

**Minnesota  
Higher Education  
Coordinating Board**

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August 5, 1992

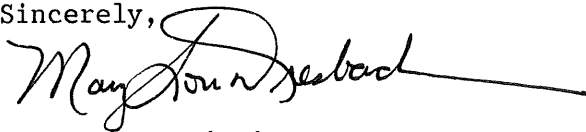
Maryanne V. Hruby  
Director, LCRAR  
55 State Office Building  
St. Paul, MN 55155

Dear Ms. Hruby:

Enclosed is a copy of the Statement of Need and Reasonableness for amendments to the MHECB permanent rules governing the Rural Physician Education Account, and rules for two new programs: the Midlevel Practitioner Education Account and the Nursing Home Nurses Education Account. These rules will be published in the State Register on August 10, 1992.

If you need additional information, please contact me.

Sincerely,

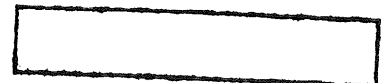


Mary Lou Dresbach  
Administrative Associate

Enclosure

The Legislative Commission to  
Review Administrative Rules

AUG - 6 1992



**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 Rules  
Minnesota Higher Education Coordinating Board Governing  
Rural Physician Loan Forgiveness Program  
Midlevel Practitioner Education Account  
Nursing Home Nurses Education Account

STATE OF MINNESOTA  
MINNESOTA HIGHER EDUCATION COORDINATING BOARD

In the Matter of the Proposed Rules  
Governing Rural Physician Loan  
Forgiveness Program, Midlevel  
Practitioner Education Account, and  
Nursing Home Nurses Education Account  
(Minn. Rules 4810.3010-4810.3040,  
4811.0100-4811.0170, and 4812.0100-  
4812.0170

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].

The Board is proposing to make changes to the rules governing the Rural Physician Loan Forgiveness Program to include additional types of loans which may be considered for inclusion under this program and delete loans not directly applicable to the program participant or not considered pertinent to the purposes of this program. The changes also clarify terminology used in the rules, clarify the requirements for program participation, and incorporate statutory changes made during the 1992 legislative session as specified in 136A.1355, subd. 2 and subd. 3.

The Board is proposing to adopt permanent rules for the Midlevel Practitioner Education Account and the Nursing Home Nurses Education Account. Both of these programs were created during the 1992 legislative session, and will be operational during the 1992-93 academic year.

**SECTION II: BACKGROUND**

**Rural Physician Loan Forgiveness Program**

The proposed changes are to include additional types of loans which program participants may have as "qualified loans" under this program and delete loan types which may not meet the intent of this program. Several changes are due to statutory changes occurring during the 1992 legislative session. The other changes are for clarity and to avoid participant confusion about eligibility requirements. Available funding for fiscal year 1993 is \$96,000.

**Midlevel Practitioner Education Account**

The 1992 legislature created this program to assist health care professionals practicing in rural Minnesota. The Minnesota Higher Education Coordinating Board (MHECB) was designated as the state agency responsible for the

administration of this program, and may accept up to eight applicants per year for participation in the loan forgiveness program. The legislative appropriation for fiscal year 1993 is \$28,000. The MHECB is proposing permanent rules for administration of this program which will be operational for the 1992-93 academic year.

#### **Nursing Home Nurses Education Account**

The 1992 Legislature created this program to encourage nurses to practice in nursing homes. The Minnesota Higher Education Coordinating Board (MHECB) was designated as the state agency responsible for the administration of this program, and may accept up to ten applicants a year. The legislative appropriation for fiscal year 1993 is \$15,000. The MHECB is proposing permanent rules for administration of this program which will become operational for the 1992-93 academic year.

