

# Frequently Asked Questions about 2019-2020 COVID-19 State Financial Aid Guidance

## General Questions

**Q1.** Question about dates: was it your intention that this flexibility extends through this current award year? For example, if summer term starts June 1, that would be before the July 1 deadline: Would those terms be included in this flexibility?

**A1.** Yes, our intent was to look at 2019-2020 separately from 2020-2021. We will continue to assess the evolving situation and determine if temporary modifications are warranted for 2020-2021. The modifications regarding state financial aid programs may be different for AY 20-21 than they are for AY 19-20.

## Suspend Recovery of Overpayments

**Q1.** Can you please confirm this applies to all students? OHE stated enrollment changes from March 13 thru July 1, 2020 without a reference to COVID-19. The feds require qualification as 'COVID-19' related withdrawals to waive the return of the money.

**A1.** Due to the widespread impact, schools can assume for Minnesota financial aid programs\* that all withdrawals dated on or after 3/13/2020 through terms that began prior to 7/1/2020 were in some way related to COVID-19. Furthermore, schools do not need to collect any additional documentation (create a form for students) beyond the normal review of registration records. Please remember, the intent is to hold students harmless and to not create a negative situation for the student (creating or increasing a balance due, placing a financial hold on the account, sending the student to collections, etc.).

*\*Programs included in the suspension of recovery of overpayments: State Work Study, State Grant (including funds paid via the MN Dream Act), Grants for Students with Intellectual and Development Disabilities, MN Reconnect, Postsecondary Child Care Grants, Indian Scholarships, Teacher Candidate Grants and the SELF Loan.*

**Q2.** Do we still need to review/complete OHE Refund Calculation Worksheets for students who change enrollment and/or completely withdraw?

**A2.** In cases where there was no reduction in institutional charges, OHE's guidance of noting that fact in the student's file remains sufficient and completion of the OHE Refund Return Form is not necessary. If an OHE Refund Calculation Worksheet would normally have been done for a student who changes enrollment and/or completely withdraws, then the school would still need to complete the worksheet; however, funds do not need to be returned due to the suspension of the overpayment rule. **Please**

**note:** OHE will be making adjustments to the year-end close out work for each program to capture aggregate data regarding the impact of OHE's COVID-19 guidance. For now, on a per program basis, schools must create a process to track the number of students and dollar amount of the impact of these temporary program modifications. For example, State Grant/MN Dream Act funds that would normally be returned/reduced, but the student/school are able to keep due to OHE COVID-19 guidance. Another example, Child Care Grant and Work Study funds that are paid out under the COVID-19 guidance without applying the standard program processes.

**Q3.** Is recalculation of the award still necessary if a student drops class/es prior to attending/participating (2nd half session)?

**A3.** In this case, you should follow standard guidance. State Grant must always be recalculated if a student drops from credits without having attended. For example, Level 15 award to Level 12 if student drops a 3 credit class without attending. Another example, Level 12 State Grant disbursed for two combined summer sessions of 6 credits each, recalculated to level 6 if student doesn't attend second summer session.

**Q4.** Is recalculation of the award still necessary if a student enrolled in a study abroad program that they were unable to attend and the student was not able to be enrolled in enough credits to match their study abroad enrollment? (Ex: 15 study abroad credits - able to get enrolled in 12 credits)

**A4.** For a student enrolled in study abroad/externships/internships/clinical coursework or programs for spring terms, that the student was unable to attend and the student was not able to be enrolled in enough credits to match their original enrollment, OHE has determined the student may keep their aid eligibility as it was determined for the original enrollment level (in this example 15). For auditing purposes, schools must make a notation in the student's file that an exception was granted for state aid due to COVID-19. Please see the note in A2. regarding end of year close-out activity and the need for schools to track and quantify leniency given due to COVID-19.

**Q5.** If a student is granted a tuition refund appeal, do these adjustment rules still apply or would we adjust their award based on the OHE Refund Calculation Worksheet?

**A5.** Withdrawals backdated to beginning of term (presumably removed from transcript and 100% of tuition and fees refunded) are treated as if the student never attended. The entire State Grant must be refunded if a student drops/withdraws from all classes without attending. In the case of a partial withdrawal, the student may retain the State Grant as it was disbursed. For auditing purposes, schools must make a notation in the student's file that an exception was granted for state aid due to COVID-19. Please see the note in A2. regarding end of year close-out activity and the need for schools to track and quantify leniency given due to COVID-19.

