



Common Definitions for Financial Aid Programs

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I. Common Definitions

A. Introduction

This chapter of the manual is intended to provide information about terms and requirements that apply to several state financial aid programs. The individual program chapters in this manual may refer to this section rather than define the term in that chapter. If a term or requirement only applies to one state aid program, it will be defined in the chapter for that particular program.

B. Terminology

1. Academic Year

A period of time in which a full-time student is expected to complete the equivalent of at least two semesters, two trimesters or three quarters; or at least 30 semester hours or 45 quarter hours; or at least 900 clock hours. For purposes of satisfactory academic progress, “academic year” means grade level as defined by the institution.

2. Audits/Records Retention

Schools may arrange for audits of state financial aid awards and tuition reciprocity recipients in conjunction with their audits for federal financial aid programs.

The statute gives schools the ability to decide which agency or firm will conduct the audit of state aid programs. The school may opt to continue to have auditors from the Minnesota Office of Higher Education (the Agency) perform audits free of charge, or may choose to employ an outside auditing firm to conduct the state audit in conjunction with the federal audit. The auditing firm must be the firm that conducts the school’s audit of federal aid programs. Choosing an outside firm is not a free service.

If an outside auditing firm is used, the Office of Higher Education would review each audit and determine the appropriate response to audit exceptions and findings.

The school must make available to auditors all pertinent books, documents, papers and records for audit and examination for three years after the last day of the fiscal year or until

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all audit exceptions for the period are resolved. (See chapter on SELF loan for additional records retention requirements for that program.)

3. Certificate Program

A program that is offered by an eligible school; is at least 12 quarter credits or the equivalent, or 300 credit hours for clock hour schools; and is at least 8 weeks long.

4. Clock Hour

A clock hour is defined as a period of time consisting of:

- a 50 to 60 minute class, lecture or recitation in a 60 minute period;
- a 50 to 60 minute faculty-supervised laboratory, shop training or internship in a 60 minute period; or
- 60 minutes of preparation in a correspondence course.

If an institution seeks to determine the number of clock hours in an educational program by aggregating the number of minutes in that program, it must divide those minutes by 60.

5. Credit Hour

For educational programs measured in credit hours, the credit hour value must be determined by applying a conversion formula linked to clock hours of instruction. The following conversions must be observed:

- a semester hour must include at least 30 clock hours of instruction;
- a trimester hour must include at least 30 clock hours of instruction; and
- a quarter hour must include at least 20 hours of instruction.

This conversion formula does not apply to a program if:

- the program is at least two academic years in length and provides an associate degree, bachelor's degree or a professional degree; or
- each course within the program is acceptable for full credit toward that institution's degree or professional degree, provided that the institution's degree requires at least two academic years of study.

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6. Dependent Student

A student who is required to provide parental information on the financial aid application because the student does not meet the criteria for independent student in the Higher Education Act of 1965 as amended. (See definition of “Independent Student” in this section.)

7. Director

The director of the Minnesota Office of Higher Education.

8. Eligible Non-Citizen

Eligible non-citizens are eligible to receive state financial aid if they are:

- a U.S. national; or
- a permanent resident holding an Alien Registration Receipt Card (I-551); or
- other eligible non-citizen holding an Arrival-Departure Record (I-94) showing “Refugee,” “Asylum Granted,” “Parole” (paroled for less than one year and status has not expired) or “Cuban Haitian Entrant;” or
- a conditional permanent resident (I-551C).

9. Expected Family Contribution

The Expected Family Contribution (EFC) is the amount the family is expected to contribute towards educational costs based on treatment of family income and assets under the federal need analysis. In the case of an independent student, the EFC is the same as the student contribution. For dependent students, the EFC is comprised of the student and parent contributions.

10. Financial Need

Demonstrated need of the applicant for financial assistance to meet the actual costs of attending the eligible institution of choice as determined from financial information on the applicant and, if required, on the applicant’s parents under the federal need analysis formula. For campus-based programs such as State Work Study, financial need is defined as the cost of attendance minus the federal EFC and other financial aid. The Minnesota

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State Grant program uses the Design for Shared Responsibility formula to determine financial need.

11. Fiscal Year

A state fiscal year begins on July 1 and ends on June 30.

12. Good Standing

The student's grade point average (GPA) meets the standards required by the satisfactory academic progress policy in place for a particular aid program.

13. Independent Student

A student who is not required to provide parental information on the financial aid application because the student meets the criteria for independent student in the Higher Education Act of 1965 as amended:

- is 24 years of age or older by December 31 of the award year;
- is an orphan or ward of the court;
- is a veteran of the Armed Forces of the United States;
- is currently serving on active duty in the U.S. Armed Forces for purposes other than training;
- is a graduate or professional student;
- is a married individual;
- has legal dependents (other than children or a spouse) who live with and receive more than half of their support from the student;
- has children who receive more than half of their support from the student; or
- is a student for whom a financial aid administrator makes a documented determination of independence by reason of other unusual circumstances.

14. Institutional Participation Agreement

The document signed by the appropriate school official(s) and the designated representatives for the Minnesota Office of Higher Education which specifies the rights and

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the responsibilities of the school and the Agency as they relate to participation in the specific financial aid program(s) covered by that agreement.

