

Minnesota Attorney General: Administrative Rules Proceedings

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Version 3
August 20, 2018

MINNESOTA HIGHER EDUCATION COORDINATING BOARD

In the Matter of the Proposed Adoption of the Rule of the Minnesota Higher Education Coordinating Board Governing Definitions for Higher Education Programs, Scholarships and Grants, Part-Time Student Grants, Work-Study Grants, and Student Educational Loan Fund.

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 statutory authority to adopt the rule is in Minnesota Statutes 136A.04, Subd. 1(9), 136A.16., and 136A.234.

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 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. 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.

1/5/90
Date

David R. Powers
Executive Director
Minnesota Higher Education
Coordinating Board

A free copy of the rule is available upon request from Nancy Bishop, Department of Human Services, 444 Lafayette Road, St. Paul, MN 55155-3816, (612) 296-7454.

A copy of the rule may also be viewed at any of the 87 county welfare or human services agencies in the State of Minnesota.

A Statement of Need and Reasonableness that describes the need for and 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 upon request from Nancy Bishop, Department of Human Services, 444 Lafayette Road, St. Paul, MN 55155-3816, (612) 296-7454.

Adoption of these rules will not result in additional spending by local public bodies in excess of $100,000 per year for the first two years following adoption under the requirements of *Minnesota Statutes*, section 14.11. A fiscal note prepared according to requirements of *Minnesota Statutes*, section 3.98, subdivision 2, estimating the fiscal impact of the rule is available from Nancy Bishop, Department of Human Services, 444 Lafayette Road, St. Paul, MN 55155-3816.

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 Nancy Bishop, Department of Human Services, 444 Lafayette Road, St. Paul, MN 55155-3816.

Ann Wynia
Commissioner of Human Services

Rules as Proposed

9505.0115 REDETERMINATION OF ELIGIBILITY.

[For text of subps 1 and 2, see M.R. 1989]

Subp. 3. **Periodic redetermination.** The local agency shall perform periodic redeterminations before the end of the eligibility periods defined in part 9505.0110, subpart 2, items A and B, so that eligibility is not interrupted because of agency delay of redetermination. The local agency shall review ~~quarterly~~ semiannually those cases where the person's assets are within $300 of the asset limitations in parts 9505.0059 and 9505.0060.

[For text of subps 4 and 5, see M.R. 1989]

Higher Education Coordinating Board

Proposed Permanent Rules Relating to Financial Aid

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 statutory authority to adopt the rule is in *Minnesota Statutes* 136A.04, Subd. 1(9), 136A.16, and 136A.234.

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: 5 January 1990

David R. Powers
Executive Director
Minnesota Higher Education
Coordinating Board

Rules as Proposed

4830.0100 DEFINITIONS FOR HIGHER EDUCATION PROGRAMS.

[For text of subps 1 to 4, see M.R.]

Subp. 5. **Eligible student.** "Eligible student" means a student who meets, at a minimum, all of the following requirements:

[For text of items A to D, see M.R.]

E. is in good standing and making satisfactory progress, as determined by the school; ~~and~~

F. is a permanent resident of the United States, if the student is not a United States citizen; and

G. is not in default, as defined under the applicable loan program, of any educational loan, or, if the student is in default, has made satisfactory arrangements to repay the loan.

Subp. 6. **Executive director.** "Executive director" means the executive director of the ~~Higher Education Coordinating~~ board, or board staff who perform duties as assigned by the executive director.

[For text of subps 7 to 9, see M.R.]

Subp. 10. **Minnesota resident.** "Minnesota resident" means:

A. ~~For~~ a dependent student~~, a student~~ whose parent or legal guardian resides in Minnesota on the date of application; ~~or~~

B. ~~For~~ an independent student~~, a student~~ who has resided in Minnesota for other than educational purposes for at least 12 consecutive months prior to the date of application;

C. a student who graduated from a Minnesota high school; or

D. a student who, after residing in the state for a minimum of one year, earned a high school equivalency certificate in Minnesota.

Subp. 10a. **Determination of student residence.** The residence of the parent whose financial information is reported in the financial need analysis determines the residence of the student.

[For text of subp 11, see M.R.]

Subp. 12. **Returning student.** "Returning student" is a student who has not been in attendance at a postsecondary institution for at least the last three consecutive years before applying for aid.

STATE SCHOLARSHIPS AND GRANTS ~~IN-AID~~

4830.0200 SCOPE.

Parts 4830.0200 to 4830.0700 govern state scholarships and ~~grants-in-aid~~ grants.

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.

4830.0300 ELIGIBLE SCHOOLS.

Subpart 1. **Annual list.** Annually the board shall adopt by resolution a list of schools at which a state scholarship or ~~grant-in-aid~~ grant may be used. Schools may be added to the list by the board anytime during the school year.

Subp. 2. **Requirements.** To be eligible a school must:

A. be located in Minnesota;

B. offer at least one program that:

(1) is vocational or academic in nature;

(2) leads to a certificate or degree;

(3) is at least ten weeks long; and

(4) involves at least 12 academic credits or 300 clock hours; ~~and~~

C. be:

(1) accredited by a federally recognized accrediting agency or association;

(2) approved to offer degrees or use terms in its name according to part 4840.0500; or

(3) licensed by an appropriate state agency; and

D. sign an institutional agreement with the executive director.

4830.0400 APPLICATION DATES AND STUDENT ELIGIBILITY.

[For text of subpart 1, see M.R.]

Subp. 2. [See Repealer.]

Subp. 2a. **Out-of-state housing.** A student's Minnesota residence is not lost if the student must live outside of Minnesota for housing purposes while attending an eligible school located within ten miles of the Minnesota border. The student must have moved to the out-of-state address within six months of beginning attendance at an eligible school.

Subp. 3. **Eligibility for initial scholarship.** To be eligible for an initial scholarship a student must be an eligible student, as defined in part 4830.0100, subpart 5, except item E, and:

A. ~~in~~ demonstrate financial need;

B. have ranked in the upper quarter of the class at the end of the junior year of senior high school, or the equivalent, based on the student's cumulative scholastic record in senior high school; ~~and~~

C. be enrolled in a program that is at least ten weeks long, and involves at least 12 academic credits or 300 clock hours; and

D. must not have received a previous Minnesota state scholarship or ~~grant-in-aid~~ grant.

Subp. 4. **Eligibility for initial ~~grant-in-aid~~ grant.** To be eligible for an initial ~~grant-in-aid~~ grant a student must be an eligible student, as defined in part 4830.0100, subpart 5, except E, and:

A. ~~in~~ demonstrate financial need;

B. if under 17 years old, ~~a holder of~~ hold a high school diploma or the equivalent; ~~and~~

C. be enrolled in a program that is at least ten weeks long, and involves at least 12 academic credits or 300 clock hours; and

D. must not have received a previous Minnesota state scholarship or ~~grant-in-aid~~ grant.

Subp. 5. **Renewal awards.** A scholarship or ~~grant-in-aid~~ grant is renewable for a maximum of six semesters, nine quarters, or the equivalent, but must not continue after the first of the following occurrences:

A. the recipient has obtained a baccalaureate degree; or

B. the recipient has been enrolled on a full-time basis for eight semesters, 12 quarters, or the equivalent. To be eligible to renew a scholarship or ~~grant-in-aid~~ grant a student must apply each year and continue to meet the requirements for an initial scholarship or ~~grant-in-aid~~ grant, except for subparts 3 and 4, item ~~C~~ D. A student must have made satisfactory progress as determined by the school.

Subp. 6. **Overlapping awards.** A student may not receive funds from the state campus-based part-time student grant program and the state scholarship and grant program for the same or overlapping periods of enrollment.

4830.0500 RANKING APPLICANTS.

Subpart 1. **Classification and ranking of applicants.** Each applicant shall be placed in at least one of the following classifications:

renewal scholarship, renewal ~~grant-in-aid~~ grant, initial scholarship, initial ~~grant-in-aid~~ grant. ~~Grant-in-aid~~ Grant applicants are ranked according to parental contribution; applicants with the least parental contribution are awarded first. Scholarship applicants are ranked according to class rank as a junior in high school; applicants with the highest class rank are awarded first.

Subp. 2. **Priority of classes of applicants.** Applicants renewing scholarships shall be given first priority. Applicants renewing ~~grants-in-aid~~ grants shall be given second priority. Applicants for initial scholarships shall be given third priority. Applicants for initial ~~grants-in-aid~~ grants shall be given fourth priority. Awards shall be made on a funds available basis. Once an award is made it may not be withdrawn in order to award an applicant of higher priority.

[For text of subp 3, see M.R.]

4830.0600 AWARDS.

Subpart 1. **Monetary awards.** The amount of a scholarship or grant ~~in aid financial stipend~~ may not exceed an applicant's cost of attendance, as defined in *Minnesota Statutes*, section 136A.121, subdivision 6, after deducting the following:

[For text of item A, see M.R.]

B. For an applicant who is not an independent student, a contribution by the applicant's parents, as determined by ~~a~~ the financial need analysis. ~~The parental contribution will be considered in determining the state award.~~

[For text of items C and D, see M.R.]

Subp. 1a. **Minimum.** The minimum ~~financial stipend~~ award amount shall be $100.

Subp. 2. **Adjustments to awards.** If financial need decreases because a recipient chooses a different school after the scholarship or grant ~~in aid~~ award is offered, the award shall be reduced. If a change in schools causes financial need to increase, the award shall be increased only if funds are available.

4830.0700 METHOD OF PAYMENT.

Subpart 1. **Payments to schools.** After a scholarship and grant ~~in aid~~ award is determined, the award shall be sent by the executive director to the school chosen by the recipient. The school shall apply the award to the recipient's educational costs in the following order: tuition, fees, books, supplies, and other expenses. The costs must be prorated for each term of the academic year. The school shall notify each recipient that the award has been received by the school.

Subp. 2. **Refunds.** A scholarship and grant ~~in aid~~ is awarded for full-time attendance at a specified school for the academic year of nine months within ~~a~~ the state fiscal year. If a recipient fails to enroll or reduces enrollment, the school must refund the unused portion of the award. If the executive director determines that a school has fraudulently handled scholarship or grant money, the refund of the unused portion of the award is immediately due, and the board may institute a civil action for recovery if necessary. Refunds to the board are determined as follows:

A. Determine the percentage that the state scholarship or grant award represents of the student's total financial aid package for the applicable term;

B. Multiply that percentage by the amount determined to be refunded to the student under the school's refund policy. The result yields the amount to be refunded to the board.

A refunded award must be sent by the school to the board's scholarship or grant ~~in aid~~ account. Refunded awards are available for reassignment to other qualified applicants.

Subp. 3. **School accounting requirements.** Schools shall maintain separate accounts for scholarship and grant ~~in aid~~ funds. Refunds to the board must be accompanied with a list stating the social security number, name, award type, amount of refund, term, and refund code for each student included in the refund. The refund must be made to the board within 30 days from the end of the academic term, or 30 days from the date the school is notified of a student's withdrawal, whichever is less. Schools must provide evidence, prepared according to generally accepted accounting principles, that all awards have either been distributed or refunded to the board.

Subp. 4. **Recovery of overpayments.** An overpayment occurs when a grant recipient receives more money than the recipient is eligible to receive under the award calculation. A grant recipient shall reimburse the board for overpayment regardless of the cause. The overpayment amount is the difference between the amount received and the calculated award eligibility. The reimbursement amount includes any costs or expenses incurred by the board in collecting the debt, including reasonable attorney fees. The reimbursement is recoverable from the recipient or the recipient's estate. The board may institute a civil action for recovery if necessary.

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The recipient must not receive additional awards until the overpayment is recovered or the recipient is making payments under an approved plan. Additional awards for which the recipient is eligible may be used to recover an unreimbursed overpayment.

PART-TIME STUDENT GRANTS

4830.1550 SCOPE.

Parts 4830.1550 to 4830.1556 govern state ~~grants-in-aid~~ grants for ~~part-time~~ less than half-time students.

4830.1551 ELIGIBLE SCHOOLS.

Schools eligible for part-time student grants are the same schools eligible for state scholarships and ~~grants-in-aid~~ grants under part 4830.0300.

4830.1552 APPLICATION AND DISTRIBUTION OF FUNDS FOR GRANTS.

Subpart 1. **Allocation formula.** The ~~board~~ executive director shall allocate funds to each school according to the following formula:

A. Each school's share is the number of part-time students enrolled in the last fiscal year, multiplied by the average registration level of its part-time students in the last fiscal year, multiplied by the institutional budget used by the scholarship and ~~grant-in-aid~~ grant program for the current fiscal year.

B. Each school's initial allocation is the school's share divided by the sum of school shares, multiplied by the last year's percent of usage ~~percent~~, multiplied by 90 percent. Percent of usage ~~percent~~ is defined as follows:

(1) If no final report is received by the first working day after August 9, the ~~usage percentage~~ percent of usage is 80 percent.

(2) If the final report is received before August 10, the ~~usage~~ percent of usage is the total amount of funds used divided by the last year's allocation.

(3) A refund in excess of $1,000 received after April 1 is multiplied by 150 percent and subtracted from the original allocation to determine the funds used. This amount is divided by the last year's allocation to determine the percent of usage ~~percentage~~.

C. Each January, the ~~board~~ executive director shall allocate the remaining ten percent of the total part-time grant allocation according to the same formula, except that the last year's percent of usage must not be applied.

"Number of part-time students" means the sum of all enrolled resident, extension, and unclassified part-time students, who are Minnesota residents, and are reported to the board for its annual enrollment survey as lower division, upper division, and vocational students in the fall term of the school year.

"Registration level" is the number of credits (or an equivalent measure) taken by part-time students in the fall term of the school year as reported to the board for its annual enrollment survey, divided by 12 credits (or an equivalent measure).

Subp. 2. **Notification.** The ~~board~~ executive director shall notify each school of the amount allocated to it.

Subp. 3. **Accountability.** Each participating school shall be accountable for any funds disbursed to students for ~~grants-in-aid~~ grants for part-time students. 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 school, the school may use the funds for other eligible students or return them to the board.

Subp. 4. **Unused funds.** When requested by the ~~board~~ executive director, a school shall report its use of funds and shall return unused funds. The ~~board~~ executive director shall reallocate unused funds to schools desiring additional funds.

4830.1553 DETERMINATION OF ELIGIBILITY.

A school shall determine if a student is eligible for a part-time student grant. To be eligible a student must be an eligible student as defined in part 4830.0100, subpart 5, items A, B, C, E, ~~and~~ F, and G. The student must be pursuing course work applicable to a degree, diploma, or certificate ~~After July 1, 1986, a recipient of an award who is enrolled less than half-time, as defined by the board, may continue to apply for awards~~ and be enrolled either less than half-time as defined by the board, or as a new or returning student enrolled at least half-time but less than full-time as defined by the board.

