

CHAPTER 4830
HIGHER EDUCATION COORDINATING BOARD
FINANCIAL ASSISTANCE

4830 0100 DEFINITIONS FOR HIGHER EDUCATION PROGRAMS	4830 1553 DETERMINATION OF ELIGIBILITY
4830 0300 ELIGIBLE SCHOOLS	4830 1554 AMOUNT AND TERM OF GRANTS
4830 0400 APPLICATION DATES AND STUDENT ELIGIBILITY	4830 1555 REPORTS OF DATA
4830 0600 AWARDS	4830 2200 APPLICATION AND DISTRIBUTION OF FUNDS FOR GRANTS
4830 0700 METHOD OF PAYMENT PART-TIME STUDENT GRANTS	4830 2300 ELIGIBLE STUDENTS
4830 1550 SCOPE	4830 2500 CONTRACTS WITH EMPLOYERS
4830 1551 ELIGIBLE SCHOOLS	4830 2600 REPORT BY SCHOOL
4830 1552 APPLICATION AND DISTRIBUTION OF FUNDS FOR GRANTS	4830 5200 ELIGIBLE STUDENTS
	4830 5300 SCHOOL AGREEMENTS AND STUDENT APPLICATIONS
	4830 5400 AMOUNT, TERMS, AND PAYMENT

4830.0100 DEFINITIONS FOR HIGHER EDUCATION PROGRAMS.

[For text of subps 1 to 4, see M.R. 1985]

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

[For text of subp 5, items A to C, see M.R. 1985]

D. is enrolled or is intending to enroll as at least a half-time student in an eligible school;

[For text of subp 5, items E and F, see M.R. 1985]

[For text of subps 6 to 10, see M.R. 1985]

Subp. 11. **Audit requirements.** Audit requirements means that the school must make available to the board and its authorized representatives all pertinent books, documents, papers, and records for audit and examination for five years after the last day of a fiscal year, unless all audit exceptions for the period are resolved earlier.

Statutory Authority: *MS s 136A.111 subd 2, 136A.16 subd 2; 136A.234; 136A.70; 147.30*

History: *10 SR 2319*

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 may be used. Schools may be added to the list by the board anytime during the school year.

[For text of subp 2, see M.R. 1985]

Statutory Authority: *MS s 136A.111*

History: *9 SR 2341*

4830.0400 APPLICATION DATES AND STUDENT ELIGIBILITY.

[For text of subpart 1, see M.R. 1985]

Subp. 2. **Minnesota resident.** "Minnesota resident" means a student who graduated from a Minnesota high school and has not since established residence in another state, or a student whose parent or legal guardian resides in Minnesota on the date of application if the student:

A. lives with the parent or legal guardian for at least six weeks; or

B. receives support from the parent or legal guardian; or

C. is claimed as a tax exemption by the parent or legal guardian in the calendar year prior to or during the calendar year in which the application is made.

"Minnesota resident" means a student who graduated from a Minnesota high school and has not established residence in another state, or a student who has resided in Minnesota for other than educational purposes for at least 12 consecutive months prior to becoming an eligible student, for a student who meets the conditions indicated in part 4830.0600, subpart 1, item B, subitem (1), (2), or (3).

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 E, and:

A. in financial need;

B. 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. must not have received a previous scholarship or grant-in-aid.

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

A. in financial need,

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

C. must not have received a previous scholarship or grant-in-aid.

Subp. 5. Renewal awards. A scholarship or grant-in-aid is renewable for a maximum of six semesters, nine quarters, or the equivalent. To be eligible to renew a scholarship or grant-in-aid a student must apply each year and continue to meet the requirements for an initial scholarship or grant-in-aid, except for subparts 3 and 4, item C. A student must have made satisfactory progress as determined by the school.

Statutory Authority: *MS s 136A.111 subd 2; 136A.16 subd 2; 136A.234; 136A.70; 147.30*

History: *10 SR 2319*

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:

A. A contribution by the applicant of at least 50 percent of the cost of attending the institution of the applicant's choosing.

B. A contribution by the applicant's parents, as determined by a financial need analysis. The parental contribution will be considered in determining the state award, unless one of the four following situations applies.

(1) The applicant has been involuntarily separated from parental support because the applicant is an orphan or a ward of the state, the applicant's parents cannot be located, or the applicant has suffered mental or physical abuse necessitating the separation. The conditions must be established by court document or by an affidavit from a member of the clergy, social worker, lawyer, or physician.

(2) The applicant is 22 years of age or older on October 1 of the state fiscal year for which aid is received, and establishes that she or he is not dependent upon parental support, based on the following information for the

applicant's parents' tax year ending during that fiscal year, and the preceding tax year:

(a) the parents did not and will not claim the student as an income tax exemption,

(b) the student did not and will not live with his or her parents more than six weeks in either calendar year; and

(c) the parents did not and will not provide direct or indirect support worth \$750 or more in either calendar year.

