

AGENDA ITEM 6.
PROPOSED ADMINISTRATIVE PROGRAM
RULES AMENDMENTS

Submitted for: Action

Summary: This item reports on the agency’s proposed administrative program rules amendments. Amendments are being proposed to three Parts at this time; a listing of the Parts is below. The full text of the proposed rules amendments and Notices are included in this item. The Notices that precede each Part contain descriptions of the subjects and issues involved in the rulemaking process.

Part 2700 – General Provisions

Part 2730 – Illinois National Guard (ING) Grant Program

Part 2763 – Minority Teachers of Illinois (MTI) Scholarship Program

Text of the proposed program rules amendments was published in the March 10, 2023, *Illinois Register*, initiating a 45-day public comment period that will expire on April 23, 2023. As of the writing of this agenda item, no public comments have been received.

The proposed program rules amendments are being presented to the Commission for consideration. Following acceptance by the Commission, the Executive Director may direct staff to submit the proposed program rules amendments to the Joint Committee on Administrative Rules (JCAR), initiating a second 45-day review period and the JCAR hearing, after which, if no material objection is made by JCAR, the Executive Director will move to adopt the rules amendments.

Action requested: That the Commission approve the following resolution:

“BE IT RESOLVED that the Commission accepts the proposed administrative program rules amendments for submission to the Joint Committee on Administrative Rules (JCAR) and, barring any unresolved objection by JCAR or material modification (unless the material modification is made to ensure compliance with any prospective amendments to the statute(s) governing these rules), the Commission authorizes the Executive Director to proceed with adopting the program rules as amended.”

ILLINOIS REGISTER

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

- 1) Heading of the Part: General Provisions
- 2) Code Citation: 23 Ill. Adm. Code 2700
- 3)

<u>Section Numbers:</u>	<u>Proposed Actions:</u>
2700.20	Amendment
2700.30	Amendment
2700.40	Amendment
- 4) Statutory Authority: Implementing the Higher Education Student Assistance Act [110 ILCS 947]; Title IV of the Higher Education Act of 1965, as amended (20 USC 1070 et seq., as amended by P.L. 105-244); and authorized by Section 20(f) of the Higher Education Student Assistance Act.
- 5) A Complete Description of the Subjects and Issues Involved: This Part is being revised to update outdated definitions; revise a definition based on P.A. 102-1100; delete a provision no longer in effect, due to the upcoming repeal of P.A. 100-0926; and clarify program eligibility.
- 6) Published studies or reports, and sources of underlying data, used to compose this rulemaking: None
- 7) Will this proposed rulemaking replace an emergency rule currently in effect? No
- 8) Does this rulemaking contain an automatic repeal date? No
- 9) Does this proposed rulemaking contain incorporations by reference? No
- 10) Are there any other proposed rulemakings pending on this Part? No
- 11) Statement of Statewide Policy Objectives: This rulemaking does not create or expand a state mandate as defined in Section 3(b) of the State Mandates Act [30 ILCS 805/3(b)] and does not necessitate a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.
- 12) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Persons who wish to comment on this proposed rulemaking may submit written comments no later than 45 days after the publication of this notice to:

ILLINOIS REGISTER

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

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- 13) Initial Regulatory Flexibility Analysis:
- A) Types of small businesses, small municipalities and not for profit corporations affected: None
 - B) Reporting, bookkeeping or other procedures required for compliance: None
 - C) Types of professional skills necessary for compliance: None
- 14) Small Business Impact Analysis: None
- 15) Regulatory Agenda on which this rulemaking was summarized: January 2023

The full text of the Proposed Amendments begins on the next page:

ILLINOIS REGISTER

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

TITLE 23: EDUCATION AND CULTURAL RESOURCES
SUBTITLE A: EDUCATION
CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

PART 2700
GENERAL PROVISIONS

Section

2700.10	Summary and Purpose
2700.15	Incorporations by Reference
2700.20	Definitions
2700.30	General Institutional Eligibility Requirements
2700.40	General Applicant Eligibility Requirements
2700.50	Determining Applicant Eligibility
2700.55	Use, Security and Confidentiality of Information
2700.60	Audits and Investigations
2700.70	Appeal Procedures
2700.80	Contractual and Consortium Agreement Requirements
2700.90	Consumer Protection Requirements

AUTHORITY: Implementing the Higher Education Student Assistance Act [110 ILCS 947]; Title IV of the Higher Education Act of 1965, as amended (20 USC 1070 et seq., as amended by P.L. 105-244); and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/20(f)].