4830.1554 AMOUNT AND TERM OF GRANTS.

[For text of subps 1 and 2, see M.R.]

Subp. 3. **Amount.** The amount of the grant when combined with (a) ~~federal, state, institutional, and private~~ grant assistance ~~that the student receives~~ from federal, state, institutional, or private sources, (b) employer reimbursement, and (c) the expected parent/student contribution resulting from the assessment of financial need under subpart 1, must not exceed the student's direct educational cost as defined in subpart 2.

4830.1555 REPORTS OF DATA.

The school must collect demographic, educational, and financial data specified by the ~~board~~ executive director from eligible students requesting grants. The school shall provide the ~~board~~ executive director with individual student data upon request.

End of year program activity and student data reports are required by the ~~board~~ executive director. The school must correctly complete and submit the reports and any applicable refunds to the ~~board~~ executive director by the first working day after August 9. ~~If the reports are not completed by the deadline,~~ The ~~board~~ executive director shall withhold the school's subsequent year's allocation if the above deadline is not met.

4830.2100 ELIGIBLE SCHOOLS.

Schools eligible for work-study grants are the same schools eligible for state scholarships and ~~grants-in-aid~~ grants under part 4830.0300.

4830.2200 APPLICATION AND DISTRIBUTION OF FUNDS FOR GRANTS.

[For text of subps 1 and 2, see M.R.]

Subp. 3. **Modification of allocations.** The ~~board~~ executive director shall allocate funds equal to a school's estimated need if the estimated need is less than the amount determined by the allocation formula.

[For text of subp 4, see M.R.]

Subp. 5. **Unused funds.** The school must return funds which the school determines will not be used within 30 days from the date of a request by the ~~board~~ executive director. The ~~board~~ executive director shall reallocate the funds to other participating schools requesting additional funds.

Subp. 6. **Reallocation.** The ~~board~~ executive director shall reallocate funds using the formula specified in subpart 2, items A and B.

4830.2300 ~~ELIGIBLE STUDENTS~~ WORK-STUDY GRANTS.

A school shall determine if a student is eligible for a work-study grant. To be eligible a student must ~~be an eligible student, as defined in~~ meet the requirements of part 4830.0100, subpart 5, ~~except that the student may be a graduate student~~ items B to F. A student employed during periods of nonenrollment must sign a statement of intent to enroll full-time the next term or provide proof of registration for the next term.

4830.2500 CONTRACTS WITH EMPLOYERS.

[For text of subps 1 to 3, see M.R.]

Subp. 4. **Supervision.** The school, with the employer, must develop for each work-study assignment a program of supervision consistent with the nature of the assignment and the needs of the individual student. Upon request ~~of the board~~, the school must submit the program of supervision to the executive director for review and comment.

[For text of subp 5, see M.R.]

4830.2600 REPORTS BY SCHOOL.

The school must collect demographic and program activity data as specified by the ~~board~~ executive director. The school shall provide the ~~board~~ executive director with individual student data upon request.

End of year program activity and student data reports are required by the ~~board~~ executive director. The school must correctly complete and submit these reports and any applicable refunds to the ~~board~~ executive director by the first working day after August 9. ~~If the reports are not completed by the deadline,~~ The ~~board~~ executive director shall withhold the school's subsequent year's allocation if the above deadline date is not met.

4850.0010 PURPOSE.

The purpose of parts 4850.0010 to 4850.0018 is to augment *Minnesota Statutes*, sections ~~136A.14 to 136A.141, and~~ 136A.15 to 136A.1702, establishing a state program of supplemental loans to postsecondary students by providing standards, criteria, and rules for the program.

4850.0011 DEFINITIONS.

Subpart 1. **Academic year.** "Academic year" means:

A. a period of time, typically eight or nine months, in which a full-time student is expected to complete the equivalent of at least two semesters, two trimesters, or three quarters at an eligible school using credit hours; or

B. at least 900 clock hours of training for a program at an eligible school using clock hours~~; or~~.

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~~C.~~ A student may borrow for a portion of the academic year, or for all of it (see "loan period").

[For text of subps 2 to 4, see M.R.]

Subp. 5. **Certificate or degree.** "Certificate" or "degree" means a written or printed statement of the fact that the holder has met the eligible school's minimum requirements for completion, and ~~certifying~~ certifies a minimum mastery of the subject matter for a particular academic or vocational program.

[For text of subps 6 to 8, see M.R.]

Subp. 9. **Credit worthy cosigner.** "Credit worthy cosigner" means one who, in the judgment of the ~~board~~ executive director has:

[For text of items A to D, see M.R.]

Subp. 10. **Cosigners.** All borrowers from the student educational loan fund shall have a credit worthy cosigner who is either a United States citizen or a permanent resident. The cosigner is jointly and separately responsible for making loan payments (principal, interest, and other charges). The cosigner is relieved of this financial responsibility only in the event of death or permanent disability of the borrower. A cosigner must:

A. ~~A cosigner must~~ be at least 18 years old;

B. ~~A cosigner must~~ be a person or an eligible school; and

C. agree to the release of information to a consumer credit reporting agency, as described in part 4850.0012, subpart 4.

If the cosigner has no credit history, credit worthiness shall be determined by the ~~board~~ executive director, by a review of banking references and a review of net worth data with a minimum test requiring that net worth equal or exceed a sum ten times the size of each loan amount requested.

[For text of subp 11, see M.R.]

Subp. 12. **Delinquency.** "Delinquency" means the condition that exists when a borrower's scheduled payment of principal or interest or both is received by the ~~board~~ executive director after the due date.

[For text of subp 13, see M.R.]

Subp. 14. **Eligible school.** "Eligible school" means a school that:

[For text of items A and B, see M.R.]

C. signs an institutional loan participation agreement with the ~~Minnesota Higher Education Coordinating Board~~ executive director that lists the duties and responsibilities of both the school and the ~~board~~ executive director.

Subp. 15. **Eligible student.** "Eligible student" means a student who:

A. is enrolled in an eligible school in Minnesota, or is a Minnesota resident enrolled in an eligible school in another state or United States territory or is a student who graduated from a Minnesota high school ~~and has not since established residence in another state~~ and is enrolled in an eligible school in Minnesota or another state or United States territory;

[For text of items B and C, see M.R.]

D. is not currently in default, as defined by each specific program, of any student educational loan program (Stafford Loan, GSL, FISL, NDSL, Perkins, HPL, HEAL, ALAS/SLS, or other state supplemental loan program) at the current or any previous school;

[For text of items E to I, see M.R.]

[For text of subp 16, see M.R.]

Subp. 16a. **Executive director.** "Executive director" means the executive director of the board, or board staff who perform duties as assigned by the executive director.

[For text of subps 17 to 20, see M.R.]

Subp. 21. **Graduate student.** "Graduate student" means a student who is pursuing a program, or has a baccalaureate degree and is enrolled in courses which are normally part of a program, leading to a graduate or professional degree or certificate at an eligible school~~.~~; and has successfully completed the equivalent of at least three years of full-time study at an eligible school either prior to entrance into the program or as part of the program itself.

[For text of subp 22, see M.R.]

Subp. 23. **In-school period.** "In-school period" means the period that the ~~borrower~~ eligible student is enrolled in an eligible school.

Subp. 24. **Late charge.** "Late charge" means a charge, not to exceed $20, that is assessed against borrowers each time a payment of principal and/or interest is received by the ~~board~~ executive director more than 15 days after the due date.

[For text of subps 25 and 26, see M.R.]

Subp. 27. **~~Payout~~ Repayment period.** "~~Payout~~ Repayment period" means the time period which begins immediately following the transition period and runs to the earliest of:

[For text of items A to D, see M.R.]

[For text of subps 28 to 30, see M.R.]

4850.0012 SCHOOL AGREEMENTS AND STUDENT APPLICATIONS.

Subpart 1. **Institutional loan participation agreement.** The eligible school and the ~~board~~ executive director must sign a loan participation agreement that will:

A. state the eligible school's responsibility for proper certification and delivery of loans to students; and

B. name a representative of the eligible school who is to be responsible for the administration of the agreement.

Subp. 2. **Termination.** The ~~board~~ executive director may terminate the agreement with an eligible school upon determining that the school is not complying with the rules in parts 4850.0010 to 4850.0018. All obligations of the school under the agreement shall continue in full force and effect with respect to all SELF loans then outstanding to students of the school.

Subp. 3. **Application, guarantee, and promissory note.** The student shall complete the SELF application and attached promissory note, and deliver or mail them to the eligible school for certification. The eligible school shall then deliver or mail the application and promissory note to the student who shall deliver or mail them to the cosigner who shall complete his or her portion of the application and promissory note and deliver or mail them to the ~~board~~ executive director. The ~~board~~ executive director will check the application and promissory note for completeness, determine the eligibility of the applicant, and conduct a credit check of the cosigner. If the ~~board~~ executive director approves the loan application, the document file shall be sent to the trustee (or agent) for approval. The trustee (or agent) shall approve the application and forward the document file to the servicer or shall reject the application and return the document file to the ~~board~~ executive director. The servicer shall enter the application on the servicing computer system, prepare and mail a disclosure statement to the borrower and cosigner, advise the school of the loan approval, schedule disbursements, deduct and mail the guarantee fee from the loan proceeds to the insurer, and place the document file in permanent storage. If the ~~board~~ executive director rejects the loan application, the applicant and the cosigner must be advised in writing of the decision and the reasons for the rejection.

[For text of subp 4, see M.R.]

4850.0014 AMOUNT AND TERMS.

Subpart 1. **Loan amounts.** The minimum loan amount from the student educational loan fund is $1,000.

The annual and maximum loan amounts for:

A. an undergraduate student are those prescribed in *Minnesota Statutes*, section 136A.1701. The loan must not exceed the stated annual undergraduate borrowing maximum or the cost of attendance less all other financial aid (including PLUS loans borrowed on the student's behalf); and the cumulative student loan debt (excluding PLUS loans borrowed on the student's behalf) must not exceed the product of the grade level times the annual undergraduate borrowing maximum, except in grade level 05 when the cumulative undergraduate loan debt maximum stays the same as in grade level 04. For example, if the annual undergraduate borrowing maximum in statute ~~was~~ is $4,000, the cumulative undergraduate loan debt maximum, by grade level, is:

(1) grade level 1, $ 4,000;

(2) grade level 2, $ 8,000;

(3) grade level 3, $12,000;

(4) grade level 4, $16,000; and

(5) grade level 5, $16,000.

B. a graduate student are those prescribed in *Minnesota Statutes*, section 136A.1701. The loan must not exceed the stated annual graduate student borrowing maximum or the cost of attendance less all other financial aid (including PLUS loans borrowed on the student's behalf); and the cumulative student loan debt of the graduate student (excluding PLUS loans borrowed on the student's behalf) does not exceed the total amount prescribed in *Minnesota Statutes* for both undergraduate and graduate educations combined.

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.

For example, if the stated total borrowing maximum ~~was~~ is $25,000, the cumulative graduate student borrowing maximum, by grade level, is:

(6) grade level 6, $25,000;

(7) grade level 7, $25,000;

(8) grade level 8, $25,000; and

(9) grade level 9, $25,000.

[For text of subp 2, see M.R.]

Subp. 3. **Interest rate.** For loans made from the bonds, the interest rate on the loan must be fixed by the ~~board~~ executive director at a margin in excess of the "index rate" on the bonds. If the bonds bear interest at more than one rate at any one time, the "index rate" will be the weighted average of the interest rates. The "index rate" may change on Thursday of each week. If the "index rate" increases or decreases, the interest rate on the loan increases or decreases automatically on the same day without notice to the borrower. If the ~~board~~ executive director determines that the margin does not reflect the costs of the SELF program, the ~~board~~ executive director must increase or decrease the margin. The ~~board~~ executive director shall advise borrowers of changes in the margin.

For loans made from sources other than the bonds, the interest rate on the loan will be determined by the ~~board~~ executive director at a margin in excess of the "index rate." The "index rate" is the average rounded to the nearest quarter of one percent of the bond equivalent yield, for auctions of 13 week treasury bills, during the preceding calendar quarter. If the index rate increases or decreases, the interest rate on the loan automatically increases or decreases on the same day without notice to the borrower. The interest rate on the loan cannot increase or decrease more than two percentage points over any four consecutive calendar quarters. The ~~board~~ executive director shall set the margin to reflect the costs of the SELF program. If the ~~board~~ executive director determines that the margin does not reflect the costs of the SELF program, the ~~board~~ executive director must increase or decrease the margin. The ~~board~~ executive director shall advise borrowers of changes in the margin.

4850.0015 LOAN DISBURSEMENTS.

Subpart 1. **Disbursement scheduling.** Checks must be jointly payable to the borrower and the eligible school. If the loan period covers more than one academic or payment period, the loan must be disbursed in installments during each academic or payment period. (For example, if an eligible school's academic year is divided by quarters, the student's loan amount may be disbursed in three installments, once each quarter.) Disbursements must be made at the beginning of each academic term, unless the ~~board~~ executive director requires or the school suggests other more appropriate dates.

[For text of subp 2, see M.R.]

Subp. 3. **Disbursement when check arrives during loan period.** When the check arrives during the loan period, the school, having checked enrollment and satisfactory academic progress, shall endorse the check along with the student, subtract from the proceeds that amount owed to it for the payment period, and make arrangements with the student for the use of any remaining proceeds. The student has the same options for receiving any remaining proceeds as described in subpart 2. If the student is on a school approved leave of absence when the check arrives and is scheduled to return within 30 days from the date on the check, the school may hold the check until the student returns. If the student fails to ~~do so~~ return or does not show up for disbursement, the check must be returned to the ~~board~~ executive director within 30 days from the date on the check.

Subp. 4. **Disbursement when check arrives after loan period.** When the check arrives after the loan period, the school, having checked enrollment and satisfactory academic progress, may endorse the check along with the student within 30 days from the end of the loan period, subtract from the proceeds that amount owed to it for the payment period, and make arrangements with the student for use of any remaining proceeds. The student has the same options for receiving any remaining proceeds as described in subpart 3. If the check arrives more than 30 days after the end of the loan period, the school must return the check to the ~~board~~ executive director.

4850.0016 NONENROLLMENT, TRANSFER, AND WITHDRAWAL.

Subpart 1. **Nonenrollment.** A school shall return a check to the ~~board~~ executive director for a student who fails to enroll within 30 days of the date on the check.