**Q6.** How should we handle awards which are applicable under this scope that have already been adjusted? Change the award back to the previous amount?

**A6.** Yes, you may reinstate the student's eligibility as it should be under OHE's COVID-19 State Financial Aid Guidance. For auditing purposes, schools must make a notation in the student's file that an exception was granted for state aid due to COVID-19. Please see the note in A2. regarding end of year close-out activity and the need for schools to track and quantify leniency given due to COVID-19.

**Q7.** Do we still adjust SELF Loans based on the OHE Refund Calculation Worksheet?

**A7.** If the student was in attendance prior to a full withdrawal for the term that contains the date 3/13/2020, you do not need to return any SELF Loan funds from the term. However, you should contact the SELF Loan department to inform them of the withdrawal.

**Q8.** We are/will receive petitions from students from now until the end of the semester for late tuition refunds (even if they just withdrew and would not normally qualify for a tuition refund this late in the semester). If these petitions are approved and the student receives a 50% tuition refund, due to the new guidance, we do not need to return a portion of their State Grant/Dream Grant?

**A8.** If an OHE Refund Calculation Worksheet would normally have been done for the student, then the school would still need to complete the worksheet; however, funds do not need to be returned due to the suspension of the overpayment rule. For auditing purposes, schools must make a notation in the student's file that an exception was granted for state aid due to COVID-19. Please see the note in A2. regarding end of year close-out activity and the need for schools to track and quantify leniency given due to COVID-19.

**Q9.** In the 4/9/2020 COVID-19 State Financial Aid Guidance memo you talk about changes in enrollment (withdraws from class/es). We have students that never began a second half-term course on March 30<sup>th</sup>, dropped the course and received a 100% tuition refund. In the case where they never began a course, should we be recalculating the MN State Grant?

**A9.** In this case, you should follow standard guidance to recalculate the grant to exclude the dropped course. State Grant must always be recalculated if a student drops from credits without having attended.

**Q10.** The second scenario would be for students who do attend the second half course, let's say they attend two days, and then drop the course and get a 100% refund. Because we have a census date would the student get to keep the State Grant in this case?

**A10.** For spring terms that were in progress on 3/13/2020 that have modular courses and the student did indeed attend all courses, students may retain the grant eligibility. If a OHE Refund Calculation Worksheet would normally have been done for the student, then the school would still need to complete the worksheet; however, funds do not need to be returned due to the suspension of the overpayment rule. For auditing purposes, schools must make a notation in the student's file that an exception was granted for state aid due to COVID-19. Please see the note in A2. regarding end of year close-out activity and the need for schools to track and quantify leniency given due to COVID-19.

**Q11.** The institution has paid a student and at the end of the term (spring or summer, 2020), the instructors report that the student never began attendance in one or more of the student's courses. What should we do?

**A11.** This would be considered an incorrect initial payment and the school should adjust the award to reflect the actual enrollment level of the student.

**Q12.** A student is registered and has been paid for a course or courses in spring term which the institution now decides cannot be delivered (e.g. diesel mechanic course) and the institution decides to

drop the class, remove it from the transcript and refund all tuition and fees. Would we adjust the award and recover the overpayment in this situation?

**A12.** In this case, you should follow standard guidance to recalculate the grant to exclude the dropped course. The intent of the suspension of overpayments is to hold students harmless and to not create a negative situation for the student. If by doing the recalculation, it creates a negative situation for the student, such as creating or increasing a balance due, placing a financial hold on the account, sending the student to collections, etc. then the student may retain eligibility. For auditing purposes, schools must make a notation in the student's file that an exception was granted for state aid due to COVID-19. Finally, please see the note in A2. regarding end of year close-out activity and the need for schools to track and quantify leniency given due to COVID-19.

**Q13.** A student registers for courses in summer and is paid in mid-May when the summer term begins. Some of the courses begin after 7/1/20. The student drops one or more of the courses prior to the first day of class which causes the tuition and fees to be refunded and the course to be removed from the transcript. Do we adjust the award and recover the overpayment in this situation?

**A13.** Since the summer term began prior to the July 1 deadline, the payment period is considered a crossover. Since the student never attended the course/s and is not being billed for them, you should follow standard guidance to recalculate the grant to exclude the dropped course. State Grant must always be recalculated if a student drops from credits without having attended.