If the board has reason to believe that the information provided by the student is not correct, the facts must be established by affidavit from the parents if they can be located, and by additional documentation, such as income tax returns, proof of residence, voter registration, or similar documentation that reasonably may be requested by the board or its agents and employees.

[For text of subp 1, item B, subitems (3) and (4), see M.R. 1985]

[For text of subp 1, item C, see M.R. 1985]

[For text of subp 1a, see M.R. 1985]

Subp. 1b. Letter. The applicant applying under subpart 1, item B, subitem (4) shall write a letter requesting determination of eligibility to the board's manager of the scholarship and grant-in-aid program for presentation to the fact finding committee of the board. The letter must be accompanied by the following documentation:

A. a statement from the applicant establishing that the applicant's parents have severed relations with the applicant and have refused to provide financial support to the applicant;

B. if possible, a notarized statement from the applicant's parents establishing that they have severed relations with the applicant and have refused to provide financial support to the applicant;

C. two notarized statements from members of the clergy, social workers, lawyers, educational advisors, or professional counselors documenting from personal knowledge that the applicant's parents have severed relations with the applicant and refuse to provide financial support to the applicant,

D. additional documentation such as income tax returns, rent payments, proof of residence, or voter registration may be requested by the board or its agents and employees to establish that the applicant's parents have severed relations with the applicant and that the applicant has established a pattern of self-supporting behavior; and

E. the parents' addresses for the last two years

[For text of subp 1c, see M.R. 1985]

Subp. 1d. Fact finding committee. The fact finding committee of the board shall consist of the executive director of the board or a designee, one financial aid officer appointed by the board, and one student appointed by the board. The appointments will be for one year or until a successor is appointed. The board's representative will act as chairperson of the fact finding committee and will convene the committee as necessary. In the event the financial aid officer or the student is involved in any way in a case before the committee the one involved must be replaced by an alternate appointed by the board.

[For text of subp 2, see M.R. 1985]

Subp. 3. [Repealed, 10 SR 2319]

Statutory Authority: *MS s 136A.111 subd 2; 136A.16 subd 2, 136A.234; 136A.70, 147 30*

History: *10 SR 2319*

4830.0700 METHOD OF PAYMENT.

[For text of subps 1 and 2, see M R. 1985]

Subp 3. **School accounting requirements.** Schools shall maintain separate accounts for scholarship and grant-m-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.

Statutory Authority: *MS s 136A.111 subd 2; 136A.16 subd 2, 136A.234; 136A.70; 147.30*

History: *10 SR 2319*

4830.1000 [Repealed, 10 SR 2417]

4830.1100 [Repealed, 10 SR 2417]

4830.1200 [Repealed, 10 SR 2417]

4830.1300 [Repealed, 10 SR 2417]

4830.1400 [Repealed, 10 SR 2417]

4830.1500 [Repealed, 10 SR 2417]

PART-TIME STUDENT GRANTS**4830.1550 SCOPE.**

Parts 4830.1550 to 4830.1556 govern state grants-in-aid for part-time students.

Statutory Authority: *MS s 136A.111; 1Sp 1985 c 11 s 80 subd 1*

History: *10 SR 2417*

4830.1551 ELIGIBLE SCHOOLS.

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

Statutory Authority: *MS s 136A.111, 1Sp 1985 c 11 s 80 subd 1*

History: *10 SR 2417*

4830.1552 APPLICATION AND DISTRIBUTION OF FUNDS FOR GRANTS.

Subpart 1. **Allocation formula.** The board 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-m-aid program for the current fiscal year.

B. Each school's allocation is:

(1) the school's share, divided by the sum of school shares,
 (2) the result in subitem (1) multiplied by 90 percent of the total part-time grant allocation for the current year.

C. Each January, the board shall allocate the remaining ten percent of the total part-time grant allocation according to the same formula, except that current year part-time enrollment data and average registration levels may be

4830.1552 FINANCIAL ASSISTANCE

72

used if the school has submitted by November 15 fall data for the current year that is acceptable to the board.

“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 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 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, a school shall report its use of funds and shall return unused funds. The board shall reallocate unused funds to schools desiring additional funds.

Statutory Authority: *MS s 136A 111; 1Sp 1985 c 11 s 80 subd 1*

History: *10 SR 2417*

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. 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.

Statutory Authority: *MS s 136A 111, 1Sp 1985 c 11 s 80 subd 1*

History: *10 SR 2417*

4830.1554 AMOUNT AND TERM OF GRANTS.

Subpart 1. Financial need. A school shall award a grant to each eligible student, to the extent allocated funds are available and to the extent the student demonstrates financial need according to a method consistent with the institution's financial aid policies and procedures.

Subp. 2. Direct educational cost. The direct educational cost includes, but is not limited to the following:

- A. resident tuition and fees at the institution;
- B. educational materials;
- C. transportation expenses; and
- D. an allowance for child care expenses.

