



State Financial Aid Manual

Common Definitions

2025-2026

Authors

Meghan Flores

State Financial Aid Manager

Tel: 651.355.0610

meghan.flores@state.mn.us

Diamee Xiong Yang

Financial Aid Administrator

Tel: 651.355.0603

diamee.xiong.yang@state.mn.us

About the Minnesota Office of Higher Education

The Minnesota Office of Higher Education is a cabinet-level state agency providing students with financial aid programs and information to help them gain access to postsecondary education. The agency also serves as the state's clearinghouse for data, research and analysis on postsecondary enrollment, financial aid, finance and trends.

The Minnesota State Grant Program is the largest financial aid program administered by the Office of Higher Education, awarding more than \$224 million in need-based grants to Minnesota resident students attending eligible colleges, universities and career schools in Minnesota. The agency oversees other state scholarship and grant programs, tuition reciprocity programs, a student loan program, Minnesota's 529 College Savings Plan, licensing and early college awareness programs for youth

Table of Contents

Introduction.....	1
Definitions	1
Academic Year	1
Audits/Records Retention	1
Certificate Program.....	2
Certification	2
Clock Hour	2
Commissioner	2
Cost of Attendance (COA)	2
Credit Hour	3
Dependent Student.....	3
Eligible Institution	3
Financial Data	4
Financial Need	4
Fiscal Year.....	4
Full Time	4
Independent Student	4
Institution (or School)	4
Institutional Participation Agreement	4
Leave of Absence (LOA).....	5
Office	5
Order of Aid Calculations	5
Professional Judgment (PJ).....	8
Refund	8

Resident Student	8
Satisfactory Academic Progress (SAP).....	15
State Grant Budget	15
Student Aid Index (SAI)	15
Undergraduate Student	17
Veteran.....	17
Withdrawal Date.....	18
Appendices.....	19
Appendix A: Minnesota Statutes: Common Definitions for Financial Aid Programs.....	19
Appendix B: Minnesota Administrative Rules: Common Definitions for Financial Aid Programs.....	23

Introduction

This chapter of the manual is intended to provide information about terms and requirements that apply to several state financial aid programs. If a term or requirement applies only to one state financial aid program, it will be defined in that program's chapter. This manual is updated on a regular basis. Institutions are required to read all e-mail and written correspondence from the Minnesota Office of Higher Education (Office) to keep informed of any changes in policy or guidance. Changes announced during the interim have the full force and effect of the State Financial Aid Manual.

Definitions

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 a program offered in credit hours, the academic year must be at least 30 weeks in duration. For a program offered in clock hours, the academic year must be at least 26 weeks in duration.

Agency

The Minnesota Office of Higher Education (OHE).

Audits/Records Retention

State auditors will periodically visit each participating institution to perform an audit on state financial aid programs. The Minnesota statute [136A.1313](https://www.revisor.mn.gov/statutes/cite/136A.1313)¹ allows a school to employ an outside auditing agency or firm to conduct audits of state financial aid in conjunction with their audits for federal financial aid. The school may opt to continue to have auditors from the Minnesota Office of Higher Education (the Agency) perform audits free of charge.

Audits must be conducted in compliance with guidelines and materials prepared by the Office. If an outside auditing firm is used, the state auditors will review 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 all audit exceptions for the audit period are resolved. See chapter on 'SELF Loan' for additional records retention requirements for that program.

¹ <https://www.revisor.mn.gov/statutes/cite/136A.1313>

Award Year

The period of time between July 1 to June 30. It can also be referred to as the state fiscal year.

Certificate Program

A program that is offered by an eligible school and is:

- at least 12 quarter/8 semester credits or 300 clock hours; and
- at least eight weeks long

Certification

The process, prior to disbursement, where schools confirm a recipient's eligibility to receive an award by verifying enrollment, financial data such as cost of attendance, and other program requirements. Schools must make the necessary updates to the required data to ensure the accuracy of the recipient's eligibility and award amount.

For program funds to be disbursed to the school, the school must first certify awarded students in MNAid, or through the instructed method provided by the Office. Further guidance on certification and disbursement of funds will be provided in each program's chapter.

Clock Hour

The state adopts the federal definition for 'Clock Hour'. For more information, refer to Volume 3 of the [Federal Student Aid Handbook](#)².

Commissioner

The commissioner of the Minnesota Office of Higher Education.

Cost of Attendance (COA)

The state adopts the federal definition for 'Cost of Attendance'. For more information, refer to Volume 3 of the Federal Student Aid Handbook. How the COA impacts state aid may differ per state aid program and will be defined within the program's chapter.

² <https://fsapartners.ed.gov/knowledge-center/fsa-handbook>

Credit Hour

The state adopts the federal definition for 'Credit Hour'. For more information, refer to Volume 3 of the [Federal Student Aid Handbook](#).

Dependent Student

A student who does not meet the criteria for an independent student as defined in the Higher Education Act of 1965, as amended. The state adopts the federal definition for 'Dependent Student'. For more information, refer to the 'Application and Verification Guide' section of the Federal Student Aid Handbook.