15. Leave of Absence (LOA)

A leave of absence is a period of time approved by the school during which the student is not in attendance but is considered to be enrolled. Each school is required to have a formal leave of absence policy, the student must follow that policy when requesting a leave of absence, and the school must have approved the student's request in accordance with its policy. The student's request must be submitted in writing, specifying the reason for the LOA. A student may take multiple leaves of absence from a school within a 12-month period as long as the total number of days in all leaves does not exceed 180 days. A leave of absence need not consist of consecutive days when granted.

After the initial leave of absence within a 12-month period, a subsequent leave of absence may be granted if (1) the subsequent leave does not exceed 30 days; (2) the institution determines that the subsequent leave of absence is necessary due to unforeseen circumstances; and (3) the total number of days of all leaves of absence does not exceed 180 days in any 12-month period.

Another subsequent leave of absence may be granted for documented jury duty, military reasons or circumstances covered under the Family and Medical Leave Act of 1993, provided that the total number of days of all leaves of absence does not exceed 180 days in any 12-month period.

If a student does not return at the expiration of an approved leave of absence, the student is considered to have withdrawn on the day the student began the leave of absence.

The institution may not assess the student any additional institutional charges, the student's financial need may not increase and the student is not eligible for any additional state financial aid due to a leave of absence.

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16. Office

The Minnesota Office of Higher Education.

17. Parent Contribution

The amount parents are expected to contribute towards the student's education according to the federal need analysis formula.

18. Post-Secondary Institution

An academic, vocational, proprietary, technical, business, professional, college or university offering educational credentials or offering instruction or educational services (primarily to persons who have completed or terminated their secondary education or who are beyond the age of compulsory attendance) for attainment of educational, professional or vocational objectives. Post-secondary education institutions may be classified as either publicly or privately controlled. The privately controlled group includes two major categories—private nonprofit schools and proprietary schools.

19. Professional Judgment

A procedure introduced under federal Title IV aid programs whereby the financial aid director is given the authority to make adjustments to the student's financial aid application based on unusual circumstances. Examples of unusual circumstances include, but are not limited to: death of a wage earner; divorce; unemployment; unusual medical expenses; unusually high child care costs; parents enrolled in college; or other changes in a family's income, assets, or a student's status. Professional judgment may also be used for a dependency override, whereby the aid administrator changes a student's dependency status from dependent to independent based on documentation of unusual circumstances.

The aid administrator may not extend adjustments to a broad class of students, but must review each student's situation on a case-by-case basis. All adjustments must be documented in the student's file. Any adjustments to the EFC must be based on changing data elements (i.e., income, assets, etc.) used in the need analysis formula as opposed to making a bottom line change to the EFC itself. With the exception of the State Grant

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budget, the aid administrator is also allowed to adjust the student's cost of attendance based on unusual circumstances.

One example of a professional judgment adjustment would be to change the income on a student's application to reflect the income for the current tax year (January 1–December 31) or academic year (July 1–June 30) if the student or parent became unemployed.

For further guidance, schools should refer to the section on professional judgment contained in the Application and Verification Guide chapter of the Federal Student Aid Handbook at www.ifap.ed.gov.

20. Refund

The amount of institutional charges returned to the financial aid programs and/or student after the student withdraws, fails to enroll or changes enrollment status. Policies, procedures and worksheets/spreadsheets for refunds can be found in the State Grant chapter of the financial aid manual.

21. Resident Student

A resident student means a student who meets one of the following conditions:

- a dependent or independent student who has resided in Minnesota for 12 consecutive months without being enrolled in a post-secondary school for more than 5 credits in any term; or
- a dependent student whose parent or legal guardian resides in Minnesota at the time the student applies; or
- an independent or dependent student who graduated from a Minnesota high school, if the student was a resident of Minnesota during the student's period of attendance at the Minnesota high school, and the student is physically attending a Minnesota post-secondary educational institution; or
- an independent or dependent student who, after residing in the state for a minimum of one year, earned a high school equivalency certificate (GED) in Minnesota; or

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- an independent student who was granted residency as a dependent and has not since left the state of Minnesota; or
- an independent or dependent student who is a member (or spouse/dependent of a member) of the armed forces of the United States stationed in Minnesota on active federal military service as defined in section 190.05, subdivision 5c; or
- an independent or dependent student (or spouse of) who relocated to Minnesota from an area that is declared a presidential disaster area within 12 months of the disaster declaration, if the disaster interrupted the person's post-secondary education; or
- an independent or dependent student defined as a refugee under United States Code, title 8, section 1101(a)(42) who, upon arrival in the United States, moved to Minnesota and has continued to reside in Minnesota.

Although a student may meet the definition of a resident student, the student is not eligible to receive funds from the State Grant, Post-Secondary Child Care Grant and State Work Study programs if the student is receiving tuition reciprocity benefits from another state while attending a Minnesota public college or university.

