

6/8/92

MHECB

**Minnesota
Higher Education
Coordinating Board**

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Capitol Square
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Saint Paul, Minnesota 55101

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June 2, 1992

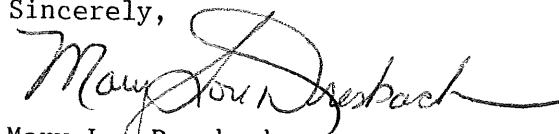
Maryanne V. Hruby
Director, LCRAR
55 State Office Building
St. Paul, MN 55155

Dear Ms. Hruby:

Enclosed is a copy of the Statement of Need and Reasonableness for MHECB permanent rules governing the Prenursing Grant Program. These rules will be published in the State Register on June 8, 1992.

If you need additional information, please contact me.

Sincerely,

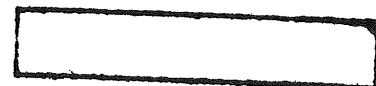


Mary Lou Dresbach
Administrative Associate

Enclosure

The Legislative Commission to
Review Administrative Rules

JUN - 3 1992



THE FEDERAL BUREAU OF INVESTIGATION
U.S. DEPARTMENT OF JUSTICE

CONFIDENTIAL



STATEMENT 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 Rule of the
Minnesota Higher Education Coordinating Board Governing
the Prenursing Grant Program

STATE OF MINNESOTA
MINNESOTA HIGHER EDUCATION COORDINATING BOARD

In the Matter of the Proposed Rules
Governing Prenursing Grant Program
(Minn. Rules 4830.8510-4830.8575)

STATEMENT OF NEED
AND REASONABLENESS

SECTION I: 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. [Minnesota Statutes 1990, 136A.04, Subd. 1(9) and 136A.16].

SECTION II: BACKGROUND

The proposed changes are to make this program campus-based. Currently the Minnesota Higher Education Coordinating Board staff determine student eligibility and calculate individual student awards. By making the program campus-based, eligible schools/nursing programs would receive allocations from the Minnesota Higher Education Coordinating Board and would determine student eligibility and calculate individual student awards. The Prenursing Grant award is a percentage of the student's Pell Grant and State Grant. Changes in financial circumstances affect the Pell Grant and State Grant awards, which in turn affect a student's Prenursing Grant award. The financial aid officer can make these changes more quickly and efficiently than MHECB staff because the student's file is maintained by the financial aid office. Also, the financial aid officer knows the student applicants and should be better able to determine which of the eligible applicants is more likely to serve in a designated rural area, which is a program requirement. Therefore, to expedite the awarding process and to better serve students receiving awards from this program, the Minnesota Higher Education Coordinating Board feels it is prudent and is in the best interests of efficient program operations and use of appropriated funds to make this a campus-based program.

SECTION III: PROPOSED CHANGES

The proposed changes are summarized below:

- *Add language which specifies the terms under which a school/nursing program can participate in the prenursing grant program. This addition is to clarify the process by which schools and nursing programs can participate in this program.
- *Add language which explains the allocation amount to be received by schools/nursing programs if the estimated need for funds is less than the calculated allocation amount. This addition is to avoid confusion relating to the allocation process by schools or nursing programs.
- *Add language that outlines the responsibilities of the school/nursing program in the administration of the prenursing grant program. This is to avoid misunderstandings regarding the program requirements as they pertain to

the participating school or nursing program.

*Add language specifying the formula that will be used for allocating funds to schools/nursing programs for renewal awards to avoid confusion and to ensure equitable treatment of program applicants no matter which school/program the student attends.

*Add language to explain the prioritization process that will be followed in the allocation formula if the appropriated funds for this program are insufficient to fund all renewal applicants. This explanation is for clarification of the statutory requirement in MN Statutes 136A.1352, subd. 3.

*Add language explaining how the "appropriation balance" is determined. This explanation is for clarity and to avoid confusion.

*Add language specifying the formula that will be used for allocating funds to schools/nursing programs for initial program applicants to avoid confusion and to ensure equitable treatment of program applicants no matter which school/nursing program the student attends.