**Q14.** Question on MN State Grant - the only transactions we need to review/adjust are those where MN State Grant is REDUCED due to a change in enrollment level, correct? Students who will be disbursed additional State Grant due to a change in enrollment level are eligible for those payments, correct?

**A14.** Normally, OHE guidance is that if schools have a policy for award adjustments, they must be done regardless of whether the award increases or decreases if they occur before the adjustment end date. Given OHE's COVID-19 guidance, for terms that were in progress on 3/13/2020, schools can make adjustments for increases and not process decreases. For auditing purposes, schools must make a notation in the student's file that an exception was granted for state aid due to COVID-19. Please see the note in A2. regarding end of year close-out activity and the need for schools to track and quantify leniency given due to COVID-19.

## **Pay Work Study for Scheduled Hours**

**Q1.** How do we determine how much to pay State Work Study students?

**A1.** For terms that were in progress as of 3/13/2020, you may pay students based on scheduled hours or allow the student to work by another means (on-line, remote, telecommute, etc.). A few things to note:

- Students should be paid the wage rate that they would have been paid if they were able to work the scheduled hours.
- When a school pays the student for the hours the student was scheduled to work, but did not work, the school must document the number of scheduled hours a student should be paid prior to paying the student.

- Schools should document in the student's file any actions that were taken regarding payment of work study funds for scheduled hours that were not worked by the student.
- Additionally, schools should maintain records of how SWS payments were calculated (i.e. how you determined the hours a student was scheduled to work). Timesheets are one way to make this determination, but are not required. Keep in mind that scheduled hours are not necessarily the same as average hours.
- Finally, total work study paid may not exceed the student's annual work study award and must be within your institution's work study allocation.

Please note that OHE will be making adjustments to the year-end close out work for each program to capture aggregate data regarding the impact of OHE's COVID-19 guidance. For now, on a per program basis, schools must create a process to track the number of students and dollar amount of the impact of these temporary program modifications.

**Q2.** What about terms that began after 3/13/2020, but prior to 7/1/2020? Students did not yet have work study schedules set.

**A2.** If the student was receiving State Work Study funds in winter quarter with actual hours worked prior to 3/13/2020, spring quarter students may be paid work study in an amount not to exceed their annual work study award on their original financial aid letter divided by 3. Work Study awards must be within your institution's work study allocation.

If the student was receiving State Work Study funds in spring semester with actual hours worked prior to 3/13/2020, summer term students may be paid work study in an amount not to exceed their annual work study award on their original financial aid letter divided by 2. Work Study awards must be within your institution's work study allocation.

**Q3.** Can work study students get Unemployment Insurance?

**A3.** The [Minnesota Department of Employment and Economic Development](https://mn.gov/deed/)<sup>1</sup> (DEED), is ultimately the best source of information for Unemployment Insurance questions. Generally, it is recommended that students apply and see if they are eligible. Here are a few notes from our colleagues at DEED:

- Unemployment eligibility is NOT based on if the individual is a college student (FT or PT).
- College enrollment is indirectly related because the individual has to agree to be available and looking for work on the Unemployment Insurance application to receive benefits.
- Unemployment eligibility is based solely on the type of job held. Temporary employment (aka student employment) is not eligible for Unemployment Insurance benefits.
- Employment paid by stipend (e.g. resident assistant) is not eligible for Unemployment Insurance.
- These restrictions are in federal law, so they are unlikely to be changed.
- However, a part time job that does not fall under these definition is eligible. For example, students might have a work study job, but also an off campus job unrelated to work study and qualify that way.

<sup>1</sup> <https://mn.gov/deed/>

**Q4.** Will continuing to pay students who received State Work Study be at the discretion of the college/university?

**A4.** Yes. For terms that were in progress as of 3/13/2020, you may pay students based on scheduled hours. For terms that began after 3/13/2020, but prior to 7/1/2020, you may pay students based on the terms outlined in A2.

## **Unit Restoration**

**Q1.** How will the unit restoration for State Grant, Minnesota Indian Scholarship and Child Care Grant be handled?

**A1.** We are planning on handling this similar to how we currently process the unit restoration for students who have a full withdrawal due to medical reasons while under the care of a physician that impacted a student's ability to complete the term. The school will receive the appeal from the student and send it along with a transcript showing the term of full withdrawal fell within the scope (in progress as of 3/13/2020 or began after 3/13/2020, but prior to 7/1/2020) to the OHE Grant Unit. The Grant Unit will then make adjustments to the units of usage that you see via the SG Web Access.