Establishing Minnesota Residency for State Grant, State Work Study and Post-Secondary Child Care Grant Programs			
Methods	Dependent Student	Independent Student	Documentation
Graduated from MN high school while student resided in MN if student is physically attending a MN college. (Home-schooling considered equivalent to traditional high school.)	Meets residency definition indefinitely regardless of state of residency after high school, provided the student is not exclusively taking distance education classes while residing in another state.	Meets residency definition indefinitely regardless of state of residency after high school, provided the student is not exclusively taking distance education classes while residing in another state.	Supplemental questionnaire (beyond FAFSA) or admissions/financial aid form asking location of high school and student's residence during high school. Registration records would indicate mode of delivery for current classes.
Earned GED in MN after residing in MN for 12 consecutive months. (Time incarcerated cannot be used to establish residency.)	Meets residency definition indefinitely regardless of state of residence after GED earned.	Meets residency definition indefinitely regardless of state of residence after GED earned.	Supplemental questionnaire (beyond FAFSA) or admissions/financial aid form asking when/where GED earned and date student moved to MN.

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Establishing Minnesota Residency for State Grant, State Work Study and Post-Secondary Child Care Grant Programs			
Methods	Dependent Student	Independent Student	Documentation
Parents resided in MN when application completed.	Meets residency definition. In case of divorce, 'parent' is parent whose financial information is provided on FAFSA. Parents' absence from MN excused for military service, post-secondary education and missionary work if parents continue to pay MN state taxes.	Not applicable.	Parent's state of legal residence on current FAFSA is sufficient if no conflicting information in student's file.
Student resided in MN for 12 consecutive months without being enrolled for more than 5 credits per term. (Time incarcerated cannot be used to establish residency. Absence from MN during initial 12-month period excused for military service if student pays MN state taxes.)	Meets residency definition. Subsequent absences from MN excused for up to 1 year for any reason and more than 1 year if reason for absence is post-secondary education, military service or missionary service and student continues to pay taxes in MN.	Meets residency definition. Subsequent absences from MN excused for up to 1 year for any reason and more than 1 year if reason for absence is post-secondary education, military service or missionary service and student continues to pay taxes in MN.	Supplemental questionnaire (beyond FAFSA) or admissions/financial aid form asking student to list dates for all places student has resided and name/location of all colleges attended beyond high school.
Student met residency definition as a dependent applicant and has not since left the state of MN.	Not applicable.	Meets residency definition. This language grandfathers through independent students previously granted residency as a dependent student.	Documentation from past aid year shows student met the definition of MN resident as a dependent applicant.

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Establishing Minnesota Residency for State Grant, State Work Study and Post-Secondary Child Care Grant Programs			
Methods	Dependent Student	Independent Student	Documentation
Student is a member (or spouse/dependent of a member) of the armed forces of the United States stationed in MN on active federal military service as defined in section 190.05, subdivision 5c.	Meets residency definition if parent(s) reside in MN for active federal military service, even if parents moved to MN after FAFSA was submitted.	Meets residency definition if residing in MN for own or spouse's active federal military service, even if student has not resided in MN for 12 months.	Supplemental questionnaire (beyond FAFSA) or admissions/financial aid form asking student to list dates for all places student has resided and reason for residence in state. Form should ask student to self-identify to financial aid office if reason for residing in MN is active federal military service. Confirm by securing signed statement from military commander confirming student (or spouse) is stationed in MN for active federal military service.
Student (or spouse of) who relocated to MN from an area that is declared a presidential disaster area within 12 months of the disaster declaration, if the disaster interrupted the person's post-secondary education.	Applies to dependent student, even if student has not resided in MN for 12 months.	Applies to independent student, even if student has not resided in MN for 12 months.	Supplemental questionnaire (beyond FAFSA) or admissions/financial aid form asking student to list dates for all places student has resided and reason for residence in state. Form should ask student to self-identify to financial aid office if reason for residing in MN is disaster relocation. Confirm disaster declaration on FEMA web site: http://www.fema.gov/news/disasters.fema and disruption of post-secondary education at college located in disaster area via documentation from college or list of affected colleges on FEMA, NASFAA or other government web site.

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Establishing Minnesota Residency for State Grant, State Work Study and Post-Secondary Child Care Grant Programs			
Methods	Dependent Student	Independent Student	Documentation
Student defined as a refugee under United States Code, title 8, section 1101(a)(42) who, upon arrival in the United States, moved to MN and has continued to reside in MN.	Applies to dependent student, even if student has not resided in MN for 12 months. Subsequent absences from MN excused for up to 1 year for any reason and more than 1 year if reason for absence is post-secondary education, military service or missionary service and student continues to pay taxes in MN.	Applies to independent student, even if student has not resided in MN for 12 months. Subsequent absences from MN excused for up to 1 year for any reason and more than 1 year if reason for absence is post-secondary education, military service or missionary service and student continues to pay taxes in MN.	Supplemental questionnaire (beyond FAFSA) or admissions/financial aid form asking student to list dates for all places student has resided and reason for residence in state. Form should ask student to self-identify to financial aid office if reason for residing in MN is refugee relocation. Confirm refugee status and date of entry to U.S. by student's immigration documentation.

a. Residency Exceptions and Clarifications

Although a student may meet the definition of a resident student, the student is not eligible to receive funds from the State Grant, Work Study or Post-Secondary Child Care Grant programs if the student is receiving tuition reciprocity benefits from another state while attending a Minnesota post-secondary institution. (See 'General Eligibility Requirements Chart' in 'Introduction' chapter or individual program chapters for further guidance.)

