

Minnesota Attorney General: Administrative Rules Proceedings

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Version 3
August 20, 2018

FILE COPY

DEPARTMENT: Office of the Attorney General

STATE OF MINNESOTA

OFFICE MEMORANDUM

DATE: May, 8, 1990

TO: Mary Lou Dresbach, Program Assistant
Higher Education Coordinating Board
Suite 400 Capitol Square Building (55101)

FROM: Christie B. Eller
Assistant Attorney General
525 Park Street, Suite 500 (55103)

PHONE: 296-9421

SUBJECT: In the Matter of the Adopted Rule Relating to Child Care Grants

The above-referenced rule has been approved as to its legality by the Attorney General on May 7, 1990.

Enclosed is your copy of the approved rule. This office has already filed two copies with the Secretary of State, who will forward one copy to the Revisor of Statutes. The fourth is being retained by this division of the Attorney General's Office for its records.

Also enclosed are any petitions, requests, submissions or comments along with any extra copies of documents which you submitted to the Attorney General.

Your next step is to arrange for publication of the Notice of Adoption in the State Register. In a day or two, you should receive from the Revisor's Office three copies of tne notice of adoption of your rule. You should submit two copies of the Notice of Adoption to the State Register for publication. A permanent rule without a hearing does not become effective until five days after a notice of adoption is published in the State Register in accordance with Minn. Stat. § 14.27. An emergency rule becomes effective five working days after approval by the Attorney General; however, the agency must publish a notice in the State Register in accordance with Minn. Stat. § 14.34.

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

Enclosures
cc: William Brown, Chief Judge (memo only)
MaryAnn Hruby " "
H. Camilla Nelson " "

Higher Education Coordinating Board

Adopted Permanent Rules Relating to Child Care Grants Program

Rules as Adopted

CHILD CARE GRANTS

4830.7000 SCOPE.

Parts 4830.7000 to 4830.7900 govern state assistance to institutions to reduce the cost of child care for eligible students attending eligible postsecondary institutions.

4830.7100 DEFINITIONS.

Subpart 1. **Scope.** The definitions in this part apply for the purposes of parts 4830.7000 to 4830.7900.

Subp. 2. **Continuing enrollment.** "Continuing enrollment" means that a student has not had an interruption in enrollment at the institution in which the student is currently enrolled for more than one academic term or 60 days of the immediately preceding academic year, whichever is longer. A student may miss one academic term and summer school and not lose continuing enrollment status.

Subp. 3. **Eligible employment.** "Eligible employment" means the number of hours of paid employment that the institution determines shall be covered with child care assistance, not to exceed 20 hours of employment per week.

Subp. 4. **Eligible hours of education.** "Eligible hours of education" means:

A. hours spent in class;

B. up to a maximum of one hour a day for transportation between class, home, and employment;

C. up to four hours a day between classes; and

D. additional eligible hours as determined by the institution.

Subp. 5. **Eligible student.** "Eligible student" means a student who:

A. has a child 12 years of age or younger, or 14

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years of age or younger who is handicapped as defined in Minnesota Statutes, section 120.03, and who is receiving or will receive care on a regular basis from a provider of child care services as those terms are defined in Minnesota Statutes, section 256H.01, subdivisions 2 and 12, after the grant is received;

B. is a resident of Minnesota as defined in part 4830.0400, subpart 2;

C. is not a recipient of aid to families with dependent children;

D. has not earned a baccalaureate degree and has been enrolled full time in any postsecondary institution fewer than eight semesters, 12 quarters, or the equivalent;

E. is pursuing a nonsectarian program or course of study that applies to an undergraduate degree, diploma, or certificate;

F. is enrolled at least half time in an eligible institution for the term for which an award is received;

G. is in good academic standing and making satisfactory progress, as defined by the institution according to federal requirements; and

H. reports any changes to data reported on the child care application within ten days of the change.

Subp. 6. **Nonsectarian program.** "Nonsectarian program" means a program of study that is not specifically designed to prepare students to become ministers of religion, to enter some other religious vocation, or to prepare them to teach theological subjects. A nonsectarian program may provide for the scholarly study of religion as a discipline of knowledge in a manner similar to that provided for any other field of study, but must not require its students to take courses that are based on a particular set of religious beliefs, to receive instruction intended to propagate or promote any religious beliefs, to participate in religious activities, to maintain affiliation with a particular church or religious organization, or to attest to any particular religious beliefs.

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Subp. 7. **Institution's share.** "Institution's share" means the number of students in an eligible institution who have applied for the state scholarship and grant program under parts 4830.0200 to 4830.0700 for the most current academic year and who have reported dependent children.

4830.7200 ELIGIBLE INSTITUTIONS.

Institutions eligible for child care grants are Minnesota public postsecondary institutions and private, residential colleges or universities granting two-year or four-year liberal arts degrees that have signed a child care program agreement with the board.

4830.7300 STUDENT PRIORITY.

Beginning July 1, 1990, a student who has received an award from the program in the immediately preceding academic year and who has had continuing enrollment at that institution must be given a child care award for the next academic year if the student remains eligible and funds are available. A student shall apply for a continuation of funds by June 1 of the preceding academic year or lose priority ranking for the funds over students who did not apply for a continuation of funds by June 1 and eligible students applying for a child care grant for the first time.

4830.7400 APPLICATION AND DISTRIBUTION OF FUNDS FOR GRANTS.

Subpart 1. **Initial allocation formula.** Funds shall be allocated to each eligible institution according to the following formula:

A. the institution's share divided by the sum of participating institutions' shares; and

B. multiplied by the current fiscal year's appropriation for child care grants.

Subp. 2. **Yearly allocation to institutions.** After the 1989-1990 academic year, funds shall be allocated to each eligible institution according to the following formula:

A. the institution's share divided by the sum of

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participating institutions' shares;

B. multiplied by the current fiscal year's appropriation for child care grants; and

C. multiplied by the percent of funds for child care grants actually used by the institution during the prior academic year.

Subp. 3. **Reallocation.** The board shall reallocate available funds at least twice during the academic year to institutions requesting additional child care funds according to the following formula:

A. the institution's share divided by the sum of the shares of institutions requesting additional funds; and

B. multiplied by the amount of child care funds available for reallocation.

Subp. 4. **Administrative expense.** By July 1 of each year, the board shall set the percentage of awarded child care grant funds that may be used for administration of the child care program by the board and the institution.

Subp. 5. **Notification.** The board shall notify each participating institution in writing of allocation and reallocation amounts.

Subp. 6. **Accountability.** Each participating institution shall be accountable for any funds disbursed to students for child care grants. Funds may be used only during the fiscal year of disbursement. If a student does not use a grant because the student does not enroll or withdraws from the institution, the institution may use the funds for other eligible students or return them to the board.

Subp. 7. **Unused funds.** An institution shall return funds that the institution determines will not be used within 30 days from the date of a request by the board. The board shall reallocate unused funds to other participating institutions requesting additional funds.

4830.7500 AMOUNT AND TERM OF GRANTS.

Subpart 1. **Financial need.** An institution shall award a

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grant to each eligible student to the extent allocated funds are available. The family income and family size used shall be that used to determine eligibility for the state scholarship and grant program under parts 4830.0200 to 4830.0700 and must be within the income ranges established by Minnesota Statutes, section 256H.10, subdivision 2. Each student shall report any changes in income within ten days to the institution.

Subp. 2. **Amount.** The amount of a grant must cover:

A. the cost of child care for all children 12 years old or younger, or 14 years old or younger if the child is handicapped as defined in Minnesota Statutes, section 120.03;

B. the total number of eligible hours for which child care is needed; and

C. the provider's charge up to a maximum rate established each year by the board based on rate information received from the Department of Human Services in each county where services are being provided.

