



2026 Home and Community-Based Services (HCBS) Employee Scholarship Grant and Loan Forgiveness Program

Tarissa J. Host | Program Administrator

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Program Description

- HCBS Employee Scholarship Grant and Loan Forgiveness Program is authorized by [Minnesota Statutes Section 144.1503](#)
- Funds grants to HCBS organizations to provide scholarships for employees pursuing additional training or education and/or repays qualified educational loans for eligible employees nominated by HCBS provider organizations
- Scholarship and loan forgiveness funding applies to nursing and other health care fields, in courses of study that lead to career advancement within the organization or broader HCBS field

Funds Available

Funding	Estimate
Estimated Amount to Grant to Employers for Scholarships	\$800,000
Estimated Award Range for Grants to Employers for Scholarships	\$12,000-\$125,000
Estimated Number of Grant Awards to Employers for Scholarships	20
Award Amount for Loan Forgiveness Awards to Individuals	\$12,000
Estimated Number of Loan Forgiveness Awards to Individuals	33

- Project Dates:
 - Scholarship grants to employers: June 1, 2026 – May 31, 2028.
 - Loan forgiveness awards to individuals: July 1, 2026 – May 31, 2028.
- No expenditures may be incurred before the grant agreement is fully executed and the start date arrives.
- Funding is allocated through a competitive process
- There is no match requirement for this grant.

Nonprofit, for-profit, and Tribal organizations that meet the following criteria:

- Located in Minnesota.
- Primarily provide services to individuals who are 65 years of age and older in home and community-based settings. At least 51% of the organization's patients/clients must be age 65 and older.
- Hold one of the following licenses:
 - Assisted living facility as defined in [Sec. 144G.08 MN Statutes, subdivision 7](#)
 - Adult day care facility as defined in [MN Statute 245A.02, subdivision 2a](#)
 - Home care services provider as defined in [MN Statute 144A.43, subdivision 3](#)

Eligible Applicants, continued

- Other types of entities, including nursing homes and hospice facilities, are not eligible for this program.
- An organization may only submit one application. Organizations with multiple sites should submit one application and make clear which sites will be involved.
- Grant funds are not transferrable to any other entity. Applicants that are aware of any upcoming mergers or other changes in ownership must disclose this information to MDH as soon as they are aware of it.

- Collaboration is encouraged but not required.
 - Partnering with educational institutions (high schools, higher education, or training organizations) to train or recruit HCBS staff
 - Health Care Collaboratives: regional networks that connect providers, educators, and community partners to strengthen the health care workforce
 - Workforce development initiatives or other career pathway programs that support recruitment and training of students and workers interested in HCBS careers
- Applicants that demonstrate meaningful collaboration will receive additional points in the review process

Outcomes & Priorities

- Increased number of HCBS employees receiving scholarships and loan forgiveness to support their training
 - Priority for certification/licensure in nursing fields (CNA, LPN, RN)
- Demonstrated retention of direct-care HCBS employees serving providers across Minnesota that are experiencing workforce retention challenges
- Priority will be given to providers outside of the seven-county metro area and those with operating expenses less than \$2 million and 50 clients or fewer

HCBS Program Overview

Applicant organizations may apply for scholarship funding, loan forgiveness on behalf of their employees, or both!

Scholarship Program	Loan Forgiveness Program
<ul style="list-style-type: none">• Award scholarships to employees to cover coursework in eligible programs, and/or• Offer in-house trainings provided by a qualified educational institution	<ul style="list-style-type: none">• HCBS provider organizations may apply on behalf of their employees• Employers submit to MDH the names of employees whom they are nominating for loan forgiveness

Part 1: HCBS Employee Scholarship Grants

- Eligible HCBS provider organizations may apply for:
 - Scholarship Program: Establish or support an existing scholarship program to offer funds to employees to cover coursework in eligible programs.
 - In-house Trainings: Fund in-house trainings delivered in partnership with a qualified educational institution.
- Scholarship funding is granted by MDH directly to eligible HCBS organization to establish or support their employee scholarship program.
- MDH grant funds are disbursed on a reimbursement basis, rather than provided in advance (upfront).
- Grantee organizations will need to submit documentation of all eligible expenses to MDH for reimbursement.