Eligible Institution

1. A postsecondary institution is eligible to participate in state student aid programs if it meets the eligibility requirements under section [136A.103](#) and sections 197.791 and 299A.45 if the institution is located in this state and:
 - a. is operated by this state or the Board of Regents of the University of Minnesota; or
 - b. is operated privately and meets the requirements of paragraph 2.
2. A private institution must be licensed or registered as a postsecondary institution by the office and meet one of the following criteria:
 - a. the institution participates in the federal Pell Grant program under Title IV of the Higher Education Act of 1965, Public Law 89-329, as amended; or
 - b. the institution was participating in state student aid programs as of June 30, 2010, but does not participate in the federal Pell Grant program under Title IV of the Higher Education Act of 1965, Public Law 89-329, as amended;
 - i. and requires every student who enrolls to sign a Student Disclosure Statement, provided by the office, stating that the institution is not participating in the federal Pell Grant program (template provided in the 'State Grant' chapter of this manual); and
 - ii. has not had a change in ownership as defined in section 136A.63, subdivision 2; or offers only graduate-level degrees or graduate-level non-degree programs and participates in federal financial aid under Title IV of the Higher Education Act of 1965, Public Law 89-329, as amended.
 - c. An institution under paragraph 2, clause b that changes ownership as defined in section 136A.63, subdivision 2, remains eligible for state student aid for six months following the change in ownership.

Financial Data

Refers to the data elements for an applicant to determine their eligibility for an award. Financial data may consist of, but is not limited to, COA, Student Aid Index (SAI), other financial aid, and enrollment level. State aid programs that require financial data will provide details of the required data within the program's chapter.

Schools must submit financial data for applicants in the MNAid system, or through the instructed method provided by the Office.

Financial Need

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 under the federal need analysis formula.

For state aid programs, refer to each program's chapter for further guidance on determining financial need.

Fiscal Year

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

Full Time

An undergraduate student who is enrolled in a minimum of 12 credits per term, or the equivalent. For a graduate student, enrolled in a minimum of 6 credits per term, or the equivalent.

Independent Student

The state adopts the federal definition for 'Independent Student'. For more information, refer to the 'Application and Verification Guide' section of the [Federal Student Aid Handbook](#).

Institution (or School)

A post-secondary institution that participates in a student financial aid program or student loan program administered by the Office.

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

Leave of Absence (LOA)

The state adopts the federal definition for ‘Leave of Absence’. Refer to Volume 5 of the Federal Student Aid Handbook for more information. State financial aid cannot be disbursed during an approved leave of absence unless it is for a term the student has already completed. Further, 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.

Minnesota Aid (MNAid)

Minnesota's customized version of the GrantPro technology, developed and supported by Nelnet. MNAid is a full-service, web-based financial aid management system that allows the Office of Higher Education and postsecondary institutions to award, disburse and administer state financial aid programs.

It includes a secure agency and school financial aid staff portal that supports state financial aid program administration. Separately, MNAid provides a student portal, which allows students to apply for state aid programs that require applications separate from the FAFSA. Additionally, students can view the status of their applications, upload supporting documentation and review aggregate usage of state financial aid programs.

Office

The Minnesota Office of Higher Education.

Order of Aid Calculations

Over the past several legislative sessions, the legislature has created multiple state “last dollar” financial aid programs. Last dollar financial aid programs are programs that account for or take into consideration other financial aid when calculating the amount of aid a student is eligible for from the program.

To address the challenge of the existence of multiple state financial aid programs with a last dollar component, the Minnesota Revisor’s Office suggested Order of Aid Calculation language. The suggested language was included in the Higher Education Omnibus Bill and was passed in the 2024 legislative session under [136A.097](https://www.revisor.mn.gov/statutes/cite/136A.097)³.

What does the Order of Aid Calculation language mean?

The language that passed instructs state financial aid programs to be calculated in the order of their original enactment from oldest to most recent.

³ <https://www.revisor.mn.gov/statutes/cite/136A.097>

Order of Enactment for State Financial Aid Programs:

Program	Year Enacted	Is this program Last Dollar? (Does it Account for Other State Aid?)
Minnesota Indian Scholarship Program	1959	Yes (remaining need from Cost of Attendance)
Minnesota State Grant	1971	No
Public Safety Officer's Survivor Grant	1973	No
Postsecondary Child Care Grant	1989	No
Student Teacher Grants in Shortage Areas	2016	Yes (remaining need from Cost of Attendance)
Grants for Students w/ Intellectual & Developmental Disabilities	2017	No
Underrepresented Student Teacher Grants	2021 (a)	Yes (remaining need from Cost of Attendance)
Fostering Independence Higher Education Grants	2021 (b)	Yes (remaining need from Cost of Attendance)
Get Ready Student Success Scholarship	2023	No
North Star Promise Scholarship	2023	Yes (last dollar from tuition and fees)

The language further instructs that when a student is:

- eligible for multiple state financial aid programs; and
- two or more of those programs calculate the award amount after considering other state aid,
- then the Commissioner of the Office of Higher Education can determine the order of calculating the state aid.