Incarcerated students must demonstrate the criteria necessary for residency prior to being incarcerated.

A family that physically resides in Minnesota near a bordering state, but receives mail at a border state address (e.g., Wisconsin), will be considered to be residing in Minnesota.

A student who completes high school via home-schooling in Minnesota is considered to be the equivalent of a student who graduates from a Minnesota high school while residing in Minnesota.

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If a student could not graduate from a Minnesota high school because the family resided in another state for purposes of military service, missionary work or post-secondary education, the student will be considered a resident if the family retains Minnesota as the state of legal residence.

A dependent applicant will be considered a resident if the applicant's parent(s) originally resided in Minnesota but resided in another state at the time of application due to missionary work, military service or post-secondary education but retained Minnesota as the state of legal residence.

An applicant who does not initially reside in Minnesota for 12 consecutive months prior to attending a post-secondary school may later establish residency by remaining in the state of Minnesota for 12 consecutive months without attending a Minnesota post-secondary institution for more than 5 credits in any term. An applicant who establishes residency by residing in Minnesota for 12 consecutive months will lose residency status by moving from Minnesota for more than one year for purposes other than education, military or missionary service.

An applicant will not be penalized for failure to reside in Minnesota for 12 consecutive months without being enrolled for 6 or more credits in any term if the student left Minnesota during the 12-month period to serve in the military, provided the student enlisted in Minnesota and continues to file Minnesota taxes.

In the case of legal separation or divorce, "parent" means the parent whose financial information was provided on the application according to the federal Title IV financial aid program guidelines.

22. Satisfactory Academic Progress

In general, satisfactory academic progress requires a student to complete a program within a specified time frame and maintain a grade point average consistent with requirements. Schools are required to follow satisfactory academic progress requirements found in federal

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regulations (U.S. CFR 668.16 (e)) in conjunction with the requirements in state law (Minnesota Statutes 136A.101, Subd.10). The state and federal satisfactory academic progress laws are identical, with the exception of the stricter GPA requirement for juniors and seniors in state law. (The definition of satisfactory academic progress found in MS 136A.101 does not apply to the SELF loan program, which requires students to be making satisfactory academic progress “as defined by the institution.”) State and federal laws define minimum standards for maintaining satisfactory progress. A school may adopt stricter standards if it chooses.

Minnesota Statutes 136A.101, Subd. 10 defines “satisfactory academic progress” as:

- by the end of a student’s second academic year of attendance at an institution, the student has at least a cumulative grade point average of C or its equivalent or academic standing consistent with the institution’s graduation requirements; and
- by the end of the first term of the third and fourth academic year of attendance, the student has a cumulative grade point average of at least a C or its equivalent.

The statute should be implemented in the following manner:

- The school must check state satisfactory academic progress using the same increments required for federal aid programs. Title IV regulations require schools to divide a student’s program into equal evaluation periods called increments. An increment may not be longer than half the program or one 9-month academic year (regardless of the student’s enrollment status during the academic year), whichever is less.
- Any time an increment or “check point” falls within the student’s freshman or sophomore year, the school must only verify the student is meeting the timely completion component of the Title IV satisfactory progress policy. There is no GPA requirement within the first two grade levels for the state’s satisfactory progress policy other than the student meeting the school’s GPA requirement for those grade levels. However, the school may choose to enforce a stricter standard if it is doing so for Title IV aid programs.
- Any time an increment or “check point” falls at the end of the student’s sophomore year, the student must have a GPA of 2.0 (or its equivalent on a grading system) or

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academic standing consistent with graduation standards to be making satisfactory academic progress. “Consistent with graduation standards” means the student’s GPA can fall below 2.0 if the institution’s graduation requirement is less than 2.0 or the institution has a progressive GPA requirement that gradually progresses throughout the student’s course of study (e.g., 1.50 freshmen, 1.75 sophomore, 2.0 junior, 2.0 senior). During the freshman and sophomore years, this is the same GPA standard used for federal aid programs. The school must also verify the student is meeting the timely completion component of the Title IV satisfactory progress policy.

- Any time an increment or “check point” falls after the first term of the student’s junior year, the state law requires the student to have a GPA of 2.0. This is stricter than the federal GPA requirement, which still allows the GPA to fall below 2.0 during the junior and senior years if the institution’s graduation requirement allows a progressive GPA. The school must also verify the student is meeting the timely completion component of the Title IV satisfactory progress policy.

For transfer students, cumulative GPA may be based on course work completed at a previous institution, course work at the current institution or a combination. If the student has not yet completed a term at the current institution when satisfactory progress is being checked, the GPA may be based on all the course work completed at the previous institution or on the course work that transferred to the current institution. If the student has completed a term at the current institution, the GPA may be based solely on course work completed at the current institution or in combination with course work completed at or transferred from the previous institution.

