

1/14/91

MHECB

**Minnesota
Higher Education
Coordinating Board**

Suite 400
Capitol Square
550 Cedar Street
Saint Paul, Minnesota 55101
612-296-3974

January 11, 1991


Maryanne V. Hruby
Director
LCRAR
55 State Office Building
St. Paul, MN 55101

Dear Ms. Hruby:

Enclosed is a copy of the Statements of Need and Reasonableness for MHECB permanent rules governing the Prenursing Grant Program and the Public Safety Officer's Survivor Grant Program. These rules will be published in the January 14, 1991 issue of the State Register.

If you need additional information, please contact me.

Sincerely,



Mary Lou Dresbach
Administrative Liaison

Enclosure

STATEMENTS OF NEED AND REASONABLENESS

PERMANENT RULES RELATING TO

FINANCIAL AID

as administered by

the Minnesota Higher Education Coordinating Board

**In the Matter of the Proposed Adoption of the Rules of the
Minnesota Higher Education Coordinating Board
Governing the Prenursing Grant Program, and
the Public Safety Officer's Survivor Grant Program**

CHAPTER I: INTRODUCTION

AUTHORITY TO PRESCRIBE RULES

The Minnesota Higher Education Coordinating Board is authorized by statute to adopt policies and prescribe rules and regulations for student financial aid programs, including the prenursing grant program and the public safety officer's survivor grant program [Minnesota Statutes 136A.04, subd. 1(9), and 136A.1355, Section 7].

Emergency rules for these programs became effective December, 1990. The Board is now proposing to adopt permanent rules. This document provides information on the background of these programs, and provides a part-by-part explanation for the proposed permanent rules.

BACKGROUND -- RURAL HEALTH PROGRAMS

The 1990 Legislature created four rural health programs to encourage health care professionals to practice in greater Minnesota. The Prenursing Grant Program is operational for the 1990-91 academic year.

The Minnesota Higher Education Coordinating Board (MHECB) was designated as the state agency responsible for the administration of the Prenursing Grant Program. The legislature appropriated \$120,000 for grants.

The Minnesota Higher Education Coordinating Board is proposing permanent rules for administration of this rural health care program.

BACKGROUND -- PUBLIC SAFETY OFFICER'S SURVIVOR GRANT PROGRAM

The Minnesota Higher Education Coordinating Board (MHECB) was designated as the state agency responsible for the education benefit portion of the Public Safety Officer's Survivor Benefits.

The Education Benefit portion of the public safety officer's survivor benefits is funded up to \$100,000 per year from the State Grant Program appropriation. The Commissioner of Public Safety issues a certificate to each eligible dependent of public safety officers killed in the line of duty. This certification is required in order for such dependents to qualify for education benefits under this program.

The Minnesota Higher Education Coordinating Board is proposing permanent rules for administration of the education benefit portion of this program.

CHAPTER II: PART-BY-PART EXPLANATION/PRENURSING GRANT PROGRAM

This chapter provides an explanation for each part of the rules relating to the prenursing grant program.

4830.8510 SCOPE. This defines the parameters of applicability for the rules that follow.

4830.8520 STUDENT MUST AGREE TO SERVE IN RURAL AREA. The language in this section is consistent with the statutory language addressing the issue of service requirements after receipt of licensure. The Board felt it necessary to clarify the requirement that the student must agree to this service commitment prior to the disbursement of grant monies.

4830.8530 SERVICE CREDIT AFTER DESIGNATION REMOVED. The statutory language does not address the issue of satisfaction of service requirement if an area once designated as being eligible for fulfillment of the service requirement under this program becomes ineligible during the period in which a recipient is attempting to fulfill his/her service commitment. The Board felt that a recipient who makes a commitment to serve in an eligible designated area should not be penalized if circumstances in that area change, thus making it ineligible for fulfillment of the service requirement for this program. If the area was eligible at the time the recipient commences service, the recipient should continue to receive credit for serving in that area. The recipient has no control over factors influencing designated area eligibility, and should not be penalized for a change in conditions in that area. This section is an attempt to treat all program participants fairly and equitably, and yet fulfill the intent of this program.