### **SECTION III: PROPOSED CHANGES**

The proposed changes are summarized below:

#### **Rural Physician Loan Forgiveness Program**

- \*Add language that references the definition of the eligible areas in Minnesota which fulfill the rural practice obligation for clarity and to avoid confusion.
- \*Add/delete language specifying the types of educational loans included under the terms of this program. These types of loans are comparable to those included under another program administered by the Board in which payments are made by the Board on educational loans for physicians, dentists, chiropractors, osteopaths, veterinarians, pharmacists, optometrists, and public health professionals.
- \*Add/delete language regarding when a physician completes the application form and contract. This is a statutory change.
- \*Add language that specifies the minimum number of hours that a physician must be working in order to fulfill the obligations under this program. This language is added for clarity and completeness.
- \*Add language qualifying when the maximum payment can be exceeded.
- \*Add language specifying the additional payment amount if physicians meet certain conditions.
- \*Add language which explains the terms under which a physician can have an additional amount paid on his/her loans. The language incorporates changes made to the statutes governing this program during the 1992 legislative session.

## Midlevel Practitioner Education Account

- \*Add language referencing the definition in agency rules which explains eligible rural practice areas in Minnesota for purposes of fulfilling the service requirements of this program. This language is for completeness and to avoid misunderstanding by program participants.
- \*Add language which specifies the types of health care professions included under this program and the minimum number of hours an individual must work per week to fulfill the program requirements. This language incorporates the terms defined in the statutory language governing this program and also clarifies the amount of time a program participant must work per week to avoid confusion and misunderstanding.
- \*Add language defining the circumstances under which a program participant would not be obligated to fulfill the rural practice obligation. This language is to avoid confusion and misunderstanding in regard to service obligations of program participants.
- \*Add language specifying the types of loans which are included for payment by the Board under this program. This language is meant for clarity and to avoid confusion.
- \*Add language to specify the classification of program applicants which will be used in the selection process.
- \*Add language specifying the program participant selection process that will be followed if the number of program applicants in any given year exceeds the maximum number of program participants the Board can select as specified in statute.
- \*Add language indicating the executive director's responsibilities upon receipt of a letter of interest from a prospective program participant.
- \*Add language explaining the specific steps an individual must follow in order to be considered for participation in this program. This language is for completeness and to clarify the application process.
- \*Add language specifying the obligation of the program participant to notify the executive director upon starting eligible service as a midlevel practitioner.
- \*Add language specifying that the midlevel practitioner must sign the agreement/promissory note prior to the executive director making any payments on qualified loans.
- \*Add language indicating that the program participant must indicate which loans the executive director should make payments on. The language also specifies the maximum payment amount per year on such qualified loans.
- \*Add language which explains the procedure that must be followed in order for the Board to make payments on program participants' educational loans.

\*Add language specifying the responsibilities of the Board and the program participants during the period in which loan payments are being made by the Board.

\*Add language indicating the circumstances under which a participant must reimburse the executive director for payments made on qualified loans.

\*Add language explaining the penalty for nonfulfillment of the service requirement of this program.

\*Add language explaining the how the payment plan will be set up, and the maximum allowable period for completion of repayment.

\*Add language explaining the conditions under which a waiver of the repayment obligation would be applicable.

\*Add language indicating the type of information that will be reported to a credit bureau reporting agency should the participant be required to enter repayment status. This language incorporates the statutory requirements in regard to nonfulfillment, and attempts to explain the procedures that will be followed in this instance. The language is for completeness and to avoid misunderstanding.

\*Add language specifying that program participants must report service status annually using the form provided by the executive director.

\*Add language specifying that the participant must supply address and status changes within 30 days of such changes.

\*Add language to explain that additional information may be required of program participants that is in keeping with the regulations governing the program.

\*Add language specifying that participants may be required to use standardized forms provided by the executive director for program administration.

#### **Nursing Home Nurses Education Account**

\*Add language which specifies the types of individuals eligible to participate in this program. This language incorporates the statutory requirements regarding participant eligibility.

\*Add language defining the circumstances under which a program participant would not be obligated to fulfill the service requirement.

\*Add language specifying the types of loans which are included for payment by the Board under this program.

\*Add language specifying the classification of program applicants which will be used in the selection process.

\*Add language specifying the process that will be followed if the number of program applicants in any given year exceeds the maximum number of program participants the Board can select as specified in statute.