*Add language to explain the prioritization process that will be followed in the allocation formula if the appropriated funds for this program are insufficient to fund all initial program applicants. This explanation is for clarification of the statutory requirement in MN Statutes 136A.1352, subd. 3.

*Add language specifying the reporting requirements for a school/nursing program in order to receive funds for initial applicant awards. This addition is to clarify the reporting requirements, to avoid confusion, and to provide for efficient program operations.

*Add language to explain the consequences of a school/nursing program not providing the executive director with information necessary to perform the second allocation calculation for initial program applicants. This addition is to make sure that schools/nursing programs understand the importance of providing the requested information on a timely basis.

*Add language specifying the formula that will be used to reallocate funds to schools/nursing programs. This addition is for clarity and to ensure equitable treatment of all student applicants.

*Add language that explains how the school/nursing program must handle program monies and what procedures should be followed if a student withdraws or does not enroll. This clarifies what a school or nursing program must do if either of those situations arises to avoid confusion and ensure efficient use of program funds.

*Add language to explain how a school/nursing program should handle funds that are not used. This subpart is to ensure that program funds are used efficiently in order to award as many eligible students as possible during the academic year.

*Add language to specify what information schools/nursing programs will be expected to provide the executive director in order to monitor recipient

service status. This addition is to avoid confusion and provide efficiency in monitoring program participants.

*Delete some of the categories for classification of applicants. If program funds are allocated to the schools/nursing programs, some of the categories or portions of categories are no longer needed or appropriate for individual student award purposes.

*Add language clarifying the statutory language which requires that recipients have no previous nursing training or education. This statutory requirement applies to initial, not renewal, applicants. The addition is to avoid confusion by the schools/nursing programs in the awarding process and to ensure that all applicants are uniformly treated no matter which school/nursing program the student attends.

*Add language that the school/nursing program rather than the executive director is responsible for awarding students in the order specified if funds are insufficient to award all applicants. This will ensure the statutory prioritization of the awarding process.

*Add language specifying how a transfer student should be handled in the awarding process if the student had received a prenursing grant at another school/nursing program. This addition is for clarity and to ensure the equitable treatment of students receiving awards from this program.

*Add language to clarify that students are not eligible for a prenursing grant awards if they are not eligible for a Pell or state grant. This addition for clarity and to ensure equitable treatment of all applicants.

*Add language outlining the procedures to be followed when disbursing awards to students and the order in which grant monies are to be applied to the student's educational costs. This ensures uniformity in the disbursement process and the application of grant monies to students' educational costs.

*Add language specifying the minimum award amount to avoid confusion and ensure equitable treatment of all students.

*Add language outlining the procedures to be followed by the school/nursing program in cases where adjustments to prenursing grant awards are necessary. This provides administrative consistency of program operations.

*Add language specifying when the program participant should notify the school/nursing program of a change of address, and when the executive director should be notified. This addition is to avoid confusion and efficient monitoring of students and their service commitments.

*Add language indicating the types of data the school/nursing program must collect from eligible applicants to ensure consistency in the reporting requirements for this program. Also, add language specifying end of the year reporting requirements for schools and nursing programs to avoid confusion and to ensure that all reporting and refund requirements are met in a timely manner.

*The two sections 4830.8560 and 4830.8580 are repealed because they are not appropriate if the program is campus-based. Appropriate language pertinent to program operation has been added to take the place of these two sections.

SECTION IV: PART-BY-PART EXPLANATION

This section provides an explanation for each proposed change to the rules relating to the prenursing grant program.

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

4830.8535 APPLICATION AND DISTRIBUTION OF FUNDS FOR GRANTS.

Subpart 1. **Participation by schools and programs.** This subpart is added to the rules to clarify the process by which schools/nursing programs become eligible to participate and receive program allocations. This is consistent with administrative requirements for other campus-based programs administered by the Board.