The institution shall determine the amount of child care needed for the eligible hours of education as defined in part 4830.7100, subpart 4, and the number of eligible hours of employment as defined in part 4830.7100, subpart 3, for each academic term and then subtract the amount of student copayment for each month of child care according to charts provided by the board.

The amount of the grant must not exceed 60 hours per child per week and must not cover hours during which a parent or legal guardian is capable and available to care for the children.

If, after an award is made, a student presents information to the institution that would increase the student's child care award, the award must be increased if program funds are available.

Subp. 3. **Insufficient funds.** An institution shall make awards that cover all eligible hours as defined in part 4830.7100, subparts 3 and 4. An institution may use one of the following methods to award the next student on the institution's waiting list if funds are insufficient to award all students

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eligible for the child care grants:

A. an institution may delay the beginning of an award but once an award is made, the award must continue throughout the year unless a student becomes ineligible;

B. an institution may award a student a full child care grant but notify the student that all awards are contingent on the availability of funds and that the student might not receive the full award; as refunds or reallocations make funds available, no new student may receive an award until outstanding awards are assured full disbursement; or

C. an institution may supplement child care money with institutional money in order to make a full disbursement to a student.

4830.7600 PAYMENT.

Child care payments shall be made each academic term to the student or to the child care provider, as determined by the institution.

4830.7700 TERMINATION OF CHILD CARE AWARD.

A child care award shall be terminated if the student ceases to meet the eligibility requirements in part 4830.7100, subpart 5. Before termination of the award occurs, the institution must allow the student to meet with the financial aid officer at the institution to discuss the termination, and documentation as to why the termination should not occur.

4830.7710 PROCEDURES FOR DENIAL OR TERMINATION OF A CHILD CARE AWARD.

Subpart 1. **Applicability.** Students meeting the eligibility requirements in part 4830.7100, subpart 5, but denied a child care grant award due to an institution's lack of program funds, shall be placed on the institution's waiting list pending the availability of program funds. Subpart 2 and part 4830.7720 are not applicable to students who are denied child care grant awards due to lack of program funds.

Subp. 2. **Procedures.** A school must follow the procedures

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in items A to D when denying or terminating a child care grant award except in cases where the denial is due to lack of program funds.

A. The school shall notify a student, in writing, of denial or termination of a child care grant award. The notice must state the reason or reasons the assistance is being denied or terminated. The notice shall inform the student of the right to contest the adverse action and the procedure for doing so. Except for cases of suspected fraud when a child care grant is terminated, the notice must be mailed to the student's last known address, or hand delivered to the recipient at least 14 calendar days before terminating assistance. In cases of suspected fraud, the termination notice must be mailed or hand delivered at least five working days before the effective date of the termination.

B. Failure of a child care grant recipient to provide required information or documentation, to report changes required under part 4830.7100, subpart 5, or to pay the family copayment fee or the provider charge if the state share of the subsidy is paid directly to the family, is just cause for terminating assistance.

C. Child care assistance payments shall be terminated pending the result of the appeal process in part 4830.7720. If the appeal results in the continuation of child care payments to the student, payments covering the period from termination to the appeal decision to continue child care payments shall be made retroactively to the extent allocated funds are available.

D. If the child care grant award is made by vendor payment, the school shall inform the child care provider of the notice of termination pending the results of the appeal process.

4830.7720 APPEAL PROCESS.

Subpart 1. **Appeal request.** An applicant or recipient of a child care subsidy adversely affected by a school's action may file a written request for an appeal.

Subp. 2. **Informal conference.** The school shall offer an

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informal conference to students adversely affected by the school's decision in an attempt to resolve the dispute. The school shall advise such students that a request for a conference with the school is optional and does not delay or replace the right to an appeal under subpart 1.

Subp. 3. **Appeal process.** Students must follow the normal appeal process established by the school to handle complaints about financial aid program decisions. The school's appeal process must be completed within two weeks of the student's filing a written request for an appeal with the school. If the student is not satisfied with the result of the appeal, the student may ask the school to forward the results to the executive director of the Minnesota Higher Education Coordinating Board for review. The school must forward the results of the appeal and documentation provided by the student at the appeal to the executive director within two weeks of the school's appeal decision. The executive director shall review the decision and accompanying documentation, and shall make a decision according to Minnesota Statutes, section 136A.125, and parts 4830.7000 to 4830.7900. The student and school shall be advised in writing of the executive director's decision. The executive director's decision is final.

4830.7800 REFUNDS.

If a recipient reduces enrollment, the institution must refund the unused portion of the award. Refunds are determined as follows:

A. the percentage the child care award represents of the student's total financial aid package for the applicable term; and

B. multiplied by the amount determined to be refunded to the student under the institution's refund policy. The result yields the amount to be refunded to the program fund. Refunded awards are available for reassignment to other qualified applicants.

4830.7900 REPORTS OF DATA.

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by Revisor _____

Institutions must:

A. collect demographic, educational, and financial data specified by the board from eligible students requesting child care grants;

B. provide the board with individual student data upon request;

C. report information about students who receive awards, students who are on the waiting list, and students who were denied awards, including the institution's methods of prioritizing applicants if insufficient funds are available; and

D. submit fiscal year program activity reports and student data reports to the board.

Fiscal year program activity reports and student data reports are required by the board. Institutions shall correctly complete and submit all required reports and any applicable refunds to the board by the first working day after August 9. The board shall withhold an institution's subsequent year's allocation if the deadline date is not met.

Approved
by Revisor _____

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED

MAY 7 - 1990

Joan Anderson Growe

Secretary of State

11:30 AM

APPROVED AS TO FORM AND LEGALITY

May 7 19 90

HUBERT H. HUMPHREY, III
ATTORNEY GENERAL

BY Christie D Elder
ASSISTANT ATTORNEY GENERAL

Office of the Revisor of Statutes
Administrative Rules

Carla M. Riehle
Assistant Revisor
297-2948

700 State Office Building
100 Constitution Avenue
St. Paul, MN 55155-1297

March 9, 1990

Mary Lou Dresbach, Program Assistant
Higher Education Coordinating Board
Suite 400, Capitol Square Building
St. Paul, MN 55101

RE: File No. 1620

Dear Ms. Dresbach:

Enclosed are four copies of your rule with the modifications you requested.

Please submit the rules to the Attorney General or the Office of Administrative Hearings, as appropriate.

If you have any questions or need further modifications, please call me.

Very truly yours,

Carla M. Riehle

CERTIFICATE OF THE

HIGHER EDUCATION COORDINATING BOARD

RESOLUTION ADOPTING THE RULE

I, Mona Hintzman, do hereby certify that I am a member and the President of the Higher Education Coordinating Board, a board member 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 29th day of March, 1990, that a quorum was present, and that a majority of those present voted for the resolution which has not been rescinded or modified.

> "RESOLVED, that the rule relating to Child Care Grants is approved and adopted pursuant to authority vested in the Higher Education Coordinating Board by the Laws of Minnesota for 1989, Chapter 293, Section 8.
>
> David R. Powers, the executive director of the Higher Education Coordinating Board, is authorized to sign the findings of fact, conclusions, and order adopting the rule and further is authorized to modify the rule if necessary to obtain the approval of the rule by the attorney general and to perform the necessary acts to provide that the rule shall have the force and effect of law."

IN WITNESS WHEREOF, I have hereunto subscribed my name this 29th day of March, 1990.

Mona Hintzman
Officer of the Board

Ann S. Keller
Attest by other Board member

3/09/90 AR1620

MJC

RULE REVIEW CHECKLIST
Hi. Ed. Coord. Bd.

