenced and approved in 45 Federal Register, page 20567, as of March 28, 1980, and the benchmarks contained in 45 Federal Register, page 56938, and has found them to be in excess of 3,000 words and has determined that they would exceed five pages of publication in the State Register; and

WHEREAS, the HECB has indicated that the documents are available for viewing, copying and acquisition at the HECB office and the Chief Hearing Examiner thus finds that the documents are thereby conveniently available for viewing, copying and acquisition by interested persons.

NOW, THEREFORE, IT IS ORDERED that the HECB shall have the approval of the Chief Hearing Examiner to incorporate by reference in their proposed rules the above-referenced documents.

Dated this 15th day
of August, 1980.

Duane R. Harves

DUANE R. HARVES
Chief Hearing Examiner

ADMIN 1000 (Rev. 1/78)

STATE OF MINNESOTA

DEPARTMENT ADMINISTRATIVE HEARINGS

# Office Memorandum

TO : CATHARINE F. HAUKEDAHL
Special Assistant Attorney General

DATE: August 25, 1980

FROM : DUANE R. HARVES
Chief Hearing Examiner

PHONE: 6-8100

SUBJECT: PROPOSED AMENDMENTS TO THE RULES OF THE HECB - INCORPORATION BY REFERENCE
HECB-80-001-PE

Enclosed is a copy of the Order of the Chief Hearing Examiner approving the incorporation by reference of certain materials in the above-referenced rules. The original Order has been given to Hearing Examiner Peter Erickson as part of the official record.

sh
Enc.
cc: Mary Samoszuk, Administrative Assistant
Peter C. Erickson, Hearing Examiner

MINNESOTA
HIGHER EDUCATION
COORDINATING BOARD

SUITE 400
CAPITOL SQUARE
550 CEDAR STREET
SAINT PAUL 55101

(612) 296-3974

August 8, 1980

RECEIVED
AUG 11 1980
OFFICE OF HEARING
EXAMINERS

Mr. Duane R. Harves
Chief Hearing Examiner
Hearing Examiners Office
Room 300, 1745 University Avenue
St. Paul, Minnesota 55104

Re: In the Matter of the Proposed Amendments to the Rules of the Minnesota Higher Education Coordinating Board, etc.
HE Docket No. HECK-80-001-PE

Dear Mr. Harves:

A hearing was held regarding the above-referenced matter on July 28, 1980, with Peter Erickson, Hearing Examiner, presiding. At that time, Mr. Erickson recommended that certain material which was referenced in the proposed amendments should be incorporated by reference pursuant to Minn. Stat. § 15.0412, subd. 4 (1978).

As a result of Mr. Erickson's recommendation, the Minnesota Higher Education Coordinating Board hereby requests approval to incorporate certain materials by reference in its rules. The materials desired to be incorporated by reference are the methodologies referenced in 45 Federal Register, p.20567 and the benchmarks contained in 45 Federal Register, p.56938. We have attached a copy of the Handbook for Financial Aid Administrators for the 1980-81 Academic Year, Chapter 2. That document, while not identicle to all of the methodologies listed in 45 Federal Register, p.20567, is in fact the methodology recognized in clause 2(b), and will provide you with a very close approximation to what is being incorporated by reference for the other eleven methodologies. These materials are available for viewing, copying and acquisition by interested persons at the office of the Minnesota Higher Education Coordinating Board, Suite 400, Capitol Square Building, 550 Cedar Street, St. Paul, Minnesota 55101.

If this request for approval is granted, the Amendments as Proposed will be amended in the manner set forth in Attachment B.

Please call if you have any questions regarding this matter.

Very truly yours,

Mary Samoszuk
Administrative Assistant to
the Executive Director

MS/kjp
cc Peter C. Erickson

ATTACHMENT A

RECEIVED
AUG 1 1 1980
OFFICE OF HEARING EXAMINERS



...053 and Departmental policy, that ...would be unnecessary, impractical and contrary to the public interest to follow proposed rulemaking procedures or to delay the effective date of these regulations.

Accordingly, 42 CFR Part 57, Subpart FF is amended as set forth below:

§ 57.3105 [Amended]

1. Sections 57.3105 (h) and (i) are amended by adding to them the following sentence:

* * * * *

* * * However, the Secretary may suspend this requirement for a period which he or she finds appropriate if it is shown, after a thorough review of the facts involved, that a grantee has made a good faith effort to comply with the requirement and has met the other requirements of this Subpart and the Act, but is unable to have the required number of residents in the program due to circumstances beyond its control.

(Sec. 215, Public Health Service Act, 58 Stat. 690 as amended by 83 Stat. 35 (42 U.S.C. 216); sec. 784, Public Health Service Act, 90 Stat. 2315 (42 U.S.C. 295g–4))

Dated: September 26, 1979.

Julius B. Richmond,

*Assistant Secretary for Health.*

Approved: September 27, 1979.

Patricia Roberts Harris,

*Secretary.*

[FR Doc. 79-30591 Filed 9-28-79; 2:29 pm]

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## Office of Education

## 45 CFR Chapter I

## National Direct Student Loan, College Work-Study, Supplemental Educational Opportunity Grant; Annual Revision of Sample Cases and Benchmark Figures

**AGENCY:** Office of Education, HEW.

**ACTION:** Notice of Publication of Annual Revision of Sample Cases and Benchmark Figures.

**SUMMARY:** The Office of Education announces the annual revision of sample cases and benchmark figures for approval of need analysis systems for dependent students and the first periodic review for approval of need analysis systems for independent students for academic year 1980–81 for use with the National Direct Student Loan, College Work-Study, and Supplemental Educational Opportunity Grant Programs.

**ADDRESS:** Send descriptions of systems, the family contribution figures, and requests for information to Mr. John A. McGonigal, Campus-Based Branch, Division of Policy and Program Development, Bureau of Student Financial Assistance, Room 4618, ROB–3, 400 Maryland Avenue, SW., Washington, D.C. 20202. (202) 245–9720.

**FOR FURTHER INFORMATION CONTACT:** John A. McGonigal (202) 245–9720.

**SUPPLEMENTARY INFORMATION:**

### General

The Commissioner of Education is revising the sample cases and benchmark figures that are used to approve need analysis systems for the National Direct Student Loan (NDSL), College Work-Study (CWS) and Supplemental Educational Opportunity Grant (SEOG) programs for academic year 1980–81. See § 13 of each of those program's regulations, 45 CFR 174.13 for NDSL, 45 CFR 175.13 for CWS and 45 CFR 176.13 for SEOG. These sections set forth procedures for annual review and approval by the Commissioner of need analysis systems for dependent students for use in those programs. As a part of this review the Commissioner publishes a set of sample cases and benchmark figures. To be approved, a system must generate expected parental contributions in at least 75 percent of the sample cases that are within $50 of the benchmark figures published by the Commissioner for those cases.

Under paragraph (c)(5) of each of those sections the Commissioner revises the set of sample cases annually for inflation, in such a way as to maintain, over time, a constant expected parental contribution for families with equal income and asset positions, measured in constant dollars. The original set of sample cases and benchmark figures was published in the Federal Register on May 21, 1975 as Appendix A at page 22139, and was used to approve need analysis for dependent students for academic year 1975–76. The set of benchmark figures now being published is for academic year 1980–81.

The revision for 1980–81 has been computed by: (1) Assuming the rate of inflation for 1979 to be 10 percent, (2) Including an asset protection allowance determined to be $24,500 and (3) Increasing the size of the net available income categories to $1,350 from $1,200 for determining the expected contribution.

Under the regulations for these three programs published in the Federal Register of August 13, 1979, 44 FR 47411–47506, individuals or organizations that wish to have their system of need analysis approved for dependent students must also submit their system of need analysis for independent students (45 CFR 174.13(e), 175.13(e) and 176.13(e)). The Commissioner will approve the need analysis system for independent students of those individuals or organization's if the Commissioner approves the individual's or organization's system for dependent students. (45 CFR 174.13(d)(2), 175.13(d)(2) and 176.13(d)(2)).

The table, as set forth below, shall be effective immediately with respect to approval of need analysis systems for dependent students. Such systems shall be used for making awards to students for academic year 1980–81.

(Catalog of Federal Domestic Assistance No. 13.418, Supplemental Educational Opportunity Grant Program; 13.463, College Work-Study Program; and 13.471, National Direct Student Loan Program)

Dated: September 27, 1979.

John Ellis,

*Executive Deputy Commissioner for Educational Programs.*

**Benchmark Cases, Academic Year 1980–81**

| Net Assets: | $10,000 | | | | $20,000 | | | | $30,000 | | | | $40,000 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Family Size | 3 | 4 | 5 | 6 | 3 | 4 | 5 | 6 | 3 | 4 | 5 | 6 | 3 | 4 | 5 | 6 |
| Income before taxes | | | | | | | | | | | | | | | | |
| $8,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| $12,000 | 420 | 80 | 0 | 0 | 420 | 90 | 0 | 0 | 570 | 220 | 0 | 0 | 830 | 480 | 180 | 0 |
| $16,000 | 1,010 | 670 | 350 | 0 | 1,010 | 670 | 350 | 0 | 1,160 | 820 | 490 | 170 | 1,440 | 1,080 | 750 | 380 |
| $20,000 | 1,360 | 1,250 | 920 | 580 | 1,360 | 1,250 | 920 | 580 | 1,840 | 1,420 | 1,070 | 710 | 2,240 | 1,750 | 1,250 | 970 |
| $24,000 | 2,480 | 1,960 | 1,540 | 1,140 | 2,480 | 1,960 | 1,540 | 1,140 | 2,740 | 2,190 | 1,750 | 1,290 | 3,280 | 2,830 | 2,100 | 1,810 |

Note.—The figures above are expected parental contributions which assume:

1. Two parents, one with income;
2. One dependent in undergraduate postsecondary education;
3. No business and/or farm assets;
4. Age of older wage earner is 45; asset protection allowance equals $24,500;
5. 1979 U.S. income tax schedules; joint return, standard deduction;
6. No social security benefits for education;
7. No unusual medical or dental expenses or casualty or theft losses;
8. No other unusual circumstances.

[FR Doc. 79-30590 Filed 10-2-79; 8:45 am]

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ATTACHMENT B

1. 5 MCAR § 2.0102 H as proposed:

H. "Uniform methodology" is a nationally recognized standard, approved by the United States Department of Education, which provides educational institutions with a uniform and systematic method of determining an applicant's need for financial assistance from various financial aid programs.

As amended:

H. "Uniform Methodology" is a compilation of two documents which together establish a nationally recognized standard for making a needs analysis. The first is any methodology recognized and approved by the Department of Education in 45 Federal Register, p. 20567. In implementing any of those methodologies, the benchmarks established by the Department of Education, 44 Federal Register, p.56938 must be used.

2. 5 MCAR § 2.0302 K as proposed:

K. "Uniform methodology" is a nationally recognized standard, approved by the United States Department of Education, which provides educational institutions with a uniform and systematic method of determining an applicant's need for financial assistance from various financial aid programs.

As amended:

K. "Uniform Methodology" is a compilation of two documents which together establish a nationally recognized standard for making a needs analysis. The first is any methodology recognized and approved by the Department of Education in 45 Federal Register, p. 20567. In implementing any of those methodologies, the benchmarks established by the Department of Education, 44 Federal Register, p. 56938 must be used.

3. 5 MCAR § 2.1002 K as proposed:

K. "Uniform methodology" is a nationally recognized standard, approved by the United States Department of Education, which provides educational institutions with a uniform and systematic method of determining an applicant's need for financial assistance from various financial aid programs.

As amended:

K. "Uniform Methodology" is a compilation of two documents which together establish a nationally recognized standard for making a needs analysis. The first is any methodology recognized and approved by the Department of Education in 45 Federal Register, p. 20567. In implementing any of those methodologies, the benchmarks established by the Department of Education, 44 Federal Register, p. 56938 must be used.

Handbook for Financial Aid Administrators for the 1980-81 Academic Year, published in 1979 by the American College Testing Program.

Chapter 2

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# Need Analysis and the Uniform Methodology

Financial aid awards have always been based, to some degree, on the need of the applicant. A student's need is determined by some technique of reviewing data relevant to the family's ability to contribute to the cost of education. This technique, called *need analysis*, has two major components: an assessment of the family's ability to contribute to educational expenses, and an accurate estimate of the student's educational expenses. The family's contribution to educational expenses is derived from the parents' current income and accumulated assets and the student's own financial resources, since these represent the principal sources of financial strength for a given family. The family's estimated contribution is subtracted from the estimated educational costs at a particular postsecondary institution; this completes the need analysis procedure.

## THE DEVELOPMENT OF NEED ANALYSIS TECHNIQUES

Historically, there have been a number of need analysis techniques. In the oldest and most rudimentary, the aid administrator collects a few items of financial information from applicants and their families, reviews this information briefly, and then makes a subjective judgment about need. This "eyeball" approach is not systematic and results in arbitrary and inconsistent treatment of students.

In 1954, a group of private eastern colleges, including the Ivy League schools, became concerned about the use of scholarships in the recruiting process and came together to discuss the problem. They agreed to award aid on the basis of financial need as well as ability. Moreover, they agreed that each student's expected family contribution would be determined in a standardized, consistent manner and that the family would be expected to contribute that amount regardless of the student's choice of institution. Finally, the colleges agreed not to make awards exceeding the student's need (college cost minus family contribution). These agreements led to the development, by the College Scholarship Service, of a centralized need analysis system.

Another technique, the Income Tax Method, was developed by Crawford (1962) who noted that, with certain adjustments at the high and low income levels, the amount of income tax paid by a family was similar to the contribution expected at that time by the College Scholarship Service. Unfortunately, the necessary adjustments were all too often not made.

A fourth technique, the Alternate Income Method, was based on a table showing the contribution that could be provided by different-sized families at different income levels. Like the Income Tax Method, the Alternate Income Method used a simplistic percentage formula to calculate a contribution from assets.

The two latter methods of assessing financial need required that the actual analysis be performed by the aid administrator. They did not include any systematic consideration of economic conditions or allow for recognition of unusual circumstances that might affect an individual family. Finally, these methods lacked a sound base of underlying education-related economic data and theory.

In 1967, The American College Testing Program introduced a centralized need analysis system based on an innovative approach to data collection, analysis, and reporting. ACT's involvement in need analysis began when several large institutions approached ACT and requested such services.

In addition, some state scholarship programs and individual institutions developed techniques for assessing need. All of these techniques yielded divergent results, which led to confusion on the part of students and parents and the inconsistent allocation of funds.

During 1974-75, the need analysis committee of the National Task Force on Student Aid Problems developed a Uniform Methodology for measuring parental ability to contribute to educational expenses. As a result of agreement by the two centralized need analysis services on common data elements and the treatment of those data elements, the expected parental contributions reflect the financial condition of families rather than any differences between the two need analysis systems.

## ELEMENTS OF NEED ANALYSIS

A comprehensive need analysis system includes these elements:

1. *Reliable data collection.* The quality of the data depends on the way in which it is collected. Without accurate and reliable data, the need analysis results will be invalid.

2. *A valid underlying data base and rationale for analyzing the information collected.* Determining the family's contribution involves determining the family's total financial strength through analysis of its income and assets. To insure that the analysis is equitable, a standardized need analysis model, with objective criteria and supporting data, must be applied to all applicants in a consistent manner.

3. *A method for dealing with unusual circumstances.* In any standardized treatment, a variety of atypical situations will arise. Special procedures must be established so that appropriate adjustments can be made.

4. *Effective timing of the analysis.* The need analysis must be timely. If the results are not available to the aid administrator when they are needed, the analysis is useless.

While the ACT need analysis system includes these four elements, one or more of them are missing from other need analysis techniques.

## ANALYZING THE FAMILY'S FINANCIAL SITUATION

With the Uniform Methodology, the first step in need analysis is to calculate an estimate of the family's ability to contribute to postsecondary education from current income. The income required to maintain the family at a given standard of living must be determined; then, from any remaining income, the amount of money the family can be expected to provide for the student's education can be determined.

Objective criteria, formalized and applied to all applicants in a standardized manner, are fundamental to this process. Allowances must be made against each family's income for expenses (such as taxes) which are not discretionary and must be paid. And to take account of basic costs, a standardized maintenance allowance must be applied to each family. This allowance is ordinarily derived from data published by the Bureau of Labor Statistics (BLS) in the U.S. Department of Labor. While BLS has developed and periodically updates several maintenance budgets, it is important, for consistency of treatment, to use only one budget base in establishing family maintenance allowances. By adjusting the BLS schedules and combining this information with data from a variety of other sources, it is possible to develop standards or norms for evaluating the family income of financial aid applicants.

The second step in the analysis of a family's financial situation relates to assets. In recognition of the many purposes assets serve, the Uniform Methodology makes allowances

against asset net worth. A percentage of the remaining assets is converted to an "income supplement," which reflects the importance of assets to the family's financial strength and ability to pay for goods and services out of current income.

While the Uniform Methodology is based on objective criteria, there are various atypical situations to which the need analysis model should be sensitive. These include families with two employed parents, students who are not supported by their parents, and families with more than one member in postsecondary education. Other examples are unusual circumstances, such as extraordinary medical expenses, that would alter a family's ability to pay for postsecondary education in a given year. Such atypical circumstances are not considered in the BLS budgets; they do, however, affect a family's ability to pay for education. To determine financial need accurately in these situations, special procedures must be defined and incorporated into the need analysis model so that appropriate adjustments can be made.

The third step in calculating an estimate of the family's ability to contribute to education involves the student's own resources. This step takes into account the student's expected savings from summer earnings, other savings he or she may have accumulated, and any other financial resources (from Social Security benefits, veterans' benefits, or other similar sources), exclusive of student financial aid awards.