Subp. 2. **Modification of allocations.** This subpart explains the procedure that will be followed if the requested amount allocation by a school/nursing program is less than the amount calculated under the allocation formula. The language is meant to prevent confusion and provide consistent treatment of schools and programs in the allocation process.

Subp. 3. **Responsibility.** This subpart is added to outline the responsibilities of schools/nursing programs to avoid confusion and to provide consistent program administration and application of program requirements.

Subp. 4. **Renewal award allocation formula.** This subpart explains the formula that will be used to allocate program monies to schools/nursing programs that have renewal students for the prenursing grant program to ensure equitable treatment of students regardless of which school/program of nursing they attend.

Subp. 5. **Prorating, reports, refunds, renewals, excess funds.** This subpart explains the procedure that will be followed, as required by MN Statutes (136A.1352, Subd. 3) if appropriated monies are insufficient to fund all eligible renewal students. This subpart includes the procedures that will be followed if schools/nursing programs do not submit the necessary information to the executive director by the specified deadline date, and explains how the schools/nursing programs should handle any excess renewal funds received through the allocation process. This subpart is for clarity and to provide consistency in the treatment of program funds by schools/nursing programs.

Subp. 6. **Appropriation balance.** This subpart is added to clarify how program funds are allocated once the allocations for renewal students have been calculated by the executive director. This subpart is meant to avoid confusion and ensure the integrity of the use of program funds.

Subp. 7. **Initial award allocation formula.** This subpart describes the allocation formula that will be used by the executive director to allocate the balance of appropriated funds to schools/nursing programs with eligible program applicants. The addition of this subpart is to avoid confusion and ensure that eligible initial applicants are treated equitably.

Subp. 8. **Priority for proration, second allocation.** This subpart explains

the procedure that will be followed, as required by MN Statutes (136A.1352, Subd. 3) if appropriated monies are insufficient to fund all eligible initial applicants. This subpart includes the procedures that will be followed if schools/nursing programs submit the necessary information to the executive director by the specified deadline date. This subpart is for clarity and consistency in the allocation process.

Subp. 9. **Applicant information data.** This subpart explains the information schools/nursing programs are required to provide the executive director to calculate program allocations for initial applicants. This subpart is added to avoid confusion and to ensure efficiency in the collection of information necessary to perform the second allocation calculation.

Subp. 10. **Consequences of failure to report.** This subpart is included to explain the consequences of the schools/nursing programs not providing necessary information for the second allocation calculation in a timely manner. This is necessary in order to provide timely awards to students and to avoid misunderstandings between schools/nursing programs and the executive director.

Subp. 11. **Reallocation.** This subpart indicates the formula that will be used to reallocate additional funds to schools/nursing programs after the academic year has started to cover initial applicants that may have applied late or students who are eligible for additional funds due to changes in their Pell or state grant awards. This added language is meant to clarify the reallocation process to avoid confusion and provide consistency in program operations.

Subp. 12. **Accountability.** This subpart explains the accountability for program funds that a school/nursing program assumes if it participates in the prenursing grant program. This language is meant to provide guidance to the school/nursing program should a prenursing grant recipient withdraw or not enroll. This ensures the equitable and consistent treatment of students and program funds should such situations arise.

Subp. 13. **Unused funds.** This subpart is added to ensure that allocated funds to schools/nursing programs are being utilized, and to provide procedures that should be followed in order to get unused monies back to the Board for reallocation to schools/nursing programs that need additional monies to award eligible students. This language is meant to ensure the most efficient use of limited program funds for student award purposes.

Subp. 14. **Monitoring recipient service status.** This subpart explains the responsibility of the schools/nursing programs in assisting the executive director in the process of monitoring prenursing grant recipients once they have received nursing licensure in regard to the fulfillment of the service agreement in a designated rural area which is a prerequisite for receiving an award from this program. Under that agreement the recipients agree to serve 3 of the first 5 years after licensure in a designated rural area. In order for the Board to monitor the success of this program in getting nurses to serve in such areas, the status of the program recipients must be monitored. The executive director will need to work with the schools/nursing programs in order to initially set up the monitoring process for each recipient. The language specifies the type of information the Board expects the schools/nursing programs to provide in

order to monitor prenursing grant recipients. This language is meant to avoid confusion and ensure efficient monitoring procedures.