File No. 1695 Docket No. 05.0009.0448

DATE RECEIVED 4-24-90 ADOPTED W/O HEARING ✓

REVIEW DATE 5-3-90 EMERGENCY RULE _____

DUE DATE 5-8-90 Delivered to Rev. 4-26-90

REVISOR APPROVED _____

APPROVED 5-7-90 REVISOR DISAPPROVED _____

DISAPPROVED _____ FILED W/SEC. OF STATE _____

WITHDRAWN _____ RETURNED TO AGENCY _____

✓ Rule as adopted (4 copies)

✓ Notice to Solicit Outside Information/Opinion (if applicable)
- _____ Date published in State Register
- _____ Comments

_____ Petition for Adoption of a Rule (if applicable)

✓ Board's Authorizing Resolution
- Nov 16, 1989 Date adopted

✓ Proposed Rule
- ✓ Revisor's Certificate

✓ Notice of Intent to Adopt Rule 136A.125 subd 1
- 136A.04 subd 1(d) Statutory Authority
- NA Small Business Statement
- NA Expenditure of public money statement
- David Powers Signature

✓ Statement of Need and Reasonableness (if applicable)
- NA ~~Small Business Statement~~
- NA ~~Fees - § 16A.128~~

✓ Affidavit of Mailing Notice of Intent to Adopt Rule
- Dec 21, 1989 Date 30/25 days before adoption
- ✓ Notice attached indicates it is attached
- _____ Copy of rule or summary attached

✓ Publication in State Register
- Dec 26, 1989 Date 30/25 days before adoption

✓ 180-day deadline from:
- See comments Effective date of law requiring rule (14.12) (both rules)
- ✓ end of comment period (§ 14.26) (rules without hearing)
- _____ effective date of statutory authority (§ 14.29) (emergency rules)

✓ Resolution Adopting
- March 29, 1990 Date adopted

✓ Findings of Fact, Conclusions & Order Adopting
- March 29, 1990 Date

✓ Written requests, submissions or comments

✓ Declaration of attorney
- Cam Nelson Name of SAAG representing agency

NA Notice of Submission to Atty. Gen. (if applicable)

NA Aff. of Mailing Notice to Atty. Gen. (if applicable)

Stat Authority 136A.04 subd 1(9) higher education shall prescribe policies, procedures, and rules necessary to administer the programs under its supervision

136A.125, subd 1

A child care grant program .... The board shall develop necessary plans and programs to meet present and future needs of the people of the state.

Emergency Rules became effective on Oct. 1989

180 deadline - law requiring rule

Emergency rules became effective October, 1989 so they expired in March 1990 Since they passed emergency rules I think they met the 180 day deadline. There is nothing in 14.12 which indicates if you pass

26 people requested a public hearing
22 withdraw their request
all requests and withdrawels came from St Cloud Area Legal Seneces

STATE OF MINNESOTA

HIGHER EDUCATION COORDINATING BOARD

In the Matter of the Proposed Adoption of the Rules of the Minnesota Higher Education Coordinating Board Governing Child Care Grants	FINDINGS OF FACT, CONCLUSIONS, AND ORDER ADOPTING RULE WITHOUT PUBLIC HEARING

(1) Notice of the Board's intent to adopt the above-entitled rule was published in the State Register on December 26, 1989 and was sent by United States mail to all persons on the list maintained by the agency pursuant to Minnesota Statutes, sections 14.14, subdivision 1a and 14.22 on December 21, 1989. (2) The statement of need and reasonableness was prepared before the notice of intent to adopt a rule without a public hearing was mailed to all persons on the rulemaking mailing list and published in the State Register and was available to the public.

(4) All persons were given the opportunity to submit comment on the rule for 30 days after notice of proposed rulemaking. (5) The agency received 26 requests for a public hearing, of which 23 were subsequently withdrawn. Therefore, the agency did not receive request for a public hearing from 25 or more persons which were not withdrawn.

(7) Four comments on the rule were received by the agency. No requests for notice of submission to the attorney general were received by the agency.

Based on the comments and evidence in the record before the agency, I find the following:

(6) 1. Section 4830.7710 **Procedures For Denial or Termination of a Child Care Award** (Attachment A) was added to ennumerate the specific procedures an institution must follow if denying (for a reason other than insufficient funds), or terminating a student's child care award. This added section clarifies section 4830.7700 **Termination of Child Care Award** to avoid confusion and to ensure uniform and equitable treatment of all students denied child care monies or who have child care awards terminated. This added section provides a detailed explanation of institutional requirements referred to in Section 4830.7700, which immediately precedes the added section.

2. Section 4830.7720 **Appeal Process** (Attachment A) was added to provide students with a formal process to appeal a decision made by the student's institution to deny or terminate a child care award. While each institution has an appeal procedure to handle disputes with students over decisions such as award denial

or termination, it was felt that students should have some recourse outside the institution to present their case as to why the award should not be denied or terminated. By providing an appeal procedure outside the institution, equitable treatment of all students can be ensured, and the integrity of the program protected. All students could access the institution's appeal process without this added section, but this added section provides the student with an impartial review process.

(8) The above-captioned rule is needed and reasonable.

NOW, THEREFORE, IT IS ORDERED that the rule identified as Child Care Grants, as modified, is adopted this 29th day of March, 1990, pursuant to authority vested in me by the Laws of Minnesota for 1989, Chapter 293, Section 21.

(9)

DAVID R. POWERS
Executive Director
Minnesota Higher Education
Coordinating Board

4830.7710 PROCEDURES FOR DENIAL OR TERMINATION OF A CHILD CARE AWARD.

Subpart 1. **Applicability.** Students meeting the eligibility requirements in part 4830.7100, subpart 5, but denied a child care grant award due to an institution's lack of program funds, shall be placed on the institution's waiting list pending the availability of program funds. Subpart 2 and part 4830.7720 are not applicable to students who are denied child care grant awards due to lack of program funds.

Subp. 2. **Procedures.** A school must follow the procedures in items A to D when denying or terminating a child care grant award except in cases where the denial is due to lack of program funds.

A. The school shall notify a student, in writing, of denial or termination of a child care grant award. The notice must state the reason or reasons the assistance is being denied or terminated. The notice shall inform the student of the right to contest the adverse action and the procedure for doing so. Except for cases of suspected fraud when a child care grant is terminated, the notice must be mailed to the student's last known address, or hand delivered to the recipient at least 14 calendar days before terminating assistance. In cases of suspected fraud, the termination notice must be mailed or hand delivered at least five working days before the effective date of the termination.

B. Failure of a child care grant recipient to provide required information or documentation, to report changes required under part 4830.7100, subpart 5, or to pay the family copayment fee or the provider charge if the state share of the subsidy is paid directly to the family, is just cause for terminating assistance.

C. Child care assistance payments shall be terminated pending the result of the appeal process in part 4830.7720. If the appeal results in the continuation of child care payments to the student, payments covering the period from termination to the appeal decision to continue child care payments shall be made retroactively to the extent allocated funds are available.

D. If the child care grant award is made by vendor payment, the school shall inform the child care provider of the notice of termination pending the results of the appeal process.

4830.7720 APPEAL PROCESS.

Subpart 1. **Appeal request.** An applicant or recipient of a child care subsidy adversely affected by a school's action may file a written request for an appeal.

Subp. 2. **Informal conference.** The school shall offer an informal conference to students adversely affected by the school's decision in an attempt to resolve the dispute. The school shall advise such students that a request for a conference with the school is optional and does not delay or replace the right to an appeal under subpart 1.

Subp. 3. **Appeal process.** Students must follow the normal appeal process established by the school to handle complaints about financial aid program decisions. The school's appeal process must be completed within two weeks of the student's filing a written request for an appeal with the school. If the student is not satisfied with the result of the appeal, the student may ask the school to forward the results to the executive director of the Minnesota Higher Education Coordinating Board for review. The school must forward the results of the appeal and documentation provided by the student at the appeal to the executive director within two weeks of the

school's appeal decision. The executive director shall review the decision and accompanying documentation, and shall make a decision according to Minnesota Statutes, section 136A.125, and parts 4830.7000 to 4830.7900. The student and school shall be advised in writing of the executive director's decision. The executive director's decision is final.