This has been a brief overview of the issues involved in analyzing the family's financial situation. For a more comprehensive discussion of these issues, the reader is referred to ACT Research Report No. 43, *Toward More Equitable Distribution of College Student Aid Funds: Problems in Assessing Student Financial Need*, by M. D. Orwig, and No. 66, *The Measurement of Economic Well-Being in Need Analysis Models*, by W. S. Goggin; and ACT Special Report 21, *An Economist's View of the Uniform Methodology*, by Gary T. Barnes.

## ADVANTAGES OF A CENTRALIZED NEED ANALYSIS SYSTEM

ACT's centralized Student Need Analysis Services offer several advantages:

- Students' and families' financial situations will be analyzed in the same way and compared on the same standard or norm. This means that students will be treated consistently and equitably.
- The ACT need analysis system is predicated on a sound theoretical base as well as on actual data, and thus assessment of need is more valid than if made without such norms.
- The system is revised annually to reflect changes in the economy.
- The aid administrator is spared the time that would otherwise be spent assessing need by some clerical means. This frees the administrator for those special tasks which require professional attention.
- Award decisions are documented.
- Useful data reporting services are provided to institutions as a by-product of the system.
- Other supporting services, consultation, and training are available.

## PRINCIPLES OF THE UNIFORM METHODOLOGY

The remainder of this chapter outlines the Uniform Methodology for measuring families' ability to pay for postsecondary education and explains the rationale upon which each model is based. The Uniform Methodology, developed during 1974-75 by the Need Analysis Committee of the National Task Force on Student Aid Programs, is updated each year under the auspices of the Coalition for Coordination of Student Financial Aid.

The Uniform Methodology is based on the same general principles that have always underlined the ACT need analysis system:

1. To the extent that they are able, parents have the primary responsibility to pay for their children's education.
2. Parents will, as they are able, contribute funds for their sons' and daughters' education.
3. Students, as well as their parents, have a responsibility to help pay for their education.
4. The family should be accepted in its present financial condition.
5. A need analysis system must evaluate families in a consistent and equitable manner, while recognizing that special circumstances can and do alter a family's ability to contribute.

## DETERMINATION OF FINANCIAL NEED—THE DEPENDENT STUDENT

A student's relative financial need is the difference between his or her family's ability to pay for postsecondary education and the costs of attending a particular institution. To determine relative need, three broad categories of a family's resources must be examined:

1. Parents' income (the Available Income concept);
2. Parents' assets (the Income Supplement concept);
3. Student resources, including summer earnings, veterans' benefits, Social Security benefits, and other similar resources.

### The Treatment of Parents' Income (Available Income)

*Base Year*

In the dependent model, the calculation of the expected parental contribution is based on income received during the calendar year preceding the academic year. For the 1980-81 Uniform Methodology (which may be used for the award period June 1, 1980, to June 30, 1981), 1979 parental income figures are used. Thus, the base year is 1979.

*Total Income*

Total Income is the sum of the parents' 1979 Adjusted Gross Income and their 1979 Nontaxable Income. Nontaxable Income is all other income the parents have received during 1979. Such income would include Social Security benefits, welfare payments, untaxed capital gains, and untaxed unemployment compensation. Income that should not be reported as Nontaxable Income includes all amounts reported to the Internal Revenue Service as "Adjustments to Income" and other amounts specifically listed in the FFS instructions.

*Total Allowances*

To achieve equitable treatment of all families, the Uniform Methodology deducts from the Total Income only nondiscretionary expenses—those expenses not controlled by the family but imposed upon it—which must be met from current income. The dependent model therefore includes allowances for: federal income tax, Social Security tax, state and other taxes, expenses incurred by an employed spouse or a single parent, and family maintenance.

*Tax allowances.* Certain mandatory taxes, generally applicable to all U.S. citizens, reduce the amount of money available to a family for its other economic needs. The Uniform Methodology provides allowances against Total Income for federal income and Social Security (FICA) taxes the family has paid. The new Social Security tax maximum of $1,404 (6.13% x a maximum of $22,900) per working parent is used in the analysis.

Another allowance recognizes state and other taxes families must pay. These include state and local income, property, sales, and excise taxes. In order to provide greater sensitivity in the analysis, the state-by-state average tax burdens for IRS individual tax filers have been analyzed and distributed according to income level.[1] These tax burdens, as used in the Uniform Methodology, are shown below.

STATE AND LOCAL TAXES

| State | Total Income $0-5,999 | $6,000-9,999 | $10,000 or more |
|---|---|---|---|
| PR TX WY | 7% | 5% | 4% |
| FL LA NV TN WV | 8 | 7 | 5 |
| AL AR GA IN NM OH OK WA | 8 | 7 | 6 |
| AK AZ ID KS KY MS MO NE NH NC ND SC SD VA | 9 | 8 | 7 |
| AS CM CZ CO CT DC GU IL IA MT NJ OR PA TT UT VI other | 10 | 9 | 8 |
| DE HI ME MI RI | 12 | 10 | 9 |
| CA MD MN VT | 12 | 11 | 10 |
| MA WI | 12 | 12 | 11 |
| NY | 13 | 13 | 12 |

*Allowances for unusual expenses.* A principle of the ACT student need analysis system has been to provide an allowance for unusual, nondiscretionary expenses *actually incurred* by a particular family, in order to keep the need analysis sensitive to unique financial circumstances that are

[1] *Statistics of Income: 1972 Individual Income Tax Returns* (Washington: Department of the Treasury, Internal Revenue Service).

beyond the family's control. For the same reason, the Uniform Methodology provides for allowances to cover unusual medical/dental expenses.

The Uniform Methodology uses those medical and dental expenses (excluding medical insurance) allowable as a deduction for federal income tax purposes. The allowance for medical/dental expenses is the portion of the reported amount which exceeds 3% of the family's total income. Since the Standard Maintenance Allowance provides for basic medical expenses (including medical insurance), the 3% figure closely approximates expenses which would be considered unusual for a family.

*Housekeeping Allowance.* This allowance is meant to adjust income for the additional employment expenses incurred by families that do not have the advantage of a nonemployed parent. Such families are likely to have an atypical pattern of expenses, such as additional work clothes, transportation, or child care.

For 1980-81, the Housekeeping Allowance is:

- Two working parents—50% of the lesser of father's or mother's income or $2,400, whichever is less.
- One-parent families—50% of employment income or $2,400, whichever is less.

This allowance will be calculated on employment income that is reported as "wages, salaries, tips, etc." on the federal income tax forms *plus* business income, farm income, and other income from employment which parents were not required to report on a tax return.

*Standard Maintenance Allowance (SMA).* This is an allowance against income for the basic costs of maintaining family members in the home. It is based on Spring 1967 consumption and other cost estimates of the Bureau of Labor Statistics for a family at the low standard of living. This base is adjusted to exclude state income and other taxes, since they are allowed elsewhere in the computation. The expense of maintaining the applicant in the home is included only for a 3-month period, on the assumption that he or she will live away from home for the other 9 months. On the Comprehensive Financial Aid Report (CFAR), ACT prints a Monthly Contribution Adjustment which can be used to adjust the parental contribution for students who live at home for greater or lesser periods than 3 months. (See page 36 for a complete discussion of the Monthly Contribution Adjustment.)

The Spring 1967 base for the Standard Maintenance Allowance has been updated for actual changes in the Consumer Price Index through December 1978 and includes an estimated 10% inflation factor for 1979.

In a change for 1980-81, the Standard Maintenance Allowance will be reduced by $1,030 for each family member, other than the applicant, who will be enrolled at least half-time in postsecondary education. The deduction will recognize the savings that occur when additional household members live out of the home. If the additional enrollees do not, in fact, live out of the home, this should be recognized in the student budget used for their need analysis.

STANDARD MAINTENANCE ALLOWANCE 1980-81

| Family Size (including applicant) | Undergraduate | Graduate |
|---|---|---|
| 2 | $ 6,010 | $ 6,310 |
| 3 | 7,480 | 7,850 |
| 4 | 9,240 | 9,700 |
| 5 | 10,900 | 11,450 |
| 6 | 12,750 | 13,390 |
| each additional | +1,440 | +1,510 |

Deduct $1,030 for each family member (other than the applicant) who will be enrolled in college in 1980-81.

The BLS equivalency scales used in deriving these allowances were based on age distributions appropriate for parents and students in undergraduate years. When the Uniform Methodology is used to calculate parental contributions toward costs of postbaccalaureate study in graduate or professional schools, the allowances are increased by 5% to be more representative of the general age distribution of that population.

*Available Income*

From Total Income are subtracted U.S. Income Tax paid, Social Security Taxes paid, State and Other Taxes, Unusual Medical/Dental Expenses, a Housekeeping/Employment Allowance (if applicable), and the Standard Maintenance Allowance.

The remainder—the "Available Income"—is available to the family for a variety of discretionary purposes, one of which is to provide for the postsecondary education of all the children.

ACT suggested that the Available Income concept become part of the Uniform Methodology because it offered several significant advantages:

1. It is easy to understand and use because of its close relationship with the federal income tax system.

2. It provides for differentiation among families of different sizes.

3. It uses most of the deductions that are allowed in the federal income tax system, providing a standard that can be documented and adapted to all cases.

SUMMARY OF PARENTS' INCOME TREATMENT

Adjusted Gross Income
+ Social Security Benefits
+ Nontaxable Income

= **Total Income**

- U.S. Income Tax Paid
- Social Security Taxes Paid
- State Income and Other Taxes Allowance
- Medical/Dental Expenses over 3% of Total Income
- Housekeeping/Employment Allowance (if applicable)
- Standard Maintenance Allowance

= **Available Income**

**The Treatment of Parents' Assets (The Income Supplement)**

In assessing a family's ability to contribute toward postsecondary education, the parents' total financial strength—that is, both income and assets—must be taken into account. A strong net asset position enables a family to contribute more out of its current income and gives it greater access to financial resources in general. According to this concept, a family with a small income and a large amount of assets may have the same relative financial strength as another family with a greater income but few or no assets.

The Uniform Methodology measures the financial strength of various combinations of income and assets by determining the potential supplementary income that a given amount of assets could provide. Since assets generally have been accumulated by deferring the purchase of goods and services from income in the past, the assets can be considered available to supplement the purchase of goods and services from income at the present time and in the future. The Uniform Methodology assumes that this supplement from assets to current family income is prorated over the expected lifetime of the parent. While families may not convert their assets according to this formula, the technique serves to equitably group families with approximately the same financial strength when both income and assets are considered together.

The specific asset procedures used in the Uniform Methodology are as follows:

1. Determine the total amounts currently available to the family from the balance of their checking accounts, savings, and cash on hand.

2. Derive the parents' Home Equity by subtracting the unpaid mortgage and related debts from the present market value of the house.

3. Derive the parents' Net Value of Investments and Other Real Estate by subtracting the unpaid debts on these holdings from their current market value.

4. Derive the parents' Adjusted Net Worth of Business or Farm by subtracting the unpaid mortgage or debts from the present market value of the farm or business. A portion of these assets should be protected to avoid endangering their income-producing ability. The Uniform Methodology recognizes this by allocating increasing shares of the net worth of a farm or business toward educational costs, as shown below.

BUSINESS/FARM NET WORTH ADJUSTMENT

| Net Worth | Adjusted Net Worth |
|---|---|
| less than $1 | $0 |
| $ 1—$ 45,000 | 40% of net worth |
| $ 45,001—$135,000 | $18,000 + 50% of excess over $45,000 |
| $135,001—$225,000 | $63,000 + 60% of excess over $135,000 |
| $225,001 or more | $117,000 + 100% of excess over $225,000 |

This formula yields the Adjusted Net Worth.

These procedures yield the parents' Net Worth for Computation, which is then reduced by an Asset Protection Allowance.

*The Asset Protection Allowance*

Family assets are not available exclusively to pay for post-secondary education but rather have been accumulated for a variety of purposes, including emergencies and eventual retirement. Recognizing this fact, the Uniform Methodology uses the Asset Protection Allowance, which considers differences in family situation due to age, family type, and changes in the economy, and yet is not subject to arbitrary decisions about the size of the allowance to be made.

ASSET PROTECTION ALLOWANCE

| Age | Two-Parent Family | One-Parent Family |
|---|---|---|
| 40 or under | $21,200 | $16,600 |
| 41 | 21,800 | 17,100 |
| 42 | 22,400 | 17,400 |
| 43 | 23,000 | 17,800 |
| 44 | 23,800 | 18,300 |
| 45 | 24,500 | 18,800 |
| 46 | 25,200 | 19,100 |
| 47 | 25,800 | 19,600 |
| 48 | 26,800 | 20,100 |
| 49 | 27,500 | 20,700 |
| 50 | 28,500 | 21,300 |
| 51 | 29,500 | 21,800 |
| 52 | 30,500 | 22,300 |
| 53 | 31,300 | 23,100 |
| 54 | 32,600 | 23,600 |
| 55 | 33,700 | 24,400 |
| 56 | 34,800 | 25,000 |
| 57 | 36,000 | 25,800 |
| 58 | 37,500 | 26,600 |
| 59 | 38,700 | 27,400 |
| 60 | 40,200 | 28,200 |
| 61 | 41,800 | 29,100 |
| 62 | 43,500 | 30,000 |
| 63 | 45,100 | 30,900 |
| 64 | 47,100 | 32,000 |
| 65 or over | 48,900 | 33,000 |

The amount of the Asset Protection Allowance is based on the amount that might be demanded as a single payment by a commercial insurance company in return for the payment of an annuity (beginning at age 65) which, when combined with average Social Security benefits, would provide a moderate income level for a retired person or couple. The 1980-81 formula has been modified to include an estimate of a 6% inflation factor upon the cost of retirement.

The remaining assets, called Discretionary Net Worth, are converted to an income flow called the Income Supplement. The Income Supplement is then added to the Available Income and the result is the Adjusted Available Income. It is the Adjusted Available Income (AAI) which determines the Total Parents' Contribution, through the application of the AAI Taxation Rates.

*Families with No Assets*

A difficulty with the procedure, if left unmodified, is that it would help provide for the protection of only those parents who have assets. For those with no assets (or assets less than the Asset Protection Allowance to which they are entitled), the allowance would serve no function, and nothing would be done to help provide for their retirement. Thus, the Asset Protection Allowance would discriminate in favor of families with assets and, as a consequence, violate the principles of horizontal and vertical equity—"equal taxation of people with equal ability and unequal taxation of people of unequal ability." For this reason, the resulting Income Supplement may be negative.

*Asset Conversion Rate*

The Income Supplement is determined by multiplying the Discretionary Net Worth by the Asset Conversion Rate, which depends upon the family's Discretionary Net Worth and amount of Available Income. If a family's Discretionary Net Worth is positive (an amount greater than zero), the Asset Conversion Rate is 12%.

If the family's Discretionary Net Worth is negative (an amount less than zero), the Asset Conversion Rate varies with the amount of the Available Income. If the Available Income figure is less than $5,370, then the Asset Conversion Rate is 6%. The rationale for this treatment is that if families with assets are "protected" to the extent of their retirement needs, similar families without such assets should have a portion of their income "protected" in order to provide toward that future need. This concept is similar to the current IRS regulation which allows for reduction in taxable income for a sum devoted to future retirement needs. The rate of 6% was chosen to approximate the annual rate of saving that would be required to achieve the necessary additional assets, given the average age of the parents seeking financial assistance for their children. If, however, the Available Income figure is $5,370 or greater, then the Asset Conversion Rate is set to zero. The reason for this difference is that the $5,370 Available Income approximates the amount needed by a family to live at the moderate budget level. If the parents' Available Income is $5,370 or above, then they can be expected to contribute more for education from their current income.

ASSET CONVERSION RATE

| Discretionary Net Worth | Available Income | Rate |
|---|---|---|
| $0 or more | any amount | .12 |
| less than $0 | $5,370 or more | 0 |
| less than $0 | $5,369 or less | .06 |

*The Income Supplement*

The Income Supplement is the product of Discretionary Net Worth multiplied by the Asset Conversion Rate. It represents the strength that parents' assets provide toward the family's ability to pay for goods and services out of current income.

SUMMARY OF PARENTS' ASSET TREATMENT

| | |
|---|---|
| | Cash, Savings, Checking |
| + | Home Equity |
| + | Investments, Other Real Estate Equity |
| + | Adjusted Net Worth of Business or Farm |
| = | **Net Worth** |
| - | Asset Protection Allowance |
| = | **Discretionary Net Worth** |
| × | Asset Conversion Rate |
| = | **Income Supplement** |

**Calculation of Total Parents' Contribution**

*Adjusted Available Income*

The final step before determining the amount parents can reasonably be expected to contribute toward educational expenses is to calculate their Adjusted Available Income. This is the sum of Available Income plus the Income Supplement from Discretionary Net Worth; it reflects the parents' economic strength resulting from their combined income and assets. The Adjusted Available Income Taxation Rates are applied to the Adjusted Available Income to determine the expected parental contribution.

*Adjusted Available Income Taxation Rates*

Since Adjusted Available Income represents the money available for all discretionary purposes, the question remains: What portion of Adjusted Available Income should be expected for postsecondary education?

The Uniform Methodology approaches this question by applying progressive tax theory to need analysis. Given the concept of a basic standard of living (i.e., money sufficient to maintain a family at a given, predefined level), money over this standard can be considered available for a variety of purposes. Economists have demonstrated that as the amount of money available for discretionary purposes increases, the ratio of basic consumption expenditures to total income decreases. Thus, as income increases, a larger percentage of income may be taxed with less effect on the maintenance of the family.

The taxation of parents' Adjusted Available Income in the Uniform Methodology is based on the same four principles which always have been basic to the ACT system.

1. All families should be evaluated against the same basic standard, with equal marginal sacrifices expected of all families.