SOURCE: Adopted at 9 Ill. Reg. 20783, effective January 1, 1986; amended at 11 Ill. Reg. 3167, effective January 29, 1987; amended at 11 Ill. Reg. 14099, effective August 10, 1987; amended at 12 Ill. Reg. 11510, effective July 1, 1988; amended at 13 Ill. Reg. 8626, effective July 1, 1989; transferred from Chapter IX, 23 Ill. Adm. Code 1700 (State Scholarship Commission) to Chapter XIX, 23 Ill. Adm. Code 2700 (Illinois Student Assistance Commission) pursuant to P.A. 86-168, effective July 1, 1989, at 13 Ill. Reg. 17854; amended at 14 Ill. Reg. 10538, effective July 1, 1990; amended at 16 Ill. Reg. 11206, effective July 1, 1992; amended at 17 Ill. Reg. 10541, effective July 1, 1993; amended at 18 Ill. Reg. 10282, effective July 1, 1994; amended at 19 Ill. Reg. 8343, effective July 1, 1995; amended at 20 Ill. Reg. 9170, effective July 1, 1996; amended at 21 Ill. Reg. 11066, effective July 18, 1997; amended at 22 Ill. Reg. 11072, effective July 1, 1998; amended at 23 Ill. Reg. 7550, effective July 1, 1999; amended at 24 Ill. Reg. 9121, effective July 1, 2000; amended at 25 Ill. Reg. 8383, effective July 1, 2001; amended at 26 Ill. Reg. 9980, effective July 1, 2002; amended at 27 Ill. Reg. 10320, effective July 1, 2003; amended at 29 Ill. Reg. 9884, effective July 1, 2005; amended at 30 Ill. Reg. 11600, effective July 1, 2006; amended at 31 Ill. Reg. 9478, effective July 1, 2007; amended at 32 Ill. Reg. 10269, effective July 1, 2008;

ILLINOIS REGISTER

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

amended at 33 Ill. Reg. 9742, effective July 1, 2009; amended at 34 Ill. Reg. 8543, effective July 1, 2010; amended at 37 Ill. Reg. 9497, effective July 1, 2013; amended at 38 Ill. Reg. 13356, effective July 1, 2014; amended at 39 Ill. Reg. 8390, effective July 1, 2015; amended at 40 Ill. Reg. 1963, effective January 7, 2016; amended at 43 Ill. Reg. 7269, effective July 1, 2019; amended at 43 Ill. Reg. 15003, effective January 1, 2020; amended at 44 Ill. Reg. 20164, effective January 1, 2021; amended at 45 Ill. Reg. 8430, effective July 1, 2021; preemptory amendment at 45 Ill. Reg. 10794, effective August 16, 2021; amended at 46 Ill. Reg. 12048, effective July 1, 2022; emergency amendment at 46 Ill. Reg. 14572, effective August 8, 2022, for a maximum of 150 days; emergency expired January 4, 2023; amended at 47 Ill. Reg. 1020, effective January 5, 2023; amended at 47 Ill. Reg. _____, effective _____.

Section 2700.20 Definitions

"Academic Level" – The classification of a student as a freshman, sophomore, junior, senior, or graduate student.

"Academic Year" – In relation to scholarship and grant programs, a 12 month period of time, normally from August or September of any year through August or September of the ensuing year. In relation to the Federal Family Education Loan Program, academic year is defined at section 481(d)(2) of the Higher Education Act of 1965, as amended (HEA), and at 34 CFR 668.3.

"Alternative Application for Illinois Financial Aid" or "Alternative Application" – The FAFSA substitute application for State student aid and benefits under the Retention of Illinois Students and Equity (RISE) Act that may be used only as an alternative to the FAFSA, when appropriate, and shall be substituted accordingly for the FAFSA when FAFSA is referenced in ISAC rules. This application is appropriate for use by an applicant *who is an Illinois resident and who is not otherwise eligible for federal financial aid, including, but not limited to, an eligible noncitizen* applicant as defined in this Section.

"Alternative Application for Illinois Financial Aid Receipt Date" – The date upon which ISAC receives an applicant's initial Alternative Application for an academic year. For a paper Alternative Application sent through the U.S. Postal Service, the receipt date will be the postmark date.

"Alternative Loan" – Any educational loan made or purchased by ISAC other than a loan made pursuant to Title IV of the Higher Education Act of 1965, as amended (20 U.S.C. 1071), or any other federal statute providing for federal insurance of education loans to borrowers.

ILLINOIS REGISTER

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

"Applicant" – Any individual who requests ISAC consideration for a scholarship, grant, tuition waiver, or guaranteed or alternative loan.

"Approved High School" – *Any public high school located in this State; and any high school, located in this State or elsewhere (whether designated as a high school, secondary school, academy, preparatory school, or otherwise) which in the judgment of the State Superintendent of Education provides a course of instruction at the secondary level and maintains standards of instruction substantially the equivalent of those public high schools located in this State.* (Section 10 of the Higher Education Student Assistance Act [110 ILCS 947/10])

"Armed Forces" – The United States Army, Air Force, Navy, Marines and Coast Guard.