Scholarship Recipient Eligibility

Eligible Scholarship Recipients:

- Employees selected by organization to receive scholarships (for outside courses of study or in-house training) must be in a direct caregiving role and work an average of 10 hours per week

Courses of study or trainings must:

- Be directly related to patient or client care
- Lead to career advancement with the provider or in the long-term care field
- Result in an industry-recognized certification or credential, or include stackable course credits supporting adult basic education, a degree program, a diploma, or a license

Scholarship Courses of Study and Trainings

Eligible Courses of Study:

- Nursing, including Certified Nursing Assistant (CNA), Licensed Practical Nurse (LPN), Registered Nurse (RN), or other relevant degrees
- Degree programs in the field of long-term care, including care for persons with disabilities
- Licensed Assisted Living Director (LALD)
- Masters in Social Work (MSW)
- Occupational Therapy (OT)
- Physical Therapy (PT)

Examples of Eligible In-house Trainings:

Patient/client care-related trainings that result in industry-recognized certifications, credentials, or course credits **above and beyond those required for licensure of the organization**. For example:

- Trained Medication Aide (TMA)
- Certified Dementia Practitioner
- Wound Care Certification
- Training for medical interpreter services
- Job-related English language learning

Scholarship Expenses

Eligible Expenses:

- Must be directly related to employees' coursework or training:
 - Employee tuition
 - Textbooks and materials
 - Childcare expenses while employee is attending classes
 - Mileage reimbursement
 - Payment to qualified educational institution for in-house training
 - Entrance or licensure exam fees
- Coursework and training must take place during grant period.
- Grantee organizations will need to submit documentation of all eligible expenses to MDH for reimbursement.

Ineligible Expenses:

- Solicitating donations
- Taxes, except sales tax on goods and services
- Lobbyists, political contributions
- Bad debts, late payment fees, finance charges, or contingency funds
- Administrative expenses to manage the grant funds
- Indirect costs
- Employee wages, fringe benefits, or stipends while the employee is attending school
- Courses or training required to maintain an employee's current certification or licensure
- Courses that do not provide a pathway that will lead to the employee's career advancement in the field of long-term care
- Out-of-state travel or lodging
- Food and beverage (including dining fees), except as included in course or training registration fee
- Housing or dormitory fees
- Study abroad programs
- Supplies or equipment not directly related to training/coursework of scholarship recipients

Scholarship Grant Contractual Obligations

- Work may not start prior to the full execution of the grant agreement and the project start date (expected to be June 1, 2026 for scholarship grants)
- Grant activities approved for payment are outlined in contract exhibits
 - Any activities outside of this must be approved prior to action
- Grantees must report on financial and programmatic activities quarterly
 - January 20, April 20, July 20, October 20
- Grantees receiving over \$50,000 will have one grant monitoring visit and financial reconciliation per grant period

Scholarship Program Data Reporting Requirements

HCBS provider organizations that receive a grant for employee scholarships must report the following data each quarter:

- Amount of funding spent on scholarships
- Number of employees who received scholarships
- For each scholarship recipient: name, current position, amount awarded, educational institution attended (or institution that provided in-house training), nature of educational program, and expected or actual program completion date

Part 2: Loan Forgiveness

- Eligible HCBS provider organizations may nominate current or prospective employees with qualified educational debt for loan forgiveness.
- Employers submit names/contact info of employees they are nominating for loan forgiveness and rank employees in order of priority.
- Unlike the scholarship grants, in which employer organizations administer scholarship funding to their employees, MDH disburses loan forgiveness awards directly to individuals.
- This year's standard loan forgiveness award is \$12,000 per employee. If an employee's loan balance is less than that, they will receive loan forgiveness for the amount of their loan balance.