2. A primary objective of the family unit, after providing for the basic maintenance of all its members, is to help provide for the education of its children.

3. As the income of the family unit exceeds the maintenance level for the family, a proportion of remaining income should be expected as a contribution for the education of its children.

4. The educational contribution expected from the family should be progressively related to the income that remains after the maintenance of the family is assured. That is, as income increases above the basic family maintenance level, the expected educational contribution would increase at an increasing rate in order to work toward an equal marginal sacrifice expected of all families.

ADJUSTED AVAILABLE INCOME TAXATION RATE

| Parents' AAI | Parents' Contribution |
|---|---|
| $-3,410 or less | $-750 |
| -3,409— 5,370 | 22% of AAI |
| 5,371— 6,720 | $1,131 + 25% of AAI over $ 5,370 |
| 6,721— 8,070 | $1,519 + 29% of AAI over $ 6,720 |
| 8,071— 9,420 | $1,911 + 34% of AAI over $ 8,070 |
| 9,421—10,770 | $2,370 + 40% of AAI over $ 9,420 |
| 10,771 or more | $2,910 + 47% of AAI over $10,770 |

For certain families, the above schedule produces a negative Adjusted Available Income. In this case, a negative parental contribution figure is displayed on the CFAR in the Parents' Contribution section. For purposes of determining the Total Family Contribution, the negative parental contribution figure will be set to zero on the CFAR Budget Analysis section. This is done because federal financial aid funds may not be awarded to cover the negative parental contribution; this would constitute aid to the parents and would not fall under the definition of educational costs used for federal programs. The aid administrator can use the negative figure, however, in ranking applicants according to need.

*Total Parents' Contribution (PC)*

Adjusted Available Income multiplied by the AAI Taxation Rates yields the total parents' contribution for education for all family members. If more than one family member will be enrolled at least half-time in postsecondary education during 1980-81, the total parents' contribution is divided by the number of family members in postsecondary education to determine the Parents' Contribution (PC) for the particular applicant. Note that the Standard Maintenance Allowance is reduced by $1,030 for each family member (other than the applicant) who will attend a postsecondary institution at least half time during 1980-81.

SUMMARY OF PARENTS' CONTRIBUTION

| | |
|---|---|
| | Available Income |
| + | Income Supplement |
| = | **Adjusted Available Income** |
| × | AAI Taxation Rate |
| = | Parents' Contribution (for all children) |
| ÷ | Number in Postsecondary Education |
| = | **Parents' Contribution** (for the applicant) |

**Student Resources**

The Uniform Methodology, like previous ACT models, incorporates the principle of self-help, the assumption that the student has an obligation to pay for a portion of his or her education. In the Uniform Methodology, the student is expected to make some contribution from summer earnings, previous savings, and other resources such as Social Security, veterans', and war orphans' benefits.

*Summer Savings*

The Uniform Methodology includes the following standard summer savings expectations for dependent students:

STANDARD SUMMER SAVINGS EXPECTATIONS

| | |
|---|---|
| Freshman | $500 |
| Sophomore | 600 |
| Junior | 700 |
| Senior | 700 |
| Graduate | 700 |

Institutions can use these standard figures, or provide their own local figures on the Budget Questionnaire. ACT encourages institutions to provide their own summer savings figures, which may better reflect current economic conditions for their students.

*Student Assets*

On the assumption that a student's primary mission is to complete postsecondary education, it is expected that the majority of the student's assets will be used until the education is completed. Therefore, the net value of Student Assets (the same asset types as used in the analysis of parents) is multiplied by .35 to determine the contribution expected from student assets during a given year.

*Social Security Benefits*

In the Uniform Methodology, Social Security benefits which continue to be paid on behalf of a student over 18 and enrolled in a postsecondary institution are treated either as part of family income or as student resources, depending on the level of the parents' Adjusted Available Income.

From the point of view of the Social Security Administration, the student benefit is not a form of student aid. While the term "student benefit" derives from one of the four conditions for entitlement—full-time school attendance—it does not describe the intent of the program or the reason the benefit is paid. The intent and reason are found in the basic condition for entitlement, that the student be a dependent child of a worker whose earnings are lost due to death, disability, or retirement. Lost earnings are replaced by benefits which are paid in portion to the dependent members of the worker's family. The student child is deemed dependent by the Social Security Act since full-time school attendance is assumed to preclude self-support through employment.

The Uniform Methodology recognizes that the family expenses that such benefits were covering prior to the student's eighteenth birthday continue while the student is in postsecondary education. Where the family's financial situation is weak, all Social Security Benefits are considered as part of family income in determining the expected parental contribution toward postsecondary education. However, when the family's financial strength is above the equivalent moderate standard of living, it is assumed that sufficient resources other than the student's share of the Social Security payments are available to meet the continuing family expenses, and that the student's entire share of Social Security benefits is available for educational expenses.

The following table shows how the portion of Social Security benefits attributable to the student's continued dependency is allocated as a portion of family income or as a direct student resource.

DISTRIBUTION OF APPLICANT'S SOCIAL SECURITY BENEFITS

| Available Income plus Income Supplement | % to Parents' AAI | % to Student's Resources |
|---|---|---|
| less than $540 | 100% | 0% |
| $ 540—1,069 | 90 | 10 |
| 1,070—1,609 | 80 | 20 |
| 1,610—2,149 | 70 | 30 |
| 2,150—2,689 | 60 | 40 |
| 2,690—3,219 | 50 | 50 |
| 3,220—3,759 | 40 | 60 |
| 3,760—4,299 | 30 | 70 |
| 4,300—4,829 | 20 | 80 |
| 4,830—5,369 | 10 | 90 |
| 5,370 or more | 0 | 100 |

On the CFAR, the parents' portion of Social Security benefits is visibly added to derive Adjusted Available Income.

*Veterans' and Other Benefits*

The Uniform Methodology includes the applicant's veterans' benefits at a 100% rate in the Student Resources.

Likewise, other federal or state educational program benefits, such as vocational rehabilitation or war orphans' benefits, are also considered to be available for educational expenses at the 100% rate.

CALCULATION OF DEPENDENT STUDENT RESOURCES

Savings and Other Assets
× Asset Taxation Rate (.35)

= **Available Student Assets**
+ Summer Savings
+ Veterans' Benefits
+ Student's Portion of Social Security Benefits
+ Other Nontaxable Income

= **Total Student Contribution**

**Budget Analysis**

The Total Student Contribution added to the Parents' Contribution yields the Total Family Contribution.

TOTAL FAMILY CONTRIBUTION

Parents' Contribution (if negative, set to zero)
+ Student's Contribution

= Total Family Contribution

The Total Family Contribution is subtracted from the institution's Educational Budget to determine the Assistance Needed; this completes the analysis.

BUDGET ANALYSIS

Total Budget
- Total Family Contribution

= **Assistance Needed**

## DETERMINATION OF FINANCIAL NEED— THE SELF-SUPPORTING STUDENT

In the Uniform Methodology, a self-supporting student is one who (1) has received no financial support from his or her family (excluding amounts of $750 or less a year), (2) does not live with his or her family for more than 6 weeks in a year, and (3) is not claimed as an income tax exemption on his or her parents' tax return. For 1980-81 award year applicants, these conditions must not have existed during the calendar years 1979 or 1980.

The Uniform Methodology analysis for the self-supporting student is based on the applicant's estimated earnings during the 12-month period he or she will be attending school. Estimated income data are used because base year data (for the calendar year prior to the fall of enrollment) may not reflect the applicant's earning power while attending school.

**Available Income**

The Uniform Methodology uses the concept of Available Income in the self-supporting model. Total Income is derived by adding the student's (and spouse's) estimated earnings and other taxable income, Social Security and veterans' benefits, and other nontaxable income. From Total Income are deducted estimated U.S. income and Social Security taxes. The result is Available Income.

*Self-Help Expectation*

The 1980-81 Uniform Methodology incorporates the concept of a minimum self-help expectation for self-supporting students, on the principle that students are responsible for a portion of their educational expenses. The minimum self-help figure applies *only to the applicant's estimated earnings* and is unaffected by the amount of spouse's earnings, other taxable and nontaxable income, benefits, and assets reported.

The minimum self-help contribution is used only when the student's estimated earnings (or in the 9-month budget calculation, the calculated savings from the summer months) are less than the minimum self-help.

The minimum self-help figure serves *two very different purposes*, depending upon the self-supporting student budget length specified by the institution or agency on the 1980-81 ACT Budget Questionnaire. For a *9-month budget*, the minimum self-help figure represents the minimum *savings* from the applicant's summer earnings (after deduction of summer maintenance). In this respect it is the equivalent of summer savings for a dependent student. For a *12-month (or other) budget*, the minimum self-help figure represents the minimum *earnings* for the applicant for the entire 12-month period. It is essential that the aid administrator understand this distinction.

STANDARD SELF-HELP EXPECTATION

| | |
|---|---|
| Prefreshman (first year) | $500 |
| Presophomore (second year) | 600 |
| Prejunior (third year) | 700 |
| Presenior (fourth year) | 700 |
| Postbaccalaureate | 700 |

These standards serve only as a guide for determining what a student's minimum responsibility should be for his or her own educational costs. Local employment conditions and other factors may cause a legitimate variation from these standards. Consequently, an institution may choose not to use the standard figures for minimum self-help expectation, but rather substitute its own local figures on the ACT Budget Questionnaire for use in the analysis.

CALCULATION OF AVAILABLE INCOME

| For 12-Month Budgets | For 9-Month Budgets: *3-Month* | For 9-Month Budgets: *9-Month* |
|---|---|---|
| Applicant's Estimated Taxable Income (3 months + 9 months; if less than Self-Help, use zero) | Applicant's Estimated Summer Taxable Income (if less than Self-Help, use zero) | Applicant's Estimated 9-month Taxable Income |
| + Spouse's Estimated Taxable Income (3 months + 9 months) | + Spouse's Estimated 3-month Taxable Income | + Spouse's Estimated 9-month Taxable Income |
| + Social Security Benefits | + Social Security Benefits (for months in excess of 9) | + Social Security Benefits (to a maximum of 9 months) |
| + Veterans' Benefits | + Veterans' Benefits (for months in excess of 9) | + Veterans' Benefits (to a maximum of 9 months) |
| + Other Nontaxable Income | + 25% of Other Nontaxable Income | + 75% of Other Nontaxable Income |
| + Self-Help (if less than or equal to applicant's earnings, use zero) | + Self-Help (if less than or equal to applicant's summer earnings, use zero) | |
| - Estimated U.S. Income Tax | - Estimated U.S. Income Tax | - Estimated U.S. Income Tax |
| - Estimated Social Security Tax | - Estimated Social Security Tax | - Estimated Social Security Tax |
| | - Institutional Monthly Maintenance Allowance × 3 | |
| = Available Income | = Summer Contribution | = Available Income |

Income Supplement

Since assets also contribute to the financial strength of a self-supporting student, they must be included in assessing the student's ability to contribute to the costs of education. The Uniform Methodology assumes that students who are self-supporting and who have substantial assets have decided that education is the most important investment they can make. Therefore, it is reasonable to expect that a significant portion of their assets will be made available to meet educational costs.

Net Worth for Computation for self-supporting students is derived in the same manner as for parents in the dependent student model—by adding Cash, Savings, and Checking; Home Equity; Net Value of Investments and Other Real Estate; and Adjusted Net Worth of Business/Farm. From Net Worth for Computation is subtracted the Asset Protection Allowance. With this procedure, a dollar amount of a student's assets is protected beginning at age 26 and increasing through age 40. A student with dependents is allowed approximately twice the dollar protection allowed a single student. The increased Asset Protection Allowance for students with dependents recognizes that these students have competing priorities for use of accumulated assets.

SELF-SUPPORTING STUDENT
ASSET PROTECTION ALLOWANCE

| Student's Age | Single Student | Student with Dependents |
|---|---|---|
| 25 or under | $ 0 | $ 0 |
| 26 | 710 | 1,410 |
| 27 | 1,410 | 2,630 |
| 28 | 2,120 | 4,240 |
| 29 | 2,830 | 5,650 |
| 30 | 3,530 | 7,070 |
| 31 | 4,240 | 8,480 |
| 32 | 4,950 | 9,890 |
| 33 | 5,650 | 11,310 |
| 34 | 6,360 | 12,720 |
| 35 | 7,070 | 14,130 |
| 36 | 7,770 | 15,550 |
| 37 | 8,480 | 16,960 |
| 38 | 9,190 | 18,370 |
| 39 | 9,890 | 19,790 |
| 40 or over | 10,600 | 21,200 |

Because the Asset Protection Allowance provides for a decreasing share of the assets to be considered Discretionary Net Worth, a uniform asset taxation rate of 35% is applied, regardless of the age of the applicant, to determine the Income Supplement.

CALCULATION OF INCOME SUPPLEMENT

| For 12-Month Budgets | For 9-Month Budgets | |
|---|---|---|
| | *3-Month* | *9-Month* |
| Cash, Savings, Checking | None | Same as 12-month |
| + Home Equity | | |
| + Net Value of Investments and Other Real Estate | | |
| + Adjusted Net Worth of Farm or Business | | |
| = **Net Worth for Computation** | | |
| - Asset Protection Allowance | | |
| = Discretionary Net Worth | | |
| × 35% Asset Taxation Rate | | |
| = Income Supplement (set negative to zero) | | |

### Adjusted Available Income

The self-supporting student's Available Income is added to the Income Supplement to determine Adjusted Available Income. The Adjusted Available Income represents the total funds considered available to the student to meet living and educational costs during the year. The Adjusted Available Income is the Student Contribution.

CALCULATION OF TOTAL STUDENT CONTRIBUTION

| For 12-Month Budgets | For 9-Month Budgets | |
|---|---|---|
| | *3-Month* | *9-Month* |
| Available Income | | Available Income |
| + Income Supplement | | + Income Supplement |
| = **Adjusted Available Income (Total Student Contribution)** | **Summer Savings** | = **Adjusted Available Income** |
| | | + Summer Contribution |
| | | = **Total Student Contribution** |

## ANALYSIS FOR MARRIED DEPENDENT STUDENTS

Prior to 1980-81, ACT ran a special analysis in cases where a student was dependent upon his or her parents but was married. Because of the manner in which data is collected on the FFS for 1980-81, it is no longer possible to run this analysis. Married dependent students will have their need analyzed in exactly the same manner as do single dependent students. If a dependent student reports the income of his or her spouse on the FFS, ACT will note this fact in a CFAR comment. The financial aid administrator should consider this resource when awarding aid to the student.

## NATIONAL BUDGET STANDARD FOR 1980-81

Students are best served if institutions carefully survey local costs of living and establish realistic student budgets based on local conditions. Recognizing that some institutions have not conducted local surveys, the Uniform Methodology attempts to provide guidance in the establishment of student budgets by providing a national budget standard, the Self-Supporting Student Allowance. This allowance is based on the Bureau of Labor Statistics low-budget standard for a family of four (husband, wife, two children aged 6 to 15).

In the 1977-78 Uniform Methodology, the 1967 BLS base was updated for inflation through December 1976. For 1980-81, the 1967 base has been updated for estimated Consumer Price Index changes through December 1980.

The base figure is further adjusted by applying the BLS Revised Equivalence Scale (Bulletin 1570-2) to account for variations in the age of the household head, size of family, and ages of children. The resulting Self-Supporting Student Allowances are shown on the next page.

SELF-SUPPORTING STUDENT ALLOWANCE
12 MONTHS

| | Age of Head | |
|---|---|---|
| Family Size | Under 35 | 35 and Over |
| 1 | $ 4,330 | $ 4,450 |
| 2 | 5,810 | 8,030 |
| 3 | 7,660 | 10,010 |
| 4 | 9,150 | 12,360 |
| 5 | 11,620 | 14,560 |
| 6 | 13,720 | 17,060 |
| each additional | +1,200 | +1,440 |

ACT will use the Self-Supporting Student Allowance in lieu of the maintenance (living cost) portion of the institutional budget only when the institution does not provide maintenance budgets for self-supporting students on the ACT Budget Questionnaire.

## HAND CALCULATING WITH THE ACT SYSTEM

Although the ACT system is designed for computer processing, hand calculations can be performed, following the steps previously outlined. ACT has developed forms for both the dependent and self-supporting models which may be used to record the results of hand calculations (see pages 27 and 28).

# 1980-81 Hand Calculation
## Dependent Students

Applicant's Name

### Parents' Income

| | | |
|---|---|---|
| 1979 Adjusted Gross Income | | _____ |
| Other Income | + | _____ |
| **Total Income** | = | _____ |
| Allowances: Federal Income Tax | | _____ |
| Social Security Tax | + | _____ |
| State & Other Taxes | + | _____ |
| Medical/Dental | + | _____ |
| Housekeeping | + | _____ |
| *Standard Maintenance | + | _____ |
| Total Allowances | - | _____ |
| **Available Income** | = ± | _____ |
| **Income Supplement** | + ± | _____ |
| **Adjusted Available Income** | = ± | _____ |
| Parents' Portion of Social Security Benefits | + | _____ |
| **Adjusted Available Income** | = ± | _____ |
| A.A.I. Taxation Rate | × | _____ |
| Parents' Contribution (for all children) | = ± | _____ |
| Number in School | ÷ | _____ |
| **Parents' Contribution** | = ± | _____ |

### Parents' Assets

| | | |
|---|---|---|
| Total Cash, Savings, Checking | | _____ |
| Home Market Value | | _____ |
| Unpaid Mortgage | - | _____ |
| **Home Equity** | + | _____ |
| Market Value of Investments/Real Estate | | _____ |
| Debts against Investments/Real Estate | - | _____ |
| Net Value of Investments/Real Estate | + | _____ |
| Market Value of Business/Farm | | _____ |
| Debts | - | _____ |
| Total Net Worth | = | _____ |
| Taxation Rate | × | _____ |
| Adjusted Net Worth of Business/Farm | + | _____ |
| **Net Worth for Computation** | = | _____ |
| Asset Protection Allowance | - | _____ |
| **Discretionary Net Worth** | = ± | _____ |
| Asset Conversion Rate | × | _____ |
| **Income Supplement** | = ± | _____ |

### Student's Resources

| | | |
|---|---|---|
| Present Savings & Other Assets | | _____ |
| Asset Taxation Rate | × | .35 |
| **Available Student Assets** | = | _____ |
| Expected Summer Savings | + | _____ |
| Veterans Benefits | + | _____ |
| Student's Portion of Social Security Benefits | + | _____ |
| Other Nontaxable Income | + | _____ |
| **Total Student Contribution** | = | _____ |

### Budget Analysis

| | | |
|---|---|---|
| Total Budget | | _____ |
| Parents' Contribution | | _____ |
| Student's Contribution | + | _____ |
| **Total Family Contribution** | - | _____ |
| **Assistance Needed** | = | _____ |

Be sure to circle the + or - as appropriate.