In the Matter of the Adoption
of the Rule of the Minnesota Higher
Education Coordinating Board Governing
the Child Care Grants Program

DECLARATION OF COUNSEL

I, H. CAMILLA NELSON, Special Assistant Attorney General, do hereby declare that I have examined the above-captioned rule, and the supporting rulemaking record, and that, based on my examination, the Administrative Procedure Act and Minnesota Rules, chapter 2010 have been followed. Any exceptions are listed below. For Attorney General billing purposes, the four-digit docket client code is 0448.

H. Camilla Nelson
Special Assistant Attorney General

Dated: April 24, 1990

COUNSEL

CERTIFICATE OF THE
MINNESOTA HIGHER EDUCATION COORDINATING BOARD

AUTHORIZING RESOLUTION

I, Mona Hintzman, do hereby certify that I am a member and the 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 Minnesota Higher Education Coordinating Board duly and properly called and held on the 16th day of November, 1989, that quorum was present, and that a majority of those present voted for the resolution which has not been rescinded or modified.

> RESOLVED, that David R. Powers, the Executive Director of the Minnesota Higher Education Coordinating Board, is hereby granted the authority and directed to sign and to give the Notice of the Board's Intent to Adopt a rule without a public hearing governing the Child Care Grants Program to all persons who have registered their names with the Board for that purpose and publish the Notice and rules in the State Register, and to perform any and all acts incidental thereto."
>
> IN WITNESS WHEREOF, I have hereunto subscribed my name this 16th day of November, 1989.

Mona Hintzman
(Officer of the Board)

Alice S. Keller
(Attest by one other Board member)

STATEMENT OF NEED AND REASONABLENESS

CHILD CARE GRANTS PROGRAM

as administered by

the Minnesota Higher Education Coordinating Board

AUTHORITY TO PRESCRIBE RULES

The 1989 Minnesota Legislature authorized the establishment of a child care grant program under the supervision of the Minnesota Higher Education Coordinating Board; and to develop policies and adopt rules as necessary to implement and administer the program.[1]

Emergency rules for this program became effective October, 1989. The Board is now proposing to adopt permanent rules. This document provides information on the background of the program, and provides a part-by-part explanation for the proposed permanent rules.

1 Laws of Minnesota for 1989, Chapter 293, Section 28.

HISTORY OF CHILD CARE

Prior to the 1989-90 academic year, the Minnesota legislature appropriated a million dollars for child care grants to post-secondary students at public and private institutions. Ten percent of these monies was set aside for use by students attending private post-secondary institutions. Approximately 6 private institutions indicated that they wanted to participate. The remaining 90% of the appropriated monies were to be distributed among the public post-secondary institutions. The child care grant monies were distributed based upon the number of students with dependent children attending such post-secondary institutions. This data was provided to the Minnesota Department of Human Services by the Minnesota Higher Education Coordinating Board from information included on the State Scholarship and Grant Program data base. The Department of Human Services administered the child grant program, and was responsible for allocating child care monies to participating post-secondary institutions. The county agencies controlled the program monies for the post-secondary institutions, and were involved in the process of distributing monies to eligible students with dependent children. Some post-secondary institutions and county agencies cooperated very well, and the program ran smoothly. However, in some cases eligible students did not receive monies even though they were eligible.

Due to the problems involved in the coordination between some post-secondary institutions and their respective county agencies, effective for the 1989-91 biennium, the Minnesota Higher Education Coordinating Board was designated as the state agency responsible for the administration of the Child Care Grant Program. The program appropriation was increased to 2 million dollars for each year of the biennium. Public post-secondary, and private two and four year post-secondary institutions located in Minnesota are eligible to participate in the Child Care Grants Program. The allocation methodology remained the same, with institutions receiving monies based upon the number of students attending that institution who stated that they had one or more dependent children according to the State Scholarship and Grant data base.

CHAPTER II: Part-by Part Explanation

This chapter provides an explanation for each part of the rules relating to the child care grants program.

4830.7100 **DEFINITIONS**

Subpart 1. **Scope.** This defines the parameters of applicability for the definitions that follow.

Subpart 2. **Continuing enrollment.** Because a student must have continuing enrollment in order to receive priority status for renewal of child grants funds for a subsequent year, it is necessary to define this term. The Board felt that this was necessary to ensure equitable treatment of students seeking priority status and to avoid misunderstanding and confusion.

Subpart 3. **Eligible employment.** Because hours of eligible employment is an element in the calculation of an individual student's child care grant award, the Board felt it necessary to define this term. The institution determines which hours of paid employment shall be covered with child care assistance because the institution knows the circumstances of the student and can best determine how to meet the needs of students attending that institution. The limitation of the number of hours of eligible employment taken into consideration in calculating the student's award is specified in statute.

Subpart 4. **Eligible hours of education.** Because hours of eligible education is an element in the calculation of an individual student's child care grant award, the Board felt is was necessary to define this term so that all eligible students would be treated equitably no matter which institution the student attended. The Board also realized that the institution should have a certain amount of latitude for additional types of hours to be taken into consideration (ex. science lab sessions, computer lab sessions), which may not be considered "class" hours, but are required for completion of coursework.

Subpart 5. **Eligible student.** This definition is consistent with the statutory language defining "eligible students" for this program. In addition to the statutory requirements, the Board felt it necessary to also specify these grant funds to students who are not already receiving outside governmental assistance for child maintenance (i.e., aid to families with dependent children) to avoid double-funding. A student receiving a child care grant under this program is required to report any changes to data supplied on the application form because such changes could affect the amount of the student's child care award. These additional requirements for student eligibility are included to ensure the equitable treatment of all applicants for child care grants under this program.

Subpart 6. **Nonsectarian program.** Because an eligible student must be pursuing a nonsectarian program or course of study that applies to an undergraduate degree, diploma, or certificate, this term must be defined for clarity. This term is used in the statutory language describing the type of program a student can pursue in order to apply for a child care grant.

Subpart 7. **Institution's share.** Because the institution's share is an element in the Board's formula for calculating an institution's annual allocation and reallocation of child care grant monies, this term must be defined. This definition is consistent with similar definitions for variables in allocation/reallocation formulas used by the Board for other state financial aid programs.

4830.7200 **ELIGIBLE INSTITUTIONS.** This definition is consistent with the statutory language governing the Child Care Grants Program. In addition, the Board felt it necessary to require each institution participating in this program to sign an agreement with the Board that enumerates the responsibilities of the institution and the Board in the operation of the Child Care Grants Program. The requirement to sign such an agreement is consistent with other financial aid programs administered by the Board.

4830.7300 **STUDENT PRIORITY.** According to statute, child care grant awards are made for one academic year. Since grant recipients must be enrolled in a program which applies to an undergraduate degree, diploma, or certificate, the Board felt that some preference should be given to students who have received child care grant awards in the prior academic year by giving them the opportunity to apply for continuation of grant assistance in the following academic year and receive preference for child care grant monies over students applying for such monies for the first time. Completing coursework for a degree, diploma, or certificate typically involves enrollment over more than one academic year. Permitting child care grant recipients to re-apply and receive priority status for assistance in the following academic year encourages students pursuing such a course of study to continue their attendance and complete the required coursework. The June 1 deadline provides ample time for students who have received child care grant awards during an academic year to apply for such assistance in the following academic year, if necessary. The timing of the deadline date also assists institutions in advising new child care grant applicants on the likelihood of the availability of monies for the following academic year. This helps new applicants in making long-range educational, work, and child care plans.

4830.7400 **APPLICATION AND DISTRIBUTION OF FUNDS FOR GRANTS.**

Subpart 1. **Initial allocation formula.** This formula is patterned after comparable formulas used by the Board in the allocation of program monies to institutions participating in other state financial aid programs, and is consistent with the statutory language relating to initial allocations to institutions.