Unless the Office of Higher Education issues guidance that directs a particular order, the default will be the order of enactment from oldest to most recent.

**State Financial Aid Programs that Account for Other State Aid
(Last Dollar/Remaining Need)**

Program	Year Enacted
Minnesota Indian Scholarship Program	1959
Student Teacher Grants in Shortage Areas	2016
Underrepresented Student Teacher Grants	2021 (a)
Fostering Independence Higher Education Grants	2021 (b)
North Star Promise Scholarship	2023

Example 1: Student is eligible for Minnesota State Grant (SG) and Minnesota Indian Scholarship Program (MISP)

In this example, the student is eligible for aid under only one last dollar program, so there is nothing to be resolved. Minnesota State Grant is not a last dollar aid program, so both programs are awarded as they have been in previous award cycles.

Example 2: Student is eligible for Minnesota State Grant (SG), Minnesota Indian Scholarship Program (MISP) and Fostering Independence Higher Education Grant (FIG)

In this example, the student is eligible for two last dollar programs, MISP and FIG. The order of enactment from oldest to most recent must be applied when determining state financial aid eligibility. The MISP award will be calculated and awarded first, since MISP was enacted before FIG. The MISP award will be calculated accounting for the SG award, but without considering the amount of the FIG award. Then, the FIG award will be calculated. The FIG award calculation will account for both the SG and MISP awards.

Example 3: Student is eligible for Minnesota State Grant (SG), Fostering Independence Higher Education Grant (FIG), and North Star Promise (NSP)

In this example, the student is eligible for two last dollar programs, FIG and NSP. The order of enactment from oldest to most recent must be applied when determining state financial aid eligibility. The FIG award will be calculated and awarded first, since FIG was enacted before NSP. The FIG award will be calculated accounting for the SG award, but without considering the amount of the NSP award. When it comes to calculating the NSP award, the student will not be eligible because the FIG program will award up to the Cost of Attendance, so there will not be any remaining tuition and fees to be covered by NSP. While not eligible for NSP, FIG recipients can receive the Education Training Voucher and/or Extended Foster Care benefits.

Example 4: Student is awarded NSP. Student later applies for MISP

In this example, the student is eligible for two last dollar programs, NSP and MISP. The order of enactment from oldest to most recent must be applied when determining state financial aid eligibility. Although the NSP award was originally calculated first by the school, the MISP award now must be calculated and awarded prior to NSP. This is due to the order of enactment language; MISP was enacted before NSP. The MISP award must be calculated without accounting for NSP. Then, once the MISP award is determined, the school would recalculate the NSP award, accounting for the MISP award.

Example 5: Student is eligible for the Fostering Independence Grant (FIG) and the North Star Promise (NSP)

In this example, the student has a SAI close to the student's Cost of Attendance or is higher than the student's Cost of Attendance and has an Adjusted Gross Income (AGI) under \$80,000. FIG is a need-based program that includes SAI in the calculation of awards. If the FIG award is not enough to cover tuition and fees, NSP will pay any remaining balance.

Things to Consider

- When awarding Postsecondary Child Care Grant, the Cost of Attendance may be increased to account for the childcare expenses.
- When awarding Grants for Students with Intellectual and Developmental Disabilities, the Cost of Attendance may be increased to account for expenses related to the student's disability.

Professional Judgment (PJ)

The state adopts the federal definition for 'Professional Judgement'. Refer to the section on 'Special Cases' in the Federal Student Aid Handbook for further information.

There is nothing in state law that limits a financial aid administrator's ability to adjust data elements of a student's financial aid application or cost of attendance based on a special or unusual circumstance, with the exception of the cost of attendance for the State Grant program which is defined under section [136A.121, subdivision 6](#)⁴.

Refund

Adjustments after payment of state aid may result in an obligation of funds to be returned to the State. Many programs utilize the [OHE Refund Calculation Spreadsheet](#)⁵ to calculate the obligation back to the State. Refer to each program's chapter for further guidance on determining when a refund is required and how to calculate the refund. Within 30 days of any adjustments resulting in a refund, the [OHE Refund Return Form](#)⁶ must be used to return funds to OHE.

Resident Student

Minnesota law [136A.101 Subdivision 8](#)⁷ defines who is a resident student and therefore eligible for most state financial aid programs. 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 postsecondary institution for more than five credits in any term; or
- a dependent student whose parent or legal guardian resides in Minnesota at the time the student completes the FAFSA or alternative state aid application; or

⁴ <https://www.revisor.mn.gov/statutes/cite/136A.121#stat.136A.121.6>

⁵ <https://ohe.mn.gov/outreach-professional-resources/campus-resources/campus-financial-aid-administrator-resources-8>