*Deduct $1030 from the allowance for each family member, other than the applicant, who will be enrolled at least half time in postsecondary education.

# 1980-81 Hand Calculation
# Self-Supporting Students

Applicant's Name

## Income

| | 12-month | 3-month | 9-month |
|---|---|---|---|
| Applicant's Expected Taxable Income (if less than Self-Help, use 0) | | | |
| Spouse's Expected Taxable Income | + | + | + |
| **Estimated Adjusted Gross Income** | = | = | = |
| Social Security Benefits | + | + | + |
| Veterans Benefits | + | + | + |
| Other Nontaxable Income | + | + | + |
| Self-Help (if less than Applicant's Earnings, use 0) | + | + | not used |
| **Total Income** | = | = | = |
| Federal Income Tax (on estimated Adjusted Gross Income) | - | - | - |
| Social Security Tax | - | - | - |
| **Available Income** | = | = | = |
| **Income Supplement** | + | not used | + |
| **Adjusted Available Income** | = | = | = |
| Summer Maintenance | not used | - | not used |
| **Total Student Contribution** | = | = + | = |
| | | = | |

## Assets

| | |
|---|---|
| Cash, Savings, Checking | |
| Home Equity | + |
| Net Value of Investments/Real Estate | + |
| Adjusted Net Worth of Business/Farm | + |
| **Net Worth for Computation** | = |
| Asset Protection Allowance | - |
| **Discretionary Net Worth** | = |
| Asset Taxation Rate | × 35 |
| **Income Supplement** | = |
| | (set negative to zero) |

## Budget Analysis

| | |
|---|---|
| Total Budget | |
| Total Student Contribution | - |
| **Assistance Needed** | = |

*If less than Self-Help, use Self-Help.

Consult the *ACT Handbook for Financial Aid Administrators* for a detailed description of this calculation.



The American College Testing Program

CERTIFICATE OF BOARD'S
ADOPTION OF RULES RESOLUTION

I, Maxine Gaines, 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-fifth day of September, 1980; 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 pursuant to Minnesota Statutes 136A.16 (1978) the amendments to rules governing the Scholarships and Grants-in-Aid, Private College Contracts, Work-Study Grants, Minnesota Medical and Osteopathic Loans, Minnesota Foreign Student Assistance, Minnesota Veterans' Dependents Student Assistance, Part-Time Student Grants, Private Institutions Registration and the Area Vocational-Technical Institute Tuition Subsidy Programs be and hereby are approved and adopted as recommended in the Findings of Fact, dated September 24th, 1980; and be it further resolved that Mr. Clyde R. Ingle, Executive Director of the Higher Education Coordinating Board, be and hereby is authorized to sign an order adopting those amendments to rules. Such amendments to be effective upon completion of those requirements established in Minnesota Statutes 15.0412, Subdivision 4 (1978).

In Witness Whereof, I have hereunto subscribed my name this twenty-fifth day of September, 1980.

Maxine Gaines

MAXINE GAINES, Secretary
Higher Education Coordinating Board

James W. Krause

Attested to by
JAMES KRAUSE, President
Higher Education Coordinating Board

CERTIFICATE OF BOARD'S
AUTHORIZING RESOLUTION

I, Harding Noblitt, do hereby certify that I am president 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 March, 1980, 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, 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 amending rules of the Minnesota Higher Education Coordinating Board governing the Scholarship and Grants-in-Aid, Private College Contracts, Work-Study Grants, Minnesota Medical and Osteopathic Loans, Minnesota Foreign Student Assistance, Minnesota Veterans' Dependents Student Assistance, Part-Time Student Grants, Private Institutions Registration, and the Area Vocational-Technical Institute Tuition Subsidy Programs, 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 an examiner at all hearings."

IN WITNESS WHEREOF, I have hereunto subscribed my name this 27th day of March, 1980.

Harding Noblitt
President

Ernie Johnson
Attest By One/Other Officer

STATE OF MINNESOTA

MINNESOTA HIGHER EDUCATION COORDINATING BOARD

In the Matter of the Proposed Adoption of Amendments to Rules of the Minnesota Higher Education Coordinating Board Governing the Scholarships and Grants-in-Aid, Private College Contracts, Work-Study Grants, Minnesota Medical and Osteopathic Loans, Minnesota Foreign Student Assistance, Minnesota Veterans' Dependents Student Assistance, Part-Time Student Grants, Private Institutions Registration and the Area Vocational-Technical Institute Tuition Subsidy Programs

FINDINGS OF FACT OF THE MINNESOTA HIGHER EDUCATION COORDINATING BOARD

The above entitled matter came on for hearing before Peter C. Erickson, Hearing Examiner of the Office of Hearing Examiners of the State of Minnesota, on July 28, 1980, at 8:30 a.m. in conference room A of the Capitol Square Building, in the City of St. Paul, County of Ramsey, State of Minnesota after proper notice required by Minnesota Statutes 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 the testimony, having considered the Report of the Hearing Examiner's, 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 Report, the Higher Education Coordinating Board (hereinafter "the Board") does hereby accept and adopt the findings, conclusions, and recommendations comprising the Report of the Hearing Examiner which is attached to and made part of these Findings.

In all respects the Board does hereby incorporate into its Findings the Hearing Examiner's Findings, Conclusions and Recommendations in this matter. The Board expressly finds that the proposed amendments to the Scholarships and Grants-in-Aid, Private College Contracts, Work-Study Grants, Minnesota Medical and Osteopathic Loans, Minnesota Foreign Student Assistance, Minnesota Veterans' Dependents Student Assistance, Part-Time Student Grants, Private Institutions Registration and the Area Vocational-Technical Institute Tuition Subsidy Programs, including those modifications made in accordance with the conclusions of the Hearing Examiner, are needed and reasonable and may be properly adopted.

Date September 29, 1980

Clyde R. Ingle
Executive Director

IN THE MATTER OF THE PROPOSED AMENDMENTS TO THE RULES OF THE MINNESOTA HIGHER EDUCATION COORDINATING BOARD REGARDING SCHOLARSHIPS AND GRANTS-IN-AID, PRIVATE COLLEGE CONTRACTS, WORK-STUDY GRANTS, MINNESOTA MEDICAL AND OSTEOPATHIC LOANS, MINNESOTA FOREIGN STUDENT ASSISTANCE, MINNESOTA VETERANS' DEPENDENTS STUDENT ASSISTANCE, PART-TIME STUDENT GRANTS, PRIVATE INSTITUTIONS REGISTRATION, AND THE AREA VOCATIONAL-TECHNICAL INSTITUTE TUITION SUBSIDY PROGRAM

STATEMENT OF NEED AND REASONABLENESS

INTRODUCTION

It is necessary to amend the above entitled rules in order that they may conform to statutory changes made during the 1979 Legislative Session and in order to clarify certain rules which have led to confusion heretofore.

AMENDMENTS AS PROPOSED:

Chapter One: 5 MCAR §§ 2.0101 - 2.0108 Scholarships and Grants-in-Aid.

§ 2.0102 Definitions

F. "BEOG" or the Basic Educational Opportunity Grant is the major federal grant available to post-secondary students.

This amendment gives meaning to the abbreviation "BEOG" used in 5 MCAR § 2.0107.

G. "Undergraduate" shall be any full-time post-secondary student enrolled for a maximum of eight semesters, or 12 quarters, or their equivalent, for the completion of a baccalaureate degree. For purposes of the Minnesota Scholarship and Grants-in-Aid program, a student is no longer an "undergraduate" after obtaining a baccalaureate degree or after completing the number of semesters or quarters herein specified, whichever occurs first.

The amendment to 5 MCAR § 2.0103B. introduces the term "undergraduate" in establishing the definition of eligible grant-in-aid applicants. The new term warrants a definition.

H. "Uniform methodology" is a nationally recognized standard, established by the United States Department of Education, which provides educational institutions with a uniform and systematic method of determining an applicant's need for financial assistance from various financial aid programs.

The amendment to 5 MCAR § 2.0106B. introduces the term "uniform methodology." The technicality of this term requires a definition.

§ 2.0103 Definition of eligible applicants.

A. Applicants eligible for initial scholarship awards as provided for in Statutes shall include:

The word "scholarship" is inserted to make a distinction between scholarship awards and grants-in-aid awards.

1. Those who will enter an eligible institution as beginning full-time, first-year students ~~notwithstanding~~ without any previous post-secondary education.

The words "not withstanding" are changed to read "without" to clarify the meaning of the paragraph.

~~2.--Those-who-will-attend-an-eligible-institution-as-full-time-second-year students-who-did-not-receive-a-scholarship-or-grant-in-aid-for-their-first-year of-post-secondary-education.~~

~~3.--Those-students-who-will-have-completed-at-least-one-academic-year-of-study in-an-eligible-community-or-junior-institution-at-the-time-of-transfer-to-an eligible-senior-institution-as-full-time-students-and-who-have-not-previously received-a-scholarship-or-a-grant-in-aid.~~

These paragraphs are deleted and substituted by paragraph B.1 in order to clarify the distinction between scholarships and grants-in-aid.

B. Applicants eligible for initial grant-in-aid awards as provided for in Statutes shall include:

Is inserted to make a distinction between scholarship awards and grant-in-aid awards.

1. Any full-time undergraduate student who will attend an eligible institution and has not previously received a scholarship or grant-in-aid.

This paragraph is inserted to comply with legislative action as specified in Minnesota Statutes Section 136A.121 Subd.7 (Supp.1979). Previously, eligibility was limited to first and second year students and to students who transfer from a junior college to a senior institution. The intent of this paragraph is to reflect the legislature's desire to broaden the base of post-secondary students who are eligible to receive grant-in-aid awards to include any student in any year of undergraduate study.

4-2 Those who will be enrolled in an eligible institution in a nursing education program leading to licensure as a registered nurse or a licensed practical nurse, as defined in Minn. Stat., § 148.171 et.seq.(1976)

~~B~~-C. Applicants eligible for renewals as provided for in statutes shall include those who have previously qualified for and been acknowledged by the eligible institution as having received a scholarship or grant-in-aid.

These paragraphs are changed to clarify the presentation order.

§ 2.0104 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,~~ expected parental and student contribution, as determined by a uniform methodology needs analysis, subject to the review and approval of the Board.

Changes are necessary because the American College Testing Program provides this service to MHECB on a contract basis; to mention ACT in the regulations limits HECB's autonomy in dealing with ACT as a vendor and contractor of services. It is inappropriate to refer to specific vendors or contractors by name.

§ 2.0105 A. Applicants who reside with, receive support from, or are claimed as tax exemptions by their parents or guardians in the years prior to~~,~~ or during~~, or following~~ the academic year for which application is made shall be considered to be domiciled with such parents or guardians and a resident of the state where so domiciled.

The words "or following" are deleted in order to make the rules consistent with Basic Educational Opportunity Grant criteria for financially dependent and independent students.

§ 2.0106 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 Board ~~by the American College Testing Program~~ through use of a uniform methodology needs analysis. Stipends in amounts so determined ~~by the financial needs analysis described in 5 MCAR § 2.0104~~ 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.

It is inappropriate to refer to specific vendors or contractors by name. Therefore, ACT is deleted from the regulation and reference is made instead to the needs analysis described in 5 MCAR § 2.0104.

§ 2.0107 Nature of Scholarship and Grants-in-Aid

A. Financial stipends accompanying scholarship and grant-in-aid awards shall be those prescribed by Statutes, ranging from a minimum of $100 to a maximum of

~~$1,100~~ $1,250 in the 1980-81 school year and $1,400 in the 1981-82 school year and subsequent school years but shall not exceed one-half of the applicant's demonstrated financial need. In those cases where the combination of the Basic Educational Opportunity Grant for which an applicant is eligible and the state scholarship or grant-in-aid for which an applicant is eligible exceeds 75% of the applicant's demonstrated financial need, the state scholarship or grant-in-aid shall be reduced so that the combination of the two awards does not exceed 75% of the applicant's demonstrated financial need. The state scholarship or grant-in-aid will be further reduced if additional gift assistance, in combination with the Basic Educational Opportunity Grant and state scholarship or grant-in-aid, exceeds 100% of the applicant's demonstrated financial need.

The rule is amended to conform to statutory changes made during the 1979 Legislative Session. See Minn.Stat. § 136A.121 Subd.4 (Supp.1979).

Chapter Two: 5 MCAR §§ 2.0201 - 2.0300 Private College Contracts

§ 2.0202 Definitions

B. "Program of studies" as set forth in Section 136A.19, Subdivision 5 means:

1. a program leading to an associate, bachelor, master, specialist, or first professional degree or to a diploma;

This amendment is needed to clarify that any approved program must lead to a certain degree or diploma. Without this addition it is unclear whether students enrolled in classes which do not lead to a certain degree or diploma should be counted in determining the contract payment.

~~1.~~ 2. a program of at least one academic year in duration; and

~~2.~~ 3. a program which, although it may provide for the scholarly study of religion as a discipline of knowledge in a manner similar to that provided for any field of study, does not require a student

a. to take courses based upon a particular set of religious beliefs,

b. to receive instruction intended to propagate or promote any religious beliefs,

c. to participate in religious activities,

d. to maintain affiliation with a particular church or religious organization, or

e. to attest to any particular religious beliefs.

The numbering in this section needs to be revised if proposed amendment 2.0202B subdivision 1 is adopted.

C. "Full-time student" as set forth in Section 136A.20, shall be a full-time student as defined by the institution and shall be enrolled during the fall term in an approved program of studies for at least 12 credit hours or its equivalent in an associate, baccalaureate, or first professional degree ~~programs and in~~ or diploma programs ~~of two or more years~~ or for 9 credit hours or its equivalent in a master's and/or specialist's degree programs.

This amendment is necessary to end the inconsistency between this section and present section 2.0202B subdivision 1. The amendment will also clarify the meaning of "full-time student" to include only student enrollment criteria and not program criteria which should be included under the definition of "program of studies". Without this amendment a one-year diploma program could be considered an approved program while its students could not be counted as full-time students even if they were enrolled for at least 12 credit hours or its equivalent.

D. "First professional degree" shall be the first degree required of professionals, as defined in Minnesota Statutes § 319A.02, Subd. 3 (1978), and of those entering professional services, as defined in Minnesota Statutes § 319A.02, Subd. 2 (1978).

A definition of this term gives greater specificity to sections 5MCAR 2.0202B and 5MCAR 2.0202C in which "first professional degree" appears.

§ 2.0207 Certification of the Number of Eligible Students. The chief executive officer of each institution contracting with the Board under the terms of Sections 136A.18 to 136A.22 shall certify as of the tenth class day of the fall term the exact number of Minnesota residents then enrolled in approved programs.

~~specifying~~ The Executive Director of the Board shall specify which Minnesota residents are grant-in-aid recipients and which Minnesota students are not grant-in-aid recipients. Each institution shall provide such accounting information used in determining eligible students as may from time to time be required by the Board.

This revision is needed to assure the most accurate count of grant-in-aid recipients. The HECB has available the most current grant-in-aid rosters from which these numbers are drawn. Therefore, this amendment will lessen the chance for delays and inaccuracies in determining contract payment amounts.

Chapter Three: 5 MCAR §§ 2.0301 - 2.0310 Work-Study Grants.

§ 2.0302 Definitions

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 Guaranteed Student Loan Program as determined by the school of attendance~~ the amount of financial need calculated through use of a uniform methodology by the educational institution, plus an amount to replace expected family contributions. Written documentation supporting the decision of the financial aid officer to replace any portion of the family contribution with a State Work-Study award must appear in the student's file maintained by the financial aid officer at the educational institution.

Changes are needed to adequately define "financial need" independent of guaranteed student loan considerations, since recent federal legislation removed all income and financial need criteria from the determination of interest benefit eligibility. The changes maintain State Work-Study Grant eligibility in a manner consistent with eligibility criteria used prior to the changes made in the federal guaranteed student loan law, and remove references to that program in the State Work-Study Grant Regulations.

J. "Minnesota resident" shall be defined as a person who either:

1) is dependent upon the financial support of his parents or guardians who reside in and are legal residents of the State of Minnesota at the time of his application for work-study, or

2) is independent of his parental or guardians financial support and has resided in Minnesota for not less than twelve consecutive months immediately prior to his application for work-study.

"Minnesota resident" is not currently defined under Minnesota Work-Study Regulations. Therefore, a definition which becomes § 2.0302J has been added.

K. "Uniform methodology" is a nationally recognized standard, established by the United States Department of Education, which provides educational institutions with a uniform and systematic method of determining an applicant's need for financial assistance from various financial aid programs.