**Q2.** Do schools need to collect documentation that the full withdrawal from enrollment was related to COVID-19?

**A2.** Schools should collect a simple student statement regarding the full withdrawal. Keep in mind that due to the widespread impact of COVID-19, the reasons for withdrawal will be broad and may be, but are not limited to: inability to pay the tuition bill due to financial impact, lack of childcare, need to work additional hours, inability to match class hours with work hours/childcare availability, illness of student or family member, homelessness or housing insecurity, transportation challenges, etc.

## **Hold Child Care Grant Recipients Harmless**

**Q1.** We are a quarter school that has not yet disbursed our Spring, 2020 awards. The guidance on the 4/9/2020 memo from OHE states that Child Care Grant recipients can keep their grant as it was determined at the time of disbursement. What should we do?

**A1.** OHE has determined that we will expand original guidance to also consider as eligible students those whose eligibility had been determined and award notifications sent for spring 2020 terms. This assumes that the student is indeed enrolled for the spring quarter.

**Q2.** With the stay at home rules, parents are now taking courses online. Should financial aid administrators still take in new applications?

**A2.** Yes, you should still take in applications. You should not assume students do not have daycare costs. Some small home daycares and centers for the children of essential workers are open. Additionally, on April 23<sup>rd</sup>, 2020, Governor Walz announced gradually loosening restrictions on Minnesota businesses over time if the business meets certain established criteria.

**Q3.** How should we handle applications for summer terms that begin prior to 7/1/2020?

**A3.** At this time, we do not plan to make any changes to the program for summer term. Students are aware of their summer coursework being distance education and the status of their current daycare situation. OHE is open to re-visiting this should the situation evolve.

## **Maintain Residency**

**Q1.** We are a border school with WI and I am concerned about our students who are MN high school graduates or GED recipients in MN while living in MN however now live in WI. In the past these students had to physically take at least one course on campus; now that all course work is offered via distance education, are these students still eligible for Minnesota State Grant?

**A1.** From 3/13/2020 through terms starting prior to 7/1/2020, OHE has modified the administrative rule to maintain Minnesota residence for students who reside outside of Minnesota in a neighboring state, but are unable to physically attend a Minnesota school because coursework has been moved to a distance education format.

## **Tuition Reciprocity with Wisconsin**

**Q1.** Wisconsin students enrolled in extension or distance learning courses offered by Minnesota institutions in Wisconsin are not covered under the agreement. Are we required to now bill these students with non-resident tuition rates?

**A1.** OHE has collaborated with our colleagues in Wisconsin regarding the vast majority of education at institutions in both states moving to an online, distance education format. From 3/13/2020 through terms started prior to 7/1/2020, we have mutually agreed to interpret the widespread conversion from on ground to online courses not as “distance learning courses”, but rather, on ground courses currently being offered via a distance education format.

## **SELF and SELF Refi Loans**

**Q1.** Will the interest rate reduction for SELF loans be automatically applied, or will borrowers have to request it?

**A1.** All SELF and SELF Refi Loans have a 0% rate beginning March 13, 2020 through September 30, 2020. No action is needed to obtain this rate.

**Q2.** Does a forbearance have to be requested, or is it automatic?

**A2.** Special six-month COVID-19 forbearances are available upon request for SELF and SELF Refi Loans serviced by Firstmark Services. This is not automatic; students should request a COVID-19 forbearance

by logging into their Firstmark account. COVID-19 forbearance must be requested by September 30, 2020. Firstmark has notified all borrowers either by email or letter of the relief options.

**Q3.** Should we still process new SELF loans? What interest rate will the students experience?

**A3.** Yes, students can still apply for new SELF loans. New loans will have the temporary COVID-19 rate of 0% through September 30, 2020 and will return to posted rates on October 1, 2020. Disclosures will reflect the posted rates, not the 0%.

Additional information about the COVID-19 payment relief options for SELF Loan can be found on the [SELF Loan website](http://www.selfloan.state.mn.us/index.cfm) (<http://www.selfloan.state.mn.us/index.cfm>).