⁶ <https://ohe.mn.gov/refund-form>

⁷ <https://www.revisor.mn.gov/statutes/cite/136A.101>

- 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, if the student is residing in another state, the student is physically attending a Minnesota postsecondary educational institution; or
- an independent or dependent student who, after residing in the state for a minimum of one year, earns a high school equivalency certificate (GED) issued in Minnesota (does not include a GED certificate issued in Minnesota for an authorized alternative test taken in another state); or
- an independent student who was granted residency as a dependent student 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
- a spouse or dependent of a veteran, as defined in Minnesota Statutes [197.447](#), if the veteran meets the definition of a resident student ; 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 postsecondary education; or
- an independent or dependent student defined as a refugee under [United States Code, title 8, section 1101\(a\)\(42\)](#)⁸ who, upon arrival in the United States, moved directly to Minnesota and has continued to reside in Minnesota; or
- a student eligible for resident tuition under section [135A.043](#)⁹, commonly known as the Minnesota Dream Act: A student, other than a nonimmigrant alien within the meaning of [United States Code, title 8, section 1101, subsection \(a\), paragraph \(15\)](#), if the student meets all of the following requirements:
 - attended a Minnesota high school for at least three years;
 - graduated from a Minnesota high school or earned a GED in Minnesota;
 - if identified as male at the time of birth, complies with Selective Service registration requirements; and
 - applies for lawful immigration status if a federal process exists for doing so (does not refer to Deferred Action for Childhood Arrivals- DACA); or
- an active member, or a spouse or dependent of that member, of the state's National Guard who resides in Minnesota or an active member, or a spouse or dependent of that member, of the reserve component of the United States armed forces whose duty station is located in Minnesota and who resides in Minnesota.

⁸ <https://uscode.house.gov>

⁹ <https://www.revisor.mn.gov/statutes/cite/135A.043>

Resident Student Status for State Grant, North Star Promise, Indian Scholarship, State Work Study, Fostering Independence Grant, Reciprocity, ID Grant, Get Ready Student Success Scholarship and Postsecondary Child Care Grant Programs

Methods	Dependent Student	Independent Student	Documentation
Graduated from MN high school while student resided in MN. (Home-schooling considered equivalent to traditional high school.) Must physically attend a MN college if currently residing in another state.	Meets resident student 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 resident student 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 (includes State Grant Student Eligibility Questionnaire) 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. Undocumented students who do not meet MN Dream Act must be legally or lawfully residing (VISA, DACA, TPS, Asylum Pending, etc.) in Minnesota at the time of high school graduation.
Earned GED in MN after residing in MN for 12 consecutive months. (Time incarcerated cannot be used to establish residency.) Does not include a GED issued in MN for an authorized alternative test taken in another state.	Meets resident student definition indefinitely regardless of state of residence after GED earned.	Meets resident student definition indefinitely regardless of state of residence after GED earned.	Supplemental questionnaire beyond FAFSA (includes State Grant Student Eligibility Questionnaire) or admissions/financial aid form asking when/where GED earned and date student moved to MN. Undocumented students who do not meet MN Dream Act must have been granted legal status or lawful presence prior to earning the GED in MN.
Parents legally or lawfully resided in MN when application completed.	Meets resident student definition. In case of divorce, 'parent' is parent whose financial information is provided on FAFSA or alternative state aid application. Parents' absence from MN excused for military service, postsecondary education and missionary work if parents continue to file MN state taxes.	Not applicable.	Parent's state of legal residence on current FAFSA is sufficient if no conflicting information in student's file. Undocumented parents must have been granted legal status or lawful presence (VISA, DACA, TPS, Asylum Pending, etc.) in Minnesota at the time the FAFSA or alternative state aid application is completed.
Student resided in MN for 12 consecutive months without	Meets resident student definition. Subsequent	Meets resident student definition.	Supplemental questionnaire beyond FAFSA (includes State Grant

Methods	Dependent Student	Independent Student	Documentation
being enrolled for more than five credits (includes withdrawn 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 files MN state taxes.)	absences from MN excused for up to one year for any reason and more than one year if reason for absence is postsecondary education, military service or missionary service and student continues to file state taxes in MN.	Subsequent absences from MN excused for up to one year for any reason and more than one year if reason for absence is postsecondary education, military service or missionary service and student continues to file taxes in MN.	Eligibility Questionnaire) 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. Undocumented students who do not meet MN Dream Act must have been granted legal status or lawful presence (VISA, DACA, TPS, Asylum Pending, etc.) during the 12-month period.
Student met resident student definition as a dependent applicant and has not since left the state of MN.	Not applicable.	Meets resident student definition. This language grandfathers through independent students previously granted resident student status as a dependent student.	Documentation shows student met the definition of MN resident student as a dependent applicant and still resides in Minnesota.
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 resident student definition if parent(s) reside in MN for active federal military service, even if parents moved to MN after FAFSA was submitted.	Meets resident student 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 (includes State Grant Eligibility Questionnaire) 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. (OHE confirms for students using State Grant Eligibility Questionnaire.)
Student is a dependent or spouse of a veteran who meets the resident student definition used for state financial aid programs.	Meets resident student definition if student is a dependent of a veteran who meets the resident student definition.	Meets resident student definition if student is a dependent or spouse of a veteran who meets the resident student definition.	State Grant Eligibility Questionnaire (includes online version) directs student to self-identify to financial aid office if student is a dependent or spouse of a veteran who meets the residency definition. Confirm veteran status by obtaining DD214 form. Confirm veteran is a resident