4830.8540 RANKING APPLICANTS.

Subpart 1. Classification of applicants. The language in this section is an attempt to clarify and expand upon statutory language pertinent to ranking applicants. In addition to the statutory language, the Board felt that renewal applicants should have priority for program awards over new applicants to the program should there be insufficient funds to award all eligible applicants. The priority of renewal applicants over new applicants is comparable to the award process used in the state grant program. This subpart is an attempt to avoid confusion and misunderstanding by applicants to the program. It will also provide an efficient, objective method for classifying applicants for awards.

Subpart 2. Ranking of applicants. The statutory language specifies that the determination of need and the award amount must be patterned after the process used for the state grant program. This section clarifies that requirement by stating that applicants will be ranked according to parental contribution within the classifications in subpart 1 above. Using that methodology, applicants demonstrating the most need will be awarded first.

Subpart 3. **Insufficient funds.** The Board felt it necessary to explain the procedure that would be used should there be insufficient program funds to award all eligible applicants. Applicants will be awarded using the classification and ranking processes explained in subparts 1 and 2 until all available monies have been awarded. This section is added to protect the integrity of the program and ensure the equitable treatment of all applicants in regard to the award process.

4830.8550 **AWARDS.** This section explains how an award will be calculated. The Board felt it necessary to explain the process that would be used in order to ensure that all applicants are treated equitably in the award process and to protect the integrity of the program. The formula provides an objective, uniform methodology for calculating program awards within the statutory requirements for this program.

4830.8560 **METHOD OF PAYMENT.**

Subpart 1. **Payments to schools.** The method of disbursing individual awards to students described in this subpart is patterned after the disbursement requirements in the state grant program. The statutory language governing this program indicates that the criteria used to perform this process must be based on the state grant program. The Board felt it necessary to provide a specific description regarding the disbursement of program monies to students in order to avoid confusion by the student and the school, to ensure the equitable treatment of all award recipients, and to protect the integrity of the program. It also provides auditors with specific criteria to be applied when reviewing the institution's disbursement of program monies to students.

Subpart 2. **Refunds.** This methodology of calculating refunds to the Prenursing Grant Program is consistent with the methodology used in other state financial aid programs administered by the Board. It provides efficient use of program monies and equitable treatment of all student participating in this program.

Subpart 3. **School accounting requirements.** This subpart specifies the exact method an institution must follow for handling Prenursing Grant monies once the monies arrive at the institution, and the required documentation that must accompany refunds to this program. The Board felt it necessary to specify these procedures to ensure uniform treatment of program monies by institutions, to create an audit trail for such monies, provide efficient program operations, and maintain the integrity of the program.

4830.8570 **RECIPIENT RESPONSIBILITIES**

Subpart 1. **Change of address.** In order to verify that the grant recipient fulfills the service requirement under this program, it is necessary for the Board to maintain an accurate recipient address list. The Board felt it necessary to include timely notification of address changes as a recipient's responsibility in order to provide efficient program operation and ensure the integrity of the program.

Subpart 2. **Service status verification.** In order to document a recipient's service in a designated rural area, the Board felt it necessary to provide a form which the recipient would complete and return annually until the three year service requirement has been fulfilled. The inclusion of this subpart is meant to clarify a recipient's reporting requirements to avoid confusion and misunderstanding. It also provides a uniform method of reporting for efficient program operations and record-keeping.

4830.8580 **INFORMATION; FORMS; TERMS.**

Subpart 1. **Additional information.** At some point it may be necessary for the Board to collect additional information from applicants, recipients, and/or institutions which is not currently needed. The Board felt it necessary to provide for collection of additional data collection should it become necessary for program administration. Such information must be pertinent to program information necessary for program administration as specified in statute.

