

AGENDA ITEM 6.

PROPOSED RULES AMENDMENTS

Submitted for: Information

Summary: ISAC annually reviews its rules in order to respond to market changes and client suggestions, to implement state and federal statutory amendments, to reflect technological advances in the delivery of student financial assistance and to clarify issues that have arisen during the previous year. Potential rules amendments were solicited from internal staff and various client advisory groups, including the ILASFAA/ISAC Rules and Operations Committee.

Highlights of proposed amendments to existing rules are presented in this item, as well as new rules for two new ISAC programs. The full text of the proposed amendments and rules is being provided to Commissioners under separate cover, as are copies of the appropriate Notices of Proposed Amendments/Rules that contain descriptions of the subject and issues involved in the rulemaking. The full text of the proposed amendments and notices will be made available to the public on ISAC's Web site following publication in the Illinois Register.

Amendments are being proposed to 15 different Parts this year: General Provisions; Illinois National Guard (ING) Grant Program; Illinois Veterans Grant (IVG) Program; Grant Program for Dependents of Correctional Officers; Grant Program for Police or Fire Officers; Monetary Award Program (MAP); Silas Purnell Illinois Incentive for Access Grant (IIA); Robert C. Byrd Honors Scholarship Program; Merit Recognition Scholarship (MRS); Minority Teachers of Illinois Scholarship (MTI); Illinois Future Teacher Corps Program (IFTC); Special Education Teacher Tuition Waiver (SETTW) Program; Teach Illinois Scholarship; Child Welfare Loan Forgiveness Program; and Student to Student Grant (STS).

Publication of the proposed amendments and rules will initiate a 45-day public comment period. Comments received from the public will be reviewed by staff. Where appropriate, the proposed amendments and rules will be revised based on comments and suggestions from the public, and staff will request authority from the Commission to submit the proposed amendments and rules, as revised, to the Joint Committee on Administrative Rules (JCAR) for the second 45-day review period. After incorporating changes suggested by JCAR, the proposed amendments and rules will be presented to the Commission for final adoption. The anticipated effective date of these proposed amendments is July 2006.

Action requested: None

ILLINOIS STUDENT ASSISTANCE COMMISSION

HIGHLIGHTS OF PROPOSED RULES AMENDMENTS

Rules amendments are being proposed for the following Parts:

Part 2700 **General Provisions**

Section 2700.50(g)(2) has been amended to clarify when an applicant's Illinois residency must be verified by the postsecondary institution the applicant is attending.

Part 2730 **Illinois National Guard (ING) Grant Program**

Proposed amendments to Section 2730.20(a) clarify the application deadlines for the program. A clarification is being proposed to Section 2730.20(a)(2) requiring the Illinois Department of Military Affairs to report to ISAC changes to a Illinois National Guard grant recipient's National Guard status. An amendment is being proposed to Section 2730.20(c) to reflect a statutory change contained in Public Act 94-0583, which removes the prohibition on National Guard officers receiving the grant. In section 2730.30(d), an amendment is proposed to further clarify that grant funds are limited to use at Illinois public postsecondary institutions. Section 2730.30(l) is being added to incorporate the statutory requirement that states if a recipient's duty obligations are not met then all funds received must be repaid. Sections 2730.30(f) and (f)(2) are amended to incorporate the statutory change from Public Act 94-0583 that extends use of the grant to cover enrollment during summer terms. In addition, language in 2730.30(f)(4) is being revised to clarify that refunds will be made according to the postsecondary institution's refund policy.

Driven by the State Comptroller's lapse period deadline of August 31 for processing of payment vouchers, language is being added to Section 2730.40(d) to incorporate a deadline by which postsecondary institutions must submit all payment requests to ISAC. Similar language already resides in ISAC's administrative rules for the Monetary Award Program, the Silas Purnell Illinois Incentive for Access program, and Illinois Veteran Grant program and is also being proposed for other ISAC programs to bring about standardization in payment request processing.

Part 2731 **Grant Program for Dependents of Correctional Officers**

In Section 2731.30(b) a procedural clarification is proposed requiring students to indicate at the time of application the name of the institution they will be attending. More definitive dates are being proposed for Section 2731.30(c) to align the application deadline with dates used in other ISAC programs. Section 2731.30(e)(1) is being amended to clarify that the grant will cover the difference in cost for courses taken at an out-of-district institution that are not offered at a recipient's in-district institution. Additionally, Section 2731.30(o)(4) is being amended to clarify that claims for the difference between in-district and out-of-district charges will be considered for payment at the same time as other timely claims, rather than only if funds remain.