Subp. 2. **Withdrawal and transfer to another eligible school.** If the student fails to complete the loan period at the school where the loan application was certified and transfers to another eligible school, any remaining scheduled disbursements must be canceled. The school must immediately notify the ~~board~~ executive director of any borrower who withdraws for any purpose. The student may apply for any remaining loan eligibility at the other eligible school, assuming the amount approved is at least $1,000.

Subp. 3. **Withdrawal.** In the event that a borrower, for any reason, fails to complete a loan period and withdraws, at a time when the institution pays a refund of charges to the student, ~~an amount equal to the ratio of the disbursed loan to the total amount of the borrower's financial aid package for the same period is to be subtracted from the institutional refund amount, returned to the board, and applied to the outstanding loan amount~~ some portion of that refund must be returned to the board for the SELF Loan Program within 30 days of the date the school becomes aware of the withdrawal. Refunds to the board are determined by items A and B.

A. Determine the percentage that the SELF loan represents of the student's total financial aid package for the applicable term.

B. Multiply that percentage by the amount determined to be refunded to the student under the school's refund policy. The result yields the amount to be refunded to the board.

Subp. 4. **Reduction of enrollment to less than half-time status.** The school shall notify the ~~board~~ executive director immediately when a student reduces enrollment below a half-time status, but remains enrolled. Such a student shall be permitted to remain in an in-school repayment period for no more than six months including normal school vacation periods before the transition period begins.

4850.0017 REPAYMENT PROCEDURES.

Borrowers shall make payments of principal and interest according to the following schedule:

A. During the ~~school~~ in-school period, the board or its agent shall bill borrowers for accrued interest once during each calendar quarter.

[For text of item B, see M.R.]

C. During the ~~payout~~ repayment period, ~~borrowers must repay their loans in monthly installments of principal and interest~~ the board or its agent shall bill borrowers for accrued interest and principal once during each calendar month. The interest rate may vary throughout the period. ~~The board or its agent must bill borrowers monthly for amounts due.~~ The sum of the monthly payments must equal the sum of accrued interest plus principal. The monthly payments of principal must be in amounts calculated at the beginning of the repayment period as if two conditions existed. The two conditions are: (1) interest on the loan accrues at a fixed rate equal to the interest rate in effect at the time of the calculation and (2) the loan is payable over its term in equal monthly installments. The borrower must pay a total of at least $600 each year on all of the borrower's SELF loans. If the borrower's spouse also has SELF loans, their combined annual payments on all SELF loans must be at least $600.

D. Late charges must be billed to the borrower on the 30-day delinquent letter mailed by the board or its agent and are due and payable immediately.

[For text of items E and F, see M.R.]

G. The ~~board~~ executive director shall grant forbearances in those instances when the borrower experiences hardship in making payments of principal and/or interest, and when the cosigner has ~~since~~ either died ~~or~~, become temporarily or permanently disabled, or for some other reason, such as unemployment or limited fixed income, demonstrated an inability to make payment. Such a forbearance shall be granted ~~for documented~~ upon receipt of written documentation from the borrower and the cosigner relating to the unemployment or similar financial hardship ~~cases~~ case and is limited to ~~90~~ 120 days, renewable upon further documentation for another ~~90~~ 120 days. However, the borrower or cosigner must make at least three full payments before the forbearance is renewed.

H. The ~~board~~ executive director shall provide borrowers and cosigners with an annual statement of outstanding principal and interest paid during the previous calendar year.

4850.0018 CLAIMS.

Subpart 1. **When filed.** If after exercising due diligence, and after 120 days from the billing date the ~~board~~ executive director fails to collect a payment from a borrower or the cosigner, a claim must be filed by the ~~board~~ executive director with the program insurer for the outstanding principal of the loan plus accrued interest.

Subp. 2. **When paid.** Claims are paid in four categories:

A. A claim for death of the borrower must be filed by the ~~board~~ executive director upon receipt of a death certificate. The cosigner's obligation to make any further payment of principal and interest or both on a SELF loan is canceled as of the date of death.

B. If the borrower becomes totally and permanently disabled, a claim must be filed by the ~~board~~ executive director upon receipt of proper medical documentation. The cosigner's obligation to make any further payment of principal and interest on a SELF loan is canceled as of the date of medical documentation.

C. If a borrower or cosigner fails to perform any of the conditions of the promissory note, a claim must be filed by the ~~board~~ executive director.

D. If a borrower is adjudicated bankrupt and has liability for the SELF loan discharged, the cosigner remains liable for unpaid principal and interest. If the cosigner fails to perform any of the conditions of the promissory note, the ~~board~~ executive director shall file a claim.

REPEALER. *Minnesota Rules*, parts 4830.0400, subpart 2, 4830.3000, 4830.3100, 4830.3200, 4830.3300, and 4830.3400 are repealed.

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.

In the Matter of the Proposed Adoption of the Rules of the Minnesota Higher Education Coordinating Board Governing Definitions for Higher Education Programs, Scholarships and Grants, Part-Time Student Grants, Work-Study Grants, and Student Educational Loan Fund

AFFIDAVIT OF MAILING THE NOTICE OF INTENT 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 19th day of January, 1990.

That on the 19th day of January, 1990, at the City of St. Paul, County of Ramsey, State of Minnesota, I mailed the attached Notice of Intent to 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 associations on the aforementioned mailing list.

Mary Lou Dresbach
Program Assistant

Subscribed and sworn to before me this 19th day of January, 1990.

Katherine A. Fisch

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

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

January 22, 1990

Ms. Mary Lou Dresbach
Higher Education Coord. Board
400 Capitol Square Building
St. Paul, MN 55101

RE: File No. 1568

Dear Mary Lou:

Enclosed are four stripped copies of your proposed rules as published in the State Register. The copies show the text of the rules as you proposed them with the stricken text deleted and the underscoring removed.

If your emergency rules or rules adopted without public hearing are adopted without modification, please submit the required number of copies of this document to the Attorney General for final approval. If these rules are to be modified, please use this copy to indicate the modifications you wish to make. Our office will then input the changes, approve the document as to form, and provide you with copies to submit to the Attorney General.

If your rules are adopted after public hearing without modification, please submit one copy of this document to our office for final approval as to form. If these rules are to be modified, please use this copy to indicate the modifications you wish to make. Our office will input the changes, approve the document as to form, and provide you with copies.

Very truly yours,

Carla M. Riehle

Higher Education Coordinating Board

Adopted Permanent Rules Relating to Financial Aid

Rules as Adopted

4830.0100 DEFINITIONS FOR HIGHER EDUCATION PROGRAMS.

[For text of subps 1 to 4, see M.R.]

Subp. 5. **Eligible student.** "Eligible student" means a student who meets, at a minimum, all of the following requirements:

[For text of items A to D, see M.R.]

E. is in good standing and making satisfactory progress, as determined by the school;

F. is a permanent resident of the United States, if the student is not a United States citizen; and

G. is not in default, as defined under the applicable loan program, of any educational loan, or, if the student is in default, has made satisfactory arrangements to repay the loan.

Subp. 6. **Executive director.** "Executive director" means the executive director of the board, or board staff who perform duties as assigned by the executive director.

[For text of subps 7 to 9, see M.R.]

Subp. 10. **Minnesota resident.** "Minnesota resident" means:

A. a dependent student whose parent or legal guardian resides in Minnesota on the date of application;

B. an independent student who has resided in Minnesota for other than educational purposes for at least 12 consecutive months prior to the date of application;

C. a student who graduated from a Minnesota high school; or

D. a student who, after residing in the state for a minimum of one year, earned a high school equivalency certificate in Minnesota.

Subp. 10a. **Determination of student residence.** The residence of the parent whose financial information is reported

in the financial need analysis determines the residence of the student.

[For text of subp 11, see M.R.]

Subp. 12. **Returning student.** "Returning student" is a student who has not been in attendance at a postsecondary institution for at least the last three consecutive years before applying for aid.

STATE SCHOLARSHIPS AND GRANTS

4830.0200 SCOPE.

Parts 4830.0200 to 4830.0700 govern state scholarships and grants.

4830.0300 ELIGIBLE SCHOOLS.

Subpart 1. **Annual list.** Annually the board shall adopt by resolution a list of schools at which a state scholarship or grant may be used. Schools may be added to the list by the board anytime during the school year.

Subp. 2. **Requirements.** To be eligible a school must:

A. be located in Minnesota;

B. offer at least one program that:

(1) is vocational or academic in nature;

(2) leads to a certificate or degree;

(3) is at least ten weeks long; and

(4) involves at least 12 academic credits or 300 clock hours;

C. be:

(1) accredited by a federally recognized accrediting agency or association;

(2) approved to offer degrees or use terms in its name according to part 4840.0500; or

(3) licensed by an appropriate state agency; and

D. sign an institutional agreement with the executive director.

4830.0400 APPLICATION DATES AND STUDENT ELIGIBILITY.

[For text of subpart 1, see M.R.]

Subp. 2. [See Repealer.]

Subp. 2a. **Out-of-state housing.** A student's Minnesota residence is not lost if the student must live outside of Minnesota for housing purposes while attending an eligible school located within ten miles of the Minnesota border. The student must have moved to the out-of-state address within six months of beginning attendance at an eligible school.

Subp. 3. **Eligibility for initial scholarship.** To be eligible for an initial scholarship a student must be an eligible student, as defined in part 4830.0100, subpart 5, except item E, and:

A. demonstrate financial need;

B. have ranked in the upper quarter of the class at the end of the junior year of senior high school, or the equivalent, based on the student's cumulative scholastic record in senior high school;

C. be enrolled in a program that is at least ten weeks long, and involves at least 12 academic credits or 300 clock hours; and

D. must not have received a previous Minnesota state scholarship or grant.

Subp. 4. **Eligibility for initial grant.** To be eligible for an initial grant a student must be an eligible student, as defined in part 4830.0100, subpart 5, except E, and:

A. demonstrate financial need;

B. if under 17 years old, hold a high school diploma or the equivalent;

C. be enrolled in a program that is at least ten weeks long, and involves at least 12 academic credits or 300 clock hours; and

D. must not have received a previous Minnesota state scholarship or grant.

Subp. 5. **Renewal awards.** A scholarship or grant is renewable for a maximum of six semesters, nine quarters, or the equivalent, but must not continue after the first of the following occurrences:

A. the recipient has obtained a baccalaureate degree; or

B. the recipient has been enrolled on a full-time basis for eight semesters, 12 quarters, or the equivalent.

To be eligible to renew a scholarship or grant a student must apply each year and continue to meet the requirements for an initial scholarship or grant, except for subparts 3 and 4, item D. A student must have made satisfactory progress as determined by the school.

Subp. 6. **Overlapping awards.** A student may not receive funds from the state campus-based part-time student grant program and the state scholarship and grant program for the same or overlapping periods of enrollment.

4830.0500 RANKING APPLICANTS.

Subpart 1. **Classification and ranking of applicants.** Each applicant shall be placed in at least one of the following classifications: renewal scholarship, renewal grant, initial scholarship, initial grant. Grant applicants are ranked according to parental contribution; applicants with the least parental contribution are awarded first. Scholarship applicants are ranked according to class rank as a junior in high school; applicants with the highest class rank are awarded first.

Subp. 2. **Priority of classes of applicants.** Applicants renewing scholarships shall be given first priority. Applicants renewing grants shall be given second priority. Applicants for initial scholarships shall be given third priority. Applicants for initial grants shall be given fourth priority. Awards shall be made on a funds available basis. Once an award is made it may not be withdrawn in order to award an applicant of higher priority.

[For text of subp 3, see M.R.]

4830.0600 AWARDS.

Subpart 1. **Monetary awards.** The amount of a scholarship or grant may not exceed an applicant's cost of attendance, as defined in Minnesota Statutes, section 136A.121, subdivision 6,

after deducting the following:

[For text of item A, see M.R.]

B. For an applicant who is not an independent student, a contribution by the applicant's parents, as determined by the financial need analysis.

[For text of items C and D, see M.R.]

Subp. 1a. **Minimum.** The minimum award amount shall be $100.

Subp. 2. **Adjustments to awards.** If financial need decreases because a recipient chooses a different school after the scholarship or grant award is offered, the award shall be reduced. If a change in schools causes financial need to increase, the award shall be increased only if funds are available.

4830.0700 METHOD OF PAYMENT.

Subpart 1. **Payments to schools.** After a scholarship and grant award is determined, the award shall be sent by the executive director to the school chosen by the recipient. The school shall apply the award to the recipient's educational costs in the following order: tuition, fees, books, supplies, and other expenses. The costs must be prorated for each term of the academic year. The school shall notify each recipient that the award has been received by the school.

Subp. 2. **Refunds.** A scholarship and grant is awarded for full-time attendance at a specified school for the academic year of nine months within the state fiscal year. If a recipient fails to enroll or reduces enrollment, the school must refund the unused portion of the award. If the executive director determines that a school has fraudulently handled scholarship or grant money, the refund of the unused portion of the award is immediately due, and the board may institute a civil action for recovery if necessary. Refunds to the board are determined as follows:

A. Determine the percentage that the state scholarship or grant award represents of the student's total financial aid package for the applicable term;

B. Multiply that percentage by the amount determined to be refunded to the student under the school's refund policy. The result yields the amount to be refunded to the board.

A refunded award must be sent by the school to the board's scholarship or grant account. Refunded awards are available for reassignment to other qualified applicants.

Subp. 3. **School accounting requirements.** Schools shall maintain separate accounts for scholarship and grant funds. Refunds to the board must be accompanied with a list stating the social security number, name, award type, amount of refund, term, and refund code for each student included in the refund. The refund must be made to the board within 30 days from the end of the academic term, or 30 days from the date the school is notified of a student's withdrawal, whichever is less. Schools must provide evidence, prepared according to generally accepted accounting principles, that all awards have either been distributed or refunded to the board.

Subp. 4. **Recovery of overpayments.** An overpayment occurs when a grant recipient receives more money than the recipient is eligible to receive under the award calculation. A grant recipient shall reimburse the board for overpayment regardless of the cause. The overpayment amount is the difference between the amount received and the calculated award eligibility. The reimbursement amount includes any costs or expenses incurred by the board in collecting the debt, including reasonable attorney fees. The reimbursement is recoverable from the recipient or the recipient's estate. The board may institute a civil action for recovery if necessary.

The recipient must not receive additional awards until the overpayment is recovered or the recipient is making payments under an approved plan. Additional awards for which the recipient is eligible may be used to recover an unreimbursed overpayment.

PART-TIME STUDENT GRANTS

4830.1550 SCOPE.

Parts 4830.1550 to 4830.1556 govern state grants for less than half-time students.

4830.1551 ELIGIBLE SCHOOLS.

Schools eligible for part-time student grants are the same schools eligible for state scholarships and grants under part 4830.0300.