The school must choose one method of calculating the cumulative GPA for transfer students and apply this method across all applicable state aid programs. When combining grades from the previous and current institutions, the current institution must convert previous credits and grade points onto its own grade point system.

When monitoring the timely completion component of satisfactory academic progress for transfer students, the school must either:

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- count all courses that transferred to the current institution; or
- at a minimum, count all courses that will transfer to the student’s program; or
- “reset the clock” at the current institution, whereby the maximum time frame is determined by multiplying the remaining time left in the student’s program at the current institution by 150 percent. For example, if the student, upon transferring to the current institution, had two years remaining in a four-year degree program, maximum time frame would be three years (2 years remaining X 1.5 = 3 years).

With respect to credits attempted/earned under the state’s Post-Secondary Enrollment Options (PSEO) program, PSEO credits taken at the current institution are treated in the same manner as any other course work taken at the current institution and should be included when determining the student’s GPA and monitoring the timely completion component of satisfactory academic progress. PSEO credits taken at a previous institution are treated in the same manner as any other type of course work transferred to the current institution.

If a student fails to meet the state’s satisfactory academic progress policy, the student may not continue to receive state aid unless the school’s policy grants continued aid eligibility during a probationary period. The initial probationary period may be granted on an automatic basis or may be based on an appeal for special circumstances. The school may extend the probationary period based on an appeal for special circumstances. The appeal for special circumstances is based on the professional judgment language contained in Minnesota Statutes 136A.1312. (See Statutes and Rules section of this chapter.)

The Agency does not require schools to maintain standards of satisfactory academic progress for every enrollment level. Rather, schools must have standards for the “full-time,” “three quarter-time,” “half-time” and “less than half-time” enrollment levels used for the federal Pell Grant Program.

All institutions should include in their satisfactory academic progress policy a statement concerning how that institution treats non-credit, remedial and/or developmental courses

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(e.g., ESL, correspondence courses, internships) in the determination of satisfactory academic progress.

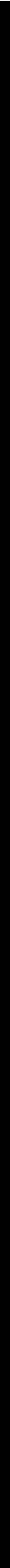
If student's enrollment status is comprised of course work undertaken at two schools, satisfactory academic progress/good standing must be verified by evaluating all course work that was used to determine the student's enrollment status, not just the course work taken at the "home institution."

23. Student Contribution

The student contribution is the amount a student is expected to contribute towards educational costs based on treatment of the student's income and assets under the federal need analysis formula.

24. Withdrawal Date

For schools participating in federal financial aid programs, withdrawal date is as defined in the Code of Federal Regulations (CFR) 668.22. Schools not participating in federal aid programs are subject to any definition of withdrawal date that exists in state law or, if none exists, institutional policy.



**Minnesota
Statutes:
Common
Definitions
for
Financial
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Programs**

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136A.101 DEFINITIONS.

Subdivision 1. **Scope.** For purposes of sections 136A.095 to 136A.1311, the terms defined in this section have the meanings ascribed to them.

Subd. 2. **Office.** “Office” means the Minnesota office of higher education.

Subd. 3. **Director.** “Director” means the director of the Minnesota office of higher education.

Subd. 4. **Eligible institution.** “Eligible institution” means a post-secondary educational institution located in this state or in a state with which the office has entered into a higher education reciprocity agreement on state student aid programs that either (1) is operated by this state, or (2) is operated publicly or privately and, as determined by the office, maintains academic standards substantially equivalent to those of comparable institutions operated in this state.

Subd. 5. **Financial need.** “Financial need” means the demonstrated need of the applicant for financial assistance to meet the recognized costs of attending the eligible institution of choice as determined from financial information on the applicant and, if required, on the applicant’s parents, by the federal need analysis.

Subd. 5a. **Assigned family responsibility.** “Assigned family responsibility” means the amount of a family contribution to a student’s cost of attendance, as determined by a federal need analysis. For dependent students, the assigned family responsibility is the parental contribution. For independent students with dependents other than a spouse, the assigned family responsibility is the student contribution. For independent students without dependents other than a spouse, the assigned family responsibility is 72 percent of the student contribution. The assigned family responsibility for all other independent students is 90 percent of the student contribution.

Subd. 6. Repealed, 1989 c 293 s 85

Subd. 7. **Student.** “Student” means a person who is enrolled for at least three credits per quarter or semester, or the equivalent, in a program or course of study that applies to a degree, diploma, or

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certificate. Credit equivalencies assigned by an institution that are applicable to federal Pell grant calculations shall be counted as part of a student's credit load.

Subd. 7a. **Full time.** "Full time" means enrollment in a minimum of 15 credits per quarter or semester, or the equivalent.

Subd. 7b. **Half time.** "Half time" means enrollment in a minimum of six credits per quarter or semester, or the equivalent.