Methods	Dependent Student	Independent Student	Documentation
			student by completing paper State Grant Eligibility Questionnaire. Confirm veteran status by obtaining DD214 or other supporting documentation from veteran. For definition of veteran, review Minnesota Statute 197.447 . (OHE will confirm for students using OHE State Grant Eligibility Questionnaire.)
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 postsecondary 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 (includes OHE State Grant Eligibility Questionnaire) 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 website ¹⁰ and disruption of postsecondary education at college located in disaster area via documentation from college or list of affected colleges on FEMA, NASFAA or other government web site. (OHE confirms for students using State Grant Eligibility Questionnaire.) Undocumented students who do not meet MN Dream Act must have been granted legal status or lawful presence (VISA, DACA, TPS, Asylum Pending etc.).
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	Applies to dependent student, even if student has not resided in MN for 12 months. Subsequent absences from MN excused for	Applies to independent student, even if student has not resided in MN for 12 months. Subsequent absences	Supplemental questionnaire beyond FAFSA (includes OHE State Grant Eligibility Questionnaire) or admissions/financial aid form asking student to list dates for all places student has resided and

¹⁰ <https://www.fema.gov/disaster/declarations>

Methods	Dependent Student	Independent Student	Documentation
and has continued to reside in MN.	up to one year for any reason and more than one year if reason for absence is postsecondary education, military service or missionary service and student continues to file state taxes in MN.	from MN excused for up to one year for any reason and more than one year if reason for absence is postsecondary education, military service or missionary service and student continues to file state taxes in MN.	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.
An active member, or a spouse or dependent of that member, of the state's National Guard who resides in Minnesota or an active member, or a spouse or dependent of that member, of the reserve component of the United States armed forces whose duty station is located in Minnesota and who resides in Minnesota.	Applies to both dependent and independent students.	Applies to both dependent and independent students.	Student should produce documentation from the MN National Guard or reserve member's commanding officer. An example of acceptable documentation for a MN National Guard member is provided in Appendix 26. Reserve member's documentation should also indicate reserve member is stationed in Minnesota.

Note: Where "resided in" appears, interpret as legally residing or lawfully present; please consult with OHE staff if needed.

Residency Exceptions and Clarifications

- Although a student may meet a resident student definition, the student is not eligible to receive funds from State Grant, Work Study or Postsecondary Child Care Grant programs if the student is receiving tuition reciprocity benefits from another state while attending a Minnesota postsecondary institution. (See 'General Eligibility Requirements Chart' or individual program chapters for further guidance.)
 - In cases where the school has determined that the student meets the definition of a Minnesota resident student and has an approved reciprocity application, if in the best interest of the student, the school (or student) may choose to cancel tuition reciprocity benefits to receive state financial aid. Cancelling the tuition reciprocity application means the student is coded as a Minnesota resident student, not a non-resident or resident of another state. To pay out state financial aid, this must be done even if the school does not charge a different rate to residents versus non-residents.
- 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 the equivalent of a student who graduates from a Minnesota high school while residing in Minnesota.
- 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 postsecondary education, the student will be considered a resident if the parents retain Minnesota as the state of legal residence by filing state taxes in Minnesota.
- If the only means by which a student can establish Minnesota resident student status is by graduating from a Minnesota high school while residing in Minnesota, the student must be physically attending a Minnesota college campus if currently residing in another state.
 - In these cases, at least one or more of the student's classes for the aid year must require physical class attendance at a Minnesota campus in order to be considered a Minnesota resident student for the aid year. Such attendance must be beyond the required examinations or residential components of the program. The college has the option of checking the nature of the student's classes once at the beginning of each aid year or every term.
- A dependent applicant will be considered a resident student 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 postsecondary education but retained Minnesota as the state of legal residence by filing state taxes in Minnesota.
- An applicant who does not initially reside in Minnesota for 12 consecutive months prior to attending a postsecondary school on a half-time basis or more may later establish resident student status by remaining in the state of Minnesota for 12 consecutive months without attending any postsecondary institution for more than five credits in any term (this includes attempted credits with W or FW grades).
- An applicant who establishes resident student status by residing in Minnesota for 12 consecutive months will lose resident student 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 six or more credits in any term (this includes attempted credits with W or FW grades) 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 state taxes.
- In the case of legal separation or divorce, "parent" means the parent whose financial information was provided on the FAFSA or alternative state aid application, following the federal Title IV financial aid program guidelines.

Satisfactory Academic Progress (SAP)

A student must make satisfactory academic progress as defined under the Code of Federal Regulations Title 34, sections 668.16(e), 668.32(f), and 668.34, except that a student with an intellectual disability as defined in Code of Federal Regulations, title 34, section 668.231, enrolled in an approved comprehensive transition and postsecondary program under that section is subject to the institution's published satisfactory academic process standards for that program as approved by the Office. Refer to the 'School-Determined Requirements' in Volume 1 of the [Federal Student Aid Handbook](#) for more information.