Driven by the State Comptroller's lapse period deadline of August 31 for processing of payment vouchers, language is being proposed for Section 2731.40(c)(6) to incorporate a deadline by which postsecondary institutions must submit all payment requests to ISAC. Similar language already resides in ISAC's administrative rules for the Monetary Award Program, the Silas Purnell Illinois Incentive for Access program, and the Illinois Veteran Grant program and is also being proposed for other ISAC programs to bring about standardization in payment request processing.

Part 2732 Grant Program for Dependents of Police or Fire Officers

In Section 2732.30(b) a procedural clarification is proposed requiring students to indicate at the time of application the name of the institution they will be attending. More definitive dates are being proposed for Section 2732.30(c) to align the application deadline with dates used in other ISAC programs. Section 2732.30(e)(1) is being amended to clarify that the grant will cover the difference in cost for courses taken at an out-of-district institution that are not offered at a recipient's in-district institution. Additionally, Section 2732.30(o) is being amended to clarify that claims for the difference between in-district and out-of-district charges will be considered for payment at the same time as other timely claims, rather than only if funds remain.

Driven by the State Comptroller's lapse period deadline of August 31 for processing of payment vouchers, language is being proposed for Section 2732.40(c)(6) to incorporate a deadline by which postsecondary institutions must submit all payment requests to ISAC. Similar language already resides in ISAC's administrative rules for the Monetary Award Program, the Silas Purnell Illinois Incentive for Access program, and the Illinois Veteran Grant program and is also being proposed for other ISAC programs to bring about standardization in payment request processing.

Part 2733 Illinois Veterans Grant (IVG) Program

An amendment to Section 2733.30(b) is being proposed to incorporate a statutory change that tightens the time frame for which an applicant has to notify the institution of his or her Illinois Veteran Grant (IVG) eligibility. Section 2733.30(d) is being amended to further clarify the type of institution at which the grant may be used. Proposed amendments to Section 2733.30(e) reflect the statutory changes contained in Public Act 94-0583 that increase benefits for veterans to cover tuition and mandatory fees rather than limiting coverage to only the fees currently listed. In a corresponding change, new language is proposed for Section 2733.30(e)(2) to allow qualified applicants who currently receive grant benefits to cover non-mandatory fees to continue to receive these benefits as long as they are enrolled in a continuous program of study, as allowed for in statute.

Section 2733.30(g)(3) is amended to clarify that refunds will be made according to the institution's refund policy. A proposed amendment to Section 2733.30(g)(5) incorporates existing statutory language that stipulates if the U.S. Department of Veteran Affairs terminates or suspends educational benefits to veterans, assistance under ISAC's IVG program will also cease.

Section 2733.40(e) is amended to align the language with changes being proposed to other ISAC programs in relation to the processing of payment requests, given the time frame ISAC must adhere to with the State Comptroller's office.

Part 2735 Monetary Award Program (MAP)

Section 2735.40(m)(4) is amended to align the language with changes being proposed to the rules for other ISAC programs in relation to the processing of payment requests, given the time frame ISAC must adhere to with the State Comptroller's office.

Part 2736 Illinois Incentive for Access (IIA) Program

Section 2736.40(f)(2) is amended to align the language with changes being proposed to the rules for other ISAC programs in relation to the processing of payment requests, given the time frame ISAC must adhere to with the State Comptroller's office.

Part 2755 Robert C. Byrd Honors Scholarship Program

An amendment has been proposed to Section 2755.30(l)(1)(A) to improve the data collected from secondary institutions used to identify an applicant's academic achievements, as required in Section 2755.10(a).

Driven by the State Comptroller's lapse period deadline of August 31 for processing of payment vouchers, language is being added to Section 2755.40 to incorporate a deadline by which postsecondary institutions must submit all payment requests to ISAC. Similar language already resides in ISAC's administrative rules for the Monetary Award Program, Silas Purnell Illinois Incentive for Access program, and Illinois Veteran Grant program and is also being proposed for other ISAC programs to bring about standardization in payment request processing.

Part 2761 Merit Recognition Scholarship (MRS)

To conform with 110 Illinois Compiled Statute 947.31(f), language is proposed in Section 2761.10(a) stating that the names and addresses of Merit Recognition Scholarship recipients are a matter of public record.

Driven by the State Comptroller's lapse period deadline of August 31 for processing of payment vouchers, language is being added to Section 2761.40 to incorporate a deadline by which postsecondary institutions must submit all payment requests to ISAC. Similar language already resides in ISAC's administrative rules for the Monetary Award Program, the Silas Purnell Illinois Incentive for Access program, and Illinois Veteran Grant program and is also being proposed for other ISAC programs to bring about standardization in payment request processing.

