

**CHAPTER 4800**  
**HIGHER EDUCATION COORDINATING BOARD**  
**RULES OF HIGHER EDUCATION COORDINATING**  
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**SCHOLARSHIPS AND GRANTS-IN-AID**

**4800.0200 DEFINITIONS.**

Subpart 1. **Scope.** The following terms shall have the meaning hereinafter ascribed to them.

Subp. 2. **Academic standards.** "Academic standards" as used to determine "qualified applicants," defined in Minnesota Statutes shall be the applicant's ranking in the applicant's class based upon the applicant's cumulative scholastic record in senior high school through the junior year as determined by the applicant's secondary school administration in each local school district.

Subp. 3. **Application date.** "Application date" shall be that date set each year by the board by resolution by which all applications for initial or renewal scholarships and grants-in-aid shall be filed. The application date shall not be prior to February 15 of any given year, and shall be at least 30 days following the date of the adoption of the list of eligible institutions.

Subp. 4. **BEOG.** "BEOG" or the Basic Educational Opportunity Grant is the major federal grant available to postsecondary students.

Subp. 5. **Educational costs.** "Educational costs" shall include tuition and required fees, room and board, books, and miscellaneous expenses.

Subp. 6. **Eligible institution.** "Eligible institution" shall be any postsecondary institution which has been determined by the board pursuant to standards set forth in Minnesota Statutes to qualify for attendance by a scholarship or grant recipient for any given academic year. Annually, by resolution, the board shall adopt a list of such institutions so qualifying.

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Subp. 7. **Standards.** "Standards" as used in Minnesota Statutes to determine eligibility of applicants shall be the ordered rank as determined by the applicant's high school rank converted to a percentile ranking at the end of six semesters or the junior year.

Subp. 8. **Undergraduate.** "Undergraduate" shall be any full-time postsecondary student enrolled for a maximum of eight semesters, or 12 quarters, or their equivalent. For purposes of the Minnesota scholarship and grants-in-aid program, a student is no longer an "undergraduate" after obtaining a baccalaureate degree or after completing the number of semesters or quarters herein specified, whichever occurs first.

Subp. 9. **Uniform methodology.** "Uniform methodology" is any of the needs analysis methodologies which existed on March 28, 1980, and was recognized and approved by the Department of Education in Federal Register, volume 45, page 20567. In implementing any of those methodologies, the benchmarks established by the Department of Education must be used, Federal Register, volume 44, page 56938.

**Statutory Authority:** *MS s 136A.111 subd 2*

### 4800.0300 PURPOSE. R

The purpose of parts 4800.0200 to 4800.0900 is to augment Minnesota Statutes, section 136A.09 et seq., as amended establishing a state program of student scholarships and student grants-in-aid by providing standards, criteria, and rules therefor.

**Statutory Authority:** *MS s 136A.111 subd 2* R

### 4800.0400 EXECUTIVE DIRECTOR.

Subpart 1. **Delegated authority.** The executive director to the board is hereby delegated the authority and responsibility for issuance of public information, designing of application forms, prescribing of procedures for submission of application for scholarship and grant-in-aid, and for the selection of qualified recipients of scholarship and grant-in-aid benefits.

Subp. 2. **Ranking candidates.** All scholarship candidates shall be ranked according to standards. Stipends in amounts determined by the financial needs analysis shall be assigned to candidates on the scholarship list in descending order of rank until available funds are exhausted.

All grant-in-aid candidates shall be ranked according to their available financial resources, or their ability to pay for necessary expenses incurred in pursuing full-time study at an eligible institution on the basis of information provided to the board through use of a uniform methodology needs analysis. Stipends in amounts so determined shall be assigned to candidates on the grant-in-aid list in ascending order of their available financial resources or their ability to pay for educational costs until available funds are exhausted.

Subp. 3. **Report.** The executive director shall periodically advise and report to the board on the status of the student aid programs.

**Statutory Authority:** *MS s 136A.111 subd 4* R

### 4800.0500 ELIGIBLE APPLICANTS.

Subpart 1. **Initial scholarship awards.** Applicants eligible for initial scholarship awards as provided for in Minnesota Statutes shall include those who will enter an eligible institution as beginning full-time, first year students without any previous postsecondary education.

Subp. 2. **Initial grant-in-aid awards.** Applicants eligible for initial grant-in-aid awards as provided for in Minnesota Statutes shall include any full-time undergraduate student who will attend an eligible institution and has not previously received a scholarship or grant-in-aid; and those who will be enrolled in an eligible institution in a nursing education program leading to

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licensure as a registered nurse or a licensed practical nurse, as defined in Minnesota Statutes 1976, section 148.171 et. seq.