- \*Add language explaining the procedure an individual must follow if interested in this program.
- \*Add language explaining the document that must be completed by potential program participants, and the consequences of not doing so by the deadline date.
- \*Add language specifying the obligation of the participant to notify the executive director of commencing service in a licensed nursing home.
- \*Add language indicating the requirement that all program participants sign an agreement/promissory note prior to loan payments being made by the executive director.
- \*Add language specifying that the participant must designate which loans are to be included for payment by the executive director.
- \*Add language which explains the steps that must be followed in order for the Board to make payments on program participants' educational loans, and the responsibilities of the Board and the program participants during the period in which loan payments are being made by the Board.
- \*Add language specifying the terms under which the executive director will make payments on a participant's loans.
- \*Add language indicating the consequences of a program participant not fulfilling the service requirement under which loans payments have been made by the executive director.
- \*Add language explaining the penalty for nonfulfillment of the service requirement of this program.
- \*Add language indicating how a payment plan will be set up, and the maximum allowable period for repayment to be completed.
- \*Add language explaining the conditions under which a waiver of the repayment obligation would be applicable.
- \*Add language indicating the types of information that will be reported to a credit bureau reporting agency should the participant be required to enter repayment status.
- \*Add language specifying that program participants must report service status annually using the form provided by the executive director.
- \*Add language specifying that the participant must supply address and status changes within 30 days of such changes.
- \*Add language to explain that additional information may be required of program participants that is in keeping with the regulations governing the program.
- \*Add language specifying that participants may be required to use standardized forms provided by the executive director for program administration.

## **CHAPTER II: Part-by-Part Explanation/Rural Health and Nursing Programs**

This chapter provides an explanation for each part of the rules relating to the rural physician loan forgiveness program, the midlevel practitioner education account, and the nursing home nurses education account.

### Rural Physician Loan Forgiveness Program

#### **4810.3010 DEFINITIONS.**

Subp. 1a. **Designated rural area.** This subpart is added to avoid confusion and misunderstanding by program participants when referring to eligible areas of practice that will fulfill program obligations.

Subp. 3. **Qualified loans.** The additions to this subpart are made to include other various types of loans that program participants might want to designate for payment purposes and which the Board has determined are feasible for program inclusion. The deletions are made to exclude loans which are not direct obligations of the program participants or are not readily operable or feasible for Board repayment. The expanded list of eligible loans provides more flexibility for program participants, but continues to ensure program integrity and efficiency.

#### **4810.3030 APPLICATION PROCESS.**

Subp. 3. **Application form and contract.** Additions to this section are made for clarity and grammatical correctness to incorporate statutory changes made during the 1992 legislative session (MN Statutes 136A.1355, subd. 2).

Subp. 5. **Agreement or promissory note.** The additional language in this subpart is added to avoid confusion regarding the number of hours per week a physician must be practicing in order to fulfill rural practice obligations.

#### **4810.3040 LOAN PAYMENT.**

Subpart 1. **Designation of loans.** The language in this subpart is added to reference the new subpart which specifies the conditions under which additional loan payments would be made by the Board. The circumstances under which additional payments will be made are specified under the new statutory language. [MN Statutes 136A.1355, Subd. 3]

Subp. 4. **Additional payment amount.** The language added to this subpart specifies the additional amount that the Board will pay if a program participant meets certain requirements specified in a later subpart. This language is for clarity and to incorporate new statutory requirements into these rules. [MN Statutes 136A.1355, Subd. 3]

Subp. 6. **Additional designation of loans.** This subpart is added to explain the circumstances under which a program participant can designate additional loans for payment by the Board. This addition is necessary due to statutory



changes to this program during the 1992 legislative session. [MN Statutes 136A.1355, Subd. 3]

Midlevel Practitioner Education Account

4811.0100 **SCOPE.** This defines the parameters of the applicability of the rules that follow.

4811.0110 **DEFINITIONS.**

Subpart 1. **Scope.** This defines the parameters of the applicability for the definitions that follow.

Subp. 2. **Designated rural area.** This subpart is included to provide program participants with the specific reference in agency rules where this term is defined to avoid confusion and misunderstanding of this terminology related to program requirements.