Part 2763 Minority Teachers of Illinois (MTI) Scholarship Program

Section 2763.30(i) is being amended to incorporate a provision of Public Law 94-0133, which provides recipients with an additional exception to the teaching requirement when they are concurrently fulfilling the requirement associated with other programs administered by ISAC.

A change is proposed to Section 2763.40(b) to establish a time frame for institutions to submit eligibility information on qualified applicants to ISAC. The current lack of such a

time frame causes difficulty in re-awarding non-appropriated funds and leads to the loss of award funds to other deserving students.

Driven by the State Comptroller's lapse period deadline of August 31 for processing of payment vouchers, language is being added to Section 2763.40(h) to incorporate a deadline by which postsecondary institutions must submit all payment requests to ISAC. Similar language already resides in ISAC's administrative rules for the Monetary Award Program, the Silas Purnell Illinois Incentive for Access program, and Illinois Veteran Grant program and is also being proposed for other ISAC programs to bring about standardization in payment request processing.

Part 2764 Illinois Future Teacher Corps. (IFTC) Program

Amendments are proposed to Section 2764.30(l) to bring about statutory changes included in Public Law 94-0133, which provide additional exceptions to the teaching requirement for recipients enrolled in postsecondary institutions and taking courses necessary to become teachers, or when they are concurrently fulfilling the requirement associated with other programs administered by ISAC.

A change is proposed to Section 2764.40(b) to establish a time frame for institutions to submit eligibility information on qualified applicants to ISAC. The current lack of such a time frame causes difficulty in re-awarding non-appropriated funds and leads to the loss of award funds to other deserving students.

Part 2765 Special Education Teacher Tuition Waiver (SETTW) Program

A number of changes are being proposed to this Part to incorporate statutory changes included in Public Law 94-0133, which allow students who have graduated from high school prior to the academic year in which the award is made, and those who are Illinois residents and members of military families stationed out of state, to apply for the waiver. Specifically, Section 2765.20(a)(3) is being amended to remove the requirement that an applicant graduate from an Illinois approved high school. Amendments to Section 2765.30(e) expand the applicant pool to include any high school graduate and to equitably divide the available waivers between this group and the applicants who recently graduated from high school. In addition, Section 2765.30(j) is being amended to incorporate the provision of Public Law 94-0133 that provides recipients with an additional exception to the teaching requirement when they are concurrently fulfilling the requirement associated with other programs administered by ISAC.

Part 2768 Teach Illinois Scholarship

This Part is proposed to reflect the statutory changes contained in Public Law 94-0205, which created this new program. These proposed rules govern the administration of the new Teach Illinois Scholar Program. The rulemaking sets forth the applicant eligibility requirements, program procedures and institutional procedures.

Part 2769 Child Welfare Loan Forgiveness Program

This Part is being proposed to reflect the statutory changes contained in Public Act 94-0497, which created this new program. These proposed rules govern the administration

of the new Child Welfare Loan Forgiveness Program. The rulemaking sets forth the applicant eligibility requirements, program procedures and institutional procedures.

Part 2770 Student to Student (STS) Program of Matching Grants

Section 2770.40(d) is amended to align the language with changes being proposed to the rules for other ISAC programs in relation to the processing of payment requests, given the time frame ISAC must adhere to with the State Comptroller's office.

An amendment is being proposed to Section 2770.40(f) to remove reference to ISAC supplying the reports required of postsecondary institutions participating in STS to the Illinois Board of Higher Education (IBHE), as IBHE has indicated they no longer need the reports.

No amendments are being proposed to the following parts:

- Part 2720 Federal Family Education Loan Program (FFELP)
- Part 2721 Alternative Loan Program
- Part 2737 Higher Education License Plate (HELP) Program
- Part 2741 Optometric Education Scholarship Program
- Part 2760 State Scholar Program
- Part 2762 Paul Douglas Teacher Scholarship Program
- Part 2767 Illinois Teachers and Child Care Providers Loan Repayment Program
- Part 2771 College Savings Bond Bonus Incentive Grant (BIG) Program
- Part 2775 Illinois Prepaid Tuition Program
- Part 2790 Limitation, Suspension and Termination (L,S, &T) Proceedings
- Part 5375 Public Information, Rulemaking and Organization
- Part 5376 Information Requests
- Part 1400 Americans with Disabilities Act Grievance Procedure