"Blanket Certificate of Loan Guaranty" – A process that permits an eligible lender to make loans without receiving prior approval from ISAC for individual loans to eligible borrowers enrolled in eligible programs at eligible institutions, as authorized by section 428(n) of the HEA.

"Chargeback" – Payment of tuition by the community college district of a student's residence to the community college district of a student's attendance. (See 110 ILCS 805/6-2.)

"Citizen" – One who, under the Constitution and laws of the United States, is a native-born or naturalized citizen of the United States of America.

"College Savings Bond" – A State of Illinois general obligation, zero coupon bond, issued pursuant to the Baccalaureate Savings Act [110 ILCS 920] as a long-term education savings instrument.

"Co-maker" – One of the 2 individuals who are joint borrowers either on a Federal PLUS Loan (parent borrowers) that was certified prior to January 1, 1995 or on any Federal Consolidation loan (married borrowers) and who are equally liable for repayment of the loan. (See 34 CFR 682.200.)

"Commission" – The 10 member Illinois Student Assistance Commission created by Section 15 of the Higher Education Student Assistance Act [110 ILCS 947].

"Compound Accreted Value" – An amount equal to the original amount plus an investment return accrued to the date of determination at a semiannual

ILLINOIS REGISTER

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

compounding rate that is necessary to produce the yield at maturity indicated on the Official Statement that was issued when the college savings bonds were sold. The "Compound Accreted Value at Maturity" will be equal to \$5000 or an integral multiple thereof.

"Concurrent Registration" – The simultaneous enrollment at 2 or more higher education institutions.

"Consolidation" – A federal program under which a borrower may receive a single new loan that refinances one or more outstanding qualified education loans under new terms and conditions, as authorized by section 428C of the HEA.

"Consortium Agreement" – The written agreement between two or more ISAC-eligible institutions whereby the host institution provides part of the education program of students enrolled at the home institution, as codified in Section 2700.80.

"Consumer – *Any person who purchases or contracts for the purchase of educational planning services.* [815 ILCS 616/15]

"Contractual Agreement" – The written agreement between an eligible institution and a school or organization that is not eligible for participation in ISAC-administered programs whereby the non-eligible institution serving as the host institution provides part of the education program of students enrolled at the ISAC-eligible home institution, as codified in Section 2700.80.

"Correctional Officer" – An employee of the Illinois Department of Corrections (DOC) who is assigned to a security position with the Department, and who has responsibility for inmates of any correctional institution under the jurisdiction of the Department.

"Correspondence Course" – A home study course provided by an institution under which the institution provides instructional materials, including examinations on the materials, to students who are not physically attending classes at the institution, as defined at 34 CFR 600.2.

"Co-signer" – A person who is secondarily liable for the repayment of an Alternative Loan.

"Cost of Attendance" – For the purposes of ISAC's rules, this term is defined at section 472 of the HEA (20 U.S.C. 1087*ll*).

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

"Cumulative Grade Point Average" – The average grade earned throughout a student's applicable secondary or postsecondary educational program. The calculation shall be consistent with the institution's established policy or practice and shall be the same as that completed for admission, placement or other similar purposes.

"Default Status" – The failure of a borrower or endorser (if any) to make an installment payment when due or to meet other terms of the promissory note as defined at 34 CFR 682.200.

"Delinquency" – For the purposes of ISAC's rules, this term is defined at 34 CFR 682.411(b).

"Dependent Student" – A scholarship, loan, tuition waiver or grant applicant or recipient who is not classified as an independent student.

"Disbursement" – In relation to scholarship and grant programs, a disbursement occurs on the payment voucher date. In relation to the Federal Family Education Loan Program, disbursement is the process of transferring loan proceeds as defined at 34 CFR 682.200.

"Displaced Energy Worker" – *An energy worker who has lost employment due to the reduced operation or closure of a fossil fuel power plant or coal mine.* [20 ILCS 735-10/30]

"Distance Education" – A type of education fitting the definition found at 34 CFR 600.2 that uses one or more technologies to deliver instruction to students who are separated from the instructor(s) and that provides substantive interaction~~learning and teaching mode characterized by the separation of place or time between the instructor and students and the instructor(s), which includes programs and courses offered by correspondence and telecommunications.~~

"ED" – The acronym for the United States Department of Education.

"Educational Institution" – Unless otherwise qualified, any secondary or postsecondary educational organization that enrolls students who participate in ISAC programs.

"Educational Lender" – An institution that meets the lender eligibility criteria

ILLINOIS REGISTER

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

outlined in 23 Ill. Adm. Code 2720.25 for FFELP Loans and 2721.40 for alternative loans.