4830.1552 APPLICATION AND DISTRIBUTION OF FUNDS FOR GRANTS.

Subpart 1. **Allocation formula.** The executive director shall allocate funds to each school according to the following formula:

A. Each school's share is the number of part-time students enrolled in the last fiscal year, multiplied by the average registration level of its part-time students in the last fiscal year, multiplied by the institutional budget used by the scholarship and grant program for the current fiscal year.

B. Each school's initial allocation is the school's share divided by the sum of school shares, multiplied by the last year's percent of usage, multiplied by 90 percent. Percent of usage is defined as follows:

(1) If no final report is received by the first working day after August 9, the percent of usage is 80 percent.

(2) If the final report is received before August 10, the percent of usage is the total amount of funds used divided by the last year's allocation.

(3) A refund in excess of $1,000 received after April 1 is multiplied by 150 percent and subtracted from the original allocation to determine the funds used. This amount is divided by the last year's allocation to determine the percent of usage.

C. Each January, the executive director shall allocate the remaining ten percent of the total part-time grant allocation according to the same formula, except that the last year's percent of usage must not be applied.

"Number of part-time students" means the sum of all enrolled resident, extension, and unclassified part-time

students, who are Minnesota residents, and are reported to the board for its annual enrollment survey as lower division, upper division, and vocational students in the fall term of the school year.

"Registration level" is the number of credits (or an equivalent measure) taken by part-time students in the fall term of the school year as reported to the board for its annual enrollment survey, divided by 12 credits (or an equivalent measure).

Subp. 2. **Notification.** The executive director shall notify each school of the amount allocated to it.

Subp. 3. **Accountability.** Each participating school shall be accountable for any funds disbursed to students for grants for part-time students. 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 school, the school may use the funds for other eligible students or return them to the board.

Subp. 4. **Unused funds.** When requested by the executive director, a school shall report its use of funds and shall return unused funds. The executive director shall reallocate unused funds to schools desiring additional funds.

4830.1553 DETERMINATION OF ELIGIBILITY.

A school shall determine if a student is eligible for a part-time student grant. To be eligible a student must be an eligible student as defined in part 4830.0100, subpart 5, items A, B, C, E, F, and G. The student must be pursuing course work applicable to a degree, diploma, or certificate and be enrolled either less than half-time as defined by the board, or as a new or returning student enrolled at least half-time but less than full-time as defined by the board.

4830.1554 AMOUNT AND TERM OF GRANTS.

[For text of subps 1 and 2, see M.R.]

Subp. 3. **Amount.** The amount of the grant when combined with (a) grant assistance from federal, state, institutional, or

private sources, (b) employer reimbursement, and (c) the expected parent/student contribution resulting from the assessment of financial need under subpart 1, must not exceed the student's direct educational cost as defined in subpart 2.

4830.1555 REPORTS OF DATA.

The school must collect demographic, educational, and financial data specified by the executive director from eligible students requesting grants. The school shall provide the executive director with individual student data upon request.

End of year program activity and student data reports are required by the executive director. The school must correctly complete and submit the reports and any applicable refunds to the executive director by the first working day after August 9. The executive director shall withhold the school's subsequent year's allocation if the above deadline is not met.

4830.2100 ELIGIBLE SCHOOLS.

Schools eligible for work-study grants are the same schools eligible for state scholarships and grants under part 4830.0300.

4830.2200 APPLICATION AND DISTRIBUTION OF FUNDS FOR GRANTS.

[For text of subps 1 and 2, see M.R.]

Subp. 3. **Modification of allocations.** The executive director shall allocate funds equal to a school's estimated need if the estimated need is less than the amount determined by the allocation formula.

[For text of subp 4, see M.R.]

Subp. 5. **Unused funds.** The school must return funds which the school determines will not be used within 30 days from the date of a request by the executive director. The executive director shall reallocate the funds to other participating schools requesting additional funds.

Subp. 6. **Reallocation.** The executive director shall reallocate funds using the formula specified in subpart 2, items A and B.

4830.2300 WORK-STUDY GRANTS.

A school shall determine if a student is eligible for a work-study grant. To be eligible a student must meet the requirements of part 4830.0100, subpart 5, items B to F. A student employed during periods of nonenrollment must sign a statement of intent to enroll full-time the next term or provide proof of registration for the next term.

4830.2500 CONTRACTS WITH EMPLOYERS.

[For text of subps 1 to 3, see M.R.]

Subp. 4. **Supervision.** The school, with the employer, must develop for each work-study assignment a program of supervision consistent with the nature of the assignment and the needs of the individual student. Upon request, the school must submit the program of supervision to the executive director for review and comment.

[For text of subp 5, see M.R.]

4830.2600 REPORTS BY SCHOOL.

The school must collect demographic and program activity data as specified by the executive director. The school shall provide the executive director with individual student data upon request.

End of year program activity and student data reports are required by the executive director. The school must correctly complete and submit these reports and any applicable refunds to the executive director by the first working day after August 9. The executive director shall withhold the school's subsequent year's allocation if the above deadline date is not met.

4850.0010 PURPOSE.

The purpose of parts 4850.0010 to 4850.0018 is to augment Minnesota Statutes, sections 136A.15 to 136A.1702, establishing a state program of supplemental loans to postsecondary students by providing standards, criteria, and rules for the program.

4850.0011 DEFINITIONS.

Subpart 1. **Academic year.** "Academic year" means:

A. a period of time, typically eight or nine months,

in which a full-time student is expected to complete the equivalent of at least two semesters, two trimesters, or three quarters at an eligible school using credit hours; or

B. at least 900 clock hours of training for a program at an eligible school using clock hours.

A student may borrow for a portion of the academic year, or for all of it (see "loan period").

[For text of subps 2 to 4, see M.R.]

Subp. 5. **Certificate or degree.** "Certificate" or "degree" means a written or printed statement of the fact that the holder has met the eligible school's minimum requirements for completion, and certifies a minimum mastery of the subject matter for a particular academic or vocational program.

[For text of subps 6 to 8, see M.R.]

Subp. 9. **Credit worthy cosigner.** "Credit worthy cosigner" means one who, in the judgment of the executive director has:

[For text of items A to D, see M.R.]

Subp. 10. **Cosigners.** All borrowers from the student educational loan fund shall have a credit worthy cosigner who is either a United States citizen or a permanent resident. The cosigner is jointly and separately responsible for making loan payments (principal, interest, and other charges). The cosigner is relieved of this financial responsibility only in the event of death or permanent disability of the borrower. A cosigner must:

A. be at least 18 years old;

B. be a person or an eligible school; and

C. agree to the release of information to a consumer credit reporting agency, as described in part 4850.0012, subpart 4.

If the cosigner has no credit history, credit worthiness shall be determined by the executive director, by a review of banking references and a review of net worth data with a minimum test requiring that net worth equal or exceed a sum ten times the size of each loan amount requested.

[For text of subp 11, see M.R.]

Subp. 12. **Delinquency.** "Delinquency" means the condition that exists when a borrower's scheduled payment of principal or interest or both is received by the executive director after the due date.

[For text of subp 13, see M.R.]

Subp. 14. **Eligible school.** "Eligible school" means a school that:

[For text of items A and B, see M.R.]

C. signs an institutional loan participation agreement with the executive director that lists the duties and responsibilities of both the school and the executive director.

Subp. 15. **Eligible student.** "Eligible student" means a student who:

A. is enrolled in an eligible school in Minnesota, or is a Minnesota resident enrolled in an eligible school in another state or United States territory or is a student who graduated from a Minnesota high school and is enrolled in an eligible school in Minnesota or another state or United States territory;

[For text of items B and C, see M.R.]

D. is not currently in default, as defined by each specific program, of any student educational loan program (Stafford Loan, GSL, FISL, NDSL, Perkins, HPL, HEAL, ALAS/SLS, or other state supplemental loan program) at the current or any previous school;

[For text of items E to I, see M.R.]

[For text of subp 16, see M.R.]

Subp. 16a. **Executive director.** "Executive director" means the executive director of the board, or board staff who perform duties as assigned by the executive director.

[For text of subps 17 to 20, see M.R.]

Subp. 21. **Graduate student.** "Graduate student" means a student who is pursuing a program, or has a baccalaureate degree and is enrolled in courses which are normally part of a program, leading to a graduate or professional degree or certificate at an eligible school; and has successfully completed the

equivalent of at least three years of full-time study at an eligible school either prior to entrance into the program or as part of the program itself.

[For text of subp 22, see M.R.]

Subp. 23. **In-school period.** "In-school period" means the period that the eligible student is enrolled in an eligible school.

Subp. 24. **Late charge.** "Late charge" means a charge, not to exceed $20, that is assessed against borrowers each time a payment of principal and/or interest is received by the executive director more than 15 days after the due date.

[For text of subps 25 and 26, see M.R.]

Subp. 27. **Repayment period.** "Repayment period" means the time period which begins immediately following the transition period and runs to the earliest of:

[For text of items A to D, see M.R.]

[For text of subps 28 to 30, see M.R.]

4850.0012 SCHOOL AGREEMENTS AND STUDENT APPLICATIONS.

Subpart 1. **Institutional loan participation agreement.** The eligible school and the executive director must sign a loan participation agreement that will:

A. state the eligible school's responsibility for proper certification and delivery of loans to students; and

B. name a representative of the eligible school who is to be responsible for the administration of the agreement.

Subp. 2. **Termination.** The executive director may terminate the agreement with an eligible school upon determining that the school is not complying with the rules in parts 4850.0010 to 4850.0018. All obligations of the school under the agreement shall continue in full force and effect with respect to all SELF loans then outstanding to students of the school.

Subp. 3. **Application, guarantee, and promissory note.** The student shall complete the SELF application and attached promissory note, and deliver or mail them to the eligible school for certification. The eligible school shall then deliver or

mail the application and promissory note to the student who shall deliver or mail them to the cosigner who shall complete his or her portion of the application and promissory note and deliver or mail them to the executive director. The executive director will check the application and promissory note for completeness, determine the eligibility of the applicant, and conduct a credit check of the cosigner. If the executive director approves the loan application, the document file shall be sent to the trustee (or agent) for approval. The trustee (or agent) shall approve the application and forward the document file to the servicer or shall reject the application and return the document file to the executive director. The servicer shall enter the application on the servicing computer system, prepare and mail a disclosure statement to the borrower and cosigner, advise the school of the loan approval, schedule disbursements, deduct and mail the guarantee fee from the loan proceeds to the insurer, and place the document file in permanent storage. If the executive director rejects the loan application, the applicant and the cosigner must be advised in writing of the decision and the reasons for the rejection.

[For text of subp 4, see M.R.]

4850.0014 AMOUNT AND TERMS.

Subpart 1. **Loan amounts.** The minimum loan amount from the student educational loan fund is $1,000.

The annual and maximum loan amounts for:

A. an undergraduate student are those prescribed in Minnesota Statutes, section 136A.1701. The loan must not exceed the stated annual undergraduate borrowing maximum or the cost of attendance less all other financial aid (including PLUS loans borrowed on the student's behalf); and the cumulative student loan debt (excluding PLUS loans borrowed on the student's behalf) must not exceed the product of the grade level times the annual undergraduate borrowing maximum, except in grade level 05 when the cumulative undergraduate loan debt maximum stays the same as in grade level 04. For example, if the annual

undergraduate borrowing maximum in statute is $4,000, the cumulative undergraduate loan debt maximum, by grade level, is:

(1) grade level 1, $ 4,000;

(2) grade level 2, $ 8,000;

(3) grade level 3, $12,000;

(4) grade level 4, $16,000; and

(5) grade level 5, $16,000.

B. a graduate student are those prescribed in Minnesota Statutes, section 136A.1701. The loan must not exceed the stated annual graduate student borrowing maximum or the cost of attendance less all other financial aid (including PLUS loans borrowed on the student's behalf); and the cumulative student loan debt of the graduate student (excluding PLUS loans borrowed on the student's behalf) does not exceed the total amount prescribed in Minnesota Statutes for both undergraduate and graduate educations combined. For example, if the stated total borrowing maximum is $25,000, the cumulative graduate student borrowing maximum, by grade level, is:

(6) grade level 6, $25,000;

(7) grade level 7, $25,000;

(8) grade level 8, $25,000; and

(9) grade level 9, $25,000.

[For text of subp 2, see M.R.]

Subp. 3. **Interest rate.** For loans made from the bonds, the interest rate on the loan must be fixed by the executive director at a margin in excess of the "index rate" on the bonds. If the bonds bear interest at more than one rate at any one time, the "index rate" will be the weighted average of the interest rates. The "index rate" may change on Thursday of each week. If the "index rate" increases or decreases, the interest rate on the loan increases or decreases automatically on the same day without notice to the borrower. If the executive director determines that the margin does not reflect the costs of the SELF program, the executive director must increase or decrease the margin. The executive director shall advise borrowers of changes in the margin.

For loans made from sources other than the bonds, the interest rate on the loan will be determined by the executive director at a margin in excess of the "index rate." The "index rate" is the average rounded to the nearest quarter of one percent of the bond equivalent yield, for auctions of 13 week treasury bills, during the preceding calendar quarter. If the index rate increases or decreases, the interest rate on the loan automatically increases or decreases on the same day without notice to the borrower. The interest rate on the loan cannot increase or decrease more than two percentage points over any four consecutive calendar quarters. The executive director shall set the margin to reflect the costs of the SELF program. If the executive director determines that the margin does not reflect the costs of the SELF program, the executive director must increase or decrease the margin. The executive director shall advise borrowers of changes in the margin.

4850.0015 LOAN DISBURSEMENTS.

Subpart 1. **Disbursement scheduling.** Checks must be jointly payable to the borrower and the eligible school. If the loan period covers more than one academic or payment period, the loan must be disbursed in installments during each academic or payment period. (For example, if an eligible school's academic year is divided by quarters, the student's loan amount may be disbursed in three installments, once each quarter.) Disbursements must be made at the beginning of each academic term, unless the executive director requires or the school suggests other more appropriate dates.

[For text of subp 2, see M.R.]

Subp. 3. **Disbursement when check arrives during loan period.** When the check arrives during the loan period, the school, having checked enrollment and satisfactory academic progress, shall endorse the check along with the student, subtract from the proceeds that amount owed to it for the payment period, and make arrangements with the student for the use of any remaining proceeds. The student has the same options

for receiving any remaining proceeds as described in subpart 2. If the student is on a school approved leave of absence when the check arrives and is scheduled to return within 30 days from the date on the check, the school may hold the check until the student returns. If the student fails to return or does not show up for disbursement, the check must be returned to the executive director within 30 days from the date on the check.