Subpart 2. **Yearly allocation to institutions.** This formula is patterned after comparable formulas used by the Board in the allocation of programs monies to institutions participating in other state financial aid programs, and is consistent with the statutory language relating to annual allocations to institutions. It encourages institutions to either use all the program monies allocated to it for the academic year, or return unused monies by the deadline date so the returned funds can be re-distributed to institutions needing

additional child care grant funds to meet the needs of its students. In this way, the Board feels that the needs of the most students can be met with available program funds.

Subpart 3. **Reallocation.** This formula is patterned after comparable formulas used by the Board in the reallocation of program monies to institutions participating in other state financial aid programs. Under this methodology, an institution can request the amount of additional child care grant monies it estimates could be utilized within the current academic year, and does not adversely affect an institution that did not utilize its entire allocation during the prior academic year.

Subpart 4. **Administrative expense.** In the Laws of Minnesota for 1989, Chapter 293, Subd. 3, the Board is permitted to determine "a reasonable percentage" of the child care appropriation to be used for administrative expense. The Board felt that it may be necessary to adjust this percentage annually, so the language on administrative expense is general enough to permit such an adjustment, after reviewing information received from participating institutions and records at MHECB concerning actual costs of administration. This adjustment would take effect at the beginning of the fiscal year. For the first year of program administration by the board, the administrative expense was set at 7%, which is the same percentage used previously when county agencies handled these child care program funds. Since the Board had no prior experience administering this program and setting a realistic administrative expense percentage for this program, the Board felt it reasonable to continue to use the same percentage amount for the first year of the child care program under the Board's administration. Once actual data on administrative costs are available for a complete fiscal year from MHECB records and institutional feedback, the percentage can be adjusted appropriately for the following fiscal year.

Subpart 5. **Notification.** This procedure of notifying institutions in writing of allocation and reallocation amounts is consistent with operating procedures used in other state financial aid programs administered by the Board. It provides the Board and the institution with written documentation of child care grant monies disbursed to the institution during the academic year, and assists in the reconciliation of annual program final reports submitted by each institution to the Board at the end of each fiscal year.

Subpart 6. **Accountability.** By signing the child care program agreement, the participating institution recognizes its accountability for child care monies disbursed to students at the institution. This accountability ensures the integrity of the program and the use of program monies to assist only those students who meet the eligibility requirements for participation in the program.

Subject 7. **Unused funds.** This requirement to return unused program monies within a specific time period is consistent with the procedure used for reallocation of program monies during the academic year in other statefinancial aid programs administered by the Board. This is an attempt by the Board to be responsive to the statutory requirement to monitor and reallocate child care grant monies.

4830.7500 **AMOUNT AND TERM OF GRANTS.**

Subpart 1. **Financial need.** MN Statutes 256.07, subd. 1 requires that the Board use the Human Services sliding scale, which is based on family size and income, to determine the student's eligibility for a child care award. The language also attempts to ensure that all students are treated equitably under this system of determining financial need by specifying that if a student is eligible and program funds are available, the institution is obligated to award the student a child care grant award. Also, it is possible that a student's eligibility may change if family size or family income change. Such changes should be reported to the institution promptly to ensure that the child care grant award reflects the appropriate circumstances of the student's eligibility.

Subpart 2. **Amount.** MN Statutes 256.07, subd. 1 requires that the non-AFDC post-secondary child care program be comparable to the Human Services child care program. The features described in this section ensure such comparability and permits the institution, within specified guidelines, to determine the specific amount of child care grant monies for each of its eligible students. The institution can be responsive to the changing need of its students within pre-determined requirements specified by the Board. The language also ensures that if a student's situation changes, thus increasing the student's child care award amount eligibility, the institution is required to increase the student's award amount. Thus, some flexibility is retained at the institutional level to be responsive to the varying needs of its students without undermining the integrity of the program as administered by the Board.

Subpart 3. **Insufficient funds.** The Board felt it necessary to provide participating institutions with a specific choice of methods for awarding child care grant monies to applicants on a waiting list if the institution is unable to award child care grant applicants given its initial child care grant allocation for the academic year. This provides guidance to the institution in awarding limited program monies to ensure the integrity of the program and the equitable treatment of applicants regardless of the institution the student is attending.

4830.7600 **PAYMENT.**
This practice of disbursing award monies by academic term provides more control over program monies and is consistent with the method of award payments to students in other financial aid programs administered by the Board.

4830.7700 **TERMINATION OF CHILD CARE AWARD.**
If the student no longer meets the eligibility requirements under the Child Care Grants Program, the student cannot continue to receive assistance under this program. However, the Board feels that it is necessary to allow the student the opportunity to meet with the financial aid officer at the institution to discuss the reason for termination, and to provide documentation supporting the continuation of the child care grant award. The Board feels that this procedure should eliminate miscommunication between the student and the institution, and protect the rights of the student and the institution in regard to the

utilization of child care grant monies.

4830.7800 **REFUNDS.**
This methodology of calculating refunds to the child care program is consistent with the methodology used in other state financial aid programs administered by the Board. It provides efficient utilization of program monies and equitable treatment of all students participating in this program.

4830.7900 **REPORTS OF DATA.**
The reporting requirements specified in this section reflect statutory requirements. The deadline date for submission of such reports is consistent with the reporting requirements of institutions participating in other state financial aid programs administered by the Board. In order to analyze program operations and provide statistical reports for the Governor and Legislature, the Board felt it necessary to specify the reporting requirements, the specific data required of institutions participating in this program, and the deadline date for submission of such data. This ensures efficient program operations, and provides the Board with data necessary for policy planning and implementation as required by statute.

Higher Education Coordinating Board

Proposed Permanent Rules Relating to Child Care Grants Program

Rules as Proposed (all new material)

CHILD CARE GRANTS

4830.7000 SCOPE.

Parts 4830.7000 to 4830.7900 govern state assistance to institutions to reduce the cost of child care for eligible students attending eligible postsecondary institutions.

4830.7100 DEFINITIONS.

Subpart 1. **Scope.** The definitions in this part apply for the purposes of parts 4830.7000 to 4830.7900.

Subp. 2. **Continuing enrollment.** "Continuing enrollment" means that a student has not had an interruption in enrollment at the institution in which the student is currently enrolled for more than one academic term or 60 days of the immediately preceding academic year, whichever is longer. A student may miss one academic term and summer school and not lose continuing enrollment status.

Subp. 3. **Eligible employment.** "Eligible employment" means the number of hours of paid employment that the institution determines shall be covered with child care assistance, not to exceed 20 hours of employment per week.

Subp. 4. **Eligible hours of education.** "Eligible hours of education" means:

A. hours spent in class;

B. up to a maximum of one hour a day for transportation between class, home, and employment;

C. up to four hours a day between classes; and

D. additional eligible hours as determined by the institution.

Subp. 5. **Eligible student.** "Eligible student" means a student who:

A. has a child 12 years of age or younger, or 14

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years of age or younger who is handicapped as defined in Minnesota Statutes, section 120.03, and who is receiving or will receive care on a regular basis from a provider of child care services as those terms are defined in Minnesota Statutes, section 256H.01, subdivisions 2 and 12, after the grant is received;

B. is a resident of Minnesota as defined in part 4830.0400, subpart 2;

C. is not a recipient of aid to families with dependent children;

D. has not earned a baccalaureate degree and has been enrolled full time in any postsecondary institution fewer than eight semesters, 12 quarters, or the equivalent;

E. is pursuing a nonsectarian program or course of study that applies to an undergraduate degree, diploma, or certificate;

F. is enrolled at least half time in an eligible institution for the term for which an award is received;

G. is in good academic standing and making satisfactory progress, as defined by the institution according to federal requirements; and

H. reports any changes to data reported on the child care application within ten days of the change.

Subp. 6. **Nonsectarian program.** "Nonsectarian program" means a program of study that is not specifically designed to prepare students to become ministers of religion, to enter some other religious vocation, or to prepare them to teach theological subjects. A nonsectarian program may provide for the scholarly study of religion as a discipline of knowledge in a manner similar to that provided for any other field of study, but must not require its students to take courses that are based on a particular set of religious beliefs, to receive instruction intended to propagate or promote any religious beliefs, to participate in religious activities, to maintain affiliation with a particular church or religious organization, or to attest to any particular religious beliefs.