The amendment to 5 MCAR § 2.0302E introduces the term "uniform methodology." The technicality of this term requires a definition.

Chapter Four: 5 MCAR §§ 2.0401 - 2.0407 Loans to Medical and Osteopathy Students.

§ 2.0404 Delegation of Authority. The Executive Director of the Board is hereby delegated the authority and responsibility for administration of the Minnesota Medical and Osteopathy Loan Program in accordance with these rules and state laws, 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.

The Higher Education Coordinating Board has decided that the responsibility for administration of the Program should be delegated to the Executive Director of the Board.

§ 2.0405

E. 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 ~~Board~~ Executive Director, be granted deferment of his obligation for a period not exceeding four (4) years for the purpose

The Higher Education Coordinating Board has decided that the volume of applications processed and the nature of this decision preclude the necessity for Board actions in 5 MCAR § 2.0405E.

Chapter Six: 5 MCAR §§ 2.0601 - 2.0607 Minnesota Foreign Student Assistance Program.

§ 2.0604

A. Each ~~elibible~~ eligible institution shall be authorized and be responsible for informing any foreign student who receives funds or residency status pursuant to the Program that the funds are provided initially as a loan and will not be converted to a grant until the student submits evidence that the student has returned to his home country within one year of completion of the student's education and has not returned to the United States for five years as a permanent resident.

The change in 5 MCAR § 2.0604A from "elibible" to "eligible" is a typographic correction. Further changes in this subsection clarify existing regulations in order to ensure that the Code of Agency Rules is consistent with § 136A.146 of the Minnesota Statutes.

E. Any loan and interest amounts collected by any institution under 5 MCAR 2.0603B of the Program shall revert back to the Board.

This change is necessary so that MHECB is responsible for refunds only for funds which it has allocated.

Chapter Seven: 5 MCAR §§ 2.0701 - 2.0800 Minnesota Veterans' Dependents Student Assistance Program.

§ 2.0701 Purpose. The purpose of the Chapter is to augment ~~laws of 1974, ch. 496, § 2, subd. 2 and 3,~~ Minnesota Statutes 197.09 to 197.11, establishing a state program of financial assistance for dependents of Prisoners of War and Persons Missing in Action by providing standards, criteria, rules and regulations therefor.

In 5 MCAR 2.0701 the reference to Laws of 1974, ch.496, paragraphs 2 and 3, should be updated to refer to its enabling legislation, Minnesota Statutes 197.09 to 197.11.

§ 2.0702

A. "Minnesota Veterans' Dependents Student Assistance Program" is the state program of financial assistance for post-secondary students as defined in ~~Laws of 1974, ch. 496, §2, subd. 2 and 3,~~ Minnesota Statutes 197.09 to 197.11, hereinafter referred to as the Program.

The reference to enabling legislation should be updated to refer to Minnesota Statutes, 197.09 to 197.11.

D. "Private Minnesota institution" shall be defined as any Minnesota institution of higher education or any Minnesota technical or vocational school which is eligible under the State Student Loan Program as defined in ~~Laws of 1973, ch. 605,~~ Minnesota Statutes 136A.15, and which are not included under 5 MCAR § 2.0702C.

The reference to Minnesota State Student Loan Program legislation should be updated to refer to Minn. Stat. 136A.15.

F. "Dependent" (as ~~defined~~ used in ~~Laws of 1974, ch. 496,~~ Minnesota Statutes 197.07 to 197.11) shall be the spouse of a P.O.W. or P.M.I.A., or any child born before or during the period of time his parent served as a P.O.W. or was declared a P.M.I.A., or any child legally adopted or in the legal custody of the parent prior to or during the time the parent served as P.O.W. or was declared to be a P.M.I.A. Once a person qualifies as a dependent under the terms and provisions of ~~Laws of 1974, ch. 496,~~ Minnesota Statutes 197.07 et seq., there shall be no situation such as the return of the father or the reported death of the father that will remove the dependent from provisions or benefits of this law.

In 5 MCAR 2.0702F the reference to enabling legislation should be updated to refer to Minnesota Statutes 197.07 to 197.11.

Chapter Eight: 5 MCAR §§ 2.0801 - 2.0806 Part-time Student Grant Program.

§ 2.0801 Purpose. The purpose of this chapter is to augment ~~Laws of 1977, ch. 384, §§ 17 and 18, as amended, to be codified as~~ Minn. Stat., § 136A.132 et seq. establishing a state program of part-time student grants by providing standards, criteria, rules and regulations therefor.

In 5 MCAR § 2.0801 the reference to Laws of 1977, ch.384,§§ 17 and 18, should be updated to refer to its enabling legislation, Minnesota Statutes 136A.132 et.seq.

§ 2.0802

B.~~1~~

a. Applicants who reside with, receive support from, or are claimed as tax exemptions by their parents or guardians in the years prior to, or during, ~~or following~~ the academic year for which application is made shall be considered to be domiciled with such parents or guardian and a resident of the state where so domiciled.

Changes in 5 MCAR 2.0802B 1.a. are necessary to make the definition consistent with 5 MCAR 2.0105, the analogous regulation in the scholarship program.

§ 2.0803 Determination of financial need. ~~Each~~ Annually each eligible institution shall be required to solicit demographic, educational and financial data from eligible students requesting funds under this program as specified by the Board prior to each academic year for the purpose of determining financial need. Annually, all eligible institutions shall make available upon request of the Board reports of all such data collected. Determination of financial need shall be based on base year income. In the following circumstances, estimated year income may provide the basis for determination of financial need if:

The change is made for clarification. Needs analysis is required only once a year unless a student's financial situation changes; the

budget for each academic term will change and will cause some re-evaluation, but will not require the collection of new data for recipients for prior academic terms.

D. A parent or an eligible student has become separated or divorced during the estimated year; or

This change is grammatical.

Chapter Nine: 5 MCAR §§ 2.0901 - 2.1000 Private Institutions Registration.

§ 2.0901 Purpose. The purpose of this chapter is to provide for the registration of private and non-Minnesota public post-secondary institutions and the approval of degrees to be granted and names to be used under Minn. Stat. 136A.61 - 136A.71.

This addition is needed to make this section consistent with the statute which includes "any public post-secondary educational institution located in another state" in the definition of "school". (Minn.Stat. § 136A.62, Subdivision 3)

§ 2.0902

C. "School" means: any individual, partnership, company, firm, society, trust, association, corporation or any combination thereof operating or doing business in Minnesota which (1) is, owns or operates a private, non-profit post-secondary education institution, (2) provides a post-secondary instructional program or course leading to a degree whether or not for profit, (3) is, owns or operates a private post-secondary education institution which uses the term "academy", "college", "institute", or "university" in its name or advertising or (4) operates for profit and provides programs or courses which are intended to allow an individual to fulfill in part or totally the requirements necessary to maintain a license to practice an occupation. "School" shall also mean any public post-secondary education institution located ~~in another state or country~~ outside Minnesota which offers ~~or makes available to a Minnesota resident any course,~~ programs or ~~educational activity which does not require the leaving of the state~~

~~for its completion;~~ courses within Minnesota;

The deletion in the last sentence of this section will simplify and clarify this section. The deleted language is not needed because 2.0902D defines all schools which are located outside Minnesota which are operating in Minnesota.

D. "Schools located outside Minnesota which offer programs or courses within Minnesota" in Minn. Stat. 136A.63 means: schools located outside Minnesota which offer any ~~course,~~ program or educational activity which is available to residents of Minnesota and which does not require them to leave the state for the ~~completion~~ major portion of such;

This amendment is needed to make this section consistent with 5 MCAR 2.0905 (last paragraph, second sentence). Without this change it is unclear whether schools outside Minnesota offering degrees programs which require Minnesota residents to leave the state for as little as one day of classes are required to register and apply for approval. Without this change, schools could avoid registration by simply having such a one-day requirement.

Chapter Ten: 5 MCAR §§ 2.1001 - 2.1008 Area Vocational-Technical Institute Tuition Subsidy Program.

§ 2.1001 Purpose. The purpose of this chapter is to augment ~~Laws of 1977, Ch. 447, Article 5, § H, to be codified as~~ Minn. Stat. 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 therefor.

In 5 MCAR 2.1001 the reference to Laws of 1977, Ch.447, Article 5, § H, should be updated to refer to its enabling legislation, Minn. Stat.136A.236.

§ 2.1002 Definitions

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.~~2. 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 reciprocity agreements are not eligible) and,

The rules are amended to conform to statutory changes made during the 1979 Legislative Session. See Minn. Stat. § 136A.236 (Supp.1979). B.4 is revised to read B.2 to clarify the presentation order.

~~5.~~3. ~~who-is-not-receiving~~ who has not been awarded a Minnesota State Scholarship or Grant-in-Aid for the period of attendance for which the tuition subsidy has been awarded.

B.5 is revised to read B.3 to clarify the presentation order. To conform 2.1002 B.3 with the legislative intent of Minn. Stat. 136A.236, the rule should read, "who has not been awarded ..."

C. "Educational costs" shall include tuition and ~~processing~~ required 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.~~ defined on a nine month basis in 5MCAR § 2.0102E., prorated on a monthly basis for the actual number of months in the student's academic program for the fiscal year.

The definition should be changed in order to be consistent with the one used in the MN State Scholarship and Grant Program.

K. "uniform methodology" is a nationally recognized standard, established by the United States Department of Education, which provides educational institutions with a uniform and systematic method of determining an applicant's need for financial assistance from various financial aid programs.

The amendment to 5 MCAR § 2.1004A introduces the term "uniform methodology." The technicality of this term requires a definition.

§ 2.1003

F. ~~Payment of tuition may be deferred~~ The student may defer tuition payment during the application process. Applicants receiving tuition subsidy 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, promply 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.

This change is more consistent with the statutory language (Minn.Stat. 136A.236, Subd.4) on deferred tuition payment.

G. Recipients of tuition subsidies who subsequently receive ~~payment of~~ a Minnesota State Scholarship or Grant-in-Aid award 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. Recipients of a Minnesota State Scholarship or Grant-in-Aid are eligible for tuition subsidies only for enrollment periods in their educational programs which do not coincide or overlap with the period for which they have been awarded a Minnesota State Scholarship or Grant-in-Aid.

Expenses in periods not covered by the standard budgetary period for scholarship and grant recipients shall be recognized in schools whose mission is to provide programs extending beyond the standard academic year.

§ 2.1004

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~~ a uniform methodology~~,~~. ~~including-that-approved-by-the United-States-Office-of-Education-or-the-Basic-Educational-Opportunity-Grant-needs analysis.~~

The use of the uniform methodology standardizes family contributions and the procedures by which they are calculated.

Evidence to be presented in support of the proposed rules will include the following:

1. Amendments to Minnesota Statutes 1978, Sections 136A.121, Subdivision 4,5,7, and 8; and 136A.236, Subdivision 2.

2. Minnesota Code of Agency Rules for the Higher Education Coordinating Board, 1978 edition.

Minnesota Higher Education Coordinating Board

Office of the Executive Director

Proposed Amendments to the Rules Governing the Scholarship and Grants-in-aid; Private College Contract; State Work-Study; Minnesota Medical and Osteopathic Loan; Minnesota Foreign Student Assistance; Veterans' Dependents Student Assistance; Part-Time Student Grant; Private Institution Registration; and Area Vocational-Technical Institute Tuition Subsidy Programs.

Notice of Hearing

Notice is hereby given that a public hearing in the above-titled matter will be held in Conference Room A, Capitol Square Building, 550 Cedar St., St. Paul, Minnesota 55101 on July 28, 1980, commencing at 8:30 a.m.

All interested or affected persons will have an opportunity to participate. Statements may be made orally and written material may be submitted at the hearing. In addition, written materials may be submitted by mail to: Peter C. Erickson, Office of Hearing Examiners, Room 300, 1745 University Avenue, St. Paul, Minnesota 55104, (612) 296-8118. Unless a longer period,not to exceed twenty calendar days,is ordered by the Hearing Examiner at the hearing, the hearing record will remain open for the inclusion of written material for five working days after the hearing ends. The hearing shall be conducted in accordance with the rules of the Office of Hearing Examiners, 9 MCAR § 2.101 et. seq., Minn. Stat. §§ 15.0411-15.0417 and 15.052.

The proposed amendments, if adopted, would bring the rules and regulations relevant to the programs listed in the caption into conformance with statutory changes made during the 1979 Legislative Session and would clarify certain rules which have led to confusion heretofore.

Amendments to the rules and regulations governing the Scholarship and Grants-in-Aid Programs 1) define the terms "Basic Educational Opportunity Grant," "uniform methodology" and "undergraduate" 2) make a distinction between scholarship awards and grant-in-aid awards 3) extend eligibility requirements for scholarships and grants as required by statutory changes made during the 1979 Legislative Session 4) eliminate references, by name, to vendors with whom HECB contracts for services and 5) increase award amounts as required by statutory changes made during the 1979 Legislative Session.

Amendments to the rules and regulations governing the Private College Contract Program 1) clarify which students should be counted in determining contract payments and 2) define the terms "program of studies," "full-time student" and "first professional degree."

Amendments to the rules and regulations governing the Work-Study Grants Program define the terms "financial need," "Minnesota resident," and "uniform methodology."

Amendments to the rules and regulations governing the program of loans to medical and osteopathy students delegate the program's administrative responsibilities to the Executive Director of the Minnesota Higher Education Coordinating Board.

Amendments to the rules and regulations governing the Minnesota Foreign Student Assistance Program 1) makes the regulations consistent with Minnesota Statutes and 2) insures that MHECB is responsible only for funds which it has allocated for foreign assistance.

Amendments to the rules and regulations governing the Minnesota Veterans' Dependents Student Assistance Program update references to the program's enabling legislation.

Amendments to the rules and regulations governing the Part-Time Student Grant

Program 1) update a reference to the program's enabling legislation 2) make the definition of "eligible student" consistent with the analogous regulation in the Scholarship Program 3) clarify the need for a determination of financial need to occur only once a year and 4) correct a grammatical error.

Amendments to the rules and regulations governing the Private Institutions Registration Program 1) make the rules consistent with the definition of "school" in Minnesota Statutes 2) clarify the definition of "school" and 3) make consistent the sections concerning registration and approval.

Amendments to the rules and regulations governing the Area Vocational-Technical Institute Tuition Subsidy Program 1) update a reference to the program's enabling legislation 2) extend eligibility to any age as required by statutory changes made during the 1979 Legislative Session 3) bring the rules into conformance with enabling legislation 4) make the definition of "educational costs" consistent with the one used in the Minnesota State Scholarship and Grant-in-Aid Program 5) define "uniform methodology" 6) allow tuition subsidies to be awarded to Minnesota State Scholarship or Grant-in-Aid recipients only for enrollment periods in their educational programs which do not coincide or overlap with the period for which they have been awarded a Minnesota State Scholarship or Grant-in-Aid and 7) identify the use of "a uniform methodology" for determination of family contribution.

Copies of the proposed amendments are now available and one free copy may be obtained by writing to Mary Samoszuk, Minnesota Higher Education Coordinating Board, Suite 400 Capitol Square, 550 Cedar Street, St. Paul, Minnesota 55101.

The statutory authority to promulgate the amendments is contained in Minn. Stat. §§ 136A.111, 136A.16, 136A.21, 136A.234, 136A.236, 136A.70 (1978).

NOTICE: The proposed rules are subject to change as a result of the rules hearing process. The Agency therefore strongly urges those who are potentially affected in any manner by the substance of the proposed rules to participate in the hearing process.

Please be advised that pursuant to Minn. Stat. § 10A.03, subd. 1 (1978), as amended by Minn. Laws 1979, Sect. 3, lobbyists must register with the State Ethical Practices Board within five (5) days after becoming lobbyists.

"Lobbyist" means any individual:

(a) Engaged for pay or other consideration, or authorized by another individual or association to spend money, who spends more than five hours in any month or more than $250, not including his own travel expenses and membership dues, in any year, for the purpose of attempting to influence legislative or administrative action by communicating or urging others to communicate with public officials; or

(b) Who spends more than $250, not including his own traveling expenses and membership dues, in any year for the purpose of attempting to influence legislative or administrative action by communicating or urging others to communicate with public officials.

"Lobbyist" does not include any:

(a) Public official or employee of the state or any of its political subdivisions or public bodies acting in his official capacity;

(b) Party or his representative appearing in a proceeding before a state board, commission or agency of the executive branch unless the board, commission or agency is taking administrative action;

(c) Individual while engaged in selling goods or services to be paid for by public funds;

(d) News media or their employees or agents while engaged in the publishing or broadcasting of news items, editorial comments or paid advertisements which directly or indirectly urge official action;

(e) Paid expert witness whose testimony is requested by the body before which he is appearing, but only to the extent of preparing or delivering testimony;

(f) Stockholder of a family farm corporation as defined in § 500.24, Subd. 1, who does not spend over $250, excluding his own travel expenses, in any year in communicating with public officials; or

(g) Party or his representative appearing to present a claim to the legislature and communicating to legislators only by the filing of a claim form and supporting documents and by appearing at public hearings on the claim.

Questions concerning lobbyists or their required registration should be directed to the State Ethical Practices Board, Room 41, State Office Building, Wabasha Street, St. Paul, Minnesota 55155, at telephone number (612) 296-5615.

Notice is hereby given that 25 days prior to a hearing, a Statement of Need and Reasonableness will be available for review at the Minnesota Higher Education Coordinating Board office and at the Office of Hearing Examiners. This Statement of Need and Reasonableness will include a summary of all of the evidence which will be presented by the Minnesota Higher Education Coordinating

Board at the hearing justifying the need for and the reasonableness of the proposed rules. Copies of the Statement of Need and Reasonableness may be obtained from the Office of Hearing Examiners at a minimal charge.