Subp. 4. **Disbursement when check arrives after loan period.** When the check arrives after the loan period, the school, having checked enrollment and satisfactory academic progress, may endorse the check along with the student within 30 days from the end of the loan period, subtract from the proceeds that amount owed to it for the payment period, and make arrangements with the student for use of any remaining proceeds. The student has the same options for receiving any remaining proceeds as described in subpart 3. If the check arrives more than 30 days after the end of the loan period, the school must return the check to the executive director.

4850.0016 NONENROLLMENT, TRANSFER, AND WITHDRAWAL.

Subpart 1. **Nonenrollment.** A school shall return a check to the executive director for a student who fails to enroll within 30 days of the date on the check.

Subp. 2. **Withdrawal and transfer to another eligible school.** If the student fails to complete the loan period at the school where the loan application was certified and transfers to another eligible school, any remaining scheduled disbursements must be canceled. The school must immediately notify the executive director of any borrower who withdraws for any purpose. The student may apply for any remaining loan eligibility at the other eligible school, assuming the amount approved is at least $1,000.

Subp. 3. **Withdrawal.** In the event that a borrower, for any reason, fails to complete a loan period and withdraws, at a time when the institution pays a refund of charges to the student, some portion of that refund must be returned to the

board for the SELF Loan Program within 30 days of the date the school becomes aware of the withdrawal. Refunds to the board are determined by items A and B.

A. Determine the percentage that the SELF loan represents of the student's total financial aid package for the applicable term.

B. Multiply that percentage by the amount determined to be refunded to the student under the school's refund policy. The result yields the amount to be refunded to the board.

Subp. 4. **Reduction of enrollment to less than half-time status.** The school shall notify the executive director immediately when a student reduces enrollment below a half-time status, but remains enrolled. Such a student shall be permitted to remain in an in-school repayment period for no more than six months including normal school vacation periods before the transition period begins.

4850.0017 REPAYMENT PROCEDURES.

Borrowers shall make payments of principal and interest according to the following schedule:

A. During the in-school period, the board or its agent shall bill borrowers for accrued interest once during each calendar quarter.

[For text of item B, see M.R.]

C. During the repayment period, the board or its agent shall bill borrowers for accrued interest and principal once during each calendar month. The interest rate may vary throughout the period. The sum of the monthly payments must equal the sum of accrued interest plus principal. The monthly payments of principal must be in amounts calculated at the beginning of the repayment period as if two conditions existed. The two conditions are: (1) interest on the loan accrues at a fixed rate equal to the interest rate in effect at the time of the calculation and (2) the loan is payable over its term in equal monthly installments. The borrower must pay a total of at least $600 each year on all of the borrower's SELF loans. If

the borrower's spouse also has SELF loans, their combined annual payments on all SELF loans must be at least $600.

D. Late charges must be billed to the borrower on the 30-day delinquent letter mailed by the board or its agent and are due and payable immediately.

[For text of items E and F, see M.R.]

G. The executive director shall grant forbearances in those instances when the borrower experiences hardship in making payments of principal and/or interest, and when the cosigner has either died, become temporarily or permanently disabled, or for some other reason, such as unemployment or limited fixed income, demonstrated an inability to make payment. Such a forbearance shall be granted upon receipt of written documentation from the borrower and the cosigner relating to the unemployment or similar financial hardship case and is limited to 120 days, renewable upon further documentation for another 120 days. However, the borrower or cosigner must make at least three full payments before the forbearance is renewed.

H. The executive director shall provide borrowers and cosigners with an annual statement of outstanding principal and interest paid during the previous calendar year.

4850.0018 CLAIMS.

Subpart 1. **When filed.** If after exercising due diligence, and after 120 days from the billing date the executive director fails to collect a payment from a borrower or the cosigner, a claim must be filed by the executive director with the program insurer for the outstanding principal of the loan plus accrued interest.

Subp. 2. **When paid.** Claims are paid in four categories:

A. A claim for death of the borrower must be filed by the executive director upon receipt of a death certificate. The cosigner's obligation to make any further payment of principal and interest or both on a SELF loan is canceled as of the date of death.

B. If the borrower becomes totally and permanently

disabled, a claim must be filed by the executive director upon receipt of proper medical documentation. The cosigner's obligation to make any further payment of principal and interest on a SELF loan is canceled as of the date of medical documentation.

C. If a borrower or cosigner fails to perform any of the conditions of the promissory note, a claim must be filed by the executive director.

D. If a borrower is adjudicated bankrupt and has liability for the SELF loan discharged, the cosigner remains liable for unpaid principal and interest. If the cosigner fails to perform any of the conditions of the promissory note, the executive director shall file a claim.

REPEALER. Minnesota Rules, parts 4830.0400, subpart 2, 4830.3000, 4830.3100, 4830.3200, 4830.3300, and 4830.3400 are repealed.

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 20th day of September, 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 rules relating to Definitions for Higher Education Programs, State Grants, Part-time Student Grants, Work-Study Grants, and the Student Educational Loan Fund Program are approved and adopted pursuant to authority vested in the Higher Education Coordinating Board by Minnesota Statutes 136A.04, Subd. 1(9), 136A.16, and 136A.234.
>
> 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 20th day of September, 1990.

Mona Hintzman
President of the Board

Attest by one other Board member

STATE OF MINNESOTA

HIGHER EDUCATION COORDINATING BOARD

In the Matter of the Proposed Adoption of the Rule of the Minnesota Higher Education Coordinating Board Governing Definitions for Higher Education Programs, State Grants, Part-time Student Grants, Work-Study Grants, and Student Educational Loan Fund.

FINDINGS OF FACT, CONCLUSIONS, AND ORDER ADOPTING RULE WITHOUT PUBLIC HEARING

Notice of the Board's intent to adopt the above-entitled rule was published in the State Register on January 22, 1990 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 January 19, 1990. 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.

All persons were given the opportunity to submit comment on the rule for 30 days after notice of proposed rulemaking. The agency received 51 requests for a public hearing, of which 34 were subsequently withdrawn. Therefore, the agency did not receive requests for a public hearing from 25 or more persons which were not withdrawn.

One comment, signed by 25 people as part of their request for a public hearing on the rule, was 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:

The above-captioned rule is needed and reasonable.

NOW, THEREFORE, IT IS ORDERED that the rule identified as Rule Governing Definitions for Higher Education Programs, State Grants, Part-time Student Grants, Work-Study Grants, and Student Educational Loan Fund is adopted this 20th day of September, 1990, pursuant to authority vested in me by the Laws of Minnesota for 1989, Chapter 293, Section 21.

DAVID R. POWERS
Executive Director
Minnesota Higher Education
Coordinating Board

26 letters requesting Public Hearing

February 21, 1990

Mary Lou Dresbach
Minnesota Higher Education Coordinating Board
400 Capitol Square Building
440 Cedar Street
St. Paul, MN 55101

Dear Mary Lou:

The purpose of this letter is to request that a public hearing take place pertaining to the changes in Financial Aid Rules 4830 and 4850.

I am requesting that a public hearing be held to discuss the portion of the rules concerning the definition of a Minnesota resident. The reason for this request is to modify the rules to allow for reasonable and equitable treatment of individuals residing in the State of Minnesota for the primary purpose of other than obtaining a college education.

It would be greatly appreciated if you might notify me as to the time and place that the hearing might be held so I can express my views at the hearing.

Sincerely,

Gwen Birnberg
Bemidji State University
MSUSA Treasurer

Gwen Birnberg
207 Sunset Drive
Minnetonka, MN 55343

NA 7-25-91

February 21, 1990

Mary Lou Dresbach
Minnesota Higher Education Coordinating Board
400 Capitol Square Building
440 Cedar Street
St. Paul, MN 55101

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It would be greatly appreciated if you might notify me as to the time and place that the hearing might be held so I can express my views at the hearing.

Sincerely,

Scott Busch

Mankato State
2620 Mary Drive
Sioux Falls, SD 57105

February 21, 1990

Mary Lou Dresbach
Minnesota Higher Education Coordinating Board
400 Capitol Square Building
440 Cedar Street
St. Paul, MN 55101

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Sincerely,

Shane C Canfield

SHANE C. CANFIELD
Metro State Student
1325 Western Ave No #33
St. Paul, MN 55117

February 21, 1990

Mary Lou Dresbach
Minnesota Higher Education Coordinating Board
400 Capitol Square Building
440 Cedar Street
St. Paul, MN 55101

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It would be greatly appreciated if you might notify me as to the time and place that the hearing might be held so I can express my views at the hearing.

Sincerely,

Anna M. Cole

Anna M. Cole
Metro State Student
P.O. BOX 72
COKATO, MN 55321

February 21, 1990

Mary Lou Dresbach
Minnesota Higher Education Coordinating Board
400 Capitol Square Building
440 Cedar Street
St. Paul, MN 55101

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It would be greatly appreciated if you might notify me as to the time and place that the hearing might be held so I can express my views at the hearing.

Sincerely,

Pamela Dieck

PAMELA DIECK - INTERN
MSUSA

Withdrew

1241 Harrison St.
Shakopee, MN 55379

February 21, 1990

Mary Lou Dresbach
Minnesota Higher Education Coordinating Board
400 Capitol Square Building
440 Cedar Street
St. Paul, MN 55101

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Sincerely,

Martha E. Faust

Martha E. Faust
833 Grand Ave, Apt. 10
St. Paul, Mn 55105

withdrew

February 21, 1990

Mary Lou Dresbach
Minnesota Higher Education Coordinating Board
400 Capitol Square Building
440 Cedar Street
St. Paul, MN 55101

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It would be greatly appreciated if you might notify me as to the time and place that the hearing might be held so I can express my views at the hearing.

Sincerely,

Gary Feist
Gary Feist
Moorhead State University

2119 No. 8th St.
Bismarck, ND 58501

Withdrew

NR 7-25-90

February 21, 1990

Mary Lou Dresbach
Minnesota Higher Education Coordinating Board
400 Capitol Square Building
440 Cedar Street
St. Paul, MN 55101

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It would be greatly appreciated if you might notify me as to the time and place that the hearing might be held so I can express my views at the hearing.

Sincerely,

FoKKeN
Todd I. Fokken
Moorhead State University

1410 Melrose Ave So
St Louis Park, MN 55426

withdraw

February 21, 1990

Mary Lou Dresbach
Minnesota Higher Education Coordinating Board
400 Capitol Square Building
440 Cedar Street
St. Paul, MN 55101

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It would be greatly appreciated if you might notify me as to the time and place that the hearing might be held so I can express my views at the hearing.

Sincerely,

Glenn Frerichs

Bemidji State University

withdrew

Glenn Frerichs
RR1, Box 68B
Little Falls, MN 56345

February 21, 1990

Mary Lou Dresbach
Minnesota Higher Education Coordinating Board
400 Capitol Square Building
440 Cedar Street
St. Paul, MN 55101

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It would be greatly appreciated if you might notify me as to the time and place that the hearing might be held so I can express my views at the hearing.

Sincerely,

Valerie L. Field
Bemidji State University
Senate President

Valerie Field
3609 Cedar Lane NW
Bemidji, MN 56601

MN 7-25-90

February 21, 1990

Mary Lou Dresbach
Minnesota Higher Education Coordinating Board
400 Capitol Square Building
440 Cedar Street
St. Paul, MN 55101

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Sincerely,

Darlene M. Homer
Bemidji State Univ. Student Senate
MSUSA Field Rep.
Darlene M. Homer
RR 3, BOX 485
Bemidji, Mn 56601

withdrew

February 21, 1990

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Minnesota Higher Education Coordinating Board
400 Capitol Square Building
440 Cedar Street
St. Paul, MN 55101

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Sincerely,

Michael J. Kennedy

Mankato State Student

withdrew

Michael Kennedy
Box 58, Mankato State U.
Mankato, MN 56001

February 21, 1990

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Minnesota Higher Education Coordinating Board
400 Capitol Square Building
440 Cedar Street
St. Paul, MN 55101

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Sincerely,

Melissa M. Dawson
Bemidji State University
Student Senate

169 Strese Lane
Apple Valley, MN 55124

withdrew

February 21, 1990

Mary Lou Dresbach
Minnesota Higher Education Coordinating Board
400 Capitol Square Building
440 Cedar Street
St. Paul, MN 55101

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Sincerely,

Paul Lund

Bemidji State University
Student Senator

Paul Lund
Route 2, Box 200
Bemidji, MN 56601

UA 7-25-90

February 21, 1990

Mary Lou Dresbach
Minnesota Higher Education Coordinating Board
400 Capitol Square Building
440 Cedar Street
St. Paul, MN 55101

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Sincerely,

Martin W. McDonough

Martin W. McDonough
State Chairman MSUSA 1987-88

1253 E. MINNEHAHA Ave
St. Paul, MN 55106

mail returned as undeliverable

February 21, 1990

Mary Lou Dresbach
Minnesota Higher Education Coordinating Board
400 Capitol Square Building
440 Cedar Street
St. Paul, MN 55101

Dear Mary Lou:

The purpose of this letter is to request that a public hearing take place pertaining to the changes in Financial Aid Rules 4830 and 4850.

I am requesting that a public hearing be held to discuss the portion of the rules concerning the definition of a Minnesota resident. The reason for this request is to modify the rules to allow for reasonable and equitable treatment of individuals residing in the State of Minnesota for the primary purpose of other than obtaining a college education.

It would be greatly appreciated if you might notify me as to the time and place that the hearing might be held so I can express my views at the hearing.

Sincerely,

Mary C. Miller
Minnesota Technical College Student Association (M.T.C.S.A.)
Communications / Public Relations Chairperson

Hennepin Technical College - Eden Prairie Campus
944-2222 Ext. 383

withdrew

No 7-25-90

February 21, 1990

Mary Lou Dresbach
Minnesota Higher Education Coordinating Board
400 Capitol Square Building
440 Cedar Street
St. Paul, MN 55101

Dear Mary Lou:

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It would be greatly appreciated if you might notify me as to the time and place that the hearing might be held so I can express my views at the hearing.

Sincerely,

Jenifer Navratil
Southwest State University
MSUSA Field Representative

Jenifer NAvratil
6274 Bartlett Blvd.
Mound, MN 55364

NA 7-25-90

February 21, 1990

Mary Lou Dresbach
Minnesota Higher Education Coordinating Board
400 Capitol Square Building
440 Cedar Street
St. Paul, MN 55101

Dear Mary Lou:

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It would be greatly appreciated if you might notify me as to the time and place that the hearing might be held so I can express my views at the hearing.

Sincerely,

Rebecca Peach
Mankato State University

12609 Portland Ave So
Burnsville, MN 55337

withdrew

February 21, 1990

Mary Lou Dresbach
Minnesota Higher Education Coordinating Board
400 Capitol Square Building
440 Cedar Street
St. Paul, MN 55101

Dear Mary Lou:

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It would be greatly appreciated if you might notify me as to the time and place that the hearing might be held so I can express my views at the hearing.