State

As in "the State", refers to the state government of Minnesota.

Student Aid Index (SAI)

The FAFSA Simplification Act (Act) was enacted into law as part of the Consolidated Appropriations Act, 2021, and amended by the Consolidated Appropriations Act, 2022. The Act further amends the Higher Education Act of 1965, as amended (HEA), and impacts the Free Application for Federal Student Aid (FAFSA®).

Included in the Act was a switch from the Expected Family Contribution (EFC) to the Student Aid Index (SAI) to determine need. This change eliminated the ability to prorate the federal needs analysis. From the 2025-2026 Federal Student Aid Handbook, Volume 3, Chapter 3:

No Alternate SAIs for Periods Other Than Nine Months

Prior to the 2024-2025 award year, the HEA allowed schools to use alternate expected family contributions (EFCs) when packaging aid for periods other than nine months. The FAFSA Simplification Act eliminated this provision. Beginning with the 2024-2025 award year, when packaging aid for any period that is not nine months, schools must use a student's calculated 9-month SAI in the formula to determine eligibility for need-based aid, as described above (that is, $COA - SAI - OFA = \text{need}$). As a result of this change, students who are enrolled for periods shorter than nine months will have less financial need than would have been the case in the past when using an alternate (smaller) EFC for such periods. See Volume 8, Chapter 3 for more information on how this change may affect Direct Subsidized Loan eligibility for students receiving loans for periods of enrollment (loan periods) shorter than nine months.

SAI Program Impact

State financial aid programs impacted are Minnesota Indian Scholarship (MISP), Student Teacher Grants (STG), and Fostering Independence Grant (FIG). These programs require the SAI when calculating award amounts. All three programs are administered in MNAid and are calculated by term. **Use the following guidance to report the SAI in MNAid:**

- **Zero SAI:** A zero SAI will be entered as zero when requested.

- **Negative SAI:** A negative SAI will be entered as zero when requested. A negative SAI will not increase the amount of need-based aid a student can receive for the impacted programs in this guidance. A negative SAI also does not increase the amount of non-need-based aid a student can receive. A negative SAI will not increase the student's cost of attendance.
- **Positive SAI:** A positive SAI will be entered based on the enrollment period length. A student enrolled and packaged for a 9-month period, will have more than one term of enrollment. To calculate state programs that require individual term awards that use the SAI in the calculation, the SAI will be divided by the number of terms in the 9-month enrollment period.

This is not a proration of the SAI, but evenly dividing the SAI by terms included in the enrollment period for administration of Minnesota State Financial Aid programs.

For students with an enrollment period of only one term, the campus aid administrator must enter the full SAI in MNAID; this is due to the elimination of the proration of federal needs analysis. This includes students enrolled in a summer term.

Examples: Assume a student with a SAI of 3000:

- #1: The student is packaged for the Fall and Spring semester. Enter a SAI of 1500 for Fall and a SAI of 1500 for Spring.
- #2: The student is packaged for Spring only. Enter a SAI of 3000 for Spring.
- #3: A student is packaged for Summer only. Enter a SAI of 3000 for Summer 2.

Withdrawals or No Shows for Subsequent Terms

When the awarded student withdraws between the fall and spring terms, the entered COA and SAI in MNAid does not need to be adjusted. Refer to each state aid program manual for further guidance on how to indicate that the awarded student is no longer enrolled in the subsequent term.

What about the SAI and other State Financial Aid Programs not listed above?

- **Minnesota Postsecondary Child Care Grant**
The Child Care Grant (CCG) program uses a look up table for the SAI and based on the SAI range, the award amount is determined. The CCG does not use a prorated SAI. The award amount is calculated on a per term basis. The SAI is used to calculate the maximum term award amount using an SAI start and SAI end range for enrollment levels. With the Child Care Grant calculator now built into MNAid, the needs analysis look-up will happen within the tables built into the calculator.
- **Minnesota State Grant, including State Grant applied for via the Minnesota Dream Act Application**
The MN State Grant formula, which is used in awarding both State Grant applied for via the FAFSA and the Minnesota Dream Act Application, uses an independent student's SAI and a dependent's parent contribution (PC) as part of the calculation. It is important to note that the State Grant formula *does*

consider negative values for SAI and PC, resulting in larger State Grant awards for students with negative values, as opposed to a zero SAI. Refer to the State Grant chapter for more detailed information.

Undergraduate Student

A student who has not earned or completed the requirements for a bachelor's or professional degree. This definition aligns with the [federal definition](#) of an undergraduate student for the purpose of federal aid programs, such as the Pell Grant.

A student who enrolls in another undergraduate program after earning an associate degree, or any certificate or diploma below the baccalaureate level, will continue to be considered an undergraduate student until the student has completed the curriculum requirements for a first bachelor's degree.