“Educational Planning Service Provider” – *Any person or entity engaging in or holding itself out as engaging in the business of providing educational planning services in exchange for any fee or compensation or any person who solicits or acts on behalf of any person or entity engaging in or holding itself out as engaging in the business of providing educational planning services in exchange for any fee or compensation. “Educational Planning Service Provider” does not include any of the following:*

A not-for-profit or public institution of higher learning, as defined in the Higher Education Student Assistance Act, and the individuals employed by that institution where educational planning services are provided as part of the financial aid or career counseling services offered by the institution,

Public entities and their officers while acting in their official capacities, or

Persons acting on behalf of a consumer under court order or as a legal representative. [815 ILCS 616/15]

“Educational Planning Services” – *College and career preparatory planning services, including, but not limited to, advice regarding and assistance with college and career searches; college application preparation or submission; financial aid application planning, preparation, or submission; and scholarship searches and applications. [815 ILCS 616/15]*

"EFT" – The acronym for electronic funds transfer.

"Eligible Noncitizen" – A noncitizen who is eligible for federal student assistance pursuant to section 484 of the HEA (20 U.S.C. 1091); or a noncitizen or person who is not a permanent resident of the United States, who does not meet the eligibility criteria for federal student assistance pursuant to section 484 of the HEA but who meets all of the following criteria:

the individual resided with a parent or guardian while attending a public or private high school in this State;

the individual graduated from a public or private high school or received the equivalent of a high school diploma in this State;

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

the individual attended school in this State for at least 3 years as of the date the individual graduated from high school or received the equivalent of a high school diploma in this State;

the individual provides an affidavit stating that the individual will file an application to become a permanent resident of the United States at the earliest opportunity the individual is eligible to do so; and

the individual has not established a residence outside of this State.

"Endorser" – A person fitting the definitions found at 34 CFR 682.200 or 34 CFR 685.102(b) who is secondarily liable for the repayment of a federal student loan.

"Enrolled" – The status of a student who has completed the institution's registration requirements and is attending classes.

"Executive Director" – The chief executive officer of ISAC.

"Expected Family Contribution" – The amount the student and the student's family may be reasonably expected to contribute toward the student's postsecondary education. Expected Family Contribution as defined at section 474 of the HEA (20 U.S.C. 1087nn) is used to determine a student's eligibility for need based programs administered by ISAC.

"FAFSA" – The acronym for the Free Application for Federal Student Aid.

"FAFSA Receipt Date" – The date reported by ED's processor as the date upon which it receives an applicant's initial FAFSA for an academic year. For paper FAFSA's sent through the U.S. Postal Service, this is the date of physical receipt at the processor, not the postmark date.

"Federal Regulations" – Refers to regulations promulgated by ED and codified at 34 CFR 600.

"FFELP" – The acronym for the Federal Family Education Loan Program, as authorized by section 421 of the HEA, including subsidized and unsubsidized Federal Stafford Loans, Federal PLUS Loans, Federal SLS Loans and Federal Consolidation Loans.

ILLINOIS REGISTER

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

"Fire Officer" – For the purposes of ISAC's rules, this term means a firefighter who is employed by, or in the voluntary service of, this State or any public entity in this State.

"Foreign Missionary" – An individual who is assigned duty outside of the United States by an organization that engages in educational, philanthropic, humanitarian or altruistic works. The missionary organization must be exempt from the payment of federal taxes and must have been engaged in placing foreign missionaries for at least 5 years. Examples of such missionary organizations include, but are not limited to, the following: Peace Corps, Evangelical Alliance Mission, etc.

"Full-time Student" – In relation to scholarship and grant programs, an individual enrolled for 12 or more credit hours, for either a semester or quarter term. In relation to the Federal Family Educational Loan Program, full-time student is defined at 34 CFR 668.2(b).

"Gift Assistance" – Student assistance funds in the form of a scholarship, grant or tuition waiver, including, but not limited to, federal, State, institutional and private aid.

"Golden Apple Scholars of Illinois" – A private, not-for-profit program under the auspices of the Golden Apple Foundation that recruits, prepares and provides financial assistance to high school graduates to pursue postsecondary education for careers as teachers for particular Illinois schools.

"Good Moral Character" – An applicant is of good moral character if the applicant will benefit from postsecondary instruction and is allowed to enroll at an approved postsecondary institution.

"Graduating Class" – The students who will complete the high school's program of instruction and graduate within an academic year.

"Guaranteed Loan" – Loan assistance through the Federal Family Education Loan Program (FFELP) that includes the subsidized and unsubsidized Federal Stafford Loan, the Federal PLUS Loan, the Federal Supplemental Loans for Students (SLS), and the Federal Consolidation Loan programs.

"Half-time Student" – In relation to scholarship and grant programs, an individual enrolled for 6 or more credit hours (but fewer than 12 credit hours) for either a

ILLINOIS REGISTER

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

semester or quarter term. In relation to the Federal Family Education Loan Program, half-time student is defined at 34 CFR 668.2(b).