Subp. 3. **Eligible program participant.** This subpart specifies the types of health care professions included under this program and the minimum number of hours a program participant must work per week to fulfill program requirements. While the statutory language describes each specialty included under this program, the Board felt it necessary to include this definition in the rules to avoid confusion and misunderstanding by program participants and to ensure the integrity of the program. [ MN Statutes 136A.1356, Subd. 1]

Subp. 4. **Emergency circumstances.** While the statutory language makes reference to "emergency circumstances", no explanation as to what constitutes such circumstances is included in the statute. In order to avoid any confusion and misunderstanding by applicants, the Board felt it necessary to specifically explain the types of conditions that must exist in order for a participant to claim such circumstances as they relate to fulfillment of the service obligation in an eligible rural service area.

Subp. 5. **Qualified loans.** The statute makes reference to "qualified loans" as they relate to loan forgiveness, however, no explanation or definition of the term "qualified loans" is provided in the statute. In order to administer the program equitably and efficiently, the Board felt obligated to list the specific loans that would be considered to be "qualified loans" under the loan forgiveness condition of this program. It was felt that applicants should know which loans would be considered "qualified" prior to indicating an interest in the program, so the applicant could plan his/her borrowing and repayment obligations; and decide whether this program would meet his/her personal and professional needs.

4811.0120 **CRITERIA FOR SELECTION.**

Subpart 1. **Classification of applicants.** This subpart explains the criteria that will be used in ranking applicants for participation in this program. The Board felt that it is likely that the number of program applicants will exceed

the number of participants permitted to enter the program annually. (The level of participation is defined in statute--maximum of 8 applicants per year.) By creating a ranking system for applicants, the integrity of the selection process is preserved, and the method of selection by the executive director is simplified. Also, applicants will know how applicants will be ranked for program participation, which may be an important factor when selecting an area to practice in their medical specialties.

Subp. 2. **Insufficient award availability.** This subpart explains what will happen should the number of eligible applicants exceed the number of participants the executive director can select. The process explained in this section ensures the integrity of the program and the equitable treatment of applicants.

#### 4811.0130 APPLICATION PROCESS.

Subpart 1. **Acknowledgment letter.** This procedure of acknowledging the applicant's interest in the program and providing more detailed information concerning the terms and obligations of a participant in the program should give the applicant sufficient information to make an informed decision as to whether he/she wishes to participate if selected for participation. The Board felt is useful to provide the applicant with as much information as possible as soon as possible in order to avoid delays in acceptance should an applicant be chosen for participation.

Subp. 2. **Application form and contract.** This subpart explains the procedure an interested program applicant must follow in order to be considered by the Board for program participation. The language in this section explains the service commitment of a program participant, and the consequences of not completing and returning the required form by the specified deadline date. This language is for clarity and to ensure equitable treatment of all program applicants.

Subp. 3. **Notification of service.** The Board felt it necessary to specify that it is the obligation of the program participant to notify the executive director upon serving as a midlevel practitioner in a designated rural area. This clarifies the reporting obligation of the participant concerning employment, and provides the executive director with information necessary for verifying the participant's eligibility. This subpart also specifies the minimum number of hours a participant must work each week in order to fulfill program service requirements. This language is meant to avoid misunderstanding and confusion by program participants.

Subp. 4. **Agreement or promissory note.** Because the Board is making a monetary commitment of program funds for payment of the participant's qualified loans, and the participant has certain obligations that must be fulfilled in order for such payments to be made by the executive director, the Board felt it necessary to specify the exact terms of the agreement between the Board and the midlevel practitioner. This agreement will be legally binding for both parties, and therefore must contain the terms and conditions of the contractual relationship. It is essential that the program participant understand and agree

to the conditions of the promissory note prior to entering this agreement. The agreement/promissory note will protect the rights of the midlevel practitioner and the Board which is essential in order to maintain the integrity of the program.

#### 4811.0140 LOAN PAYMENT.

Subpart 1. **Designation of loans.** This section protects the rights of the participant to select which loan(s) the executive director shall make payments on within the parameters specified under 4811.0110, subp. 4, and the statutory limitations for payment amounts specified in 136A.1356, Subd. 4.