A student with a baccalaureate or professional degree is ineligible even if the degree is from an unaccredited school or foreign country. A comparable four-year postsecondary degree earned in another country, but not officially called a "baccalaureate" degree, will be considered a baccalaureate degree. A foreign bachelor's degree consisting of six or fewer semesters without general education requirements is not considered a bachelor's degree. Refer to the 'Student Eligibility for Pell Grants' chapter in the Federal Student Aid Handbook for additional information.

Occasionally a student will complete all the requirements for a bachelor's degree but will continue taking undergraduate courses without accepting the degree. If the school determines that the student did complete a bachelor's program (regardless of whether the student accepted the degree), then in compliance with the eligibility requirements for the Federal Pell Grant the student will no longer be eligible to receive state financial aid available to only undergraduate students as defined in this section.

Veteran

The definition of [veteran](#)¹¹, as referred to in the definition of Minnesota resident student used for state financial aid programs, means a citizen of the United States or a resident alien who has been separated under honorable conditions from any branch of the armed forces of the United States after having served on active duty for 181 consecutive days or by reason of disability incurred while serving on active duty, or who has met the minimum active duty requirement as defined by Code of Federal Regulations, title 38, section 3.12a, or who has active military service certified under section 401, Public Law 95-202. The active military service must be certified by the United States secretary of defense as active military service and a discharge under honorable conditions must be issued by the secretary.

¹¹ <https://www.revisor.mn.gov/statutes/cite/197.447>

Withdrawal Date

For schools participating in federal financial aid programs, the withdrawal date is the date a student ceases attendance (drops or withdraws) from all Title IV eligible courses in a payment period or period of enrollment. 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.

Appendices

Appendix A: Minnesota Statutes: Common Definitions for Financial Aid Programs

[Ch. 136A MN Statutes](#)¹²

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. [Repealed, 2014 c 149 s 75]

Subd. 3. [Repealed, 2014 c 149 s 75]

Subd. 4. Eligible institution. “Eligible institution” means an institution that meets the eligibility requirements under Section 136A.103.

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's contribution to a student's cost of attendance, as determined by a federal need analysis. For dependent students, the assigned family responsibility is 95 percent of the parental contribution. If the parental contribution is between \$0 and negative \$1,500, the assigned family responsibility is 50 percent of the parental contribution. If the parental contribution is less than negative \$1,500, the recognized parental contribution is negative \$1,500. For independent students with dependents other than a spouse, the assigned family responsibility is 71 percent of the student contribution. For independent students without dependents other than a spouse, the assigned family responsibility is 35 percent of the student contribution. If the student contribution is between \$0 and negative \$1,500, the assigned family responsibility is 50 percent of the student contribution. If the student contribution is less than negative \$1,500, the recognized student contribution is negative \$1,500. For a student registering for less than full time, the office shall prorate the assigned family responsibility using the ratio of the number of credits the student is enrolled in, to the number of credits for full-time enrollment. Subd. 6.[Repealed, 1989 c 293 s 85]

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

¹² <https://www.revisor.mn.gov/statutes/cite/136A>

Subd. 7a. Full time. "Full time" means enrollment in a minimum of 15 credits per term.

Subd. 7b. Half time. "Half time" means enrollment in a minimum of six credits per term.

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 postsecondary education for at least 12 months without being enrolled at a postsecondary 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 postsecondary 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 spouse or dependent of a veteran, as defined in section 197.447, if the veteran is a Minnesota resident;

(7) 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 postsecondary education;

(8) 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; or

(9) a student eligible for resident tuition under Section 135A.043; or.

(10) an active member, or a spouse or dependent of that member, of the state's National Guard who resides in Minnesota or an active member, or a spouse or dependent of that member, of the reserve component of the United States armed forces whose duty station is located in Minnesota and who resides in Minnesota.

Subd. 9. Independent student. "Independent student" has the meaning given under Title IV of the Higher Education Act of 1965, as amended, and applicable regulations.

Subd. 10. Satisfactory academic progress. "Satisfactory academic progress" as defined under Code of Federal Regulations, title 34, sections 668.16(e), 668.32(f), and 668.34, except that a student with an intellectual disability as defined in Code of Federal Regulations, title 34, section 668.231, enrolled in an approved comprehensive transition and postsecondary program under that section is subject to the institution's published satisfactory academic process standards for that program as approved by the Office of Higher Education.

Subd. 11. Award year. "Award year" has the meaning given in the Higher Education Act of 1965, title 4, section 481.20, as amended.

History: 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; 2005 c 107 art 2 s 60; 2006 c 282 art 8 s 3; 2007 c 144 art 2 s 17,18; 2008 c 298 s 3; 2008 c 363 art 4 s 6; 2009 c 95 art 2 s 10; 2010 c 364 s 5,6; 2013 c 99 art 2 s 5,6; art 3 s 1; art 4 s 3; 2014 c 149 s 10-13; 2015 c 69 art 3 s 8; 2016 c 189 art 1 s 8,9; 2017 c 89 art 2 s 6; 2019 c 64 art 2 s 4; 1Sp2021 c 2 art 2 s 2

136A.103 INSTITUTION ELIGIBILITY REQUIREMENTS.