Subd. 8. **Resident student.** "Resident student" means a student who meets one of the following conditions:

- (1) a student who has resided in Minnesota for purposes other than post-secondary education for at least 12 months without being enrolled at a post-secondary educational institution for more than five credits in any term;
- (2) a dependent student whose parent or legal guardian resides in Minnesota at the time the student applies;
- (3) a student who graduated from a Minnesota high school, if the student was a resident of Minnesota during the student's period of attendance at the Minnesota high school and the student is physically attending a Minnesota post-secondary educational institution;
- (4) a student who, after residing in the state for a minimum of one year, earned a high school equivalency certificate in Minnesota;
- (5) a member, spouse, or dependent of a member of the armed forces of the United States stationed in Minnesota on active federal military service as defined in section 190.05, subdivision 5c;
- (6) a person or spouse of a person who relocated to Minnesota from an area that is declared a presidential disaster area within the preceding 12 months if the disaster interrupted the person's post-secondary education; or
- (7) a person defined as a refugee under United States Code, title 8, section 1101(a)(42), who, upon arrival in the United States, moved to Minnesota and has continued to reside in Minnesota.

(As amended in Laws of Minnesota 2006, Chapter 282, Article 8, Sections 3 and 4.)

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Subd. 9. **Independent student.** “Independent student” has the meaning given it in the Higher Education Act of 1965, United States Code, title 20, section 1070a-6, and applicable regulations.

Subd. 10. **Satisfactory academic progress.** “Satisfactory academic progress” means that:

- (1) by the end of a student’s second academic year of attendance at an institution, the student has at least a cumulative grade point average of C or its equivalent, or academic standing consistent with the institution’s graduation requirements; and
- (2) by the end of the first term of the third and fourth academic year of attendance, the student has a cumulative grade point average of at least a C or its equivalent.

Hist: 1971 c 862 s 2; 1975 c 271 s 6; 1975 c 390 s 4; 1Sp1985 c 11 s 29; 1987 c 401 s 15; 1989 c 293 s 24-26; 1991 c 356 art 8 s 1-5; 1992 c 513 art 1 s 12; 1Sp1993 c 2 art 2 s 7,8; 1995 c 186 s 119; 1995 c 212 art 3 s 17-21,59; 1996 c 398 s 30; 1997 c 183 art 2 s 3; 1998 c 384 s 7; 1Sp2001 c 1 art 2 s 8,9; 2003 c 133 art 2 s 8

136A.1312 FINANCIAL AID ADMINISTRATOR, PROFESSIONAL JUDGMENT.

Nothing in this chapter or in the office’s rules shall be interpreted as limiting the ability of student financial aid administrators, on the basis of adequate documentation, to make necessary adjustments to the cost of attendance and expected family contribution computations to allow for treatment of individual students with special circumstances, with the exception of the cost of attendance defined under section 136A.121, subdivision 6. In addition, nothing in this chapter or in the office’s rules shall be interpreted as limiting the ability of the student financial aid administrator to use supplementary information about the financial status of eligible applicants with special circumstances in selecting recipients of state financial aid and determining the amount of awards. Nothing in this section precludes a financial aid administrator from establishing an appeals process for other extenuating circumstances.

Hist: 1996 c 398 s 31

136A.1313 FINANCIAL AID AUDITS.

Beginning with audits for fiscal year 1996, in place of the audits provided by the office, public institutions that administer state grants under decentralized delivery may arrange for audits of state

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financial aid awards and tuition reciprocity recipients in conjunction with their audits for federal financial aid. Audits must be conducted in compliance with guidelines and materials prepared by the office. The office shall develop a review process including procedures for responding to audit exceptions. All other institutions under decentralized delivery may arrange for audits under this section beginning with audits for fiscal year 1997.

Hist: 1996 c 398 s 32

16A.645 GOPHER STATE BONDS.

Subd. 5. **Effect on student grants.** The first \$25,000 of gopher state bonds purchased for the benefit of a student must not be considered in determining the financial need of an applicant for the state grant program under section 136A.121. This \$25,000 is in addition to any other asset exclusion authorized under chapter 136A.

Hist: 1997 c 183 art 2 s 1

124D.09 POST-SECONDARY ENROLLMENT OPTIONS ACT.

Subd. 14. **Grants and financial aid prohibited.** A pupil enrolled in a post-secondary course for secondary credit is not eligible for any state student financial aid under chapter 136A.



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4830.0100 DEFINITIONS FOR HIGHER EDUCATION PROGRAMS.

Subpart 1. **Scope.** For the purposes of chapters 4800, 4810, and this chapter, the terms defined in this part have the meanings given them unless specifically provided otherwise.

Subp. 1a. **Academic year.** “Academic year” means a period of time in which a full-time student is expected to complete:

- A. the equivalent of at least two semesters, two trimesters, or three quarters at an institution that measures academic progress in credit hours and uses a semester, trimester, or quarter system;
- B. at least 30 semester hours or 45 quarter hours at an institution that measures academic progress in credit hours but does not use a semester, trimester, or quarter system; or
- C. at least 900 clock hours at an institution that measures academic progress in clock hours.

Subp. 2. **Office.** “Office” means the Minnesota Office of Higher Education.

Subp. 2a. **Certificate program.** “Certificate program” means a program that is:

- A. offered by an eligible school as defined in part 4830.0300, subpart 1;
- B. at least 12 quarter credits or the equivalent, or 300 clock hours for clock hour schools; and
- C. at least eight weeks long.