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Subp. 7. **Institution's share.** "Institution's share" means the number of students in an eligible institution who have applied for the state scholarship and grant program under parts 4830.0200 to 4830.0700 for the most current academic year and who have reported dependent children.

4830.7200 ELIGIBLE INSTITUTIONS.

Institutions eligible for child care grants are Minnesota public postsecondary institutions and private, residential colleges or universities granting two-year or four-year liberal arts degrees that have signed a child care program agreement with the board.

4830.7300 STUDENT PRIORITY.

Beginning July 1, 1990, a student who has received an award from the program in the immediately preceding academic year and who has had continuing enrollment at that institution must be given a child care award for the next academic year if the student remains eligible and funds are available. A student shall apply for a continuation of funds by June 1 of the preceding academic year or lose priority ranking for the funds over students who did not apply for a continuation of funds by June 1 and eligible students applying for a child care grant for the first time.

4830.7400 APPLICATION AND DISTRIBUTION OF FUNDS FOR GRANTS.

Subpart 1. **Initial allocation formula.** Funds shall be allocated to each eligible institution according to the following formula:

A. the institution's share divided by the sum of participating institutions' shares; and

B. multiplied by the current fiscal year's appropriation for child care grants.

Subp. 2. **Yearly allocation to institutions.** After the 1989-1990 academic year, funds shall be allocated to each eligible institution according to the following formula:

A. the institution's share divided by the sum of

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participating institutions' shares;

B. multiplied by the current fiscal year's appropriation for child care grants; and

C. multiplied by the percent of funds for child care grants actually used by the institution during the prior academic year.

Subp. 3. **Reallocation.** The board shall reallocate available funds at least twice during the academic year to institutions requesting additional child care funds according to the following formula:

A. the institution's share divided by the sum of the shares of institutions requesting additional funds; and

B. multiplied by the amount of child care funds available for reallocation.

Subp. 4. **Administrative expense.** By July 1 of each year, the board shall set the percentage of awarded child care grant funds that may be used for administration of the child care program by the board and the institution.

Subp. 5. **Notification.** The board shall notify each participating institution in writing of allocation and reallocation amounts.

Subp. 6. **Accountability.** Each participating institution shall be accountable for any funds disbursed to students for child care grants. Funds may be used only during the fiscal year of disbursement. If a student does not use a grant because the student does not enroll or withdraws from the institution, the institution may use the funds for other eligible students or return them to the board.

Subp. 7. **Unused funds.** An institution shall return funds that the institution determines will not be used within 30 days from the date of a request by the board. The board shall reallocate unused funds to other participating institutions requesting additional funds.

4830.7500 AMOUNT AND TERM OF GRANTS.

Subpart 1. **Financial need.** An institution shall award a

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grant to each eligible student to the extent allocated funds are available. The family income and family size used shall be that used to determine eligibility for the state scholarship and grant program under parts 4830.0200 to 4830.0700 and must be within the income ranges established by Minnesota Statutes, section 256H.10, subdivision 2. Each student shall report any changes in income within ten days to the institution.

Subp. 2. **Amount.** The amount of a grant must cover:

A. the cost of child care for all children 12 years old or younger, or 14 years old or younger if the child is handicapped as defined in Minnesota Statutes, section 120.03;

B. the total number of eligible hours for which child care is needed; and

C. the provider's charge up to a maximum rate established each year by the board based on rate information received from the Department of Human Services in each county where services are being provided.

The institution shall determine the amount of child care needed for the eligible hours of education as defined in part 4830.7100, subpart 4, and the number of eligible hours of employment as defined in part 4830.7100, subpart 3, for each academic term and then subtract the amount of student copayment for each month of child care according to charts provided by the board.

The amount of the grant must not exceed 60 hours per child per week and must not cover hours during which a parent or legal guardian is capable and available to care for the children.

If, after an award is made, a student presents information to the institution that would increase the student's child care award, the award must be increased if program funds are available.

Subp. 3. **Insufficient funds.** An institution shall make awards that cover all eligible hours as defined in part 4830.7100, subparts 3 and 4. An institution may use one of the following methods to award the next student on the institution's waiting list if funds are insufficient to award all students

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eligible for the child care grants:

A. an institution may delay the beginning of an award but once an award is made, the award must continue throughout the year unless a student becomes ineligible;

B. an institution may award a student a full child care grant but notify the student that all awards are contingent on the availability of funds and that the student might not receive the full award; as refunds or reallocations make funds available, no new student may receive an award until outstanding awards are assured full disbursement; or

C. an institution may supplement child care money with institutional money in order to make a full disbursement to a student.

4830.7600 PAYMENT.

Child care payments shall be made each academic term to the student or to the child care provider, as determined by the institution.

4830.7700 TERMINATION OF CHILD CARE AWARD.

A child care award shall be terminated if the student ceases to meet the eligibility requirements in part 4830.7100, subpart 5. Before termination of the award occurs, the institution must allow the student to meet with the financial aid officer at the institution to discuss the termination, and provide documentation as to why the termination should not occur.

4830.7800 REFUNDS.

If a recipient reduces enrollment, the institution must refund the unused portion of the award. Refunds are determined as follows:

A. the percentage the child care award represents of the student's total financial aid package for the applicable term; and

B. multiplied by the amount determined to be refunded to the student under the institution's refund policy. The result yields the amount to be refunded to the program fund.

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Refunded awards are available for reassignment to other qualified applicants.

4830.7900 REPORTS OF DATA.

Institutions must:

A. collect demographic, educational, and financial data specified by the board from eligible students requesting child care grants;

B. provide the board with individual student data upon request;

C. report information about students who receive awards, students who are on the waiting list, and students who were denied awards, including the institution's methods of prioritizing applicants if insufficient funds are available; and

D. submit fiscal year program activity reports and student data reports to the board.

Fiscal year program activity reports and student data reports are required by the board. Institutions shall correctly complete and submit all required reports and any applicable refunds to the board by the first working day after August 9. The board shall withhold an institution's subsequent year's allocation if the deadline date is not met.

Approved
by Revisor _____

Office of the Revisor of Statutes

Administrative Rules

TITLE: Proposed Permanent Rules Relating to Child Care Grants Program

AGENCY: Higher Education Coordinating Board

MINNESOTA RULES: Chapter 4830

The attached rules are approved for publication in the State Register

Carla M. Riehle
Assistant Revisor

MINNESOTA HIGHER EDUCATION COORDINATING BOARD

In the Matter of the Proposed Adoption of the Rule of the Minnesota Higher Education Coordinating Board Governing the Child Care Grants Program

NOTICE OF INTENT TO ADOPT A RULE WITHOUT A PUBLIC HEARING

(1) Notice is hereby given that the Minnesota Higher Education Coordinating Board intends to adopt the above-entitled rule without a public hearing following the procedures set forth in the Administrative Procedure Act for adopting rules without a public hearing in Minnesota Statutes, sections 14.22 to 14.28. The authority to adopt the rule is in Minnesota Statutes 136A.04, subd. 1(9) and 136A.125, subd. 1.

(2) All persons have 30 days in which to submit comment in support of or in opposition to the proposed rules or any part or subpart of the rule. Comment is encouraged. (3) Each comment should indentify the portion of the proposed rule addressed, the reason for the comment, and any change proposed.