Loan Forgiveness Nomination and Application Process

1. HCBS organization (applicant) submits eligible employee nominations to MDH at the time of application.
2. After the application review period concludes, MDH notifies HCBS organizations of how many loan forgiveness awards have been granted to their employees.
3. MDH contacts employees awarded loan forgiveness with instructions on how to submit qualified educational loan documentation and other required information.
4. Loan forgiveness recipients submit an annual Confirmation of Practice (COP) document signed by their employer to verify that they are fulfilling their service commitment.
5. MDH issues annual loan forgiveness award disbursements directly to loan forgiveness recipients.

Loan Forgiveness Recipients

- Eligible HCBS employer submits employee names to MDH for consideration
- Employed in a caregiving role, primarily older adults (e.g., LPN, RN, LALD)
- Agree to work a minimum of 2 years, at least 45 weeks per year, at least 32 hours per week, for an eligible HCBS employer
 - The service commitment begins on their loan forgiveness award date, expected to be July 1, 2026
 - Employees can move between eligible HCBS employers during that 2-year period
 - Recipients of a one-year loan forgiveness award (\$6,000 or less) must commit to 1 year of service
- Loan forgiveness recipients and their employers will submit annual confirmation of practice documents to MDH

Loan Forgiveness Recipients, continued

- Loan forgiveness recipients cannot concurrently participate in any other student loan repayment/student loan forgiveness program except for Public Service Loan Forgiveness Programs.
- An individual may receive only one HCBS loan forgiveness award. A past recipient may not be nominated for another award.
- If an employee does not fulfill the required minimum service commitment, they will be responsible for repaying their loan forgiveness award disbursements with interest.

Loans eligible for forgiveness:

- Loans for actual costs paid for tuition and reasonable educational and living expenses for undergraduate or graduate education
- Must be for nursing or other health care fields
- Government, commercial, or foundation loans

Ineligible loans:

- Credit card debt
- Loans from family members
- Parent PLUS loans
- Loans in current or active default
 - Rehabilitated loans may be eligible

HCBS Review and Selection Process

- MDH determines initial eligibility for scholarship grant or employee loan forgiveness awards
- External evaluators review and score applications on the criteria in RFP Attachment A: Application Evaluation Criteria (next slide)
- Review committee makes award recommendations, and MDH makes final award decisions
- MDH conducts due diligence and past performance review prior to entering into grant agreements

Scholarship Program:

- Organization Background and Capacity – 35 points
- Project Narrative: Scholarship Funding – 45 points
- Budget: Scholarship Funding – 20 points

Loan Forgiveness Program:

- Organization Background and Capacity – 35 points
- Project Narrative: Loan Forgiveness Funding – 65 points

Evaluation Criteria Examples

- Application clearly identifies need for scholarships and/or loan forgiveness: educational needs of caregiving staff, retention concerns, assessment of how many more patients/clients could be served, other information about clientele, geographic location, business circumstances
- Application clearly demonstrates how scholarship program and/or loan forgiveness will help recruit and retain employees, improve patient/client care, and/or increase number of patients/clients served
- Organization has promising recruitment activities planned, including collaborations with educational institutions and/or pathway programs
- Organization has clear, likely effective plans for retaining employees after completion of scholarship or loan forgiveness
- See RFP Attachment A: Application Evaluation Criteria for full details

Creating/Managing Users



Ligon

Email Address*

Password*

Log On

Create New Account

[Forgot your Password?](#)

Welcome to the MN Department of Health Office of Rural Health and Primary Care online grant portal.

FOR THOSE APPLYING FOR MN HEALTH CARE LOAN FORGIVENESS OR STATE LOAN REPAYMENT PROGRAM: Please click on the "Create New Account" button to set up an account to enter into the grant portal.

ALL CURRENT USERS: Please click on the "Forgot your Password?" link to create a new password for the account that has already been set up for you.