(a) A postsecondary institution is eligible for state student aid and to receive state student aid on behalf of students under this chapter and sections 197.791 and 299A.45, if the institution is located in this state and:

- (1) is operated by this state or the Board of Regents of the University of Minnesota; or
- (2) is operated privately and, meets the requirements of paragraph (b).

(b) A private institution must:

- (1) be licensed or registered as a postsecondary institution by the office; and
- (2) meet one of the following criteria:

- (i) the institution participates in the federal Pell Grant program under Title IV of the Higher Education Act of 1965, Public Law 89-329, as amended;

- (ii) the institution:

- (A) was participating in state student aid programs as of June 30, 2010, but does not participate in the federal Pell Grant program under Title IV of the Higher Education Act of 1965, Public Law 89-329, as amended;
 - (B) requires every student who enrolls to sign a disclosure form, provided by the office, stating that the institution is not participating in the federal Pell Grant program; and
 - (C) has not had a change in ownership as defined in section 136A.63, subdivision 2; or

- (iii) the institution offers only graduate-level degrees or graduate-level nondegree programs and participates in federal financial aid under Title IV of the Higher Education Act of 1965, Public Law 89-329, as amended.

(c) An institution under paragraph (b), clause (2), that changes ownership as defined in section 136A.63, subdivision 2, remains eligible for state student aid for six months following the change in ownership.

Subd. 2. Ineligibility.

A postsecondary institution otherwise eligible for state student aid under this chapter and sections 197.791 and 299A.45 may be determined by the office to be ineligible if the institution:

(1) fails to maintain adequate compliance with administrative and financial standards and compliance with all state statutes, rules, and administrative policies related to state financial aid programs; or
(2) has been terminated from participating in federal financial aid programs by the United States Department of Education for a violation of laws, regulations, or participation agreements governing federal financial aid programs.

History: *2010 c 364 s 7; 2017 c 89 art 3 s 2; 2020 c 109 art 3 s 1*

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 adjust a student's dependency status or elements of a student's cost of attendance for federal needs analysis calculation 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.

History: *1996 c 398 s 31; 2023 c 41 art 2 s 18*

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 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.

History: *1996 c 398 s 32*

Appendix B: Minnesota Administrative Rules: Common Definitions for Financial Aid Programs

[4830.0100 - MN Rules Part](#)¹³

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;
- 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;

¹³ <https://www.revisor.mn.gov/rules/4830.0100/>

E. is in good standing and making satisfactory academic progress, as defined in Minnesota Statutes, section 136A.101, subdivision 10;

F. [Repealed, L 2013 c 99 art 4 s 4]

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. Commissioner. "Commissioner" means the commissioner of the office, or office staff who perform duties as assigned by the commissioner.

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;
- 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]

Statutory Authority: *MS s 14.388; 136A.01; 136A.04; 136A.111; 136A.134; 136A.16; 136A.234; 136A.70; 147.30*

History: 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; L 2013 c 99 art 2 s 29; art 4 s 4

4830.0110 DEFINITIONS FOR SATISFACTORY ACADEMIC PROGRESS.

Subpart 1. Scope. For the purposes of parts 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.

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]

Statutory Authority: *MS s 136A.01*

History: 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

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. Commissioner. "Commissioner" means the commissioner of the office, or office staff who perform duties as assigned by the commissioner.

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.

Statutory Authority: *MS s 136A.01*

History: 24 SR 389; L 2005 c 107 art 2 s 60; L 2013 c 99 art 2 s 29

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
- D. is not complying with chapter 4850.

Statutory Authority: *MS s 136A.01*

History: 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 or after appeal proceedings are complete, whichever is later. An appeal proceeding is complete when all appeals or rights to appeal from the commissioner's order have concluded or expired.

Statutory Authority: *MS s 136A.01; 136A.16*

History: 24 SR 389; 43 SR 831

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 commissioner 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.

Statutory Authority: *MS s 136A.01*

History: 24 SR 389; L 2013 c 99 art 2 s 29

4830.0170 FINAL DECISION, ORDERS.

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

Statutory Authority: *MS s 136A.01*

History: 24 SR 389; L 2013 c 99 art 2 s 29

4830.0180 REIMBURSEMENTS AND REFUNDS.

A. The office's director of student financial aid services or the commissioner 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 commissioner shall offset these claims against benefits or claims due to the institution.

Statutory Authority: *MS s 136A.01*

History: 24 SR 389; L 2013 c 99 art 2 s 29

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 commissioner or servicer advises the student, in writing, that the loan is approved; and

B. under the state grant and campus-based programs when the commissioner or institution has notified the student, in writing, of the award.

Statutory Authority: *MS s 136A.01*

History: 24 SR 389; L 2013 c 99 art 2 s 29

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 commissioner. 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.

Statutory Authority: *MS s 136A.01*

History: 24 SR 389; L 2013 c 99 art 2 s 29