Subp. 2. **Payment billings.** This section is included in order to provide the executive director with the information necessary to carry out the obligations of the Board as they relate to payments on a midlevel practitioner's qualified loans. The Board felt it necessary to specify the documents the program participant must provide to the executive director in order to avoid confusion and delay of payments on the program participant's loans.

Subp. 3. **Terms of payments.** The language in this subpart clarifies the terms under which the executive director will make payments on a program participant's qualified loans, and also clarifies the status of the participant's service obligation while the executive director is making payments on the midlevel practitioner's eligible loans. The Board felt it advisable to further explain the maximum annual payment amount and the service obligation mentioned in the statutes governing this program to avoid misunderstanding or confusion.

Subp. 4. **Discontinuation of service.** The language used in this section explains the obligations of the program participant should he/she discontinue service in a designated rural area. The Board felt it necessary to address this circumstance for clarity and to avoid misunderstanding of the program participant's obligations.

#### 4811.0150 PENALTY FOR NONFULFILLMENT.

Subpart 1. **Payment amount.** The Board felt it necessary to specify the terms of the repayment obligations of the program participant should he/she not fulfill the service obligations agreed to in the contractual agreement. While the statutory language mentions the Board's obligation to collect monies from the participant in such cases, more specific language is required to avoid confusion, and misunderstanding. This language also assures equitable treatment of all program participants obligated to repay monies due to failure to fulfill the service commitment.

Subp. 2. **Payment plan.** In order to be responsive to the personal circumstances of program participants who are required to repay monies, the executive director must be able to work out repayment terms on an individualized basis, while retaining the integrity of the program by setting a reasonable limitation on the number of years by which monies must be repaid. The Board

felt it necessary to specify the general terms of the payment plan so that the participant knows the consequences of non-fulfillment prior to signing the contractual agreement. This is an attempt to ensure timely repayment and uniform treatment of all participants required to repay monies, and to provide efficient handling of payments received by the executive director.

Subp. 3. **Waiver.** The statutes governing this program provide that the Board may grant full or partial waivers. The language in this section attempts to clarify the circumstances under which the executive director will consider such action. This language ensures the equitable treatment of all participants.

Subp. 4. **Release of information.** It is necessary that the program participants realize that the commitment to serve in a designated rural area in return for payment on qualified loans is taken very seriously by the Board. The reporting of payment activity to a consumer credit reporting agency is consistent with operating procedures followed by the Board in another student loan fund administered by the Board. It provides uniform treatment of all participants and attempts to ensure timely payments of participants who are required to repay program monies due to nonfulfillment of service obligations.

#### 4811.0160 PARTICIPANT RESPONSIBILITIES

Subpart 1. **Service status verification.** In order to monitor fulfillment of the rural practice obligation, the Board felt it necessary to require completion and return of a status form on an annual basis. This is an attempt to fulfill the Board's program administration responsibilities in an efficient manner, but not overburden the reporting responsibilities of the program participants.

Subp. 2. **Status change.** This section is an attempt to maintain current data on program participants, and provide efficient monitoring of rural service obligations. It is imperative that address and service location information be kept up-to-date in order to provide the participants with program information pertinent to their obligation. Also, the Board has legislative reporting requirements which necessitate current and correct participant data.

#### 4811.0170 INFORMATION; FORMS; TERMS.

Subpart 1. **Additional information.** While an attempt has been made to specify the types of information the Board may need for operational, statistical, and reporting purposes, at some point it may be necessary to request additional data from participants, schools that provide midlevel professional training, or designated service areas in order to fulfill legislative reporting requirements, implement program operational changes, or create and update statistical data bases. This language provides for data collection pertinent to the program which is unforeseen now.

Subp. 2. **Forms.** In order to administer this program efficiently, the Board felt it necessary to specify that the executive director can require the use of forms provided by the Board. This requirement should simplify record-keeping and ensure consistent data collection.