Subp. 3. **Renewals.** Applicants eligible for renewals as provided for in Minnesota Statutes shall include those who have previously qualified for and been acknowledged by the eligible institution as having received a scholarship or grant-in-aid.

**Statutory Authority:** *MS s 136A.111 subd 2*

## 4800.0600 DETERMINATION OF FINANCIAL NEED. R

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

**Statutory Authority:** *MS s 136A.111 subd 2*

## 4800.0700 RESIDENCY REQUIREMENTS. R

Residency requirements as prescribed in Minnesota Statutes shall be determined by the board as provided herein and shall apply to the recipient's status as of the application date.

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

Applicants who are adjudged to be independent of parental or guardian's financial support shall be considered as residents of the state of Minnesota for purposes of the Minnesota state scholarship and grant-in-aid programs provided that they have resided in the state of Minnesota for not less than 12 consecutive months immediately prior to the application date for purposes other than that of obtaining an education.

Applicants who are not citizens of the United States must be permanent residents of the United States.

**Statutory Authority:** *MS s 136A.111 subd 2*

## 4800.0800 TYPES OF SCHOLARSHIPS AND GRANTS-IN-AID. R

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

Subp. 2. **Honorary scholarship.** Honorary scholarships shall be those granted to all applicants who have no financial need but rank equally with or above the last monetary scholarship recipient according to standards, or who have not requested a financial stipend but who otherwise have qualified.

**Statutory Authority:** *MS s 136A.111 subd 2*

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### 4800.0900 METHOD OF PAYMENT. *R*

Subpart 1. **Remitting to institutions.** After monetary scholarships and grants-in-aid have been determined, the executive director shall cause to be remitted to the eligible institution of the applicant's choice for the account of such recipient the amount so awarded. Each institution shall apply such designated amount to the recipient's educational costs in the order designated in Minnesota Statutes, prorated for each school term of the academic year. The institution shall notify the recipient of such application of funds.

Subp. 2. **Unused portion.** Any unused portion of a scholarship or grant-in-aid recipient's stipend shall be remitted or refunded by the institution to the board's scholarship or grant-in-aid account, and such remitted funds shall be available for reassignment to other qualified candidates as defined herein.

Subp. 3. **Change of institution.** Recipients of scholarships or grants-in-aid who change their choice of institution after a stipend has been offered, but prior to the opening of the fall term, shall have the amount of the stipend reduced in cases where such change causes the recipient's need to decrease. In cases where such change causes the recipient's need to increase, upward adjustment of the stipend shall be contingent on availability of funds.

Subp. 4. **Award and forfeiture.** Scholarships and grants-in-aid shall be awarded for full-time attendance at a specified institution for the academic year commencing with the fall term. A recipient of a scholarship or grant-in-aid stipend who ceases to be a full-time student at the institution for which the award was made shall forfeit the unused portion of the stipend.

Subp. 5. **Accounting.** Each institution shall maintain discrete accounts for scholarship and grant-in-aid funds, and refunds or remittances to the board shall be made by separate warrants for scholarships and grants-in-aid. Each institution shall provide such accounting information for each recipient as may from time to time be required by the board.

**Statutory Authority:** *MS s 136A.111 subd 2*

### STUDENT LOAN PROGRAM

### 4800.2100 DEFINITIONS. *R*

Subpart 1. **Scope.** The following terms shall have the meaning hereinafter ascribed to them.

Subp. 2. **Eligible institution.** "Eligible institution" as referred to in Minnesota Statutes shall be any public educational institution or any private educational institution, in any state, which is approved by the U.S. Commissioner of Education in accordance with requirements set forth in the Higher Education Act of 1965, as amended.

Subp. 3. **Eligible student.** "Eligible student" as defined in Minnesota Statutes shall be any person who is officially registered or accepted for enrollment at an eligible institution in Minnesota or a Minnesota resident who is officially registered as a student or accepted for enrollment at an eligible institution in another state and who meets criteria for student eligibility for the guaranteed student loan program.

Subp. 4. **Executive director.** "Executive director" is the executive director of the Minnesota Higher Education Coordinating Board.

Subp. 5. **Guaranteed student loan program.** "Guaranteed student loan program" shall refer to that student guaranteed loan program created by the Higher Education Act of 1965, as amended.

Subp. 6. **Higher Education Act of 1965.** "Higher Education Act of 1965" is the title given to Title IV, Part B, of Public Law Number 89-329, as amended.