The direct educational cost must be consistent with the institution's financial aid policies and procedures.

Subp. 3. Amount. The amount of the grant when combined with (a) federal, state, institutional, and private grant assistance that the student receives, (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.

Statutory Authority: *MS s 136A 111; 1Sp 1985 c 11 s 80 subd 1*

History: *10 SR 2417*

MINNESOTA RULES 1986

73

FINANCIAL ASSISTANCE 4830.2600

4830.1555 REPORTS OF DATA.

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

Statutory Authority: *MS s 136A 111, 1Sp 1985 c 11 s 80 subd 1*

History: *10 SR 2417*

4830.2200 APPLICATION AND DISTRIBUTION OF FUNDS FOR GRANTS.

[For text of subps 1 to 3, see M R 1985]

Subp. 4. Accountability. Each participating school shall be accountable for any funds disbursed to students for work-study grants. Funds may be used only during the fiscal year of disbursement. The school must document its efforts to place students with off-campus employers. The percent of the school's allocation provided to graduate students shall not exceed the percent of graduate students in the total enrollment at the participating school.

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. The board shall reallocate the funds to other participating schools requesting additional funds.

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

Statutory Authority: *MS s 136A.111 subd 2, 136A 16 subd 2; 136A 234; 136A 70, 147.30*

History: *10 SR 2319*

4830.2300 ELIGIBLE STUDENTS.

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 part 4830.0100, subpart 5, except that the student may be a graduate student. 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.

Statutory Authority: *MS s 136A 111 subd 2; 136A.16 subd 2; 136A 234; 136A 70; 147.30*

History: *10 SR 2319*

4830.2500 CONTRACTS WITH EMPLOYERS.

[For text of subps 1 to 4, see M R 1985]

Subp. 5. Reasonable effort. An institution must make a reasonable effort to place a student in eligible off-campus employment. The institution must document its efforts with documents such as:

A. copies of correspondence with eligible employers; and

B. notes of telephone contact with eligible employers. This shall include name of person contacted and date.

Statutory Authority: *MS s 136A 111 subd 2, 136A.16 subd 2; 136A 234; 136A.70; 147.30*

History: *10 SR 2319*

4830.2600 REPORT BY SCHOOL.

When requested by the board, each school shall report demographic information and program activity about work-study grants by August 10, or the first working day after August 10.

4830.2600 FINANCIAL ASSISTANCE

74

Statutory Authority: *MS s 136A.111 subd 2; 136A.16 subd 2; 136A.234, 136A.70; 147.30*

History: *10 SR 2319*

4830.5200 ELIGIBLE STUDENTS.

Subpart 1. **In general.** To be eligible for a state student loan, a student must meet all of the following requirements:

A. is eligible for the guaranteed student loan program created by the Higher Education Act of 1965, as amended, published in United States Code, title 20, chapter 28;

B. is enrolled at least half-time;

C. is in good standing, as determined by the school;

D. lives in Minnesota during the school period for which the loan is approved, for a student who is not a Minnesota resident;

E. has a loan refusal letter from a commercial lender when applying for a loan for the first time as an undergraduate student; and

F. is one of the following:

(1) enrolled in an eligible school in Minnesota; or

(2) a Minnesota resident enrolled in an eligible school in any other

state.

Subp. 2. [Repealed, 10 SR 2319]

Subp. 3. **Students in default.** A student is not eligible for a loan if the student is currently in default on a student loan or has a default claim filed with the guarantee agency at the time of application unless the student has made repayment arrangements satisfactory to the guarantee agency and the board.

Statutory Authority: *MS s 136A.111 subd 2; 136A.16 subd 2; 136A.234; 136A.70; 147.30*

History: *10 SR 2319*

4830.5300 SCHOOL AGREEMENTS AND STUDENT APPLICATIONS.

[For text of subps 1 and 2, see M.R. 1985]

Subp. 3. **Application, guarantee, and note.** The student and school must complete appropriate parts of the application and promissory note and send them to the board for its review. The board must complete the lender's part of the application and send it to the guarantee agency. The guarantee agency must determine the loan amount it will guarantee. Once the loan amount has been guaranteed, the board must send the loan amount to the school as prescribed in the Higher Education Act of 1965, as amended.

Statutory Authority: *MS s 136A.111 subd 2, 136A.16 subd 2; 136A.234; 136A.70; 147.30*

History: *10 SR 2319*

4830.5400 AMOUNT, TERMS, AND PAYMENT.

[For text of subps 1 to 5, see M.R. 1985]

Subp. 6. **Refunds.** Refunds from schools to the board must be made as prescribed in the Higher Education Act of 1965, as amended.

Statutory Authority: *MS s 136A.111 subd 2; 136A.16 subd 2; 136A.234, 136A.70; 147.30*

History: *10 SR 2319*