Any person may make a written request for a public hearing on the rule within the 30-day comment period. (4) If 25 or more persons submit a written request for a public hearing within the 30-day comment period, a public hearing will be held unless a sufficient number withdraw their request in writing. (6) Any person requesting a public hearing should state his or her name and address, and is encouraged to identify the portion of the proposed rule addressed, the reason for the request, and any change proposed. (7) If a public hearing is required, the agency will proceed pursuant to Minnesota Statutes, sections 14.131 to 14.20.

Comments or written requests for a public hearing must be submitted to: (5)

Mary Lou Dresbach
Minnesota Higher Education Coordinating Board
Capitol Square Building, Suite 400
550 Cedar Street
St. Paul, MN 55101
(612) 296-9656

(8) The proposed rule may be modified if the modifications are supported by data and views submitted to the agency and do not result in a substantial change in the proposed rule as noticed.

(11) A copy of the proposed rule is attached to this notice.

(12) A Statement of Need and Reasonableness that describes the need for the reasonableness of each provision of the proposed rule and identifies the data and information relied upon to support the proposed rule has been prepared and is available from Mary Lou Dresbach upon request.

(9) If no hearing is required, upon adoption of the rule, the rule and the required supporting documents will be submitted to the Attorney General for review as to legality and form to the extent the form relates to legality. Any person may request notification of the date of submission to the Attorney General. Persons who wish to be advised of the submission of this material to the Attorney General, or who wish to receive a copy of the adopted rule, must submit the written request to Mary Lou Dresbach.

12/7/89
Date

David R. Powers
Executive Director
Minnesota Higher Education
Coordinating Board

In the Matter of the Proposed Adoption of the Rule of the Minnesota Higher Education Coordinating Board Governing the Child Care Grants Program

AFFIDAVIT OF MAILING THE NOTICE OF INTENT TO TO ADOPT A RULE WITHOUT A PUBLIC HEARING AND CERTIFICATE OF MAILING LIST

STATE OF MINNESOTA)
)ss.
COUNTY OF RAMSEY)

Mary Lou Dresbach, being sworn says:

I hereby certify that the list of persons and associations who have requested, pursuant to Minnesota Statutes, sections 14.14, subdivision 1a and 14.22 or 14.30, that their names be placed on the Minnesota Higher Education Coordinating Board rulemaking mailing list is accurate, complete, and current as of this 21st day of December, 1989.

That on the 21st day of December, 1989, at the City of St. Paul, County of Ramsey, State of Minnesota, I mailed the attached Notice of Intent of Adopt A Rule Without a Public Hearing by depositing in the State of Minnesota Central Mail System for United States mailing, a copy thereof, with postage prepaid, to all persons and assosciation on the aforementioned mailing list.

Mary Lou Dresbach
Program Assistant

Subscribed and sworn to before me this 21st day of December, 1989.

Katherine A. Fisch

KATHERINE A. FISCH
NOTARY PUBLIC-MINNESOTA
RAMSEY COUNTY
MY COMMISSION EXPIRES DECEMBER 26, 1994

a visible location by use of a stainless steel clamp or metal band or strap. Alternately, the label may be attached to a concrete pump base or pedestal by the use of screws or fasteners, or may be attached to a monitoring well manhole or vault.

Subp. 5. **Removal or label.** The well identification label may only be removed by a person licensed or registered to modify the well. Upon completion of modification or repair of the well, the label must be reattached.

Subp. 6. **Well modification.** A new well identification label must be attached to the well by any person who alters the well depth, diameter, or casing.

REPEALER. *Minnesota Rules*, parts 4725.0100, subparts 2, 3, 6, 7, 15, 16, 18, 25, 31, and 41; 4725.0600; 4725.0700, subpart 2; 4725.0800; 4725.0900; 475.1000, subparts 1 and 3; 4725.1100; 4725.1200; and 4725.1850, are repealed.

Higher Education Coordinating Board

Proposed Permanent Rules Relating to Child Care Grants Program

Notice of Intent to Adopt a Rule Without a Public Hearing

NOTICE IS HEREBY GIVEN that the Minnesota Higher Education Coordinating Board intends to adopt the above-entitled rule without a public hearing following the procedures set forth in the Administrative Procedure Act for adopting rules without a public hearing in *Minnesota Statutes*, sections 14.22 to 14.28. The authority to adopt the rule is in *Minnesota Statutes* 136A.04, subd. 1(9) and 136A.125, subd. 1.

All persons have 30 days in which to submit comment in support of or in opposition to the proposed rules or any part or subpart of the rule. Comment is encouraged. Each comment should identify the portion of the proposed rule addressed, the reason for the comment, and any change proposed.

Any person may make a written request for a public hearing on the rule within the 30-day comment period. If 25 or more persons submit a written request for a public hearing within the 30-day comment period, a public hearing will be held unless a sufficient number withdraw their request in writing. Any person requesting a public hearing should state his or her name and address, and is encouraged to identify the portion of the proposed rule addressed, the reason for the request, and any change proposed. If a public hearing is required, the agency will proceed pursuant to *Minnesota Statutes*, sections 14.131 to 14.20.

Comments or written requests for a public hearing must be submitted to:

Mary Lou Dresbach
Minnesota Higher Education Coordinating Board
Capitol Square Building, Suite 400
550 Cedar Street
St. Paul, MN 55101
(612) 296-9656

The proposed rule may be modified if the modifications are supported by data and views submitted to the agency and do not result in a substantial change in the proposed rule as noticed.

A copy of the proposed rule is attached to this notice.

A STATEMENT OF NEED AND REASONABLENESS that describes the need for the reasonableness of each provision of the proposed rule and identifies the data and information relied upon to support the proposed rule has been prepared and is available from Mary Lou Dresbach upon request.

If no hearing is required, upon adoption of the rule, the rule and the required supporting documents will be submitted to the Attorney General for review as to legality and form to the extent the form relates to legality. Any person may request notification of the date of submission to the Attorney General. Persons who wish to be advised of the submission of this material to the Attorney General, or who wish to receive a copy of the adopted rule, must submit the written request to Mary Lou Dresbach.

Dated: 7 December 1989

David R. Powers
Executive Director
Minnesota Higher Education
Coordinating Board

Rules as Proposed (all new material)

CHILD CARE GRANTS

4830.7000 SCOPE.

Parts 4830.7000 to 4830.7900 govern state assistance to institutions to reduce the cost of child care for eligible students attending eligible postsecondary institutions.

4830.7100 DEFINITIONS.

Subpart 1. **Scope.** The definitions in this part apply for the purposes of parts 4830.7000 to 4830.7900.

Subp. 2. **Continuing enrollment.** "Continuing enrollment" means that a student has not had an interruption in enrollment at the institution in which the student is currently enrolled for more than one academic term or 60 days of the immediately preceding academic year, whichever is longer. A student may miss one academic term and summer school and not lose continuing enrollment status.

Subp. 3. **Eligible employment.** "Eligible employment" means the number of hours of paid employment that the institution determines shall be covered with child care assistance, not to exceed 20 hours of employment per week.

Subp. 4. **Eligible hours of education.** "Eligible hours of education" means:

A. hours spent in class;

B. up to a maximum of one hour a day for transportation between class, home, and employment;

C. up to four hours a day between classes; and

D. additional eligible hours as determined by the institution.

Subp. 5. **Eligible student.** "Eligible student" means a student who:

A. has a child 12 years of age or younger, or 14 years of age or younger who is handicapped as defined in *Minnesota Statutes*, section 120.03, and who is receiving or will receive care on a regular basis from a provider of child care services as those terms are defined in *Minnesota Statutes*, section 256H.01, subdivisions 2 and 12, after the grant is received;

B. is a resident of Minnesota as defined in part 4830.0400, subpart 2;

C. is not a recipient of aid to families with dependent children;

D. has not earned a baccalaureate degree and has been enrolled full time in any postsecondary institution fewer than eight semesters, 12 quarters, or the equivalent;

E. is pursuing a nonsectarian program or course of study that applies to an undergraduate degree, diploma, or certificate;

F. is enrolled at least half time in an eligible institution for the term for which an award is received;

G. is in good academic standing and making satisfactory progress, as defined by the institution according to federal requirements; and

H. reports any changes to data reported on the child care application within ten days of the change.

Subp. 6. **Nonsectarian program.** "Nonsectarian program" means a program of study that is not specifically designed to prepare students to become ministers of religion, to enter some other religious vocation, or to prepare them to teach theological subjects. A nonsectarian program may provide for the scholarly study of religion as a discipline or knowledge in a manner similar to that provided for any other field of study, but must not require its students to take courses that are based on a particular set of religious beliefs, to receive instruction intended to propagate or promote any religious beliefs, to participate in religious activities, to maintain affiliation with a particular church or religious organization, or to attest to any particular religious beliefs.