Subp. 7. **Minnesota resident.** "Minnesota resident" shall be defined as a person who either is dependent upon the financial support of parents or guardians who reside in and are legal residents of the state of Minnesota at the

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time of application for a loan, or is independent of parental or guardian's financial support and has resided in Minnesota for not less than 12 consecutive months immediately prior to application for a loan.

Subp. 8. **Minnesota state student loan program.** "Minnesota state student loan program" is the state program of loans to postsecondary students as provided for in Minnesota Statutes, hereinafter referred to as the program.

Subp. 9. **School period.** "School period" shall mean that period between the beginning and ending dates of that block of academic enrollment for which the loan funds will be used.

**Statutory Authority:** *MS s 136A.16 subd 2*

### 4800.2200 PURPOSE.

The purpose of parts 4800.2100 to 4800.2900 is to augment Minnesota Statutes, sections 136A.14 to 136A.143, 136A.15 et seq., as amended, establishing a state program of loans to postsecondary students by providing standards, criteria, and rules therefor.

**Statutory Authority:** *MS s 136A.16 subd 2*

### 4800.2300 EXECUTIVE DIRECTOR.

The executive director is hereby delegated necessary authority and responsibility for administration of student loans in accordance with these rules, state law, and applicable federal laws and regulations, including issuing public information, designing related forms, prescribing application procedures, prescribing procedures and terms for collection and repayment of loans, and establishing such policies and practices as the executive director may deem necessary for effective administration in accordance with the purposes and requirements of the Minnesota state student loan program.

**Statutory Authority:** *MS s 136A.16 subd 10*

### 4800.2400 STUDENT LOAN CRITERIA.

Subpart 1. **Approval.** Loans may be approved for students who satisfy the requirements as defined in subparts 2 and 3 and part 4800.2200, subpart 3.

Subp. 2. **Nonresidents; documentation.** Eligible students who are not Minnesota residents as defined in part 4800.2100 and who have previously obtained an insured student loan from a lender in another state may be required to submit documentation that they have been unsuccessful in obtaining further loans through that loan program before they may receive approval to borrow under terms of the program.

Subp. 3. **Nonresidents; domicile.** Students who are not Minnesota residents as defined in part 4800.2100 shall not be eligible for a loan unless domiciled in Minnesota for the school period for which the loan is approved.

**Statutory Authority:** *MS s 136A.16 subd 2*

### 4800.2500 TERMS OF LOANS.

Subpart 1. **Maximum amount.** The maximum loan for any school period and aggregate outstanding principal balance of insured student loans shall be those maximums as prescribed by the Higher Education Act of 1965, as amended.

Subp. 2. **Minimum amount.** No individual student loan or transaction for which a separate promissory note is required shall be made in an amount less than the minimum amount to be established by majority vote of the board at an official public meeting of the board.

Subp. 3. **Note and interest.** Each loan shall be evidenced by a promissory note and shall bear interest at a rate designated by the executive director not to exceed the maximum rate prescribed by the Higher Education Act of 1965, as amended.

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Subp. 4. **Repayment.** Terms and conditions for repayment of loans shall be established by the executive director in accordance with provisions of the guaranteed student loan program.

Subp. 5. **Maximum period.** A loan shall not be approved for any school period in excess of one academic year as required by the Higher Education Assistance Foundation.

**Statutory Authority:** *MS s 136A.16 subd 2*

## **4800.2600 DISBURSEMENT.**

The principal amount of an approved loan shall be made payable to the student borrower. The payment shall be sent to a designated school official as defined in part 4800.2800, subpart 2, item A for delivery to the student. No payment to the student borrower shall be made prior to 21 days before the beginning of the school period for which the loan is made. No payment of loan principal to the student borrower shall be made for a school period after that school period has expired.

**Statutory Authority:** *MS s 136A.16 subd 2*

## **4800.2700 REPAYMENT UPON NONATTENDANCE.**

If, after disbursement, a student borrower does not attend school for the intended school period, the loan shall be declared immediately due and payable.

**Statutory Authority:** *MS s 136A.16 subd 2*

## **4800.2800 RESPONSIBILITIES OF EDUCATIONAL INSTITUTION.**

Subpart 1. **Executed agreement.** Each eligible institution shall be required to execute an agreement with the executive director prior to the approval of a loan to a student attending that institution. The agreement shall stipulate the institution's responsibilities as prescribed by the executive director and shall include, but need not be limited to, those responsibilities described in subpart 2 and part 4800.2900.