NOTICE: Any person may request notification of the date on which the Hearing Examiner's Report will be available, after which date the Minnesota Higher Education Coordinating Board may not take any final action on the rules for a period of five (5) working days. Any person may request notification of the date on which the hearing record has been submitted (or resubmitted) to the Attorney General by the Minnesota Higher Education Coordinating Board. If you desire to be notified, you may so indicate at the hearing. After the hearing, you may request notification by sending a written request to the Hearing Examiner (in the case of the Hearing Examiner's Report), or to the Minnesota Higher Education Coordinating Board, (in the case of the Agency's submission or resubmission to the Attorney General).

Clyde R. Ingle, Executive Director
Minnesota Higher Education Coordinating Board

June 23, 1980

Board Ex #7

STATE OF MINNESOTA

COUNTY OF RAMSEY

In the matter of the Proposed Adoption of Rules of the Minnesota Higher Education Coordinating Board governing the Scholarships and Grants-in-Aid, Private College Contracts, Work-Study Grants, Minnesota Medical and Osteopathic Loans, Minnesota Foreign Student Assistance, Minnesota Veterans' Dependents Student Assistance, Part-Time Student Grants, Private Institutions Registration, and the Area Vocational-Technical Institute Tuition Subsidy Program.

AFFIDAVIT OF MAILING

Mary Samoyuk, being first duly sworn, deposes and says:

That on the 27th day of June, 1980, 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. In addition, one copy of the attached Notice of Hearing was sent to the Secretary of the Senate, one copy was sent to the Chief Clerk of the House of Representatives, and ten copies were sent to the Legislative Reference Library.

Mary Samoyuk

Subscribed and sworn to before me
this 27th day of June, 1980

Judith A. Morgan

JUDITH A. MORGAN
RAMSEY COUNTY
NOTARY PUBLIC-MINNESOTA
MY COMMISSION EXPIRES SEPT. 14, 1982

~~HECB~~ Ex #4
Board

AFFIDAVIT OF RECEIPT OF
SECRETARY OF STATE'S LIST

Mary Samoszuk, being duly sworn on oath deposes and says:

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

2) That on the 18th day of June, 1980, 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 18th day of June, 1980, 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.

Mary Samoszuk 6/25/80

Subscribed and sworn to before me
this 25th day of June 1980.

Notary Public,
Ramsey County, Minnesota
My Commission expires _____.

JUDITH A. MORGAN
RAMSEY COUNTY
NOTARY PUBLIC-MINNESOTA
MY COMMISSION EXPIRES SEPT. 14,1982

Board Ex #5

STATE OF MINNESOTA
COUNTY OF RAMSEY

CERTIFICATE

In the matter of the Proposed Adoption of Rules of _____ Division Governing _____

---

I hereby certify that the attached 349 labels 8 sheets constitute the complete list of persons, associations, and other interested groups who as of 9:00 o'clock A .M. this 18th day of June, 1980, have requested pursuant to M.S. 1976, 15.0412 _____, that their names be placed on file with the Secretary of State for the purpose of receiving notice of public hearing on proposed rules on the subject captioned above.

Secretary of State
Joan Anderson Growe

By Dennis M. Scott

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TEST PATTERN TEST PATTERN
ADDRESS TEST ADDRESS
CITY TESTCITY MN
55555

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ACKLAND, K. CRIM JUST COUN.
1422 CITY HALL ANNEX
ST. PAUL, MN
55102

ADVOCATES FOR THE BLI
1821 UNIV AVE RM 389 S
ST PAUL MN
55104

A[redacted]S JOHN
7529 LYNDALE AVE SO
MPLS MN
55423

AMERICAN CAMPING ASSN
4132 88TH LANE
ST PAUL MN
55112

ANDERSON HERBERT
418 8TH ST. SO.
VIRGINIA MN
55792

ANDERSON JAMES
7703 NORMANDALE RD
MPLS MN
55435

ANDERSON STANFORD
14600 MINNETONKA BLVD
MINNETONKA MN
55343

ANTHONY DICK WDSM RADIO
1105 E. SUPERIOR ST.
DULUTH, MN
55802

ARROWHEAD REG. DEV COMM.
211 W 2ND ST
DULUTH MN
55802

ARROWHEAD REGIONAL DEV
200 ARROWHEAD PLACE
DULUTH MN
55802

ASSOCIATED GEN CONTR.OF MN.
111 E. KELLOGG BLVD.
ST. PAUL, MN
55101

ASSN OF MINN COUNTIES
2305 FORD PKWY
ST PAUL MN
55116

BARATTO DIVINE M
1192 BUSH ST
ST PAUL MN
55106

BEGALKA D REV
[redacted]N ELK ST
BELLE PLAINE MN
56011

BERG JANE NEW CONNECTION PRO
73 LEECH STVE RM 389 SO
ST PAUL MN
55102

BEST FLANAGAN ET AL
4040 IDS CENTER
MPLS MN
55402

BLADIN PAPER CO W J L
115 1ST ST SW
GRAND RAPIDS MN
55744

BLAHA GERALD
457 GOODHUE ST
ST PAUL MN
55102

BLOHM, JOHN D.
BOX 1065
MARSHALL, MN
56258

BOYUM BURDETTE
250 SO 4TH ST
MPLS MN
55415

BRICK PHILIP D
807 SELLWOOD BLDG
DULUTH MN
55802

BRIGGS & MORGAN LIBRARIAN
W2200 1ST.NATL.BK.BLDG.
ST. PAUL, MN
55101

BROEKER JOHN
2850METRO DR. SUITE 504
BLOOMINGTON MN
55420

BROOKS WILLIAM F JR.
900 MIDLAND BK. BLDG.
MPLS., MN
55401

BROWN D M GOODRIDGE P
IND DIST #561
GOODRIDGE MN
56725

BRUNING C.R.DEPT.CLINIC.EXP.
BURTON HALL
MPLS. MN

BUSCH NOEL
SUITE 705 510 MARQUETTE
MPLS MN

NDERSON STANFORD
4600 MINNETONKA BLVD
INNETONKA MN
5343

SSOCIATED GEN CONTR.OF MN.
11 E. KELLOGG BLVD.
T. PAUL, MN
5101

EGALKA D REV
12 N ELK ST
ELLE PLAINE MN
6011

LAHA GERALD
57 GOODHUE ST
T PAUL MN
5102

RIGGS & MORGAN LIBRARIAN
12200 1ST.NATL.BK.BLDG.
ST. PAUL, MN
5101

BRUNING C.R.DEPT.CLINIC.EXP.
BURTON HALL
MPLS. MN
55455

CA SON DALE K
MANKATO STATE COLLEGE
MANKATO MN
56001

CHRISTIAN SCI COMM ON PUB
1821 UNIV AVE SUITE 271
ST PAUL MN
55104

CITY OF ALBERT LEA
221 E CLARK ST
ALBERT LEA MN
56007

CITY OF BLAINE
9150 CENTRAL AVE NE
BLAINE MN

ANTHONY DICK WDSM RADIO
1105 E. SUPERIOR ST.
DULUTH, MN
55802

ASSN OF MINN COUNTIES
2305 FORD PKWY
ST PAUL MN
55116

BERG JANE NEW CONNECTION PRO
73 LEECH STVE RM 389 SO
ST PAUL MN
55102

BLOHM, JOHN D.
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MARSHALL, MN
56258