"HEA" – The acronym for the Higher Education Act of 1965, as amended (20 U.S.C. 1070).

~~"High School Equivalency Certificate" – A certificate received after successfully completing a high school equivalency examination as defined in Section 3-15.12 of the School Code [105 ILCS 5].~~

"Holder" – An organization authorized by ED and ISAC to purchase or retain possession of guaranteed loans. These organizations operate as commercial and educational lenders or secondary markets and may purchase ISAC-guaranteed loans from approved lenders.

"Home Institution" – The institution of higher learning where the student is enrolled in a degree or certificate program and is the institution of record in a consortium or contractual agreement.

"Host Institution" – The institution where part of a student's program requirements is being taken through either a consortium or contractual agreement with a home institution.

"IBHE" – The acronym for the Illinois Board of Higher Education, the administrative agency created by the Board of Higher Education Act [110 ILCS 947/205].

"IDAPP" – The acronym for ISAC's Illinois Designated Account Purchase Program as authorized by the Education Loan Purchase Program Law [110 ILCS 947/125 through 170].

"Independent Student" – For the purposes of ISAC's rules, this term is defined at 34 CFR 668.2(b).

"Institution" – Unless otherwise qualified, any secondary or postsecondary educational organization that enrolls students who participate in ISAC programs.

"Institution of Higher Learning" – An educational organization whose main campus is physically located in Illinois that provides:

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

at least a 2-year program of collegiate study in liberal arts or sciences directly applicable toward the attainment of a baccalaureate degree;

an associate degree directly applicable toward the attainment of a baccalaureate degree;

a program that is directly applicable toward the attainment of a certificate or other credential; or

a program in health education directly applicable toward the attainment of a certificate, diploma, or an associate degree; and

is operated:

by the State; or

publicly or privately, not for profit; or

for profit, provided it:

offers degree programs that have been approved by the IBHE for a minimum of 3 years under the Academic Degree Act [110 ILCS 1010];

enrolls a majority of its students in these degree programs; and

maintains accredited status with the Higher Learning Commission of the North Central Association of Colleges and Schools.

For otherwise eligible educational organizations that provide academic programs for incarcerated students, the term "institution of higher learning" shall specifically exclude academic programs for incarcerated students (Section 10 of the Higher Education Student Assistance Act). For eligible institutions with campuses in multiple states, the term "institution of higher learning" shall include only those campuses located in Illinois.

"Institution of Record" – The postsecondary institution at which a student is enrolled and seeking a degree or certificate. This institution assumes primary

ILLINOIS REGISTER

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

responsibility for certification of eligibility for ISAC-administered programs and for requesting payment from ISAC.

"ISAC" – The acronym for the Illinois Student Assistance Commission, the administrative agency created by Section 15 of the Higher Education Student Assistance Act [110 ILCS 947] to administer student assistance programs.

"ISBE" – The acronym for the Illinois State Board of Education, the administrative agency created by the School Code [105 ILCS 5].

"Lender" – An organization authorized by ISAC to make educational loans to students.

"Mandatory Fees" – The charges assessed by an institution that are required to deliver educational services to students for each term, regardless if a student is attending either on campus or through distance education. Application, graduation, laboratory, breakage, and add/drop fees, as well as program administrative fees for out-of-state or foreign study are specifically excluded. For the purposes of ISAC's rules, tuition is not a mandatory fee.

"MAP" – The acronym for the Monetary Award Program administered by ISAC, as authorized by Section 35 of the Higher Education Student Assistance Act and codified at 23 Ill. Adm. Code 2735.

"Master Check" – A single check representing the loan proceeds for more than one borrower.

"Minority Student" – *A student who is either Black (a person having origins in any of the black racial groups in Africa); Hispanic (a person of Spanish or Portuguese culture with origins in Mexico, South or Central America, or the Caribbean Islands, regardless of race); Asian American (a person with origins in any of the original peoples of the Far East, Southeast Asia, the Indian subcontinent, including Pakistan, and the Pacific Islands, including, among others, Hawaii, Melanesia, Micronesia and Polynesia); or Native American (a person who is a member of a federally or state recognized Indian tribe, or whose parents or grandparents have such membership) and to include the native people of Alaska (Section 50(a) of the Higher Education Student Assistance Act).*

"Occupational or Career and Technical Certificate" – A credit award for satisfactory completion of a prescribed curriculum intended to prepare an

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

individual for employment in a specific field.

"Parent" – For the purposes of ISAC's rules, this term is defined at 34 CFR 668.2(b).

"Pell Grant" – A federal gift assistance program administered by ED in accordance with section 401 of the HEA (20 U.S.C. 1070a).