Sincerely,

Scott D. Richards

Bemidji State University
BSU Student Senate

RR 2, Box 146
Herman, MN 56248

withdrew

February 21, 1990

Mary Lou Dresbach
Minnesota Higher Education Coordinating Board
400 Capitol Square Building
440 Cedar Street
St. Paul, MN 55101

Dear Mary Lou:

The purpose of this letter is to request that a public hearing take place pertaining to the changes in Financial Aid Rules 4830 and 4850.

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It would be greatly appreciated if you might notify me as to the time and place that the hearing might be held so I can express my views at the hearing.

Sincerely,

Jane F. Bollis

5444 71st Circle North
Brooklyn Center, MN 55429

withdrew

N 7-26-90

February 21, 1990

Mary Lou Dresbach
Minnesota Higher Education Coordinating Board
400 Capitol Square Building
440 Cedar Street
St. Paul, MN 55101

Dear Mary Lou:

The purpose of this letter is to request that a public hearing take place pertaining to the changes in Financial Aid Rules 4830 and 4850.

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It would be greatly appreciated if you might notify me as to the time and place that the hearing might be held so I can express my views at the hearing.

Sincerely,

Wade Scott
Mankato State Student Senator

P.O. Box 452
Bird Island, MN 55310

February 21, 1990

Mary Lou Dresbach
Minnesota Higher Education Coordinating Board
400 Capitol Square Building
440 Cedar Street
St. Paul, MN 55101

Dear Mary Lou:

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Sincerely,

Rhonda Staska
MN State Univ. Student Assoc.
Associate Director

RR 1
Wanburn, MN 56589

February 21, 1990

Mary Lou Dresbach
Minnesota Higher Education Coordinating Board
400 Capitol Square Building
440 Cedar Street
St. Paul, MN 55101

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Sincerely,

Brenda Weigelt

BRENDA WEIGELT
311 So Holcombe Ave
Litchfield, MN 55355

February 21, 1990

Mary Lou Dresbach
Minnesota Higher Education Coordinating Board
400 Capitol Square Building
440 Cedar Street
St. Paul, MN 55101

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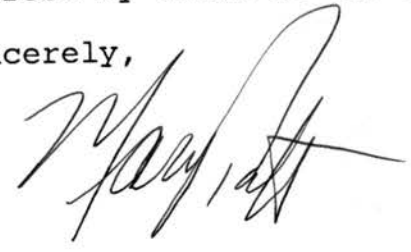
Sincerely,



February 21, 1990

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Minnesota Higher Education Coordinating Board
400 Capitol Square Building
440 Cedar Street
St. Paul, MN 55101

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It would be greatly appreciated if you might notify me as to the time and place that the hearing might be held so I can express my views at the hearing.

Sincerely,

SCSU

Sure!

7-25-90

February 21, 1990

Mary Lou Dresbach
Minnesota Higher Education Coordinating Board
400 Capitol Square Building
440 Cedar Street
St. Paul, MN 55101

Dear Mary Lou:

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It would be greatly appreciated if you might notify me as to the time and place that the hearing might be held so I can express my views at the hearing.

Sincerely,

Lisa M. Peterson
Lisa M Peterson
State Vice Chair MSUSA 1988-89

15 Lisa Peterson's

Dresbach called 4:30pm

FEB-21-'90 16:23 ID:TRM-ILL DEPT MHD MN TEL NO:218-236-4694 #542 P01

MOORHEAD STATE UNIVERSITY

FAX copy

TELEFACSIMILE COVER LETTER

DATE: 2-21-90 TIME: 420 PM CST

TO:

Name: Mary Lou Dresbach

Dept: MHECB via Ed Dept

FAX Number: 612-296-3272

FROM:

Name: David ANDERSON

Dept: Moorhead State U

Telephone Number: 218-236-2083

Total number of pages including cover letter: 4

Special Instructions/Comments:

25 signatures

****

If you do not receive all pages or if transmission is not legible, please call (218) 236-2924 and we will resend.

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Interlibrary Loan Services
Moorhead, MN 56563 USA
FAX Number: (218) 236-4694

From DAVID Anderson
Moorhead State U.

TO: Mary Lou Dresbach
MN Higher Education Coordinating Board
400 Capitol Square Building
550 Cedar Street
St. Paul, MN 55101

DATE: 2/19/90

FROM: Undersigned Concerned Persons

SUBJECT: Proposed Permanent Rules for Minnesota Grants

This is to comment on and request changes in the proposed permanent rules relating to Financial Aid-Minnesota Rules, Chapter 4830, specifically, 4830.0100 Subp 10, the definition of a Minnesota resident. Rules as presented, are discriminatory between dependent and independent students. Requested changes are identified and explained in the following paragraphs.

The statute specifies a requirement of MN residency. The rule that defines a Minnesota resident should consistently include a spouse or dependent of an individual who has moved to Minnesota to accept permanent employment.

Under current rules, a dependent student whose parent or guardian resides in Minnesota on the date of application would be considered a Minnesota resident. It is possible for a family to move to Minnesota on August 30. The dependent student of this family could apply for and receive consideration for a Minnesota Grant on September 1. If the mother or father of this dependent student wished to apply for a state grant, this parent would not be considered for an award under the current rules since the parent applicant would be an independent student (over age 24) and would not have resided in the state for twelve months prior to the date of application. This is discriminatory, a gross inconsistency and inequity.

Further, the definition of a legal Minnesota independent resident should be expanded to include a spouse or a dependent of an individual who has moved to Minnesota to <u>accept permanent</u> employment. If an individual moves to Minnesota to <u>accept permanent employment</u>, his or her spouse should be immediately eligible to apply for a state grant. A change of this nature would bring the State Scholarship and Grant rules into conformity with the definition of a Minnesota resident used for resident tuition purposes at the State universities and good sense.

The Minnesota Higher Education Coordinating Board is a state agency and the State universities are state agencies. It only seems logical and proper that the definition of a Minnesota resident for State Scholarship and Grant eligibility, and the definition of a Minnesota resident for the payment of tuition and fees be consistent. How to explain to a student that he or she can pay in-state tuition, pay taxes in the State of Minnesota, be required to register a motor vehicle, be licensed to hunt or fish as a resident, be eligible to vote in Minnesota, be required to obtain

Mary Lou Dresbach
February 19, 1990
Page 2

a Minnesota drivers license and not be eligible to be considered for a State Grant until a year after moving into MN?

Permanent rules of the MN Grant program should reflect the foregoing in the interests of fairness and equity. Notification of any public hearings on these will be appreciated, as will the opportunity for public discussion of the necessity for these changes.

The addition of Subpart 2a to 4830.0400 is a helpful clarification of eligibility of MN residents who are housed in ND while students at Moorhead State University.

The additional Subpart 2,D of 4830.0200 introduces "institutional agreement". That term seems not to be defined anywhere in the rules. It should be defined in the rules. That is not to say the agreement itself should be a part of permanent rules. The language in the Statement of Need and Reasonableness is a good start: "enumerates the responsibilities of the institution and the responsibilities of the Board" (or is Board to be "Executive Director"?).

Further regarding the proposed expanded definition of Executive director, perhaps "or duly authorized designee(s)" is a more inclusive yet sufficiently limiting expansion preferable to "or duly designated staff".

Signed,

Name	Mailing Address
David H Anderson	609-38 Ave S Moorhead, MN 56560
Susan Nilson	1615 - 20th St. S #8 Moorhead, MN 56560
Tamera Moen	454 S. Snarr MSU -
Heather Johnson	429 S. Snarr MSU
Chad J. [illegible]	Rt. 1 Box 106 Brandon, MN 56315
Debra L. Magnuson	1312 12th Ave. S. Mhd. MN
Vera L. Ketzlaff	304 4th St. So. Mhd. MN
[illegible]	1714 S 3rd St. [illegible]
Carrine Kemke	3209 Village Gr. Dr. E. Mhd, MN
Jo Moritz	919 S. 5th Mhd. Mn.
[illegible]	605 5th Ave NE Dilworth MN

Mary Lou Dresbach
February 19, 1990
Page 3

Name	Mailing Address
Lodi Tjelland	2915 Hanover Moorhead MN
Carol Spillum	Box 547 Hawley MN
Casey Hawbush	617 S 5 St Mhd, MN
[illegible]	1224 15 Ave N #51 Mhd, MN
M Rice	511 So 7th St Mhd MN
Ginger Kallander	1306 16th St N, Mhd MN
Carol Kolsdonk	808 63rd Ave N., Moorhead, MN
James Anderson	716 So. 10th St. Moorhead, MN
Lois J. Fisher	2811 32nd St. S Mhd.
Dan Schoenke	1109 - 15 St. N. Mhd.
Mel Schmitt	RT 3 Hawley, MN
Daniel M. Menzke	RR 4 Box 112 Moorhead MN
Kenneth R. Skyrgstad	1121 2nd Ave S. #20 Moorhead MN
C.E. Christlieb	Box 1016, Moorhead, MN 56561

FEB 27 1990

TO: Mary Lou Dresbach
MN Higher Education Coordinating Board
400 Capitol Square Building
550 Cedar Street
St. Paul, MN 55101

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Tamera Moen	454 S. Snarr MSU -
Heather Johnson	429 S. Snarr MSU
Chad J [illegible]	Rt. 1 Box 106 Brandon, MN 56315
Debra L. Magnuson	1312 12th Ave. S. Mhd. MN
Veri L. Ritzlaff	304 4th St., So. Mhd. MN
Karen [illegible]	1714 S 3rd St. Mhd. MN
Carrine Lemke	3209 Village Gr. Dr. E., Mhd, MN
Jo Moritz	919 S. 5th Mhd. Mn.
Kathy Schmidt	605 5th Av NE Delworth MN

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Casey Hawbush	617 S 5 St Mhd, MN
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M Kile	515 So 7th St Mhd MN
Ginger Kallander	1306 16th St N, Mhd MN
Carol Rabdonk	808 63rd Ave N., Moorhead, MN
James Anderson	716 So. 10th St. Moorhead, MN
Lois J. Fisher	2811 - 32nd St. S. Mhd.
[illegible]	1109 - 15 St. N. Mhd.
[illegible]	RT 3 Hawley, MN
Daniel M. Meinke	RR 4 Box 112 Moorhead MN.
Kenneth R. Skyrgstad	1121 - 2nd Ave S. #20 Moorhead, MN
C.E. Christlieb	Box 1016, Moorhead, MN 56561

Complete either the top portion or the bottom portion of this form and return it by September 7, 1990 to:

Mary Lou Dresbach
MHECB
Capitol Square Building, Suite 400
550 Cedar Street
St. Paul, MN 55101

I wish to withdraw my request for a public hearing on the Administrative Rules governing financial aid programs administered by the Minnesota Higher Education Coordinating Board. Publication of these rules appeared in the 1/22/90 issue of the Minnesota Register. I realize that the changes I seek cannot be implemented in the agency rules due to current statutory language limitations.

JAMES C. ANDERSEN
Name (please print or type)

James C. Andersen
Signature

716 SOUTH 10TH STREET
Street Address

MOORHEAD MN 56560
City, State, Zip Code

8/29/91
Date (mo/day/yr)

Complete either the top portion or the bottom portion of this form and return it by September 7, 1990 to:

Mary Lou Dresbach
MHECB
Capitol Square Building, Suite 400
550 Cedar Street
St. Paul, MN 55101

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Gary Feist
Name (please print or type)

Gary Feist
Signature

2119 N 8th St.
Street Address

Bismarck ND 58501
City, State, Zip Code

8-28-90
Date (mo/day/yr)

Complete either the top portion or the bottom portion of this form and return it by September 7, 1990 to:

Mary Lou Dresbach
MHECB
Capitol Square Building, Suite 400
550 Cedar Street
St. Paul, MN 55101

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VIRGINIA E Kallander
Name (please print or type)

Virginia E. Kallander
Signature

1306 16th St N
Street Address

Moorhead MN 56560
City, State, Zip Code

8/30/90
Date (mo/day/yr)

Complete either the top portion or the bottom portion of this form and return it by September 7, 1990 to:

Mary Lou Dresbach
MHECB
Capitol Square Building, Suite 400
550 Cedar Street
St. Paul, MN 55101

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Michael K. Kennedy
Name (please print or type)

214 Balcerzak
Street Address

8-27-90
Date (mo/day/yr)

Michael K. Kennedy
Signature

Mankato, MN. 56001
City, State, Zip Code

Complete either the top portion or the bottom portion of this form and return it by September 7, 1990 to:

Mary Lou Dresbach
MHECB
Capitol Square Building, Suite 400
550 Cedar Street
St. Paul, MN 55101

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CAROL KICSDONIC
Name (please print or type)

808 · 63RD AVE NO
Street Address

8/21/90
Date (mo/day/yr)

Signature

MOORHEAD MN 56560
City, State, Zip Code

Complete either the top portion or the bottom portion of this form and return it by September 7, 1990 to:

Mary Lou Dresbach
MHECB
Capitol Square Building, Suite 400
550 Cedar Street
St. Paul, MN 55101

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Melissa M. Larson
Name (please print or type)

Melissa M. Larson
Signature

169 Streeter Lane
Street Address

Apple Valley, MN 55124
City, State, Zip Code

8/17/90
Date (mo/day/yr)

Complete either the top portion or the bottom portion of this form and return it by September 7, 1990 to:

Mary Lou Dresbach
MHECB
Capitol Square Building, Suite 400
550 Cedar Street
St. Paul, MN 55101

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Tamera Moen
Name (please print or type)

Tamera Moen
Signature

RR 1 Box 18
Street Address

Rothsay, MN 56579
City, State, Zip Code

8/21/90
Date (mo/day/yr)

Complete either the top portion or the bottom portion of this form and return it by September 7, 1990 to:

Mary Lou Dresbach
MHECB
Capitol Square Building, Suite 400
550 Cedar Street
St. Paul, MN 55101

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JANE F. ROLLIN
Name (please print or type)

Jane F. Rollin
Signature

5444 - 71st CIRCLE N
Street Address

Brooklyn Center, MN 55429
City, State, Zip Code

9/1/90
Date (mo/day/yr)

Complete either the top portion or the bottom portion of this form and return it by September 7, 1990 to:

Mary Lou Dresbach
MHECB
Capitol Square Building, Suite 400
550 Cedar Street
St. Paul, MN 55101

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DIANE SCHOENECKEN
Name (please print or type)

Signature

1109 - 15 St N.
Street Address

Moorhead MN 56560
City, State, Zip Code

8/27/90.
Date (mo/day/yr)

Complete either the top portion or the bottom portion of this form and return it by September 7, 1990 to:

Mary Lou Dresbach
MHECB
Capitol Square Building, Suite 400
550 Cedar Street
St. Paul, MN 55101

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CAROL SPILLUM
Name (please print or type)

Carol Spillum
Signature

610 THIRD STREET
Street Address

HAWLEY MN 56549
City, State, Zip Code

8/20/90
Date (mo/day/yr)

Complete either the top portion or the bottom portion of this form and return it by September 7, 1990 to:

Mary Lou Dresbach
MHECB
Capitol Square Building, Suite 400
550 Cedar Street
St. Paul, MN 55101

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Darlene Homer
Name (please print or type)

Darlene M. Homer
Signature

1111 A Beltrami Ave.
Street Address

Bemidji, MN 56601
City, State, Zip Code

8-18-90
Date (mo/day/yr)

Complete either the top portion or the bottom portion of this form and return it by September 7, 1990 to:

Mary Lou Dresbach
MHECB
Capitol Square Building, Suite 400
550 Cedar Street
St. Paul, MN 55101

I wish to withdraw my request for a public hearing on the Administrative Rules governing financial aid programs administered by the Minnesota Higher Education Coordinating Board. Publication of these rules appeared in the 1/22/90 issue of the Minnesota Register. I realize that the changes I seek cannot be implemented in the agency rules due to current statutory language limitations.