BROEKER JOHN
2850METRC DR. SUITE 504
BLOOMINGTON MN
55420

BUSCH NOEL
SUITE 705 510 MARQUETTE
MPLS MN
55402

CARVER CO. AUDITOR
600 E. 4TH. ST.
CHASKA, MN
55318

CHRISTIANSEN FREDRIK
RM 505 CAPITOL SQ BLDG
ST PAUL MN
55155

CITY OF ALEXANDRIA
114 7TH AVE W BOX 231
ALEXANDRIA MN
56308

CITY OF BRAINERD
CITY HALL
BRAINERD MN

ARROWHEAD REG. DEV COMM.
211 W 2ND ST
DULUTH MN
55802

BEST FLANAGAN ET AL
4040 IDS CENTER
MPLS MN
55402

BOYUM BURDETTE
250 SO 4TH ST
MPLS MN
55415

BROOKS WILLIAM F JR.
900 MIDLAND BK. BLDG.
MPLS., MN
55401

CHIEF EDITOR ST INFO UNIT
1231 25TH ST NW
WASHINGTON DC
20037

CITIZENS LEAGUE
530 SYNDICATE BLDG
MPLS MN
55402

CITY OF ANOKA
CITY HALL 2015 1ST AVE
ANOKA MN
55303

CITY OF BRECKENRIDGE
CITY HALL
BRECKENRIDGE MN

ARROWHEAD REGIONAL DEV
200 ARROWHEAD PLACE
DULUTH MN
55802

BARATTO DIVINE M
1192 BUSH ST
ST PAUL MN
55106

BLADIN PAPER CO W J LIC
115 1ST ST SW
GRAND RAPIDS MN
55744

BRICK PHILIP D
807 SELLWOOD BLDG
DULUTH MN
55802

BROWN D M GOODRIDGE PUB
IND DIST #561
GOODRIDGE MN
56725

CHILDS J L
4012 LYNN AVE S
MPLS MN
55416

CITY CLERKS OFFICE
126 NO. MARSHALL
LITCHFIELD, MN
55355

CITY OF APPLE VALLEY
14200 CEDAR AVE SO
APPLE VALLEY MN
55124

CITY OF BROOKLYN CENTER
6301 SHINGLE CREEK PKWY
BROOKLYN CTR MN

TY OF DETROIT LAKES
6 E HOLMES ST
TROIT LAKES MN
501

TY OF E GRAND FORKS
O BOX 453
GRAND FORKS MN
721

TY OF HASTINGS
0 SIBLEY ST
STINGS MN
033

TY [redacted] MAPLE GROVE
01 FERNBROOK LANE
PLE GROVE MN

TY OF MORRIS
TY HALL
RRIS MN
244

TY OF ROCHESTER
21 3RD AVE SE
CHESTER MN
901

TY OF ST LOUIS PARK
05 [redacted]NNETONKA BLVD
LOUIS PARK MN
416

TY OF WAYZATA
0 RICE STREET
YZATA MN
391

HEN LAWRENCE
91 1 APPLETREE SQU
LS MN
420

CITY OF DULUTH
CITY HALL
DULUTH MN
55802

CITY OF EDEN PRAIRIE
8950 EDEN PRAIRIE RD
EDEN PRAIRIE MN
55343

CITY OF HUTCHINSON
37 WASHINGTON AVE WEST
HUTCHINSON MN
55350

CITY OF MAPLEWOOD
1380 FROST AVE
MAPLEWOOD MN
55109

CITY OF MOUNDSVIEW
2401 HWY 10
ST PAUL MN
55113

CITY OF ROSEMOUNT
BOX 455
ROSEMOUNT MN
55068

CITY OF ST PAUL
445 CITY HALL
ST PAUL MN
55102

CITY OF WHITE BEAR LAKE
250 MILLER AVE
WHITE BEAR LK MN
55110

CONCORDIA COLLEGE
DEAN
MOORHEAD MN
56560

CITY OF EAGAN
3795 PILOT KNOB ROAD
EAGAN MN
55122

CITY OF EDINA
4801 W 50TH ST
EDINA MN
55424

CITY OF JORDAN FRANK HOUSER2
10 E 1ST
JORDAN MN
55352

CITY OF MINNEPOLIS
3801 66TH AVE NO
BROOKLYN CTR MN
55429

CITY OF NEW HOPE
4401 XYLON AVE NO
NEW HOPE MN
55428

CITY OF ROSEVILLE
2701 NO LEXINGTON AVE
ROSEVILLE MN
55113

CITY OF SHAKOPEE
129 E 1ST AVE
SHAKOPEE MN
55379

CLARKSON J.B.
2350 I.D.S. CENTER
MINNEAPOLIS MN
55402

CONSUMER SERVICES DEPT COMM
5TH FLR METRO SQ BLDG
ST PAUL MN
55101

DAKOTA CO MENTAL HEALTH CTR
744 19THAVE NO
SO ST PAUL MN

CITY OF EAST BETHEL
2751 VIKING BLVD NE
WYOMING MN
55092

CITY OF GOLDEN VALLEY
7800 GOLDEN VALLEY RD
GOLDEN VALLEY MN
55427

CITY OF LAKE INDEPENDENC
RT 1 BOX 123A
MAPLE PLAIN MN
55359

CITY OF MINNETONKA
74600 MINNETONKA BLVD
MINNETONKA MN
55343

CITY OF OROND
PO BOX 66
CRYSTAL BAY MN
55323

CITY OF ST CLOUD
CITY HALL
ST CLOUD MN
56301

CITY OF SHOREVIEW
4665 NO VICTORIA ST
SHOREVIEW MN
55112

CLAUSEN PHILLIP
2307 STANDISH ST
ST PAUL MN
55108

COUNTY ATTYS COUNCIL
40 NO MILTON ST STE 106
ST PAUL MN
55104

DANIELSON RODNEY L.
411 MAIN ST. SU 210
ST. PAUL, MN

CENTRAL REG. DEV. COMM
URTHOUSE 18 N VINE ST
RA MN
051

MER EDWIN W
01 PLEASANT AVE
LS MN
408

D- REPORTS INC.
03 LEESBURGPIKE S1201
LLS CHURCH, VA
041

TZPATRICK LEO
38 HENSLOWE AVE S
TTAGE GROVE MN
016

EDIN CONRAD M
1 FIRST NATL BK BLDG
LUTH MN
802

LDBERG PROF MELVIN
MITCHELL COL OF LAW
PAUL MN
105

UMMERT REV DONALD
35 ADAMS ST
LS MN
413

IK RAYMOND A
44 IDS CENTER
LS MN
402

EBELING EDWARD H.
161 W. MAIN
PERHAM MN
56573

ENDERSON WILLIAM
3644 NICCLLET AVE
MINNEAPCLIS MN
55409

FARMERS ELEVATOR ASSN
852 GRAIN EXCH BLDG
MPLS MN
55415

FELHABER R S
W 1ST NATL BANK BLDG
ST PAUL MN
55101

FORBES GORDON MINN RRS ASSN
203 HANOVER 480 CEDAR
ST PAUL MN
55101

FRIESEN MILLER A
RAHR BD 624 13TH ST S
VIRIGINIA MN
55792

GEBERT KENNETH L
300 PUBLIC HEALTH CTR
MPLS MN
55415

GRAHAM THOS H.
900 MIDLAND BK. BLDG.
MPLS., MN
55401

HALLMAN W A
1745 UNIVERSITY AVE
ST PAUL MN

ECKLUND WM EELLHABER-LARSON
W 1080 1ST NATL BANK
ST PAUL MN
55101

ENNIS A F BOISE CASCADE
PO BOX 713
INTL FALLS MN
56649

FARRELL FRANK BUR NOR
RM 1180 176 E 5TH ST
ST PAUL MN
55101

FERGUSON BEVERLY
2122 CARROLL AVE
ST PAUL MN
55104

FORSBERG AGR SERV
518 SUMMIT AVE
NEW ULM MN
56073

FRISON FRANK NECA
RM 305 200 SO ROBERT
ST PAUL MN
55107

GEO A HORMEL & CO LAW DEPT
PO BOX 800
AUSTIN MN
55912

GREATER MET AREA HOSPITALITY
5152 CEDAR AVE S
MPLS MN
55417

H B FULLER CO
2400 KASOTA AVE
ST PAUL MN
55108

HAMMER HENRY
11445TH AVE SO
ANOKA MN

EDINA HEALTH DEPT
4801 W 50TH ST
EDINA MN
55424

ERNEST K LEHMANN & ASSOC
1409 WILLOW ST.
MPLS MN
55403

FARSETH PAUL FOOD STAMPS
WELFARE DEPT 690 N ROBT
ST PAUL MN

FITZGERALD DR BOB
3007 LYNDALE AVE SO
MPLS MN
55408

FOX W.E. LINDQUIST & VEN
4200 IDSCTR 80 S.8TH ST
MINNEAPOLIS MN
55402

FURRY CATHERINE
2174 COMMONWEALTH AVE
ST PAUL MN
55108

GODIN RALPH J
3824 47TH AVE SO
MPLS MN
55406

GREEN GARY J
41 SHERBURNE AVE
ST PAUL MN
55102

HAIDER MARYLOU
1757 PRINCETON AVE
ST PAUL MN
55105

HARRY, RICK
1000 LAKESHORE DR.
MOOSE LAKE, MN

HEARING EX.OFF. M GREENBERG
1745 UNIV AVE
ST PAUL MN
55104

HECKT PAUL
720 AMERICAN CENTER BLD
ST PAUL MN
55101

HEIM, PAUL M.
5501 NORMAN CENTER DR.
MPLS., MN
55437

HELTZER JAMES DAYTON HU
777 NICOLLET MALL
MPLS MN
55402

HENKEL CORP LAW DEPT
6620 W 77TH ST
MPLS
435

HINIKER JAMES COMM OF ADMIN
200 ADMIN BLDG
ST PAUL MN

HOGLUND RICHARD C
BOX 755
WILLMAR MN
56201

HOLEY GEORGE
1509 SW SIXTH STREET
FARIBAULT MN
55021

HOLMES EUSTIS ET AL
1610 IDS CENTER
MPLS MN
55402

HORNER WALDORF - KAZIUKEWICZ
PO BOX 3260
ST PAUL MN
55165

HULSTRAND ANDERSON & LARSON
PO BOX 130
WILLMAR MN
56201

HUNTER LAWRENCE
STE 115 NALPAK BLDG
ST PAUL MN
55101

HUT[redacted]SON R.M. ANOKA CO.COMP
COU[redacted] HOUSE
ANOKA MN
55303

IMS PAUL

ECHO MN

INGRAM ALAN NASW MN CH
22 NO DALE ST
ST PAUL MN

INGVALDSON ERIC
1036 MIDLAND BK BLDG
MPLS MN
55401

INGVALSON VERN MN.FARM BU
1976 WOODDALE BOX 43370
ST PAUL MN
55164

INTERSTATE POWER RW STEELE
1000 MAIN ST
DUBUQUE IA
52001

IVERSON DR JOS DEPT ED
ST OLAF COLLEGE
NORTHFIELD MN
55057

IZAAK WALTON LEAGUE OF AM
111 E FRANKLIN SU 201
MPLS MN
55404

JAIN NIRMAL ENIV PROCESS
1220 GLENWOOD AVE
MPLS MN
55405

JACK JAMES DEPT OF REC
MANKATO ST UNIVERSITY
MANKATO MN
56001

JENOS INC
525 LAKE AVE SO
DUL[redacted] MN
55801

JENSEN MRS GAYNOLD
111 WEST 107TH ST
MPLS MN
55420

JOHANSEN BUS SERV INC.
11911 HWY. 52
CHAMPLIN, MN
55316

JOHNSON & SANDERSON
ST MARYS HOSPITAL
ROCHESTER MN
55901

JOHNSON CLARENCE IBEW LU 292
3615 37TH AVE S
MPLS MN
55406

JOHNSON G ROBERT
4344 IDS CENTER
MPLS MN
55402

JOHNSON KEL MACI
HANOVER BLDG
ST PAUL MN
55101

JOHNSON LEROY
1207 98TH LANE NW
COON RAPIDS MN
55433

JOHNSON M.D. FRUNDT & FRUNDT

BLUE EARTH MN
56013

JOHNSON LANCE J
265 S LAFAYETTE RD
ST PAUL MN
55107

JORGENSEN DWAIN
645 W 3RD ST
ZUMBROTA
992

KAVANEY RICHARD
1220 NORTHERN FED BLDG
ST PAUL MN
55102

KEENAN RICHARD J
4444 IDS BLDG
MPLS MN
55402

KELLY BARBARA SOLID WASTE
4001 PEBBLEBROOK DR
BLOOMINGTON MN
55437

KNODELL DAVID
5 PEAVEY BLDG
MPLS MN
55402

.EG.REF.LIB-Z. DEWITT
M 111 STATE CAPITOL
T PAUL MN
5155

OEFFLER DOROTHY MRS
I OF M 101 EDDY HALL
IPLS MN
5455

AHCF RICK CARTER
850 METRO DR SUITE 431
LOOMINGTON MN
5420

ARL T RALPH J
320 00 LINE BLDG
PLS MN
5402

CDONALD PHILIP M
077 SELBY AVE
T PAUL MN
5104

EYER HERBERT
0824 ZENITH AVE S
LOOMINGTON MN
5431

ILLER SHERMAN E
FD BOX 28
EL MN
6097

INN ASSN COOPERATIVES
5 SHERBURNE AVE
T PAUL MN
5103

INN DEPT HEALTH J C MCKASY
17 DELAWARE S E
PLS MN
5440

INN.MTR.TRANSP. .J.N.DENN
821 UNIV.
T.PAUL MN

LEG REPORT SERV-P STURDEVANT
PO BOX 3259
ANNAPOLIS MD
2140

LUTH SOC SERVICE OF MN
2414 PARK AVE
MPLS MN
55404

MALECKI JAMES
1 SO STATE ST
NEW ULM MN
56073

MARQUARDT PHILIP
RTE 2 BOX 209
JANESVILLE MN
56048

MCNEILLY GREG MNDSVIEW ED AS
41 SHERBURNE AVE
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55103

MIDLAND GLASS-BARTO R.J.
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SHAKOPEE, MN
55379

MILLER TOM
6921 YORK AVE SO
EDINA MN
55435

MINN ASSN VOL SOC SERVICE
1821 UNIV SUITE 389
ST PAUL MN
55114

MINN GOV ENG COUNCIL
722 91ST AVE NE
BLAINE MN
55434

MINN MULTI HOUSING ASSN
3100 W LAKE ST
MPLS MN

LEWIS DR.G.M JR.
ABBOTT 110 E 18TH ST
MPLS MN
55403

MANKATO STAT STUDENT SENATE
CENTENNIAL STUDENT UN
MANKATO MN
56001

MASTOR & BALE, LTD.
315 PEAVEY BLDG.
MPLS. MN
55402

MET. WASTE CONTOL COMM.
350 METRO SQ BLG
ST PAUL MN
55101

MILLER DAVID S
2845 QUEBEC AVE SO
ST LOUIS PK MN
55426

MILLER THOMAS F
1628 IDS CENTER
MPLS MN
55402

MINN CHAP ASSOC BLDRS-CONTRS
7204 W 27TH ST
MPLS MN
55426

MINN HOSPITAL ASSN
2333 UNIV AVE SE
MPLS MN
55414

MINN NEWSPAPER ASSN
84 S 6TH ST STE 400
MPLS MN

LOCH DAVID REG 5 REG DE
11 IOWA AVE
STAPLES MN
56479

MANTHEY T J PICKANDS MA
1100 SUPERIOR AVE
CLEVELAND OH
44114

MAUL WARREN E.
605 4TH. AVE. SO.
MPLS., MN
55415

METROPOLITAN COUNCIL LI
300 METRO SQUARE
ST PAUL MN
55155

MILLER PAUL J PHARMACY
ST MARYS HOSP
ROCHESTER MN
55901

MINN ASPHALT PAVEMENT A
555 WABASHA RM 209
ST PAUL MN
55102

MINN DACA GRIGGS MIDWAY
RM SO 280 1821 UNIV AVE
ST PAUL MN
55104

MINN LP GAS ASSN
7515 WAYZATA BLVD 106
MPLS MN
55426

MINN PCA WATER QUALITY
1935 W CO RD B 2
ROSEVILLE MN

MINN TEAMSTERS CREDIT UNION
2021 HENN AVE E
MPLS MN
55413

MINN-WISC BOUNDARY AREA COMM
600 2ND ST
HUDSON WI
54016

MN.BD OF NURSING
717 DELAWARE ST SE
MPLS MN
55414

MN[redacted] COUNCIL FOR HANDICAPP
METRO SQ 7TH & ROBERT
ST PAUL MN
55101

MOSTCA
PO BOX J
PERHAM MN
56573

MPLS TRIBUNE CITY DESK
425 PORTLAND AVE
MPLS MN
55415

NCE[redacted]INC C/O DR DAHLBERG
CO[redacted]RDIA COLLEGE
MOORHEAD MN
56560

NURSING HOME ADMRS BD EXAMRS
RM 340 717 DELAWARE SE
MPLS MN
55414

NW REG. DEV. COMM
425 WOODLAND AVE
CROOKSTON MN
56716

O'CONNELL RAY
MN GAS CO 733 MARQ AVE

MINN. TBR. PRODUCERS ASSN.
333 W. SUPERIOR ST.
DULUTH, MN
55802

MINNESOTA AFL-CIO
175 AURORA AVE
ST PAUL MN
55103

MN ELECTRICAL ASSN
3100 HUMBOLT SO
MPLS MN
55408

MN ST PHARMACEUTICAL ASSN
2469 UNIVERSITY AVE
ST PAUL MN
55114

MOTOR VEHICLE MFRS ASSN
411 MAIN ST (215)
ST PAUL MN
55102

MT OLIVET ROLLING ACRES
R 1 BOX 576
EXCELSIOR MN
55331

NELSON HOWARD I

LINDSROM MN
55045

NURSING HOME RES ADV CO.
111 E FRANKLIN S210
MPLS MN
55404

NYGREN GAIL
317 CLIFTON AVE #9
MPLS MN
55403

OFFICE OF THE GOVERNOR
130 STATE CAPITOL

MINN.TURKEY GROWERS ASSN
2383 UNIV AVE
ST PAUL MN
55114

MIXA FRANK LK MNTKA CONS DIS
402 E LAKE ST
WAYZATA MN
55391

MN REP STATE CENTRAL COMM
555 WABASHA AVE
ST PAUL MN
55102

MOFFITT R C
RM 301 M MPLS CITYHALL
MPLS MN
55415

MPIRG
2412 UNIVERSITY AVE SE
MPLS MN
55414

MURPHY PATRICK FSR INC
BOX 986 COURTHOUSE STA
ARLINGTON VA
22216

NEMDA
800 ALWORTH BLDG
DULUTH MN
55802

NW BELL TEL CO LEGAL DEPT
224 S 5TH ST RM 2000
MPLS MN
55402

OLOFSON ARTHUR MBO & MAINC

MINN WATER RESOURCES
RM 206 555 WABASHA ST
ST PAUL MN
55102

MN AUTOMOBILE DEALERS
277 UNIV AVE
ST PAUL MN
55103

MN SOC SERV ASS J HOO[redacted]
614 PORTLAND
ST PAUL MN
55102

MOSS DR JEROME
125 PEIK 159 PILLSBURY
MPLS MN
55455

MPLS ASSN RETARDED CIT
2344 NICOLLET AVE. SO.
MPLS., MN
55404

NATL FAMILY INS CO
2147 UNIV AVE
ST PAUL MN
55114

NOZISKA HOWARD
7851 METRO PKWY S 103
MPLS MN
55420

NW COUNTRY ELEVATOR AS[redacted]
P.O.BOX.15004COMM.STAT
MPLS., MN
55415

O'BRIEN J.DENNIS
1100 1ST NATL.BANK BLD[redacted]
MINNEAPOLIS MN
55402

OTTER TAIL POWER CO.

PINNETTI NICK M HALEY & ASS.
40 CENTRAL PARK S
NEW YORK NY
10019

PLRC HAMLINE U LAW SCHOOL
1536 HEWITT AVE
ST PAUL MN
55104

POLT THOMAS M
MCCARTHY BLDG
EYOTA MN
55934

POPOVICH PETER S
314 MINN BLDG
ST PAUL MN
55101

PORTER DAVID
3002 27 AVE S
MPLS MN
55406

POYZER ROBT
BOX 675
FERGUS FALLS MN
56357

PRAUSE J.C.
1313 COON RAPIDS BLVD.
COON RAPIDS, MN
55433

PRICE WALT C REISS COAL
1011 SO 8TH ST
SHEBOYGAN WI
53081

PUBLIC LAW RESEARCH CENTER
1536 HEWITT AVE
ST PAUL MN
55104

QSS INC
PO BOX 838
FARIBAULT MN
55021

RA[redacted]N RICHARD-LABOR TEMPLE
411 MAIN STREET
ST. PAUL, MN
55102

RALPH BURKE ASSOCIATES
5200 W 73RD ST
MPLS MN
55435

RAMSEY CO MEDICAL SOC
908 AM NATL BK BLDG
ST PAUL MN
55101

RAUENHORSTCORP-RONALD C
7900 XERXES S S-2200
MPLS MN
55431

REAGAN MICHAEL
% MINN LEARNING CTR
BRAINERD MN
56401

REARDON MRS HELEN
1125 S E 6TH ST
WILLMAR MN
56201

RED OWL STORES INC
215 E EXCELSIOR AVE
HOPKINS MN
55343

REGION NINE DEV. COMM.
120 S. BROAD ST.
MANKATO, MN
56001

RENNER R.H. ST PAUL AREA CC
300 OSBORN BLDG.
ST PAUL MN
55102

RICHARDS MONTGOMERY ET AL
1430 RAND TOWER
MPLS MN
55402

RIEKE, DAVID
SCORPION IND. INC.
CROSBY, MN
56441

RITTER, JERRY
1011 NICOLLET MALL
MPLS., MN
55403

ROSENTHAL ABE MN TRANS SERV
SU[redacted] 310 N 1821 UNIV
ST PAUL MN
55104

ROSS ALFRED
6356 WARE RD
LINO LAKES MN
55014

ROYAL ESQUIRE REALTY INC
1612 PIONEER BLDG
ST PAUL MN
55101

SANFORD S M
7000 PORTLAND AVE
RICHFIELD MN
55423

SAX DOVE & STENSON
310 ENDICOTT BLDG
ST PAUL MN
55101

SCARBOROUGH WILLIAM
DIV.ED. U.M.
MORRIS MN
56267

SCHMIDT WARREN WELLCOME MH5
GARDEN CITY
MN
56034

SCHNEIDER MAHLON
GREEN GIANT
LESUEUR MN
56058

SCHUTZ LINDA
RM 328 CAPITOL BLDG
ST PAUL MN
55155

SCHWINN, ROBT. P.
1830 SOO LINE BLDG.
MPLS., MN
55402

SE MN REG DEV COMM
301 MARQ BK BLDG
ROCHESTER MN

SHABATURA EUGENE H
2833 LAKE AVE. SO.
DULUTH, MN

SIX EAST REG. DEV. COMM.
311 W 6TH ST
WILLMAR MN

SMITH BOB III
PIONEER BLDG
ST PAUL MN

STONE JOHN F MOSS FLAHERTY
2350 IDS CENTER
MPLS MN
55402

SUDDUTH JR APT 206
2100 BLOOMINGTON AVE SO
MPLS MN
55404

SULLIVAN J KIRK
P.O. BOX 50
BOISE, IDAHO
83728

SULLIVAN JEANETTE
CDIC SW STATE UNIV
MARSHALL MN
56258

SWANSON DALE
1068 SO LAKE ST
FOREST LAKE MN
55025

TATE VERN 3M CO
3M CENTER 220/6W
ST PAUL MN
55101

TENNESSEN SEN ROBERT J
RM 309 STATE CAPITOL
ST PAUL MN
55165

THORNTON, P.J.
107 SO. 15TH. AVE. W.
VIRGINIA, MN
55792

TOWNSHIP OF WHITE BEAR
1281 HAMMOND RD
WHITE BEAR LK MN
55110

UNION STOCK YARDS
ATTN PRES
SO ST PAUL MN
55075

US DEPT OF AGRICULTURE
252 FEDERAL BLDG
ST PAUL MN
55101

VALLY CENTER DRUG
4827 W 124TH ST
SAVAGE MN
55378

VIITALA, W.C. HONEYWELL
HONEYWELL PLAZA
MPLS MN
55408

VOS LEROY
2137 BURNS AVE
ST PAUL MN
55119

WALTERS THOMAS MN MFG
4530 W 77TH ST STE 227
MPLS MN
55435

WALZ SAM CO ADMINISTRATION
ANOKA CTY COURTHOUSE
ANOKA MN
55303

WAMPLER LINUS DIR USW OF AM
609 PROVIDENCE BLDG
DULUTH MN

WASHINGTON COUNTY
14900 61ST ST NO
STILLWATER MN
55082

WATERS, DONNA M.
110506 WINDMILL COURT
CHASKA MN
55318

WELK G V NORTHERN STATES
414 NICOLLET MALL
MPLS MN
55401

WEST CENTRAL REG. DEV.
ADM BLDG,COMMUNITY COLL
FERGUS FALLS MN
56537

WHITLOCK A G
ECON LAB OSBORN BLDG
ST PAUL MN
55102

WHITLOCK MARSHALL LCRA
RM.44 ST. OFF. BLDG.
ST. PAUL, MN
55155

WM. MITCHELL LAW LIB.
875 SUMMIT AVE.
ST. PAUL, MN
55105

WIS FEEDER PIG MARKET CO-OP

FRANCIS CREEK WI

WOODSTROM SUSAN
3735 22ND AVE SO
MPLS MN
55407

WOZNIAK D D
401 FIRST FED BLDG
ST PAUL MN
55101

WRIGHT CO COMMUNITY SERVICES
7NW 1ST ST
BUFFALO MN
55313

Agre, Dr. Courtland L., Augsburg College, Mpls MN. 55454
731 alst AVE. So.