"PLUS" – The federal program that provides loans to graduate students or parents of certain undergraduate students, as authorized by section 428B of the HEA (20 U.S.C. 1078-2) and Sections 80 through 175 of the Higher Education Student Assistance Act [110 ILCS 947].

"Police Officer" – For the purposes of ISAC's rules, this term means a law enforcement officer who is employed by, or in the voluntary service of, this State or any public entity in this State.

"Qualified Applicant" – An individual who meets the eligibility requirements of the gift assistance program for which the applicant is applying.

“Qualified Bilingual Minority Applicant” – *A qualified student who demonstrates proficiency in a language other than English by*

receiving a State Seal of Biliteracy from the State Board of Education or

receiving a passing score on an educator licensure target language proficiency test (Section 50(a) of the Higher Education Student Assistance Act).

"Regular School Year" – An 8 to 9 month period of time that includes 2 semester terms or 3 quarter terms. The regular school year excludes summer terms. Terms that begin after April 15 and end before September 16 are considered summer terms.

"Remedial Courses" – The course work that prepares a student for study at the postsecondary level and is necessary for the student to pursue the eligible postsecondary program.

"Resident of Illinois" –

A dependent student is a resident of Illinois if the parent of the dependent-

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

applicant, who is required by the instructions to complete the FAFSA or the Alternative Application for Illinois Financial Aid, physically resides within the State of Illinois, and Illinois is the parent's true, fixed and permanent home.

An independent student is a resident of Illinois if the applicant physically resides within the State of Illinois (at the time of application), and has so resided for a period of 12 continuous, full months immediately prior to the start of the academic year for which assistance is requested and Illinois is their true, fixed and permanent home.

When an applicant does not qualify as a resident of Illinois under the preceding 2 paragraphs and the applicant is a member of the U.S. Armed Forces or a foreign missionary, or is the dependent or the spouse of an individual who is a member of the U.S. Armed Forces or a foreign missionary, then the applicant's residency shall be determined in accordance with the following:

An applicant who is a member of the U.S. Armed Forces will be a resident of Illinois if the applicant physically resided in Illinois immediately prior to entering the U.S. Armed Forces, returned (or plans to return) to Illinois within 6 months after and including the date of separation and can demonstrate (pursuant to Section 2700.50(f) and (g)) that the applicant's domicile was the State of Illinois throughout such enlistment.

An applicant who is a foreign missionary will be a resident of Illinois if the applicant physically resided in Illinois for 6 continuous months immediately prior to entering missionary service, returned (or plans to return) to Illinois within 6 months after the conclusion of missionary service, and can demonstrate (pursuant to Section 2700.50(f) and (g)) that the applicant's domicile was the State of Illinois throughout the missionary service.

The dependent-applicant shall be a resident of Illinois notwithstanding the parents' temporary physical absence from Illinois provided the parents would be a resident of Illinois under the preceding 2 paragraphs.

The spouse-applicant shall be a resident of Illinois immediately upon physically occupying a dwelling within the State of Illinois

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

provided it can be demonstrated that the applicant's absence from the State was the result of residing with the spouse during enlistment or missionary service outside of Illinois and that the spouse-applicant's domicile continues to be the State of Illinois.

"Rules" – The rules of ISAC codified at 23 Ill. Adm. Code: Subtitle A, Chapter XIX.

"Satisfactory Academic Progress" – An institutional policy that establishes minimum standards of academic performance. For purposes of ISAC-administered programs, the standards must be at least as stringent as those required by ED pursuant to section 484 of the HEA (20 U.S.C. 1091).

"Service Academy" – *The U.S. Air Force Academy, the U.S. Coast Guard Academy, the U.S. Military Academy or the U.S. Naval Academy* (Section 30(a) of the Higher Education Student Assistance Act).

"SLS" – The acronym for the federal Supplemental Loans for Students Program, as authorized by section 428A of the HEA (20 U.S.C. 1078-1). No SLS loans have been made for periods of enrollment beginning on or after July 1, 1994.

"Special Education" – A postsecondary educational program designed to teach persons how to meet the needs of all children designated as physically disabled, with specific learning disabilities, or requiring extraordinary special education services and facilities. (See 105 ILCS 5/14-1.02 and 7.20a.) These programs prepare persons for meeting the needs of children who exhibit disabilities or exceptional characteristics ranging from very mild to very severe. (See 23 Ill. Adm. Code 226, Special Education.) Such a program prepares a student to teach children with disabilities or children with learning disabilities. (See 105 ILCS 5/14-1.02 and 1.03a.)

"Stafford" – The federal subsidized and unsubsidized loan programs as authorized by sections 427, 428 and 428H of the HEA (20 U.S.C. 1078).

"Student Beneficiary" – An individual designated as the recipient of a College Savings Bond Bonus Incentive Grant.