Martha Faust
Name (please print or type)

Martha Faust
Signature

833 Grand Ave #10
Street Address

Saint Paul Mn 55105
City, State, Zip Code

08-17-90
Date (mo/day/yr)

Complete either the top portion or the bottom portion of this form and return it by September 7, 1990 to:

Mary Lou Dresbach
MHECB
Capitol Square Building, Suite 400
550 Cedar Street
St. Paul, MN 55101

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Merryll (Casey) Fawbush
Name (please print or type)

Merryll K. Fawbush
Signature

617 S 5 St
Street Address

Mpls MN 56560
City, State, Zip Code

8/18/90
Date (mo/day/yr)

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Cheryl E. Christlieb
Name (please print or type)

Cheryl E. Christlieb
Signature

07 - 27 - 90
Date (mo/day/yr)

P. O. Box 1016
Street Address

Moorhead, MN 56561-1016
City, State, Zip Code

Please return this form to:

Mary Lou Dresbach
MHECB
Capitol Square Building
550 Cedar Street, Suite 400
St. Paul, MN 55101

I wish to withdraw my request for a public hearing on the Administrative rules governing financial aid programs administered by the Minnesota Higher Education Coordinating Board. Publication of these rules appeared in the 1/22/90 issue of the Minnesota Register. I realize that the changes I seek cannot be implemented in the agency rules due to current statutory language.

Pamela Lynne Dieck
Name (please print or type)

Pamela L. Dieck
Signature

7.27.90
Date (mo/day/yr)

1241 Harrison
Street Address

Shakopee, MN 55379
City, State, Zip Code

Please return this form to:

Mary Lou Dresbach
MHECB
Capitol Square Building
550 Cedar Street, Suite 400
St. Paul, MN 55101

I wish to withdraw my request for a public hearing on the Administrative rules governing financial aid programs administered by the Minnesota Higher Education Coordinating Board. Publication of these rules appeared in the 1/22/90 issue of the Minnesota Register. I realize that the changes I seek cannot be implemented in the agency rules due to current statutory language.

Lois J. Fisher
Name (please print or type)

Lois J. Fisher
Signature

7/30/90
Date (mo/day/yr)

2811- 32nd St. S.
Street Address

Moorhead Mn 56560
City, State, Zip Code

Please return this form to:

Mary Lou Dresbach
MHECB
Capitol Square Building
550 Cedar Street, Suite 400
St. Paul, MN 55101

Concerning #4830 and #4850,

I wish to withdraw my request for a public hearing on the Administrative rules governing financial aid programs administered by the Minnesota Higher Education Coordinating Board. Publication of these rules appeared in the 1/22/90 issue of the Minnesota Register. I realize that the changes I seek cannot be implemented in the agency rules due to current statutory language.

Todd Fokken
Name (please print or type)

Todd Fokken
Signature

8/28/90
Date (mo/day/yr)

1003 - 18 St. S., #3
Street Address

Moorhead, MN 56560
City, State, Zip Code

Please return this form to:

Mary Lou Dresbach
MHECB
Capitol Square Building
550 Cedar Street, Suite 400
St. Paul, MN 55101

I wish to withdraw my request for a public hearing on the Administrative rules governing financial aid programs administered by the Minnesota Higher Education Coordinating Board. Publication of these rules appeared in the 1/22/90 issue of the Minnesota Register. I realize that the changes I seek cannot be implemented in the agency rules due to current statutory language.

GLENN FREKICHS
Name (please print or type)

Glenn Frekichs
Signature

7-26-90
Date (mo/day/yr)

RR 1 Box 68B
Street Address

Little Falls MN 56345
City, State, Zip Code

Please return this form to:

Mary Lou Dresbach
MHECB
Capitol Square Building
550 Cedar Street, Suite 400
St. Paul, MN 55101

I wish to withdraw my request for a public hearing on the Administrative rules governing financial aid programs administered by the Minnesota Higher Education Coordinating Board. Publication of these rules appeared in the 1/22/90 issue of the Minnesota Register. I realize that the changes I seek cannot be implemented in the agency rules due to current statutory language.

Heather Johnson
Name (please print or type)

Heather Johnson
Signature

7/30/90
Date (mo/day/yr)

6705 159th St. E.
Street Address

Hastings, MN 55033
City, State, Zip Code

Please return this form to:

Mary Lou Dresbach
MHECB
Capitol Square Building
550 Cedar Street, Suite 400
St. Paul, MN 55101

I wish to withdraw my request for a public hearing on the Administrative rules governing financial aid programs administered by the Minnesota Higher Education Coordinating Board. Publication of these rules appeared in the 1/22/90 issue of the Minnesota Register. I realize that the changes I seek cannot be implemented in the agency rules due to current statutory language.

Dodi Kjelland
Name (please print or type)

Dodi Kjelland
Signature

7-31-90
Date (mo/day/yr)

2915 Hanover
Street Address

Moorhead MN 56560
City, State, Zip Code

Please return this form to:

Mary Lou Dresbach
MHECB
Capitol Square Building
550 Cedar Street, Suite 400
St. Paul, MN 55101

I wish to withdraw my request for a public hearing on the Administrative rules governing financial aid programs administered by the Minnesota Higher Education Coordinating Board. Publication of these rules appeared in the 1/22/90 issue of the Minnesota Register. I realize that the changes I seek cannot be implemented in the agency rules due to current statutory language.

Karen KNIGHTON
Name (please print or type)

Karen Knighton
Signature

8/2/90
Date (mo/day/yr)

1714 S 3rd St
Street Address

Moorhead MN 56560
City, State, Zip Code

Please return this form to:

Mary Lou Dresbach
MHECB
Capitol Square Building
550 Cedar Street, Suite 400
St. Paul, MN 55101

I wish to withdraw my request for a public hearing on the Administrative rules governing financial aid programs administered by the Minnesota Higher Education Coordinating Board. Publication of these rules appeared in the 1/22/90 issue of the Minnesota Register. I realize that the changes I seek cannot be implemented in the agency rules due to current statutory language.

CORRINE LEMKE
Name (please print or type)

Corrine Lemke
Signature

7-28-90
Date (mo/day/yr)

3209 Village Dr. Dr. E.
Street Address

Moorhead, MN 56560
City, State, Zip Code

Thankyou

Please return this form to:

Mary Lou Dresbach
MHECB
Capitol Square Building
550 Cedar Street, Suite 400
St. Paul, MN 55101

I wish to withdraw my request for a public hearing on the Administrative rules governing financial aid programs administered by the Minnesota Higher Education Coordinating Board. Publication of these rules appeared in the 1/22/90 issue of the Minnesota Register. I realize that the changes I seek cannot be implemented in the agency rules due to current statutory language.

Debra L. Magnussen
Name (please print or type)

Debra L. Magnussen
Signature

7/30/90
Date (mo/day/yr)

437 Oak Way S.
Street Address

Moorhead, MN 56560
City, State, Zip Code

Please return this form to:

Mary Lou Dresbach
MHECB
Capitol Square Building
550 Cedar Street, Suite 400
St. Paul, MN 55101

I wish to withdraw my request for a public hearing on the Administrative rules governing financial aid programs administered by the Minnesota Higher Education Coordinating Board. Publication of these rules appeared in the 1/22/90 issue of the Minnesota Register. I realize that the changes I seek cannot be implemented in the agency rules due to current statutory language.

Darrel M. Meinke
Name (please print or type)

Darrel M. Meinke
Signature

07/27/90
Date (mo/day/yr)

Moorhead State University Library
Street Address

Moorhead, MN 56563
City, State, Zip Code

Please return this form to:

Mary Lou Dresbach
MHECB
Capitol Square Building
550 Cedar Street, Suite 400
St. Paul, MN 55101

I wish to withdraw my request for a public hearing on the Administrative rules governing financial aid programs administered by the Minnesota Higher Education Coordinating Board. Publication of these rules appeared in the 1/22/90 issue of the Minnesota Register. I realize that the changes I seek cannot be implemented in the agency rules due to current statutory language.

Mary Miller
Name (please print or type)

Mary Miller
Signature

Aug. 8, 1990
Date (mo/day/yr)

11335 Westwind Dr. #D
Street Address

Eden Prairie, MN 55344
City, State, Zip Code

Please return this form to:

Mary Lou Dresbach
MHECB
Capitol Square Building
550 Cedar Street, Suite 400
St. Paul, MN 55101

I wish to withdraw my request for a public hearing on the Administrative rules governing financial aid programs administered by the Minnesota Higher Education Coordinating Board. Publication of these rules appeared in the 1/22/90 issue of the Minnesota Register. I realize that the changes I seek cannot be implemented in the agency rules due to current statutory language.

JO KRAHN MORITZ
Name (please print or type)

Jo K. Moritz
Signature

08-03-90
Date (mo/day/yr)

919 S 5th Street
Street Address

MOORHEAD, MN 56560
City, State, Zip Code

Please return this form to:

Mary Lou Dresbach
MHECB
Capitol Square Building
550 Cedar Street, Suite 400
St. Paul, MN 55101

I wish to withdraw my request for a public hearing on the Administrative rules governing financial aid programs administered by the Minnesota Higher Education Coordinating Board. Publication of these rules appeared in the 1/22/90 issue of the Minnesota Register. I realize that the changes I seek cannot be implemented in the agency rules due to current statutory language.

Susan Nelson
Name (please print or type)

Susan L Nelson
Signature

7-31-90
Date (mo/day/yr)

3501 11th St S #108
Street Address

note change of address

Fargo, ND 58104-6240
City, State, Zip Code

Please return this form to:

Mary Lou Dresbach
MHECB
Capitol Square Building
550 Cedar Street, Suite 400
St. Paul, MN 55101

I wish to withdraw my request for a public hearing on the Administrative rules governing financial aid programs administered by the Minnesota Higher Education Coordinating Board. Publication of these rules appeared in the 1/22/90 issue of the Minnesota Register. I realize that the changes I seek cannot be implemented in the agency rules due to current statutory language.

Rebecca Peach
Name (please print or type)

Rebecca Peach
Signature

4/29/90
Date (mo/day/yr)

12609 Portland Ave So
Street Address

Burnsville, MN 55337
City, State, Zip Code

Please return this form to:

Mary Lou Dresbach
MHECB
Capitol Square Building
550 Cedar Street, Suite 400
St. Paul, MN 55101

watashi to
Hiroka wa ~~[illegible]~~
~~Hiroka to so~~ mae
~~[illegible]~~ Hirokano
onchi 1= arimas

~~[illegible]~~ + Tueso

Tueso 25

~~Thurso 27th~~

I wish to withdraw my request for a public hearing on the Administrative rules governing financial aid programs administered by the Minnesota Higher Education Coordinating Board. Publication of these rules appeared in the 1/22/90 issue of the Minnesota Register. I realize that the changes I seek cannot be implemented in the agency rules due to current statutory language.

Teri L. Retzlaff
Name (please print or type)

Teri L. Retzlaff
Signature

* 7/31/90
Date (mo/day/yr)

720 42nd St.
Street Address

West Des Moines, IA 50265
City, State, Zip Code

* Please note, I am no longer a MN resident as of 7/27/90

Please return this form to:

Mary Lou Dresbach
MHECB
Capitol Square Building
550 Cedar Street, Suite 400
St. Paul, MN 55101

I wish to withdraw my request for a public hearing on the Administrative rules governing financial aid programs administered by the Minnesota Higher Education Coordinating Board. Publication of these rules appeared in the 1/22/90 issue of the Minnesota Register. I realize that the changes I seek cannot be implemented in the agency rules due to current statutory language.

Scott Richards
Name (please print or type)

Scott Richards
Signature

7/25/90
Date (mo/day/yr)

RR 2 Box 146
Street Address

Herman MN 56248
City, State, Zip Code

Please return this form to:

Mary Lou Dresbach
MHECB
Capitol Square Building
550 Cedar Street, Suite 400
St. Paul, MN 55101

I wish to withdraw my request for a public hearing on the Administrative rules governing financial aid programs administered by the Minnesota Higher Education Coordinating Board. Publication of these rules appeared in the 1/22/90 issue of the Minnesota Register. I realize that the changes I seek cannot be implemented in the agency rules due to current statutory language.

Kathy Schmidt
Name (please print or type)

Kathy Schmidt
Signature

7-27-90
Date (mo/day/yr)

605 5th Av. N.E.
Street Address

Dilworth MN 56529
City, State, Zip Code

Please return this form to:

Mary Lou Dresbach
MHECB
Capitol Square Building
550 Cedar Street, Suite 400
St. Paul, MN 55101

I wish to withdraw my request for a public hearing on the Administrative rules governing financial aid programs administered by the Minnesota Higher Education Coordinating Board. Publication of these rules appeared in the 1/22/90 issue of the Minnesota Register. I realize that the changes I seek cannot be implemented in the agency rules due to current statutory language.

Chad Silbernick
Name (please print or type)

Signature

7/25/90
Date (mo/day/yr)

Rt 1 Box 106
Street Address

Brandon MN 56315
City, State, Zip Code

Please return this form to:

Mary Lou Dresbach
MHECB
Capitol Square Building
550 Cedar Street, Suite 400
St. Paul, MN 55101

I wish to withdraw my request for a public hearing on the Administrative rules governing financial aid programs administered by the Minnesota Higher Education Coordinating Board. Publication of these rules appeared in the 1/22/90 issue of the Minnesota Register. I realize that the changes I seek cannot be implemented in the agency rules due to current statutory language.