## Nursing Home Nurses Education Account

4812.0100 **SCOPE.** This defines the parameters of the applicability of the rules that follow.

### 4812.0110 **DEFINITIONS.**

Subpart 1. **Scope.** This defines the parameters of the applicability for the definitions that follow.

Subp. 2. **Eligible program participant.** This subpart specifies the types of health care professions included under this program and the minimum number of hours a program participant must work per week to fulfill program requirements. While the statutory language describes each specialty included under this program, the Board felt it necessary to include this definition in the rules to avoid confusion and misunderstanding by program participants and to ensure the integrity of the program. [MN Statutes 136A.1356, Subd. 1]

Subp. 3. **Emergency circumstances.** While the statutory language makes reference to "emergency circumstances", no explanation as to what constitutes such circumstances is included in the statute. In order to avoid any confusion and misunderstanding by applicants, the Board felt it necessary to specifically explain the types of conditions that must exist in order for a participant to claim such circumstances as they relate to fulfillment of the service obligation.

Subp. 4. **Qualified loans.** The statute makes reference to "qualified loans" as they relate to loan forgiveness, however, no explanation or definition of the term "qualified loans" is provided in the statute. In order to administer the program equitably and efficiently, the Board felt obligated to list the specific loans that would be considered to be "qualified loans" under the loan forgiveness condition of this program. It was felt that applicants should know which loans would be considered "qualified" prior to indicating an interest in the program, so the applicant could plan his/her borrowing and repayment obligations; and decide whether this program would meet his/her personal and professional needs.

### 4812.0120 **CRITERIA FOR SELECTION.**

Subpart 1. **Classification of applicants.** This subpart explains the criteria that will be used in ranking applicants for participation in this program. The Board felt that it is likely that number of program applicants will exceed the number of participants permitted to enter the program annually. (The level of participation is defined in statute--maximum of 10 applicants per year.) By creating a ranking system for applicants, the integrity of the selection process is preserved, and the method of selection by the executive director is simplified. Also, applicants will know how applicants will be ranked for program participation, which may be an important factor when selecting an area to practice.

Subp. 2. **Insufficient award availability.** This subpart explains what will

happen should the number of eligible applicants exceed the number of participants the executive director can select. The process explained in this section ensures the integrity of the program and the equitable treatment of applicants.

#### 4812.0130 APPLICATION PROCESS.

Subpart 1. **Letter of interest.** The language in this subpart specifies the procedures an individual must follow if he/she is interested in this program and indicates the action the executive director will take upon receipt of a letter of interest. This subpart is meant to provide potential program participants with useful information concerning the application process, and ensures equitable treatment of all interested applicants.

Subp. 2. **Application form and contract.** This subpart explains the procedure an interested program applicant must follow in order to be considered by the Board for program participation. The language in this section explains the service commitment, and the consequences of not completing and returning the required form by the specified deadline date. This language is for clarity and to ensure equitable treatment of all program applicants.

Subp. 3. **Notification of service.** The Board felt it necessary to specify that it is the obligation of the program participant to notify the executive director upon serving as a nurse in a licensed nursing home. This clarifies the reporting obligation of the participant concerning employment, and provides the executive director with information necessary for verifying the participant's eligibility. This subpart also specifies the minimum number of hours a participant must work each week in order to fulfill program service requirements. This language is meant to avoid misunderstanding and confusion by program participants.

Subp. 4. **Agreement or promissory note.** Because the Board is making a monetary commitment of program funds for payment of the participant's qualified loans, and the participant has certain obligations that must be fulfilled in order for such payments to be made by the executive director, the Board felt it necessary to specify the exact terms of the agreement between the Board and the program participant. This agreement will be legally binding for both parties, and therefore must contain the terms and conditions of the contractual relationship. It is essential that the nurse understand and agree to the conditions of the contractual agreement prior to entering into the agreement. The agreement/promissory note will protect the rights of the nurse and the Board which is essential in order to maintain the integrity of the program.

#### 4812.0140 LOAN PAYMENT.

Subpart 1. **Designation of loans.** This section protects the rights of the participant to select which loan(s) the executive director shall make payments on within the parameters specified under 4812.0110, subp. 4, and the statutory limitations for payment amounts specified in 136A.1357, Subd. 4.