"State of Illinois High School Diploma" – A diploma received after successfully completing a high school equivalency examination as defined in Section 3-15.12 of

ILLINOIS REGISTER

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

the School Code [105 ILCS 5].

"Teacher Education Program" – An undergraduate postsecondary course of study that, upon completion, qualifies a student to be certified as a pre-school, elementary or secondary teacher by a state board of education or its equivalent (including the Illinois State Board of Education). For a student who has completed less than 4 semesters/6 quarters of postsecondary study, this includes a postsecondary course of study that leads to a teacher education program.

"Teacher Shortage Discipline" – An academic discipline in which a shortage of teachers exists in Illinois, as designated by the Illinois State Board of Education.

~~"Telecommunications Course" – A course offered principally through the use of television, audio, or computer transmission, including open broadcast, closed circuit, cable microwave, satellite, audio conferencing, computer conferencing, and video cassettes or disks, as defined at 34 CFR 600.2.~~

"Term" – A unit of time for student attendance, including, but not limited to, a quarter or semester.

"Tuition" – The charge for instruction assessed by an institution.

"Verification" – Procedures implemented by postsecondary institutions to verify the eligibility of applicants. The procedures are established by subpart E of 34 CFR 668 and by ISAC's rules.

(Source: Amended at 47 Ill. Reg. _____, effective _____)

Section 2700.30 General Institutional Eligibility Requirements

- a) ISAC Program Participation Agreement
 - 1) All institutions shall execute an ISAC Program Participation Agreement in order to participate in ISAC gift assistance programs.
 - 2) The ISAC Program Participation Agreement shall identify the ISAC programs under which the institution's students may receive benefits.
 - 3) The ISAC Program Participation Agreement shall include provisions requiring institutions to comply with statutes, federal regulations and State

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

rules.

- 4) The ISAC Program Participation Agreement may be modified or terminated in accordance with 23 Ill. Adm. Code 2790, Limitation, Suspension or Termination Proceedings.
- b) With respect to ISAC student assistance programs, institutions shall develop and maintain procedures to verify the consistency and accuracy of information received from their enrolled recipients.
- c) Institutions shall be subject to possible limitation, suspension or termination of eligibility for failure to comply with statutes, regulations, rules or procedures and for failure to maintain the standards required by this Section for initial participation. (See 23 Ill. Adm. Code 2790.)
- d) Postsecondary institutions that participate in gift assistance programs shall annually submit to ISAC a copy of their tuition refund policy. The submissions shall not be considered ISAC approval of the policies.
- e) Postsecondary institutions that participate in MAP are required to have in place or establish a program, determined by the institution, that is intended to improve MAP recipients' success, retention and completion in higher education at that institution. Institutions shall annually submit to ISAC retention, completion and graduation rate data as well as advising and support program information. This information is intended to enhance ISAC's ability to evaluate and improve MAP effectiveness.
- f) Postsecondary institutions that participate in gift assistance programs shall annually report their tuition and fee charges, as well as initial MAP advance payment requests, to ISAC on or before June 1 preceding each academic year.
 - 1) Failure to report any cost changes by the deadline will cause the prior year's charges to be used as part of the calculation process for gift assistance benefits. Failure to report the assessment of a fee charge by the deadline will result in that fee charge being ineligible for payment under ISAC gift assistance programs.
 - 2) The report shall match specific fee charges with the gift assistance programs that may finance the fee. These categorizations by the institution shall not be considered ISAC approval.

ILLINOIS REGISTER

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

- 3) The Illinois National Guard Grant and the Illinois Veteran Grant (IVG) Programs may finance only a portion of certain fee charges. (See 23 Ill. Adm. Code 2730.30(a) and 2733.30(e).)
- A) Example: One fee finances both tuition and text book expenses. Only the portion of the fee that is attributable to tuition expenses may be financed with program benefits.
- B) Institutions with such a fee shall certify what percentage of the fee is eligible to be financed with program benefits. Certification shall be performed by the institution's chief fiscal officer.
- g) Institutions shall submit additional reports, data and information to ISAC as may be requested. These inquiries include, but are not limited to, surveys, enrollment confirmations and evaluation instruments.

~~h) Annually Provided Information~~

- ~~1) Public universities or community colleges that enroll students who are eligible to receive financial aid, and that receive education loan information for a student enrolled in that institution, are required to annually (on a date determined by the institution) provide to the student or parent or guardian (whichever may be appropriate based on adherence to applicable privacy laws) the following information:~~
- ~~A) an estimate of the total amount of education loans taken out by the student or parent or guardian;~~
- ~~B) an estimate of the potential payoff amount of the incurred education loans or a range of the total payoff amount, and monthly repayment amounts that a similarly situated borrower may incur for the amount of loans the student or the parent or the guardian has taken out at the time the information is provided, including principal and interest amounts;~~
- ~~C) the percentage of the borrowing limit the student or parent or guardian has reached at the time the information is provided; and~~
- ~~D) any financial resources available to the student or the parent or guardian.~~

ILLINOIS REGISTER

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

~~2) The information provided under this subsection (h) may include a statement that the estimates and ranges are general in nature and are not meant as a guarantee or promise of the actual projected amount.~~

~~3) In this subsection (h) education loan means any State or federal education loan or other loan that is used primarily to finance a postsecondary education and cost of attendance at a public university or community college. [110 ILCS 947/83]~~

~~h)~~ Additional institutional eligibility requirements are contained in subsequent Parts of ISAC's rules.