4830.8540. RANKING APPLICANTS.

Subpart 1. **Classification of applicants.** The deleted language in this subpart is not needed since the program monies will be allocated to eligible schools/nursing programs that wish to participate. The schools/nursing programs will either be located within or outside the seven-county metro area, therefore reducing the number of classification levels necessary to cover renewal and initial applicants.

Subp. 1a. **Order; previous enrollees.** Language in this subpart is added to clarify the order in which applicants are to be awarded and to specify the statutory requirement that initial awardees cannot have been enrolled or completed any previous nursing training or education. There has been some confusion on this requirement, and the added language is meant to avoid future confusion by schools/nursing programs making prenursing grant awards to eligible students.

Subp. 3. **Insufficient funds.** The language in this subpart is modified to reflect the change in the awarding process from the executive director to the schools/nursing programs. This language outlines the awarding procedure that schools/nursing programs must follow if there are insufficient funds available to award all eligible applicants. This language is meant to ensure equitable and uniform treatment of all grant applicants.

Subp. 4. **Transfer student.** This language is meant to cover the situation when a recipient of a prenursing grant transfers from one participating school or nursing program to another. While a prenursing grant is renewable, if a student transfer to a school/nursing program that has awarded all available program monies for the academic year, this language is meant to explain the process the school/nursing program to which the student transferred should follow to award funds to this student. The school/nursing program can request additional funds from the Board through the reallocation process, but the renewal transfer student must be given priority over students applying for awards for the first time. The procedure outlined in this subpart is meant to ensure that eligible renewal recipients are given award preference if they continue to demonstrate financial need.

4830.8550 AWARDS.

Subpart 1. **Award calculation.** The word change in this subpart is made for procedural and grammatical correctness.

Subp. 2. **Application of award and disbursement.** The language in this subpart specifies how a prenursing grant award is to be disbursed, and the order in which the award should be applied to the student's educational costs. This language is meant to clarify the disbursement and awarding process for schools/nursing programs and provides consistent treatment of students regardless of which school/nursing program they attend.

Subp. 3. **Minimum award.** The additions in this subpart are meant to clarify the minimum award amount for the schools/nursing programs to ensure that all schools/nursing programs award students equitably and uniformly. It should avoid misinterpretation of the minimum award amount.

Subp. 4. **Adjustments to awards.** The language in this subpart explains the actions a school/nursing program must take if it is necessary to adjust a student's prenursing grant award. This is to ensure uniform administrative procedures are followed by the school/nursing program if award adjustments are necessary.

4830.8570 **RECIPIENT RESPONSIBILITIES**

Subpart 1. **Change of address.** The language change in this subpart is made to reflect the prenursing grant program becoming campus-based. The school/nursing program is now the source that the prenursing grant recipient should contact with an address change during the period of enrollment. Once the recipient graduates or terminates enrollment, the executive director must start the monitoring process, so address changes must be reported to the Board. This is to ensure that schools/nursing programs receive updated addresses from recipients while in school, and that the Board receives such information once the recipient graduates or terminates enrollment in order to provide efficient program operation and the necessary information to monitor recipient status.

Subp. 2. **Service status verification.** The language change is for grammatical purposes.

4830.8575 **REPORTS BY SCHOOLS OR NURSING PROGRAMS.** This section is added to explain the types of data schools/nursing programs are required to collect and report to the executive director. It also explains the action that will be taken by the executive director if a school/nursing program fails to meet the reporting requirements by the deadline date. This language is an attempt to clarify the reporting requirements to provide efficient program administration and reporting procedures.

4830.8560 and 4830.8580 are repealed because these sections are not appropriate for campus-based program operation. Any elements included in these two sections that are pertinent and necessary to campus-based program operation have been incorporated into the rule changes outlined above.