### **Subp. 2. Duties of institutional representative.**

A. The institution shall designate one school official who shall serve as the institutional representative for purposes defined in the agreement.

B. The institutional representative shall cause to be completed and shall certify the institutional section of each student loan application under the program.

C. The institutional representative shall assist the board by providing loan counseling to students under the program.

D. The institutional representative shall assist the board in advising each student of his or her obligations and responsibilities when accepting a loan under the program.

E. The institutional representative shall transmit loan disbursements from the program to the student borrowers.

F. The institutional representative shall promptly notify the executive director when a student borrower discontinues at least half-time enrollment at that institution.

**Statutory Authority:** *MS s 136A.16 subd 2*

## **4800.2900 TERMINATION OF AGREEMENT WITH INSTITUTION.**

The executive director may terminate an agreement with an institution when, in the judgment of the executive director, continuation of the agreement is not in the best interest of the program.

**Statutory Authority:** *MS s 136A.16 subd 2*

**PART-TIME STUDENT GRANT PROGRAM****4800.4100 DEFINITIONS.**

Subpart 1. **Scope.** The following terms shall have the meaning hereinafter ascribed to them.

Subp. 2. **Base year.** "Base year" shall be the tax year prior to the academic year for which aid is requested.

Subp. 3. **Eligible institution.** "Eligible institution" shall be any postsecondary institution in Minnesota which is eligible for the state grant-in-aid program as defined in Minnesota Statutes 1976, section 136A.101, subdivision 4 and part 4800.0300.

Subp. 4. **Estimated year.** "Estimated year" shall be the tax year subsequent to the base year.

Subp. 5. **Executive director.** "Executive director" is the executive director of the Minnesota Higher Education Coordinating Board.

Subp. 6. **Part-time fall term enrollment.** "Part-time fall term enrollment" shall be the total of all resident and extension part-time students reported as lower division, upper division, graduate, professional, and vocational for each eligible institution, as determined by the board in its annual enrollment survey in the year prior to the academic year for which program funds are allocated.

Subp. 7. **Single term.** "Single term" shall be a quarter or semester or its equivalent, as determined by the eligible institution.

**Statutory Authority:** *MS s 136A.132*

**4800.4200 PURPOSE.**

The purpose of parts 4800.4100 to 4800.4700 is to augment Minnesota Statutes, section 136A.132 et seq., establishing a state program of part-time student grants by providing standards, criteria, and rules therefor.

**Statutory Authority:** *MS s 136A.132*

**4800.4300 ELIGIBLE STUDENTS.**

Subpart 1. **Defined.** "Eligible student" shall be any student who is a Minnesota resident as provided in subpart 2; and who is granted formal admission to and enrolled in good standing or accepted for enrollment in an eligible institution less than full time, pursuing a program or course of study leading to a recognized degree, diploma, or certificate; and who is not eligible for other state or federal educational gift assistance; and whose tuition and fees are not to be paid or reimbursed by other sources.

Subp. 2. **Minnesota resident.** Applicants who reside with, receive support from, or are claimed as tax exemptions by their parents or guardians in the years prior to or during the academic year for which application is made shall be considered to be domiciled with such parents or guardian and a resident of the state where so domiciled.

Applicants who are adjudged to be independent of parental or guardian's financial support shall be considered as residents of the state of Minnesota for purposes of this program, provided that they have resided in the state of Minnesota for not less than 12 consecutive months immediately prior to making application for purposes other than that of obtaining an education.

**Statutory Authority:** *MS s 136A.132*

**4800.4400 EXECUTIVE DIRECTOR.**

The executive director is hereby delegated necessary authority and responsibility for administration of the part-time student grant program in accordance with these rules, state law, and applicable federal laws and regulations, including issuing public information, designing related forms, prescribing application procedures, prescribing terms and conditions and agreements with eligible institutions, and establishing such policies and practices as the executive director may deem necessary for effective administration in

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accordance with the purposes and requirements of the part-time student grant program.

**Statutory Authority:** *MS s 136A.03*

### 4800.4500 FINANCIAL NEED. *R*

Subpart 1. **Annual reporting.** Annually each eligible institution shall be required to solicit demographic, educational, and financial data from eligible students requesting funds under this program as specified by the board prior to each academic year for the purpose of determining financial need. Annually, all eligible institutions shall make available upon request of the board reports of all such data collected.