- Existing Users: log in or use the forgot password button
- New Users: verify your organization has or doesn't have a profile & create profile(s)
- If you are unsure of organization's status, reach out to MDH

Starting an Application

- Click *APPLY* or *SEE OPPORTUNITIES*
- Scroll down to find the *Home and Community-Based Services (HCBS) – FY2026* Application and click “Apply”

The screenshot shows the user interface of the health.state.mn.us application portal. At the top, there is a green navigation bar with the 'm1' logo, a home icon, and an 'APPLY' button. Below this, a white box contains a 'SEE OPPORTUNITIES' button. The main content area features a user profile for 'Testing123' with a 'Testing123' header and a 'Testing123' sub-header. Below the profile, there are two sections: 'Action Needed (0)' and 'Completed (0) | Historical (4)'. The main content area also displays a list of application opportunities, with the first one showing 'ASSIGNED TO YOU (0)'. The application details include a description: 'application process and requirements, the program statute, and award criteria.' Below the description, there is a 'See More' link, a calendar icon indicating the application 'Closes 12/12/2025', a 'Preview' button, and an 'Apply' button.

Application Sections

 Fields with an asterisk (*) are required.

> Home and Community-Based Services (HCBS) Application Inst...

> Section 1: Organization and Applicant Information

> Section 2: Project Information

> Section 3: Organization Background and Capacity

> Section 4: Project Narrative

> Section 6: Required Attachments

> Section 7: Applicant Conflict of Interest

> Certification

- Branching questions in **Section 4: Project Narrative** based on application type
- Scholarship grant applicants will also complete a Work Plan and Budget Overview, including a Budget Narrative
- Refer to RFP for instructions on narrative questions
- Complete at your own pace
 - Save button vs. Submit button

Application Sections 1 & 2

- Basic information about your organization
 - Important to note that applicant will be the individual to whom reports are assigned
- Collaboration is possible: can add others as collaborators in portal
- SWIFT information is very important – this is how MDH contracts
 - If unsure, contact SWIFT help desk: 651-201-8100 or swifthelpdesk.mmb@state.mn.us

Application Section 3: Organization Background & Capacity

- Type of HCBS Organization
- Facility or Service Location(s)
- Number of Patients/Clients
- Percentage of Patients/Clients Over 65
- Percentage of Patients/Clients by payment type (cash, insurance, waiver)
- Caregiving Turnover in 2023 and 2024
- Organizational Overview (**new format**)
- Need Statement (**new format**)
- Previous HCBS Funding and Years Awarded (*if applicable*)
- Outcomes of Previous HCBS Funding (*if applicable*)

Loan Forgiveness & Scholarship Applicants

Applicants may apply for scholarship grant funding, loan forgiveness for individual employees, or **both**.

Section 4: Project Narrative

Type of Funding Requested*

Indicate whether you are applying for scholarship funding, loan forgiveness for individual employees, or both. Check all that apply.

- Grant funding to your organization to provide employee scholarships and/or in-house trainings
- Loan forgiveness for individual employees

> Applications for Scholarship Funding

> Loan Forgiveness Program Plan

> Section 5: Work Plan and Budget Overview

Branching: Scholarship

Applications for Scholarship Funding:

- In-House Trainings and/or Scholarships for Outside Courses of Study
- Recruitment and Partnerships
- Number of Eligible Employees for Scholarship Program

- Selection and Retention of Employees
- Program Management
- Benefits of Scholarship Program
- Other Funding Sources

▼ Section 4: Project Narrative

Type of Funding Requested*

Indicate whether you are applying for scholarship funding, loan forgiveness for individual employees, or both. Check all that apply.

- Grant funding to your organization to provide employee scholarships and/or in-house trainings
- Loan forgiveness for individual employees

> Applications for Scholarship Funding

> Section 5: Work Plan and Budget Overview

Application Section 5: Work Plan and Budget Overview

- Only scholarship grant applicants complete this section
- The following information must be provided for each type of scholarship or training being proposed:
 - Certification or Credential
 - Educational Institution or Training Organization
 - Start Date
 - End Date
 - Number of Recipients
 - Individual Scholarship Costs/Participant Costs
 - Total Cost
 - Budget Narrative
- If you have more than 6 activities, please upload a separate spreadsheet
- Enter the total requested funding for scholarships

Application Section 4: Loan Forgiveness Project Narrative

Branching: Loan Forgiveness

Loan Forgiveness Program Plan:

Section 4: Project Narrative

Type of Funding Requested*

Indicate whether you are applying for scholarship funding, loan forgiveness for individual employees, or both. Check all that apply.