KENNETH R. SKJEGSTAD
Name (please print or type)

Kenneth R Skjegstad
Signature

8-1-90
Date (mo/day/yr)

1121 - 3rd Ave S
Street Address

Moorhead, Minn 56560
City, State, Zip Code

Please return this form to:

Mary Lou Dresbach
MHECB
Capitol Square Building
550 Cedar Street, Suite 400
St. Paul, MN 55101

ST. CLOUD STATE UNIVERSITY

Office of Scholarships and Financial Aid

Administrative Services Building 106
(612) 255-2047

720 Fourth Avenue South
St. Cloud, Minnesota 56301-4498

May 15, 1990

Cheryl Maplethorpe
Manager, State Financial Aid Programs
Minnesota State Scholarship and Grant
Program
Suite 400, Capitol Square Building
550 Cedar Street
St. Paul, MN 55101

Dear Cheryl:

The purpose of this note is to serve as a follow-up related to our recent discussion regarding the suggested change in the residency rule related to the State Scholarship and Grant Program eligibility.

I am withdrawing my request for a public hearing since it appears that the change that I am requesting appears to require a statutory change rather than a rule change. I will be very happy to work with you to draft suggested statutory language changes to include scholarship and grant consideration for a spouse of an individual who relocates in Minnesota for the purpose of obtaining full-time employment.

If you have any questions regarding this letter, please feel free to contact me.

Sincerely,

Frank E. Loncorich
Director, Financial Aids

FEL:jah

SCSU is an equal opportunity educator and employer

Minnesota
Higher Education
Coordinating Board

Suite 400
Capitol Square
550 Cedar Street
Saint Paul, Minnesota 55101

612-296-3974

April 11, 1990

Cindy Lavaorato
Attorney General's Office
1100 Bremer Tower
St. Paul, Minnesota 55101

Dear Ms. Lavaorato,

This letter contains the current statute, the proposed rule, and the rule advocated by several financial aid administrators who have asked for a hearing on the residency definition in our rules. Please tell me whether or not the residency definition exceeds my authority outlined in statute. If this is the case it would seem to be futile for the aid administrators to pursue their request for a hearing.

STATUTE

136A.101 DEFINITIONS.

Subd. 8. "Resident student" means a student who meets one of the following conditions:

(1) an independent student who has resided in Minnesota for purposes other than post-secondary education for at least 12 months;

(2) a dependent student whose parent or legal guardian resides in Minnesota at the time the student applies;

(3) a student who graduated from a Minnesota high school; or

(4) a student who, after residing in the state for a minimum of one year, earned a high school equivalency certificate in Minnesota.

Subd. 9. Independent Student. "Independent student" has the meaning given it in the Higher Education Act of 1965, United States Code, title 20, section 1070a-6, and applicable regulations.

(I have enclosed this federal definition.)

Proposed RULE

4830.0100 DEFINITION FOR HIGHER EDUCATION PROGRAMS.

Subp. 10 Minnesota Resident. Minnesota Resident means:

A. a dependent student whose parent or legal guardian resides in Minnesota on the date of application;

B. An independent student who has resided in Minnesota for other than educational purposes for at least 12 consecutive months prior to the date of application;

C. a student who graduated from a Minnesota high school; or

D. a student who after residing in the state for a minimum of one year, earned a high school equivalency certificate in Minnesota.

Subp. 10a. Determination of student residents. The residence of the parent whose financial information is reported in the financial need analysis determines the residence of the student.

New Proposed RULE

4830.0100 DEFINITION FOR HIGHER EDUCATION PROGRAMS.

Subp. 10 Minnesota Resident. Minnesota Resident means:

A. a dependent student whose parent or legal guardian resides in Minnesota on the date of application;

B. An independent student who has resided in Minnesota for other than educational purposes for at least 12 consecutive months prior to ~~the date of application~~ becoming an eligible student;

C. a student who graduated from a Minnesota high school; or

D. a student who after residing in the state for a minimum of one year, earned a high school equivalency certificate in Minnesota.

Subp. 10a. Determination of student residents. The residence of the parent whose financial information is reported in the financial need analysis determines the residence of the student.

Subp. 10b. Definition of a dependent student for the determination of residency status only. A spouse of a person who has moved to Minnesota in order to take a permanent Minnesota job will be considered a dependent of that spouse for purposes of defining residency for the state grant program. The student may be considered to have met the dependency definition if the student was married before entering Minnesota to a person who came to Minnesota for the purposes of taking a permanent job. The student must be able to prove with written documentation to the satisfaction of the Executive Director

1. The date that the student or spouse entered Minnesota.
2. That the student's spouse was offered a full-time job before entering Minnesota and maintained a full-time job in Minnesota.
3. That the student and spouse were married before entering Minnesota.
4. The date that the student began attendance at an eligible institution.

If the student becomes divorced or separated from the working spouse, the student will have to establish residency as an independent student. If the student has started school before living in Minnesota for 12 months, the student may loose the residency status.

Please tell me if these rules exceed my authority in statute.

Sincerely,

Cheryl

Cheryl Maplethorpe
Manager
State Financial Aid Programs

CM/paw

enc.

MINNESOTA ATTORNEY GENERAL - Education

M E M O R A N D U M

TO : Cheryl Maplethorpe, Manager
State Financial Aid Programs

FROM : Cindy L. Lavorato
Special Assistant
Attorney General

DATE : April 30, 1990

PHONE : 296-3834

SUBJECT : Rule Amendment

You have asked me to review language being proposed as an amendment to Minn. Rule pt. 4830.0100. The language would expand the definition of "dependent student" eligible for residency status to include the student whose spouse has moved into Minnesota for employment purposes. I do not believe HECB has the authority to enact the language in question.

Minn. Stat. § 136A.101, subd. 8 (Supp. 1989) defines residency for purposes of the state financial programs described in that chapter. That subdivision states:

> Subd. 8. "Resident student" means a student who meets one of the following conditions:
>
> (1) an independent student who has resided in Minnesota for purposes other than post-secondary education for at least 12 months;
>
> (2) a dependent student whose parent or legal guardian resides in Minnesota at the time the student applies;
>
> (3) a student who graduated from a Minnesota high school; or
>
> (4) a student who, after residing in the state for a minimum of one year, earned a high school equivalency certificate in Minnesota.

The rule amendment being suggested does not fit within the definition "dependent student" in clause (2) above. It is also beyond the other definitions of student in clauses (3) and (4).

An administrative agency's jurisdiction is limited and is dependent entirely on the statute under which it operates. An action by an administrative agency is void or subject to collateral attack where it is made either without or in excess of statutory power. McKee v. Ramsey County, 310 Minn. 192, 245 N.W.2d 460 (1976); State ex rel. Spurck v. Civil Service Board, 226 Minn. 253, 32 N.W.2d 583 (1948).

Because the rule being proposed creates a whole new category of "dependent students" not authorized by the enabling legislation, the HECB is without authority to enact such a rule. Furthermore, enactment of the rule would be subject to attack if implemented. For these reasons, I advise that the language not be adopted.

I trust this answers your questions. Please call if you have additional concerns.

CLL:cs:.by4

FEB 28 1990

ST. CLOUD STATE UNIVERSITY

Office of Scholarships and Financial Aid

720 South 4th Avenue
St. Cloud, Minnesota 56301-4498
612/255-2047

February 16, 1990

Mary Lou Dresbach
Minnesota Higher Education Coordinating Board
400 Capitol Square Building
550 Cedar Street
St. Paul, MN 55101

Dear Mary Lou:

The purpose of this letter is to provide you with my comments related to a suggested change in the proposed permanent rules relating to Financial Aid-Minnesota Rules, Chapters 4830 and 4850. The rule change that I am specifically addressing is 4830.0100 Subp 10, the definition of a Minnesota resident.

I am suggesting that the rule that defines a Minnesota resident be changed to include a spouse or dependent of an individual who has moved to Minnesota to accept permanent employment. As I interpret the current rules, a dependent student whose parent or guardian resides in Minnesota on the date of application would be considered a Minnesota resident. It is theoretically possible for a family to move to Minnesota on July 1. The dependent student of this family could apply for and receive consideration for a Minnesota Grant on July 2. If, in the event the mother or father of this dependent student wish to apply for a state grant, this person would not be considered for an award under the current rules since the parent applicant would be an independent student (over age 24) and would not have resided in the state for twelve months prior to the date of application. In my opinion, a gross inconsistency and inequity exists here.

I am also requesting that the definition of a legal Minnesota independent resident be expanded to include a spouse or a dependent of an individual who has moved to Minnesota to accept <u>permanent</u> employment. In my opinion, if an individual moves to Minnesota to <u>accept permanent employment</u>, his or her spouse should be immediately eligible to apply for a state grant. A change of this nature would bring the State Scholarship and Grant guidelines into conformity with the definition of a Minnesota resident used for Resident tuition purposes at the State universities. The Minnesota Higher Education Coordinating Board is a state agency and the State universities are state agencies. It only seems logical and proper that the definition of a Minnesota resident for State Scholarship and Grant eligibility, and the definition of a Minnesota resident for the payment of tuition and fees be consistent. How do you explain to a student that he or she can pay in state tuition, pay taxes in the State of Minnesota, and not be eligible to be considered for a State Grant?

SCSU is an equal opportunity educator and employer.

Your approval of this suggested modification of the rules will be greatly appreciated. If you have any questions regarding this letter or the suggested change, please feel free to contact me.

Sincerely,

Frank E. Loncorich
Director

FEL:ses

FEB 26 1990

ST. CLOUD STATE UNIVERSITY

Office of Scholarships and Financial Aid

720 South 4th Avenue
St. Cloud, Minnesota 56301-4498
612/255-2047

February 16, 1990

Mary Lou Dresbach
Minnesota Higher Education Coordinating Board
400 Capitol Square Building
440 Cedar Street
St. Paul, MN 55101

Dear Mary Lou:

The purpose of this letter is to request that a public hearing take place related to the changes in Financial Aid Rules 4830 and 4850.

I am requesting that a public hearing be held to discuss the portion of the rules addressing the definition of a Minnesota resident. The reason for this request is to modify the rules to allow for reasonable and consistent treatment of individuals who reside in the State of Minnesota for the primary purpose of other than obtaining a college education.

Please notify me as to when and where the public hearing will be held so I can express my views at the hearing.

Sincerely,

Frank E. Loncorich
Director

FEL:ses

SCSU is an equal opportunity educator and employer.

FEB 22 1990

ST. CLOUD STATE UNIVERSITY

Office of Scholarships and Financial Aid

720 South 4th Avenue
St. Cloud, Minnesota 56301-4498
612/255-2047

February 21, 1990

Mary Lou Dresbach
Minnesota Higher Education Coordinating Board
400 Capitol Square Building
440 Cedar Street
St. Paul, MN 55101

Dear Mary Lou:

The purpose of this letter is to request that a public hearing take place related to the changes in Financial Aid Rules 4830 and 4850.

I am requesting that a public hearing be held to discuss the portion of the rules addressing the definition of a Minnesota resident. The reason for this request is to modify the rules to allow for reasonable and consistent treatment of individuals who reside in the State of Minnesota for the primary purpose of other than obtaining a college education.

Please notify me as to when and where the public hearing will be held so I can express my views at the hearing.

Sincerely,

Barbara Amos

Barbara Amos
Assistant Director

BA:ses

SCSU is an equal opportunity educator and employer.

FEB 22 1990

ST. CLOUD STATE UNIVERSITY

Office of Scholarships and Financial Aid

720 South 4th Avenue
St. Cloud, Minnesota 56301-4498
612/255-2047

February 21, 1990

Mary Lou Dresbach
Minnesota Higher Education Coordinating Board
400 Capitol Square Building
550 Cedar Street
St. Paul, MN 55101

Dear Mary Lou:

The purpose of this letter is to provide you with my comments related to a suggested change in the proposed permanent rules relating to Financial Aid-Minnesota Rules, Chapters 4830 and 4850. The rule change that I am specifically addressing is 4830.0100 Subp 10, the definition of a Minnesota resident.

I am suggesting that the rule that defines a Minnesota resident be changed to include a spouse or dependent of an individual who has moved to Minnesota to accept permanent employment. As I interpret the current rules, a dependent student whose parent or guardian resides in Minnesota on the date of application would be considered a Minnesota resident. It is theoretically possible for a family to move to Minnesota on July 1. The dependent student of this family could apply for and receive consideration for a Minnesota Grant on July 2. If, in the event the mother or father of this dependent student wish to apply for a state grant, this person would not be considered for an award under the current rules since the parent applicant would be an independent student (over age 24) and would not have resided in the state for twelve months prior to the date of application. In my opinion, a gross inconsistency and inequity exists here.

I am also requesting that the definition of a legal Minnesota independent resident be expanded to include a spouse or a dependent of an individual who has moved to Minnesota to accept permanent employment. In my opinion, if an individual moves to Minnesota to accept permanent employment, his or her spouse should be immediately eligible to apply for a state grant. A change of this nature would bring the State Scholarship and Grant guidelines into conformity with the definition of a Minnesota resident used for Resident tuition purposes at the State universities. The Minnesota Higher Education Coordinating Board is a state agency and the State universities are state agencies. It only seems logical and proper that the definition of a Minnesota resident for State Scholarship and Grant eligibility, and the definition of a Minnesota resident for the payment of tuition and fees be consistent. How do you explain to a student that he or she can pay in state tuition, pay taxes in the State of Minnesota, and not be eligible to be considered for a State Grant?

SCSU is an equal opportunity educator and employer.

Your approval of this suggested modification of the rules will be greatly appreciated. If you have any questions regarding this letter or the suggested change, please feel free to contact me.

Sincerely,

Barbara Amos

Barbara Amos
Assistant Director

BA:ses

MAR 20 1990

Dear Ms. Dresbach:

I am writing to you to request that a hearing be held in an attempt to change the definition of a Minnesota Resident that is described in the Financial Aid Rules 4830 and 4850.

My reason for this request is to attempt to change the rules so that a resident may also include those people who reside in Minnesota for reasons other than attending a secondary school.

My husband is in the military, and it was the government that brought us to Minnesota, not a desire to further my education. St. Cloud State University considers me to be a resident of Minnesota, and I have never been required to pay nonresident tuition. However, since we did not live here for 12 months before I started school, I cannot receive the aid that other residents receive. This does not seem right when we have lived here for almost two years now and we plan to stay here until the government decides to transfer us again, but in the mean time, why should we be discriminated against when my husband is merely doing his part to defend this country?

Please inform me as to the time and place that the hearing will take place so that I may aid in seeing these changes be made.

Thank you,

Sarah L. Gunn
312 E. River St.
Monticello, Mn 55362
(612) 295-4866

Sarah L Gunn