Subp. 2. **Income year for basing determination.** Determination of financial need shall be based on base year income. In the following circumstances, estimated year income may provide the basis for determination of financial need if:

A. a parent or spouse who provided income in the base year died during the base year or the estimated year;

B. a parent or spouse who provided income in the base year has experienced a complete loss of all employment for at least ten weeks in the estimated year;

C. a parent or spouse who provided income in the base year has been unable to pursue normal income-producing activities in the estimated year for at least ten weeks, due to either disability occurring in the base year or the estimated year or a natural disaster that occurred in the estimated year;

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

E. the eligible student who was employed for an average of 35 hours per week for at least 30 weeks in the base year is no longer employed on a full-time basis in the estimated year.

Subp. 3. **Income limits.** An eligible student shall be considered to be financially needy for an award under the provisions of this program if: there are fewer than four persons in the student's family and its income for the base year or the estimated year as provided herein is no greater than the U.S. Bureau of Labor Statistics Urban Family Budget Study, Intermediate Budget for families of the size of the student's family; or if there are four or more persons in the student's family and its income for the base year or the estimated year as provided herein is no greater than the U.S. Bureau of Labor Statistics Urban Family Budget Study, Lower Budget for a five-person family.

**Statutory Authority:** *MS s 136A.132*

### 4800.4600 TERMS OF AWARDS. *R*

Awards shall be granted to those eligible students adjudged to be financially needy as defined in part 4800.4500 but in no case shall the award amount exceed the cost of resident tuition and fees at the eligible institution or the cost of resident tuition and fees for an equivalent program at the University of Minnesota, whichever is less. Awards shall be for a single term and shall not be automatically renewable. Reapplication may be made for each term in which aid is desired.

**Statutory Authority:** *MS s 136A.132*

### 4800.4700 DISBURSEMENT OF FUNDS. *R*

Subpart 1. **Allocation formula.** Funds shall be allocated to eligible institutions according to the following formula: part-time fall term enrollment divided by the total part-time fall term enrollment for all eligible institutions multiplied by the then-current appropriation as provided for by the Minnesota legislature.



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Subp. 2. **Notice to institution.** Annually, the board shall notify each eligible institution of the amount of funds allocated according to the formula specified in subpart 1.

Subp. 3. **Reports by institution.** Periodically, each eligible institution shall inform the board of funds needed to meet commitments. Funds will be disbursed accordingly to the amount allocated by the formula specified in subpart 1. Periodically, at the request of the board, each eligible institution shall inform the board of anticipated utilization of funds.

Subp. 4. **Unused funds.** Unused funds shall be released by the eligible institution and shall be available for reallocation, according to the formula defined in subpart 1, to eligible institutions desiring additional funds.

Subp. 5. **Accountability.** Each eligible institution shall be accountable for any funds disbursed to eligible students under the provisions of the rules.

Subp. 6. **Use of funds.** Any allocated funds shall be used only during the fiscal year of disbursement and may be applied to any single term.

Subp. 7. **Tuition refunds.** Each eligible institution shall be responsible for refunds of unused tuition and fees necessitated by the withdrawal of any students. The eligible institution may apply any refunded amounts to other eligible students or remit such funds to the board.

**Statutory Authority:** *MS s 136A.132*

### WORK-STUDY GRANT PROGRAM

#### R 4800.6100 DEFINITIONS.

Subpart 1. **Scope.** The following terms shall have the meaning hereinafter ascribed to them.

Subp. 2. **Allocation formula.** "Allocation formula" shall be defined as the full-time equivalent fall term enrollment for each participating school, divided by the full-time equivalent fall term enrollment for all participating schools, multiplied by current appropriations for the program as provided for by the Minnesota legislature.

Subp. 3. **Eligible employer.** "Eligible employer" means any participating educational institution; any nonprofit, nonsectarian agency located in the state of Minnesota; any handicapped person who has a physical or mental impairment which substantially limits one or more life activities and who could benefit from student assistance in or about the home residence; or any person over 65 years of age who could benefit from student assistance in or about the home residence.

Subp. 4. **Eligible postsecondary institution.** "Eligible postsecondary institution" shall be any postsecondary institution eligible for participation in the Minnesota state scholarship and grant program as defined in Minnesota Statutes section 136A.101.

Subp. 5. **Eligible student.** "Eligible student" means a Minnesota resident enrolled or intending to enroll full time in a Minnesota eligible postsecondary institution.

Subp. 6. **Executive director.** "Executive director" is the executive director of the Minnesota Higher Education Coordinating Board.