Subpart 2. **Additional requirements.** It may be necessary for the Board to specify additional requirements of the grant recipient in order to ensure efficient program administration. Such requirements would be consistent with the rules governing this program, and would be indicated in the agreement signed by the recipient prior to receiving any award under this program. The Board felt it necessary to provide for such additional requirements pertinent to the program and its administration. This subpart also ensures the equitable treatment of all recipients and the integrity of the program.

Subpart 3. **Forms.** The use of uniform forms is consistent with the administration of other financial aid programs administered by the Board. This requirement ensures the consistent collection of data, and that any changes in student status are made in a timely and efficient manner. This ensures efficient program operations, and provides the Board with data necessary for policy planning and implementation as required by statute.

CHAPTER III: PART-BY-PART EXPLANATION/PUBLIC SAFETY OFFICER'S SURVIVOR GRANT PROGRAM

4830.8000 SCOPE. This defines the parameters of applicability for the rules that follow.

4830.8010 ELIGIBLE INSTITUTIONS. This section clarifies the eligibility of institutions that a recipient may attend. This eligibility is consistent with the eligibility of the state grant program and the statutory language governing this program. The Board felt it necessary to specify the institutional eligibility requirements to avoid confusion and misunderstanding by eligible students receiving monies under this program. It also ensures the equitable treatment of all award recipients, and the integrity of the program.

4830.8020 ELIGIBLE RECIPIENTS. This section clarifies the statutory eligibility requirements of students applying for awards under this program. The Board felt it necessary to summarize these requirements to avoid confusion or misunderstanding by applicants, and to ensure the equitable treatment of all applicants.

4830.8030. INSTITUTIONAL REQUEST AND DISBURSEMENT OF FUNDS FOR GRANTS.

Subpart 1. Institutional request. The statutory language governing this program specifies that an eligible institution shall request payment of the award for the student. The Board felt it necessary to clarify the procedures that must be followed in order to request such payments. A uniform method of requesting such payments from the Board must be followed in order for the Board to provide efficient internal processing standards, and record-keeping for program administration purposes. Such set procedures are necessary to provide an auditable trail and ensure the integrity of the program.

Subpart 2. Deadline. In order to provide timely disbursements of program monies within the academic year, the Board felt it necessary to specify a deadline date by which student award monies must be requested by the institution. This deadline date provides for the maximum amount of time within the academic year for the institution to get its request for monies to the Board. The Board felt it reasonable to be as lenient as possible in setting the deadline date, and yet provide the Board with ample time to get the monies to the institution for disbursement to the student within the academic year for which the monies are requested.

Subpart 3. Disbursement of funds. The statutory language governing this program addresses the issue of disbursement of funds. The Board felt it necessary to clarify the statutory intent in this subpart in order to avoid confusion and misunderstanding by students and institutions. This subpart will ensure efficient program operation and disbursement of funds to eligible students.

Subpart 4. **Refunds.** This requirement to refund the unused portion of a student's award is consistent with the procedure used for other financial aid programs administered by the Board. This is an attempt by the Board to monitor the use of program monies, and assure that monies are made available to students throughout the academic year.

4830.8040 PAYMENTS TO INSTITUTIONS.

Subpart 1. **Time of payment.** The Board felt it useful to specify the time period an institution and student could expect to wait for award monies to be sent to an institution once the request is made to the Board. Timely payment is necessary for efficient program operation, and the 30 day time period will provide ample time for all internal paper work and documentation to be prepared by Board staff prior to authorization of payment through state finance. Because program monies are appropriated according to fiscal year limitations, such monies cannot be disbursed prior to the July 1st start of the fiscal year. This subpart is added in an attempt to avoid confusion by the institution or student regarding the timely disbursement of program monies by the Board.

Subpart 2. **Withholding payment.** Since the Board is responsible for the administration of this program, the Board felt it necessary to specify that no payments would be made until the Board was satisfied that the student is eligible to receive monies under this program, and the institution has provided a completed request for program funds as specified in 4830.8030, subpart 1.