- Grant funding to your organization to provide employee scholarships and/or in-house trainings
- Loan forgiveness for individual employees

> Loan Forgiveness Program Plan

- Recruitment and Partnerships
- Number of Eligible Employees for Loan Forgiveness
- Selection and Retention of Employees
- Benefits of Loan Forgiveness
- Number of Loan Forgiveness Slots Requested
- Employees Nominated for Loan Forgiveness

Application Section 7: Required Attachments

- Audited financial statements
 - Note: Operating expenses reported in Section 3 should match the financial statements uploaded
- Due Diligence form (if required based on applicant's Supplier Type)
- Proof of active licensure or registration

Application Section 8: Conflict of Interest and Certification

- Complete both sections prior to submission
- Should you be aware of any conflict of interest, this may not disqualify you from receiving funding, but requires a mitigation plan to collaborate with MDH
 - Employees administering a scholarship program may not award scholarships to themselves or their family members
 - Applicants may not nominate themselves or their family members for loan forgiveness
 - Reach out with any questions regarding conflict of interest
- Certification by applicant that information is true and they are authorized to submit application

Application Questions and Submissions

Questions?

- Please submit questions no later than 4:30 p.m. Central Time on November 21, 2025.
- Submit questions via email to health.hcbsgrant@state.mn.us
- To provide a fair and equitable process, MDH will post questions asked and answers once a week at:
 - [ORHPC Grants and Funding - MN Dept. of Health \(state.mn.us\)](https://www.state.mn.us/health/orhpc/grants-and-funding-mn)

Submissions:

- Applications are due **December 12, 2025 by 4:30 pm Central Time**
- All applications will be completed and submitted via the online [ORHPC Grants Management System](#)

Link References

- [Minnesota Statutes Section 144.1503 -
https://www.revisor.mn.gov/statutes/cite/144.1503#:~:text=144.1503%20HOME%20AND%20COMMUNITY-BASED%20SERVICES%20EMPLOYEE%20SCHOLARSHIP%20PROGRAM.,education%20in%20nursing%20and%20other%20health%20care%20fields.](https://www.revisor.mn.gov/statutes/cite/144.1503#:~:text=144.1503%20HOME%20AND%20COMMUNITY-BASED%20SERVICES%20EMPLOYEE%20SCHOLARSHIP%20PROGRAM.,education%20in%20nursing%20and%20other%20health%20care%20fields.)
- [Sec. 144G.08 MN Statutes, subdivision 7 - https://www.revisor.mn.gov/statutes/cite/144G.08](https://www.revisor.mn.gov/statutes/cite/144G.08)
- [MN Statute 245A.02, subdivision 2a - https://www.revisor.mn.gov/statutes/cite/245A.02](https://www.revisor.mn.gov/statutes/cite/245A.02)
- [MN Statute 144A.43, subdivision 3 - https://www.revisor.mn.gov/statutes/cite/144A.43](https://www.revisor.mn.gov/statutes/cite/144A.43)
- [ORHPC Grants and Funding - MN Dept. of Health -
https://www.health.state.mn.us/facilities/ruralhealth/funding/grants/index.html#hcbs](https://www.health.state.mn.us/facilities/ruralhealth/funding/grants/index.html#hcbs)
- [ORHPC Grants Management System - https://www.grantinterface.com/Home/Logon?urlkey=mdh](https://www.grantinterface.com/Home/Logon?urlkey=mdh)

Thank You!

Tarissa J. Host

Health.HCBSgrant@state.mn.us

651-201-4337