Subp. 7. **Financial need.** "Financial need" shall be the amount of monetary assistance necessary for the student to meet postsecondary education costs but in no event shall exceed the amount of financial need calculated through use of a uniform methodology by the educational institution, plus an amount to replace expected family contributions. Written documentation supporting the decision of the financial aid officer to replace any portion of the family contribution with a state work-study award must appear in the student's file maintained by the financial aid officer at the educational institution.

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Subp. 8. **Full-time equivalent fall term enrollment.** "Full-time equivalent fall term enrollment" shall be that enrollment which is determined by the board in its annual enrollment survey in the year prior to the academic year for which program funds are allocated.

Subp. 9. **Minnesota resident.** "Minnesota resident" shall be defined as a person who either is dependent upon the financial support of his parents or guardians who reside in and are legal residents of the state of Minnesota at the time of his application for a loan, or is independent of his parental or guardians' financial support and has resided in Minnesota, for purposes other than obtaining an education, for not less than 12 consecutive months immediately prior to his application for work-study.

Subp. 10. **Minnesota state work-study program.** "Minnesota state work-study program" is the state work-study program for postsecondary students as provided for in Minnesota Statutes, hereinafter referred to as the program.

Subp. 11. **School.** "School" shall mean the eligible postsecondary institution in which the student is enrolled or intends to enroll.

Subp. 12. **Uniform methodology.** "Uniform methodology" is any of the needs analysis methodologies which existed on March 28, 1980, and was recognized and approved by the Department of Education in Federal Register, title 45, page 20567. In implementing any of those methodologies, the benchmarks established by the Department of Education, Federal Register, title 44, page 56938 must be used.

**Statutory Authority:** *MS s 136A.234*

### 4800.6200 PURPOSE. *R*

The purpose of parts 4800.6100 to 4800.7000 is to augment Minnesota Statutes, sections 136A.231 et seq., as amended, establishing a state program of work-study grants by providing standards, criteria, and rules therefor.

**Statutory Authority:** *MS s 136A.234*

### 4800.6300 EXECUTIVE DIRECTOR. *R*

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

**Statutory Authority:** *MS s 136A.03*

### 4800.6400 SELECTION CRITERIA. *R*

Each eligible student must apply to the school for participation in the program and must be a full-time student, as defined by the school, when selected for participation. Students shall be selected for participation in the program by the school on the basis of student financial need.

**Statutory Authority:** *MS s 136A.234*

### 4800.6500 STUDENT EARNINGS. *R*

The maximum a student may earn under this program shall be the amount of the student's financial need. Students will be paid for hours actually worked and the maximum hourly rate of pay shall not exceed the maximum hourly rate of pay permitted under the federal college work-study program. Minimum pay rates will be determined by applicable federal or state law.

**Statutory Authority:** *MS s 136A.234*

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### 4800.6600 ALLOCATION OF GRANT FUNDS.

Subpart 1. **Notice of eligibility.** Annually, the board shall notify eligible institutions of the funds available for allocation that year.

Subp. 2. **Request for participation.** Upon receipt of notification by the board, eligible institutions wishing to participate shall submit to the board a written request for participation in the program for that year, and an estimate of the amount of funds necessary at that institution to meet expected financial needs of eligible students.

Upon receipt of institutional request for participation, the board shall calculate each institution's allocation according to the allocation formula.

Subp. 3. **Estimated funds.** If the estimate of funds by each participating institution is less than the amount which would be allocated to that institution under the allocation formula, the board shall allocate to the institution funds equal to the institution's estimate.

If the institution's estimate of need exceeds the allocation determined by the allocation formula, the board shall allocate additional funds to the institution to utilize funds remaining from the earlier allocations to institutions whose estimates of need are less than the amount determined under the allocation formula.

**Statutory Authority:** *MS s 136A.234*

### 4800.6700 RESPONSIBILITIES OF PARTICIPATING SCHOOLS.

Subpart 1. **Accountability and documentation.** Each participating school shall be accountable for any funds disbursed to students under the provisions of the rules. At each participating school, if funds disbursed to students employed by eligible employers other than the participating institution are significantly less than such utilization at other participating institutions in the program, the executive director may require the institution to document its efforts to place these students under the program. The percent of the school's work-study allocation provided to graduate students shall not exceed the percentage of graduate students in the total enrollment at the participating school.

Subp. 2. **Time period.** Any allocated funds shall be used only during the fiscal year of disbursement. During the year, funds which the school determines will not be used shall immediately be remitted to the board for reallocation to other schools.

Subp. 3. **Student earnings.** Student earnings shall be paid to the student according to federal regulations governing the payment of earnings to students under the federal work-study program.