Anderson, Agnes M., Marshall, MN. 56258

Antolak, Thomas J., 234 Kennard St, St Paul 55106

Beckman, Vernon E., Dept. Speech & Theatre Arts, Mankato State College, Mankato 56001

Bemidji State College, Placement Bureau Office, Bemidji 56601

Berry, Ed., Box 144, Emmons, MN. 56029

Bethel College, Ed. Dept. Johnson, Thomas J., 3900 Bethel Dr, St Paul 55112

Blair, Mary & Patricia Boyd, St. Luke's Hospital, 915 E 1st St, Duluth 55805

Block, Robert, Ind. School Dist. #318, Grand Rapids, 55744

Bloomington Public Schools, Vernon Humber, 10025 Penn Ave S, Bloomington 55431

Borgen, N. John, S Central MN Uniserv Cluster, 423 3rd Ave SE, Rochester 55901

Brant, Elaine E., 2099 LaCrosse, St Paul

Breckenridge, Arlene, Ind.School Dist.#281, 4148 Winnetka Ave N, Mpls 55427

Brown, LeRoy, 145 University Ave, St Paul 55103

Bundgaard, Axel, Physical Ed., St Olaf College, Northfield, 55057

Card, Glenn H., Stowe Jr. High School, Duluth

Catholic Ed. Center - Supt. & Coord., 251 Summit Avenue, St Paul 55102

Christensen, Dr. Donald, Ind. School Dist. #196, Rosemount 55068

Cofell, William L., St John's University, Collegeville

Curtis, Dr. E. Louise, Prof Ed., U of M, Morris 56267

Davoli, Raymond M., St Paul Tech Vocational Inst., 235 Marshall Ave, St Paul 55102

Deephaven Montessori School, Inc., 188 S Circle A Drive, Wayzata 55391

Diocese of St Paul, 244 Dayton Avenue St Paul 55102

Diocensan Education Center, Attn: Supt., 526 N Highland Ave, New Ulm 56073

Doty, Dr. Ralph R., Dept. Ed., College of St Scholastics, Duluth 55811

Dudley, Mary, 5244 - 46th Avenue South, Mqls 55417

Faust, C.E., Mankato State College, Mankato 56001

Folden, Laura 1237 So. Cedar Lake Blvd. Minneapolis 55416

Frank, Dr. Otto, Dean School Education, Winona State College, Winona 55987

Fredlund, Phyllis J., 104 Skyline Drive, Granite Falls, Mn. 56241

Gavin, Dr. Gordon, Mankato [redacted]ate College, Mankato 56001

Gettinger, D.E., Stillwater Senior High, 523 W Marsh St, Stillwater 55082

Gilbert, Rev. John R., 251 Summit Avenue, St Paul 55102

Gillett, Dean, Graduate School, St Cloud State College, St Cloud 56301

Goldberg, Paula, 5315 James Avenue South, Mpls 55419

ustin 55912

Habiger, Rt. Rev., Msgr, James D., 275 Harriet St, Winona 55987

Hale, Rodney, Ind. School Dist. #833, 8040 80th St S, Cottage Grove 55016

Hansen, Mrs. Joyce, John Clark Elementary School, Rockville 56369

Hanson, Jeannie, UWW, 331 Nolte Center, Mpls 55455

Harris, Larry E., Mpls Public Schools, 807 NE Broadway, Mpls 55413

Henke, Richard, Mrs., 533 11th Avenue NW, New Brighton 55112

Hoge, Zorada K., 1642 York Avenue, St Paul 55106

Hoglund United Sales, Inc., South Hwy 25, Monticello 55362

Hoover, Mrs. Nancy, 2432 Sheridan Avenue South, Mpls 55405

Howard, Richard, Scott Co.Human Services, 440 S Atwood, Shakopee 55379

Ingvalson, Brian, 21470 Inwood Avenue North, Forest Lake 55025

Jacobson, Walter F. 6266 Ben More Drive, Minneapolis, Mn. 55432

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Jeskey, Ann, 6341 Able Street Ne, Fridley 55432

Johnson, Sandra 1420 Melrose Ave., Minneapolis 55426

Jones, James A., Macalester College, Biology, St Paul 55105

Joselyn, Gary, Student Counseling Bureau, U of M, 3036 Univ. Ave. SE, Mpls 55414

Karsten, H.C., Mpls Public School, 807 NE Broadway, Mpls 55413

Kinstler, Mrs. Ann, 555 Cedar St., St Paul 55101

Kleinschrodt, Shelly, Mn. Assoc. Education of Young Children 1821 Univ. Ave. Rm. 373 So.,St. Paul 55104

Kockelman, Ron P., Alexandria Public School, Alexandria 56308

Kurtz, Mrs. Kirsten, MN Nurses Assn., 1821 University Ave, St Paul 55104

Lachelt, Ruth, Ind. School Dist.#738, Holdingford 56340

Larson, Principal Harold, Minnetonka High School, 18301 Hwy 7, Minnetonka 55343

Library School, U of M, 3 Walter Library, Mpls 55455

Maag, Raymond E., 122 W. Franklin, room 525, Mpls 55404

Miller, Dr. Joseph W., Bo[redacted]44, Moorhead State College, M[redacted]rhead 56560

Minneapolis & Hennepin County Mental Health Clinic, 619 S 5th St, Mpls 55415

Minneapolis Gas Company, 739 Marquette Avenue, Mpls 55402

MN Association for Education Young Children, Rm 373 S, Griggs-Midway Bldg, 1821 University Ave, St Paul 55104

MN Association of School Personnel Administrators, Attn: James W. Andress, 4148 Winnetka Ave N, Mpls 55427

MN Association Secondary School Principals, Attn: David Meade, Suite 350, Hanover Bldg., 480 Cedar, St Paul 55101

MN Education Association, 41 Sherburne Avenue, St Paul 55103

MN School Bus Operators Association, Faribault 55021

MN School of Real Estate, 135 W. 97th St. Oxboro Plaza Bldg. Bloomington 55431

MN State Advisory Council for Vocational Education, 2850 Metro Drive, Suite 315, Bloomington 55420

Mueller, Van D., 218 Health Serv. Bldg., St Paul Campus U of M, St Paul 55101

Neihart, Dr. Marjorie, Ind. School Dist.#625, St Paul Public School, 360 Colborne St Paul 55102

Nordrum, Lee M., Audiovisual Center, Moorhead State College, Moorhead 56560

Nydahl, Dr. Theodore L., Dean of Arts & Science, Mankato State College, Mankato 56001

Olson, Kathleen A., 192 Seymour Ave. S.E., Minneapolis, Mn. 55414

Ostern, Bill, 513 South Section, Spring Valley 55975

Peterson, Florence, 2187 Erin Court, New Brighton, 55112

Rayburn, Kathryn, 513 32nd St NE, Rochester 55901

Richfield Public Schools, J.B. Michel, 70th & Harriet Ave, Richfield 55423

Rieder, Rev. David, 810 St Germaine Street, St Cloud 56301

Rivers, George T., 2513 Orchard Lane, White Bear Lake 55110

Robbins, Dr. Glaydon D., Moorhead State College, Moorhead 56560

Rosenmeier & Simonett, 72 Broadway, Little Falls 56345

Runbeck, Dr. Janet E., Bethel College, 3900 Bethel Drive, St Paul 55112

St Paul Federation of Teachers, Attn: J.D. Robinson, 555 Wabasha, Rm 212, St Paul 55102

Sause, Mrs. Carolyn A., 4223 Heathcote Road, Wayzata 55391

Scarborough, Bill, U of M, Division of Education, Morris 56267

Schroeder, Erlen O., Lutheran High School, Mayer 55360

Shelstad, Roger & Holm, Don, Renville Public School, Renville 56284

Sister Marilyn Micke, Education Center, 2410 Morris Thomas Road, Duluth 55811

Smith, Susan B., Director Scott Co.Human Services, 428 S Holmes, Shakopee 55379

So St Paul Public Schools, 125-6th Avenue North, So St Paul 55075
Attn: Roger Buettner

Springer, Mrs. Elvera M., 109 Maddaus Lane, Mpls 55416

Stalder, Mrs. Elizabeth, Jackson School, 437 Edmund Avenue, St Paul 55103

Stuart, Roy O., Art Instruction Schools, 500 South 4th St, Mpls 55415

Swedberg, Alan K., Director of Special Serv., Box 100, Moorhead 56560

Turner, Mrs. Marian, 303 3rd Street, Chatfield 55923

Tyler, Mrs. Helen, Mpls Public Schools, 807 NE Broadway, Mpls 55413

Verrill, John E. Prof., Dept. Secondary Education, U of M, Duluth 55812

Ward, Rt.Rev.Msgr. John, 526 North Highland Avenue, New Ulm 56073

White, Kenneth E., Dept. Education, Hamline University, St Paul 55101

Wicks, Larry E., Rochester Education Association, Rochester 55901

Wiger, Loren, 612 Southview Drive, Marshall 56258

Wilken, Claudius W., St Paul Public Schools, 360 Colborne, 4th Flr., St Paul 55102

Wilkens, Kenneth G., Dept. Comm.& Theatre Arts., St Olaf College, Northfield 55057

Wollins, Dr. Richard, Wouthwest MN State College, Marshall 56258

Zerr, Jackie, 605 Southview Drive, Marshall, MN 56258

STATE OF MINNESOTA

MINNESOTA HIGHER EDUCATION COORDINATING BOARD

In the matter of the Proposed Amendments to Rules of the Minnesota Higher Education Coordinating Board governing the Scholarship and Grants-in-Aid, the Private College Contract, the State Work-Study, the Minnesota Medical and Osteopathic Loan, the Minnesota Foreign Student Assistance, the Minnesota Veterans' Dependents Student Assistance, the Part-Time Student Grant, the Private Institution Registration, and the Area Vocational-Technical Institute Tuition Subsidy Programs.

ORDER FOR HEARING

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To effectively implement Minnesota Statutes 136A.09 - 136A.131 which establish the Scholarships and Grants-in-Aid program, Minnesota Statutes 136A.18 - 136A.22 which establish the Private College Contract Program, Minnesota Statutes 136A.233 - 136A.235 which establish the State Work-Study Program, Minnesota Statutes 147.30 - 147.33 which establish the Minnesota Medical and Osteopathic Loan Program, Minnesota Statutes 136A.143 - 136A.146 which establish the Minnesota Foreign Student Assistance Program, Minnesota Statutes Section 197.09 which establishes the Veterans' Dependents Student Assistance Program, Minnesota Statutes Section 136A.132 which establishes the Part-Time Student Grant Program, Minnesota Statutes 136A.61 - 136A.71 which establish the Private Institution Registration Program, and Minnesota Statutes Section 136A.236 which establishes the Area Vocational Technical Institute Tuition Subsidy Program, the Minnesota Higher Education Coordinating Board deems it necessary to consider adoption of the proposed amendments to rules captioned above pursuant to the authority vested in the Board by Minnesota Statutes §136A.70 (1976).

NOW, THEREFORE, IT IS ORDERED this 29th day of September, 1980, that a public hearing on the proposed rules captioned above be held in the Capitol Square Building, Conference Room A, July 28, 1980, commencing at 8:30 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 a Notice of Hearing be mailed to all representatives of associations or other interested groups or persons 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.

HIGHER EDUCATION COORDINATING BOARD

x Clyde Ingle

Clyde R. Ingle, Executive Director
of the Minnesota Higher Education
Coordinating Board

# OFFICIAL NOTICES

Pursuant to the provisions of Minn. Stat. § 15.0412, subd. 6, an agency, in preparing proposed rules, may seek information or opinion from sources outside the agency. Notices of intent to solicit outside opinion must be published in the *State Register* and all interested persons afforded the opportunity to submit data or views on the subject, either orally or in writing.

The *State Register* also publishes other official notices of state agencies, notices of meetings, and matters of public interest.

## Health Department

### Application for Licensure to Operate A Life Support Transportation Service

On April 9, 1980, a complete application for a license to operate a proposed life support transportation service with a base of operation at Fulda, Minnesota, was submitted by Randy Larsen, City of Fulda, and received by the Department of Health. This notice is given pursuant to Minn. Stat. § 144.802 (1979), which requires that the commissioner shall publish the notice, at the applicant's expense, in the State Register April 21, 1980 and in the appropriate newspapers. Each municipality, county, community health service agency and any other person wishing to comment on this application to the Health Systems Agency (Minnesota Health Systems Agency Six) shall do so before the close of business on May 22, 1980.

After a public hearing has been held in one of the municipalities in which the service is to be provided, Minnesota Health Systems Agency Six shall recommend that the commissioner either grant or deny a license or recommend that a modified license be granted. The Health Systems Agency shall make the recommendations and reasons available to any individual requesting them.

Within 30 days after receiving the recommendation, the commissioner shall grant or deny the license to the applicant.

Any objections to or statements of support for this application pursuant to Minn. Stat. § 144.802, may be made in writing to Robert Freisinger, Resources Development Director, Minnesota HSA Six, 208 East Third, P.O. Box 156, Redwood Falls, MN 56283.

## Higher Education Coordinating Board

### Notice of Intent to Solicit Outside Information Regarding Proposed Amendment of Rules Governing Scholarship and Grants-in-aid; Private College Contract; state Work-study; Minnesota Medical and Osteopathic Loan; Minnesota Foreign Student Assistance; Veterans' Dependents Student Assistance; Part-time Student Grant; Private Institution Registration; and Area Vocational-Technical Institute Tuition Subsidy Programs

Notice is hereby given that the Minnesota Higher Education Coordinating Board is seeking information or opinions from sources outside the agency in preparing to propose the amendment of rules governing the Scholarships and Grants-in-aid Program (presently 5 MCAR §§ 2.0101-2.0108), the Private College Contracts Program (presently 5 MCAR §§ 2.0201-2.0300), the Work-Study Grants Program (presently 5 MCAR §§ 2.0301-2.0310), the Loans to Medical and Osteopathy Students Program (presently 5 MCAR §§ 2.0401-2.0407), the Minnesota Foreign Student Assistance Program (presently 5 MCAR §§ 2.0601-2.0607), the Minnesota Veterans' Dependents Student Assistance Program (presently 5 MCAR §§ 2.0701-2.0800), the Part-Time Student Grant Program (presently 5 MCAR §§ 2.0801-2.0806), the Private Institutions Registration Program (presently 5 MCAR §§ 2.0901-2.1000), and the Area Vocational-Technical Institute Tuition Subsidy Program (presently 5 MCAR §§ 2.1001-2.1008). Any interested persons may submit data or views on this subject in writing or orally to:

Mary Samoszuk
MN Higher Education Coordinating Board
400 Capitol Square Building
550 Cedar Street
St. Paul, MN 55101
(612) 297-2036

Bemidji area Vocational technical institute

Dr. Clinton R. Barter Superintendent
Independent School District no. 31
Kenneth L. Housauer Director
Melvin O Soberg Assistant Director
J.E. Ovsak Student Personnel Director

Roosevelt Road & Grant Ave Bemidji Mn 56601 PH 218 751-4137

May 21, 1980

Mary Samoszuk
MN Higher Education Coordinating Board
400 Capitol Square Building
550 Cedar Street
St. Paul, MN 55101

Dear Mary;

This letter is for the purpose of responding to the official notice to solicit opinions on HECB financial aid programs. The program I am interested in commenting on is the AVTI Tuition Subsidy Program.

My recommendation is two faceted; if the first part is not acceptable, then I hope the second part can be realized.

Firstly, I recommend that the Tuition Subsidy program be made available to all students who are determined eligible. As it is now, availability is determined by the amount of funds each AVTI has in their award. It is basically an unfair situation. It often turns out that students with a higher need who enroll later in the year are not able to receive the Tuition Subsidy because that school's Tuition Subsidy award has already been expended. The only possible way to have a truly equitable program is to make the funds available so that all eligible students can receive it.

If the above is not "feasible". then I sincerely hope that a new system of allocating money to the various AVTI's is devised. Currently, each school's share is determined solely on the basis of their percentage of the total state-wide enrollment. On the surface that would seem to be fair but it is not. Relative need of various areas is not considered. AVTI's within an extremely low economic area, like Bemidji, have a much greater percentage of their student body eligible than schools in healthier economic areas (East Grand Forks, Moorhead, Faribault, etc.). Therefore, it turns out that 50% of Bemidji's eligible students might receive Tuition Subsidy while 100% of the students at the above mentioned other schools receive it because of the current allocation system. I urge you to consider another system of allocating funds under the Tuition Subsidy program.

Thank you for listening.

Sincerely,

Ron Kraft
Financial Aid Officer

RK/am

APR

April 22, 1980

Mary Samoszuk
MN Higher Education Coordinating Board
400 Capitol Square Building
550 Cedar Street
St. Paul, MN 55101

Dear Ms Samoszuk,

In the State Register, dated Monday, April 21, 1980, there is a notice for solicitation of outside information on the amendment of rules governing the Scholarships and Grants-in-aid Program, etc. I as a parent, of soon to be graduating my fourth daughter from high school, feel that the program(s) set up the way they are now are most unfair. I feel that determination on financial need only (this is the way 99% of it is set up, or if you are a minority) is being abused many times over. A students academic achievement, letters of recommendation, parent assessment, the student themselves writing why they feel they qualify for financial aid and other additional criteria could be used. My husband and I both have to work, as many couples do, just to live, thereby putting just enough edge on "earned income" not to qualify, but yet not affording to send our daughters to college and helping to pay for it. We have to give this type of student a more quitable chance or we only have the very rich and the "low" income and "low" academic achievers being able to go to college. We need all classes of citizens to make our country grow, but it is reverse discrimination the way it is now.

I don't know if this is what was meant by solicitation for outside information on the subject, but I do feel strongly about the subject and ask that you accept it for what it is worth, good or bad.

Very sincerely,

Dorothy L. Lund

Dorothy L. Lund
12039 Crocus Street
Coon Rapids, MN 55433
(612) 427-4829

STATEMENT OF COMPLIANCE WITH

MANUAL OF RULE MAKING PROCEDURES

I, Special Assistant Attorney General Catharine F. Haukedahl, 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.

Catharine F. Haukedahl
Special Assistant Attorney General

Dated: October 10, 1980

STATE OF MINNESOTA
OFFICE OF ADMINISTRATIVE HEARINGS

FOR THE MINNESOTA HIGHER EDUCATION COORDINATING BOARD

IN THE MATTER OF THE PROPOSED AMENDMENTS TO THE RULES OF THE MINNESOTA HIGHER EDUCATION COORDINATING BOARD REGARDING SCHOLARSHIPS AND GRANTS-IN-AID, PRIVATE COLLEGE CONTRACTS, WORK-STUDY GRANTS, MINNESOTA MEDICAL AND OSTEOPATHIC LOANS, MINNESOTA FOREIGN STUDENT ASSISTANCE, MINNESOTA VETERANS' DEPENDENTS STUDENT ASSISTANCE, PART-TIME STUDENT GRANTS, PRIVATE INSTITUTIONS REGISTRATION, AND THE AREA VOCATIONAL-TECHNICAL INSTITUTE TUITION SUBSIDY PROGRAM.

ORDER OF THE CHIEF HEARING EXAMINER

On October 2, 1980, the Minnesota Higher Education Coordinating Board submitted Findings of Fact and an Order Adopting Amendments to Rules, dated September 29, 1980, signed by Clyde R. Ingle, Executive Director.

The Chief Hearing Examiner, having reviewed the above-referenced documents, finds that the defects in the rules as enumerated by the Hearing Examiner in his Report, which was approved by the Chief Hearing Examiner, have been corrected.

Dated this 6th day of October, 1980.

DUANE R. HARVES
Chief Hearing Examiner