Subp. 3. **Dependent student.** “Dependent student” means a student who is not an independent student.

Subp. 3a. [Repealed, 23 SR 594]

Subp. 4. **Educational costs.** “Educational costs” means tuition, required fees, room and board, books, and miscellaneous expenses.

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

- A. has not earned a baccalaureate degree and has not entered a graduate school program as a full-time graduate student;
- B. is a resident of Minnesota;

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- C. is not receiving tuition reciprocity benefits while attending a Minnesota postsecondary institution;
- D. is enrolled or is intending to enroll as at least a half-time student in an eligible school;
- E. is in good standing and making satisfactory academic progress, as defined in Minnesota Statutes, section 136A.101, subdivision 10;
- F. is a permanent resident of the United States, if the student is not a United States citizen; and
- G. is not in default, as defined under the applicable loan program, of any educational loan, or, if the student is in default, has made satisfactory arrangements to repay the loan.

Subp. 6. **Director.** “Director” means the director of the office, or office staff who perform duties as assigned by the director.

Subp. 7. **Financial need.** “Financial need” means the amount of monetary assistance necessary for a student to meet educational costs after parental and student contributions, determined by the financial need analysis, are subtracted from the student’s educational costs.

Subp. 8. **Financial need analysis.** “Financial need analysis” means a system for analyzing a family’s financial strength to determine the expected parental and student contributions to educational costs. The system is a federally approved system or an equivalent need analysis system adopted each year by the office for the appropriate processing year.

Subp. 8a. **Full-time.** “Full-time” means the enrollment level defined in Minnesota Statutes, section 136A.101, subdivision 7a, except that for purposes of work-study grants administered under parts 4830.2000 to 4830.2600, “full-time” means enrollment in a minimum of 12 credits per quarter or semester, or the equivalent.

Subp. 9. **Independent student.** “Independent student” has the meaning given it in the Higher Education Act of 1965, United States Code, title 20, section 1070a-6, and applicable regulations.

Subp. 10. **Minnesota resident.** “Minnesota resident” means:

- A. a dependent student whose parent or legal guardian resides in Minnesota on the date of application;

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- B. a student who has resided in Minnesota for other than educational purposes for at least 12 consecutive months without being enrolled at a postsecondary institution for more than five credits in any term prior to the date of application;
- C. a student who graduated from a Minnesota high school, if the student was a resident of Minnesota during the student's period of attendance at the Minnesota high school;
- D. a student who, after residing in the state for a minimum of one year, earned a high school equivalency certificate in Minnesota; or
- E. an independent student who was initially a Minnesota resident as defined in item A and who has continued to reside in Minnesota.

Subp. 10a. **Determination of student residence.** The residence of the parent whose financial information is reported in the financial need analysis determines the residence of the student.

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

Subp. 12. [Repealed, 20 SR 2284]

Stat Auth: MS s 14.388; 136A.01; 136A.04; 136A.111; 136A.134; 136A.16; 136A.234; 136A.70; 147.30

Hist: 8 SR 196; 10 SR 2319; 13 SR 128; 15 SR 1780; 16 SR 2732; 19 SR 1491; L 1995 c 212 art 3 s 59; 20 SR 2284; 21 SR 1821; 23 SR 594; 28 SR 889; L 2005 c 107 art 2 s 60

4830.0110 DEFINITIONS FOR SATISFACTORY ACADEMIC PROGRESS.

Subpart 1. **Scope.** For the purposes of parts of 4830.0200 to 4830.0700 and 4830.7000 to 4830.7900, the definitions in this part apply to satisfactory academic progress as defined in Minnesota Statutes, section 136A.101, subdivision 10.

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Subp. 2. **Academic standing consistent with the institution’s graduation requirements.** “Academic standing consistent with the institution’s graduation requirements” means the student’s cumulative grade point average must meet the cumulative grade point average required by the institution for graduation. The institution’s graduation requirement may be a fixed cumulative grade point average which is the same for all grade levels or a graduated cumulative grade point average which progresses towards the grade point average required for graduation.

Subp. 3. **Academic year.** “Academic year” means the grade level as defined by the school.

Subp. 4. [Repealed, 23 SR 594]

Subp. 5. Repealed, 23 SR 594]

Subp. 6. Repealed, 23 SR 594]

Subp. 7. Repealed, 23 SR 594]

Subp. 8. Repealed, 23 SR 594]

Subp. 9. Repealed, 23 SR 594]

Stat Auth: MS s 136A.01

Hist: 20 SR 2284; 23 SR 594

4830.0120 SCOPE.

For the purposes of this chapter and chapter 4850, the procedure in parts 4830.0130 to 4830.0195 applies to the termination of an institution’s eligibility to participate in a student financial aid program administered by the Minnesota Office of Higher Education.

Stat Auth: MS s 136A.01

Hist: 24 SR 389; L 2005 c 107 art 2 s 60

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4830.0130 DEFINITIONS.

Subpart 1. **Scope.** For the purposes of parts 4830.0120 to 4830.0195, the terms defined in this part have the meanings given them.