Subp. 4. **Reporting.** The school shall report to the executive director information on the program using the same formats and timetable the school uses to report activity under the federal work-study program to the United States Office of Education.

**Statutory Authority:** *MS s 136A.234*

### 4800.6800 RESPONSIBILITIES OF EMPLOYERS.

Not less than 20 percent of the amount earned by the student under the state work-study program shall be paid by the eligible employer. The school and the employer shall incorporate in the work contract provisions for pay and time records, payroll, and workers' compensation. Time records shall be signed by both the student and the student's employment supervisor.

**Statutory Authority:** *MS s 136A.234*

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## RULES OF HIGHER EDUCATION COORDINATING 4800.8100

### 4800.6900 WORK AGREEMENTS. R

Subpart 1. **Contract.** Prior to a student's beginning work, the school and the eligible employer shall sign a written contract agreeing to abide by the rules of the Minnesota state work-study program and affirming the eligibility of the employer. For each student, the school and the employer shall sign a work agreement documenting the nature of the work, number of hours the student is to be employed, the rate of pay per hour, the percentage of the student's earnings to be paid by the employer, and the maximum payment to be paid by the employer.

Subp. 2. **Review and approval.** All contracts and work agreements signed by schools and employers shall be subject to review and approval by the executive director.

**Statutory Authority:** *MS s 136A.234*

### 4800.7000 STUDENT SUPERVISION. R

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

**Statutory Authority:** *MS s 136A.234*

## FOREIGN STUDENT ASSISTANCE PROGRAM

### 4800.8100 DEFINITIONS.

Subpart 1. **Scope.** The following terms shall have the meaning hereinafter ascribed to them.

Subp. 2. **Allocation formula.** "Allocation formula" shall be defined as the full-time equivalent fall term enrollment for each participating institution multiplied by the cost of education divided by the sum of the products for all participating institutions times the appropriation as provided for by the Minnesota legislature.

Subp. 3. **Eligible institution.** "Eligible institution" shall be any public or private institution of higher education in Minnesota which is eligible for the state grant-in-aid program as defined in Minnesota Statutes, section 136A.101, subdivision 4 and part 4800.0200 and that has foreign students enrolled.

Subp. 4. **Executive director.** "Executive director" is the executive director of the Minnesota Higher Education Coordinating Board.

Subp. 5. **Financial need.** "Financial need" shall be defined as the difference between the total cost of education which is paid by the student and the total student resources available to the student to meet that cost.

Subp. 6. **Foreign student.** "Foreign student" shall be defined as a person who possesses a student visa as established by the United States Immigration and Naturalization Service.

Subp. 7. **Full-time equivalent fall term enrollment.** "Full-time equivalent fall term enrollment" shall be defined as that enrollment which is determined by the board in its annual enrollment survey in the year prior to the academic year for which program funds are allocated.

Subp. 8. **Minnesota foreign student assistance program.** "Minnesota foreign student assistance program" is the state program of financial assistance to postsecondary foreign students as provided for in Minnesota Statutes, hereinafter referred to as the program.

Subp. 9. **Participating institution.** "Participating institution" shall be defined as any eligible institution which applies for participation in the program in accordance with the procedures prescribed in part 4800.8700.

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## 4800.8100 RULES OF HIGHER EDUCATION COORDINATING

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Subp. 10. **Resident status.** "Resident status" shall be defined as that status assigned to a student by a public institution for the purpose of paying in-state tuition fees.

Subp. 11. **Student family.** "Student family" shall be defined as the student, the student's spouse, the student's dependents, the student's parents, the student's brothers and sisters, or any other legal relative of the student.

Subp. 12. **Total cost of education.** "Total cost of education" shall be defined as the institutional budget established for the state grant-in-aid program adjusted to include out-of-state tuition fee.

Subp. 13. **Total student resources.** "Total student resources" shall be defined as the sum of the family contribution, student income, other financial aid received, and any and all other resources that are available to the student to pay for the cost of education.

Subp. 14. **Unexpected financial needs.** "Unexpected financial needs" shall be defined as those needs that any reasonable person could not anticipate and plan for by reading standard printed cost quotations in various institutional publications or any unanticipated loss of resources.

**Statutory Authority:** *MS s 136A.16 subd 2*

### 4800.8200 PURPOSE.

The purpose of parts 4800.8100 to 4800.8800 is to augment Minnesota Statutes, sections 136A.143 et seq., as amended, establishing a state program of financial assistance to postsecondary students by providing standards, criteria, and rules therefor.