Subp. 7. **Institution's share.** "Institution's share" means the number of students in an eligible institution who have applied for the state scholarship and grant program under parts 4830.0200 to 4830.0700 for the most current academic year and who have reported dependent children.

4830.7200 ELIGIBLE INSTITUTIONS.

Institutions eligible for child care grants are Minnesota public postsecondary institutions and private, residential colleges or universities granting two-year or four-year liberal arts degrees that have signed a child care program agreement with the board.

KEY: 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." **ADOPTED RULES SECTION** — Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language.

4830.7300 STUDENT PRIORITY.

Beginning July 1, 1990, a student who has received an award from the program in the immediately preceding academic year and who has had continuing enrollment at that institution must be given a child care award for the next academic year if the student remains eligible and funds are available. A student shall apply for a continuation of funds by June 1 of the preceding academic year or lose priority ranking for the funds over students who did not apply for a continuation of funds by June 1 and eligible students applying for a child care grant for the first time.

4830.7400 APPLICATION AND DISTRIBUTION OF FUNDS FOR GRANTS.

Subpart 1. **Initial allocation formula.** Funds shall be allocated to each eligible institution according to the following formula:

A. the institution's share divided by the sum of participating institutions' shares; and

B. multiplied by the current fiscal year's appropriation for child care grants.

Subp. 2. **Yearly allocation to institutions.** After the 1989-1990 academic year, funds shall be allocated to each eligible institution according to the following formula:

A. the institution's share divided by the sum of participating institutions' shares;

B. multiplied by the current fiscal year's appropriation for child care grants; and

C. multiplied by the percent of funds for child care grants actually used by the institution during the prior academic year.

Subp. 3. **Reallocation.** The board shall reallocate available funds at least twice during the academic year to institutions requesting additional child care funds according to the following formula:

A. the institution's share divided by the sum of the shares of institutions requesting additional funds; and

B. multiplied by the amount of child care funds available for reallocation.

Subp. 4. **Administrative expense.** By July 1 of each year, the board shall set the percentage of awarded child care grant funds that may be used for administration of the child care program by the board and the institution.

Subp. 5. **Notification.** The board shall notify each participating institution in writing of allocation and reallocation amounts.

Subp. 6. **Accountability.** Each participating institution shall be accountable for any funds disbursed to students for child care grants. Funds may be used only during the fiscal year of disbursement. If a student does not use a grant because the student does not enroll or withdraws from the institution, the institution may use the funds for other eligible students or return them to the board.

Subp. 7. **Unused funds.** An institution shall return funds that the institution determines will not be used within 30 days from the date of a request by the board. The board shall reallocate unused funds to other participating institutions requesting additional funds.

4830.7500 AMOUNT AND TERM OF GRANTS.

Subpart 1. **Financial need.** An institution shall award a grant to each eligible student to the extent allocated funds are available. The family income and family size used shall be that used to determine eligibility for the state scholarship and grant program under parts 4830.0200 to 4830.0700 and must be within the income ranges established by *Minnesota Statutes*, section 256H.10, subdivision 2. Each student shall report any changes in income within ten days to the institution.

Subp. 2. **Amount.** The amount of a grant must cover:

A. the cost of child care for all children 12 years old or younger, or 14 years old or younger if the child is handicapped as defined in *Minnesota Statutes*, section 120.03;

B. the total number of eligible hours for which child care is needed; and

C. the provider's charge up to a maximum rate established each year by the board based on rate information received from the Department of Human Services in each county where services are being provided.

The institution shall determine the amount of child care needed for the eligible hours of education as defined in part 4830.7100, subpart 4, and the number of eligible hours of employment as defined in part 4830.7100, subpart 3, for each academic term and then subtract the amount of student copayment for each month of child care according to charts provided by the board.

The amount of the grant must not exceed 60 hours per child per week and must not cover hours during which a parent or legal guardian is capable and available to care for the children.

If, after an award is made, a student presents information to the institution that would increase the student's child care award, the award must be increased if program funds are available.

Subp. 3. **Insufficient funds.** An institution shall make awards that cover all eligible hours as defined in part 4830.7100, subparts 3 and 4. An institution may use one of the following methods to award the next student on the institution's waiting list if funds are insufficient to award all students eligible for the child care grants:

A. an institution may delay the beginning of an award but once an award is made, the award must continue throughout the year unless a student becomes ineligible;

B. an institution may award a student a full child care grant but notify the student that all awards are contingent on the availability of funds and that the student might not receive the full award; as refunds or reallocations make funds available, no new student may receive an award until outstanding awards are assured full disbursement; or

C. an institution may supplement child care money with institutional money in order to make a full disbursement to a student.

4830.7600 PAYMENT.

Child care payments shall be made each academic term to the student or to the child care provider, as determined by the institution.

4830.7700 TERMINATION OF CHILD CARE AWARD.

A child care award shall be terminated if the student ceases to meet the eligibility requirements in part 4830.7100, subpart 5. Before termination of the award occurs, the institution must allow the student to meet with the financial aid officer at the institution to discuss the termination, and provide documentation as to why the termination should not occur.

4830.7800 REFUNDS.

If a recipient reduces enrollment, the institution must refund the unused portion of the award. Refunds are determined as follows:

A. the percentage the child care award represents of the student's total financial aid package for the applicable term; and

B. multiplied by the amount determined to be refunded to the student under the institution's refund policy. The result yields the amount to be refunded to the program fund. Refunded awards are available for reassignment to other qualified applicants.

4830.7900 REPORTS OF DATA.

Institutions must:

A. collect demographic, educational, and financial data specified by the board from eligible students requesting child care grants;

B. provide the board with individual student data upon request;

C. report information about students who receive awards, students who are on the waiting list, and students who were denied awards, including the institution's methods of prioritizing applicants if insufficient funds are available; and

D. submit fiscal year program activity reports and student data reports to the board.

Fiscal year program activity reports and student data reports are required by the board. Institutions shall correctly complete and submit all required reports and any applicable refunds to the board by the first working day after August 9. The board shall withhold an institution's subsequent year's allocation if the deadline date is not met.

Minnesota Housing Finance Agency

Proposed Permanent Rules Relating to Income Units, Limited Unit Developments

Notice of Intent to Adopt a Rule Without a Public Hearing

NOTICE IS HEREBY GIVEN that the Minnesota Housing Finance Agency intends to adopt the above-entitled rule without a public hearing following the procedures set forth in the Administrative Procedure Act for adopting rules without a public hearing in *Minnesota Statutes* sections 14.22 to 14.28. The statutory authority to adopt the rule is *Minnesota Statutes* 462A.06, Subd. 4 and 11.

All persons have 30 days in which to submit comment in support of or in opposition to the proposed rule or any part of subpart of the rule. Comment is encouraged. Each comment should identify the portion of the proposed rule addressed, the reason for the comment, and any change proposed.

Any person may make a written request for a public hearing on the rule within the 30-day comment period. If 25 or more persons submit a written request for a public hearing within the 30-day comment period, a public hearing will be held unless a sufficient

KEY: 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." **ADOPTED RULES SECTION** — Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language.