Subp. 2. **Director.** “Director” means the director of the office, or office staff who perform duties as assigned by the director.

Subp. 3. **Fiscal year.** “Fiscal year” means the period from July 1 to the following June 30.

Subp. 4. **Funds.** “Funds” means money disbursed or the commitment to disburse money under any program to an institution or to an institution on behalf of students enrolled and attending the institution.

Subp. 5. **Institution.** “Institution” means a post-secondary institution that participates in a student financial aid program or student loan program administered by the office.

Subp. 6. **Office.** “Office” means the Minnesota Office of Higher Education.

Subp. 7. **Program.** “Program” means a financial aid and loan program administered by the Minnesota Office of Higher Education.

Stat Auth: MS s 136A.01

Hist: 24 SR 389; L 2005 c 107 art 2 s 60

4830.0140 TERMINATION.

The office shall terminate an institution’s eligibility to participate in a program if the institution:

- A. violates a provision of Minnesota statutes or rules governing the program, and fails to correct the violation within 90 days from the date on the written notification of the termination;
- B. refuses to allow inspection of or provide information relating to financial aid records, after written request by the office;
- C. is no longer eligible to participate in a program under part 4830.0300, subparts 1 and 2; 4830.7200; or 4850.0011, subpart 14; or

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D. is not complying with chapter 4850.

Stat Auth: MS s 136A.01

Hist: 24 SR 389

4830.0150 TERMINATION PROCEDURE.

Subpart 1. **Termination.** The office shall provide written notice of its intent to terminate an institution's eligibility to participate in a program or programs if there is evidence that the institution has been in noncompliance based on the criteria under part 4830.0140. At the time the office provides notice of its intent to terminate, it shall also provide an institution an opportunity for a hearing pursuant to Minnesota Statutes, chapter 14.

Subp. 2. **Notification.** The office shall send the institution written notification of the termination of the institution's eligibility to participate in a program. Termination shall be effective 90 days from the date of the written notification.

Stat Auth: MS s 136A.01

Hist: 24 SR 389

4830.0160 REQUEST FOR HEARING.

An institution may request a hearing pursuant to Minnesota Statutes, chapter 14, regarding its termination of eligibility to participate in a program. The request must be in writing and must be received by the director within 30 days of the date on the written notification of termination sent by the office. Within ten days of receipt of the request for hearing, the office shall contact the Office of Administrative Hearings to arrange a hearing date.

Stat Auth: MS s 136A.01

Hist: 24 SR 389

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4830.0170 FINAL DECISION, ORDERS.

The director shall render a decision and order in writing following receipt of the report issued by the administrative law judge after the hearing. The final decision of the director shall take into consideration the hearing record and the report of the administrative law judge. The order of the director is the final decision in the termination of the institution's eligibility to participate in a program administered by the office.

Stat Auth: MS s 136A.01

Hist: 24 SR 389

4830.0180 REIMBURSEMENTS AND REFUNDS.

- A. The office's director of student financial aid services or the director of the office shall require an institution to remedy a violation of applicable program statutes and rules.
- B. If an institution is required to reimburse or make other payments to the office, the director shall offset these claims against benefits or claims due to the institution.

Stat Auth: MS s 136A.01

Hist: 24 SR 389

4830.0190 STUDENT AWARDS AFTER TERMINATION.

Subpart 1. **Payment of awards.** If an institution is terminated from participating in a program during a payment period, a student at the institution who was eligible for an award before the effective date of the termination shall receive a payment for that payment period.

Subp. 2. **Notice.** For the purposes of subpart 1, "notice" occurs:

- A. under the Student Educational Loan Fund (SELF) Program when the director or servicer advises the student, in writing, that the loan is approved; and
- B. under the state grant and campus-based programs when the director or institution has notified the student, in writing, of the award.

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Stat Auth: MS s 136A.01

Hist: 24 SR 389

4830.0195 REINSTATEMENT.

Subpart 1. **Application.** An institution terminated from participation in a program by the office under part 4830.0140, may request reinstatement to participate in the program. The institution must wait at least 12 consecutive months from the effective date of the termination to submit a request for reinstatement. A request for reinstatement must be in writing and submitted to the director. If the institution is initially denied reinstatement, the institution must wait at least 90 days from the date of denial of reinstatement, as specified in subpart 3, to resubmit a request for reinstatement. If an institution's eligibility is reinstated after the start of the academic term, eligible students shall receive payment retroactively to the beginning of the term when the institution was reinstated.

Subp. 2. **Reinstatement requirements.** An institution's reinstatement request must include:

- A. written documentation of the process used to correct a violation, and how the violation will be prevented in the future;
- B. evidence of full repayment to the office of program funds the institution improperly received, withheld, disbursed, or caused to be disbursed; and
- C. new participation agreements with the office for all programs the institution wishes to participate in.

Subp. 3. **Response to reinstatement request.** Within 60 days of receiving the institution's reinstatement request, the office shall:

- A. grant the request; or
- B. deny the request based on evidence of noncompliance with the requirements in subpart 2.

Stat Auth: MS s 136A.01

Hist: 24 SR 389