**Statutory Authority:** *MS s 136A.16 subd 2*

### 4800.8300 EXECUTIVE DIRECTOR.

The executive director is hereby delegated necessary authority and responsibility for administration of the program in accordance with these rules, state law, and applicable federal laws and regulations, including issuing public information, designing related forms, prescribing application procedures, prescribing procedures and terms for collection and repayment of loans, prescribing terms and conditions for agreements with eligible institutions, approving and disapproving applications, and establishing such policies and practices as the executive director may deem necessary for effective administration in accordance with the purposes and requirements of the Minnesota foreign student assistance program.

**Statutory Authority:** *MS s 136A.16 subd 10*

### 4800.8400 GRANTING RESIDENT STATUS.

Subpart 1. **One-year domicile.** Resident status may be authorized by an eligible institution for any foreign student who has been domiciled in Minnesota for at least one year immediately prior to application, provided that the institution documents the financial need of the student according to procedures prescribed by the executive director, and further provided that the total number of these residencies shall not exceed one-half of one percent of total full-time equivalent fall term enrollment of the institution.

Subp. 2. **Scholarship and grant-in-aid recipients.** Eligible institutions shall have the authority to grant resident status to any foreign student who is a recipient of scholarship or grant funds contributed by Minnesota individuals, organizations, or corporations in sufficient amounts to cover such resident tuition fees provided that the institution documents that the scholarship or grant funds did not originate from the student or any member of the student's family.

**Statutory Authority:** *MS s 136A.16 subd 2*

# MINNESOTA RULES 1983

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## **4800.8500 UNEXPECTED FINANCIAL NEED.**

Funds may be awarded by an eligible institution for any foreign student provided that the institution documents the unexpected financial need of the student according to procedures prescribed by the executive director.

**Statutory Authority:** *MS s 136A.16 subd 2*

## **4800.8600 TERMS OF LOANS AND GRANTS.**

**Subpart 1. Conversion of loan to grant.** Each eligible institution shall be authorized and be responsible for informing any foreign student who receives funds or residency status pursuant to the program that the funds are provided initially as a loan and will not be converted to a grant until the student submits evidence that the student has returned to his home country within one year of completion of the student's education and has not returned to the United States for five years as a permanent resident.

**Subp. 2. Procedures.** Each eligible institution shall be responsible for establishing sound procedures for loan principal and interest collection including the execution of a promissory note and disclosure of finance charges at the time of making of each loan.

**Subp. 3. Note and interest.** Each loan shall be evidenced by a promissory note and shall bear interest at a rate of eight percent simple from the time of the making of the loan.

**Subp. 4. Accelerated payment.** Each loan and accrued interest shall be payable to and upon demand of the eligible institution in the event that the student does not satisfy the requirements in subpart 1.

**Subp. 5. Board repayment.** Any loan and interest amounts collected by any institution under part 4800.8500 of the program shall revert back to the board.

**Subp. 6. Reports.** The eligible institutions shall provide reasonable reports as are requested by the executive director.

**Statutory Authority:** *MS s 136A.16 subd 2*

## **4800.8700 ALLOCATION OF FUNDS.**

**Subpart 1. Notice of availability.** Annually, the board shall notify eligible institutions of the funds available for allocation that year.

**Subp. 2. Request for participation.** Upon receipt of notification by the board, eligible institutions wishing to participate shall submit to the board a written request for participation in the program for that year, and an estimate of the amount of funds necessary at that institution to meet expected financial needs of eligible foreign students.

**Subp. 3. Allocation formula.** Upon receipt of institutional request for participation, the board shall calculate each institution's allocation according to the allocation formula.

If the estimate of funds by each participating institution is less than the amount which would be allocated to that institution under the allocation formula, the board shall allocate to the institution funds equal to the institution's estimate.

If the institution's estimate of need exceeds the allocation determined by the allocation formula, the board shall allocate additional funds to the institution to utilize funds remaining from the earlier allocations to institutions whose estimates of need are less than the amount determined under the allocation formula.

**Statutory Authority:** *MS s 136A.16 subd 2*

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4800.8800 RULES OF HIGHER EDUCATION COORDINATING

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## 4800.8800 DISBURSEMENT OF FUNDS.

Funds shall be disbursed to participating institutions according to procedures prescribed by the executive director. Any disbursed funds shall be for use only during the fiscal year of disbursement and any unused funds shall be remitted to the board according to procedures prescribed by the executive director. Each participating institution shall be accountable for any funds disbursed to students under the provisions of these rules.

**Statutory Authority:** *MS s 136A.16 subd 2*