Subp. 2. **Payment billings.** This section is included in order to provide the executive director with the information necessary to carry out the obligations of the Board as they relate to payments on a nurse's qualified loans. The Board felt it necessary to specify the documents the program participant must provide to the executive director in order to avoid confusion and delay of payments on the program participant's loans.

Subp. 3. **Terms of payments.** The language in this subpart clarifies the terms under which the executive director will make payments on a program participant's qualified loans, and also clarifies the status of the participant's service obligation while the executive director is making payments on the nurse's eligible loans. The Board felt it advisable to further explain the maximum annual payment amount and the service obligation mentioned in the statutes governing this program to avoid misunderstanding or confusion.

Subp. 4. **Discontinuation of service.** The language used in this section explains the obligations of the program participant should he/she discontinue service in a licensed nursing home. The Board felt it necessary to address this circumstance for clarity and to avoid misunderstanding of the program participant's obligations.

#### 4812.0150 **PENALTY FOR NONFULFILLMENT.**

Subpart 1. **Payment amount.** The Board felt it necessary to specify the terms of the repayment obligations of the program participant should he/she not fulfill the service obligations agreed to in the agreement/promissory note. While the statutory language mentions the Board's obligation to collect monies from the participant in such cases, more specific language is required to avoid confusion, and misunderstanding. This language also assures equitable treatment of all program participants obligated to repay monies due to failure to fulfill the service commitment.

Subp. 2. **Payment plan.** In order to be responsive to the personal circumstances of program participants who are required to repay monies, the executive director must be able to work out repayment terms on an individualized basis, while retaining the integrity of the program by setting a reasonable limitation on the number of years by which monies must be repaid by the program participant. The Board felt it necessary to specify the general terms of the payment plan so that the participant knows the consequences of nonfulfillment prior to signing the agreement/promissory note. This is an attempt to ensure timely repayment and uniform treatment of all participants required to repay monies, and to provide the efficient handling of payments received by the executive director.

Subp. 3. **Waiver.** The statutes governing this program provide that the Board may grant full or partial waivers. The language in this section attempts to clarify the circumstances under which the executive director will consider such action. This language ensures the equitable treatment of all participants.

Subp. 4. **Release of information.** It is necessary that the program participants realize that the commitment to serve as a nurse in a licensed

nursing home in return for payment on qualified loans is taken very seriously by the Board. The reporting of payment activity to a consumer credit reporting agency is consistent with operating procedures followed by the Board in another student loan fund administered by the Board. It provides uniform treatment of all participants and attempts to ensure timely payments of participants who are required to repay program monies due to nonfulfillment of service obligations.

#### 4811.0160 PARTICIPANT RESPONSIBILITIES

Subpart 1. **Service status verification.** In order to monitor fulfillment of the service obligation, the Board felt it necessary to require completion and return of a status form on an annual basis. This is an attempt to fulfill the Board's program administration responsibilities in an efficient manner, but not overburden the reporting responsibilities of the program participants.

Subp. 2. **Status change.** This section is an attempt to maintain current data on program participants, and provide efficient monitoring of the participant's commitment to work as a nurse in a nursing home. It is imperative that address and service location information be kept up-to-date in order to provide the participants with program information pertinent to their obligation. Also, the Board has legislative reporting requirements which necessitate current and correct participant data.

#### 4811.0170 INFORMATION; FORMS; TERMS.

Subpart 1. **Additional information.** While an attempt has been made to specify the types of information the Board may need for operational, statistical, and reporting purposes, at some point it may be necessary to request additional data from participants or nursing homes which have program participants under their employment in order to fulfill legislative reporting requirements, implement program operational changes, or create and update statistical data bases. This language provides for data collection pertinent to the program which is unforeseen at this time.

Subp. 2. **Forms.** In order to administer this program efficiently, the Board felt it necessary to specify that the executive director can require the use of forms provided by the Board. This requirement should simplify record-keeping and ensure consistent data collection.