~~ij)~~ Postsecondary institutions may apply to participate in ISAC-guaranteed loan programs in accordance with 23 Ill. Adm. Code 2720.

~~jk)~~ Postsecondary institutions may apply to participate in ISAC gift assistance programs in accordance with this subsection (~~jk~~).

1) The Commission approves participation in ISAC gift assistance programs for an institution rather than for specific academic programs within an institution.

2) Prior to applying for participation in ISAC gift assistance programs, the institutional applicant must have authority to operate a postsecondary institution in Illinois. (See 23 Ill. Adm. Code 1030.)

3) Institutional applicants that are fully accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools and have degree-granting authority may be approved to participate in ISAC gift assistance programs provided the institution meets and maintains the requirements of subsections (~~jk~~)(4)(C) and (D).

4) Public or private not for profit institutional applicants that do not meet the requirements of subsection (~~jk~~)(3) may be approved to participate in ISAC gift assistance programs if the institution has:

A) obtained candidate status for the Higher Learning Commission of the North Central Association of Colleges and Schools accreditation.

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

- B) applied for and is seeking degree-granting authority.
 - C) obtained at least 3 letters indicating the transferability of academic credit from the applicant institution to other institutions. The letters must be from institutions that are approved to participate in the Monetary Award Program (MAP) and are accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools.
 - D) an adequate number of qualified persons to administer their responsibilities under ISAC's rules for gift assistance programs. In determining whether an institution employs an adequate number of qualified persons, the Commission considers the number of students aided, the number of programs in which the institution participates, the number of applications evaluated, the amount of funds administered, and the financial aid delivery system used by the institution.
- 5) Institutional applicants must also supply ISAC with audited financial statements, prepared by an independent third party in accordance with generally accepted accounting principles, to establish financial responsibility. (See, e.g., 34 CFR 668.15.)
- 6) Once approved to participate in ISAC gift assistance programs by the Commission, an institution shall receive provisional eligibility for a minimum of 5 academic years. An institution with provisional eligibility must petition the Commission for full eligibility. Full eligibility will be granted if the institution meets the requirements of subsection (j~~k~~)(3) and if there are no outstanding audit exceptions.
- k~~l~~) As a condition of eligibility for participation in ISAC student assistance programs, postsecondary institutions shall have a valid Program Participation Agreement with ED (see section 487 of the HEA (20 USC 1094)) and shall report their Office of Postsecondary Education Identification (OPE-ID) number to ISAC.
- l~~m~~) In order to begin and to continue participation in ISAC-administered student assistance programs, institutions must also demonstrate administrative capability and financial responsibility, as defined by federal regulations, (See, e.g., 34 CFR 668.15 and 668.16.) An institution's failure to meet and maintain those standards

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

can lead to limitation, suspension or termination proceedings. (See 23 Ill. Adm. Code 2790.)

- | mh) Institutions that have been assigned multiple main OPE-ID numbers will be considered separate entities by ISAC. Different campus codes associated with the same main OPE-ID number will not be considered separate entities.

- | ne) An institution shall notify ISAC of its Federal Employer Identification Number (FEIN) in order to receive payment pursuant to any ISAC-administered program.

- | op) When an approved institution has a change of ownership resulting in a change of control, a change of location, or a change of name as defined by federal regulations, the institution's Program Participation Agreement with ED may be terminated. After an institution has undergone a change of status affecting its participation in any Title IV federal student financial aid programs, the institution may have its eligibility with ISAC reinstated by the execution of a new Program Participation Agreement with ED (see, e.g., 34 CFR 600.31 et seq.) and by the submission and Commission approval of a new application for participation with ISAC.

- | pe) In any program in which ISAC is required by law to participate with approved high schools and/or institutions of higher learning or educational agencies to create awareness of programs offered by any of the foregoing institutions or the State (such as the Public University Uniform Admission Pilot Program Act [110 ILCS 118]), ISAC and the institution will coordinate. Measures that may be taken by the institution may include, but are not limited to, the following:
 - 1) providing ISAC an institutional contact to serve as the liaison with ISAC to coordinate outreach efforts;
 - 2) timely providing ISAC with the necessary program information or materials for timely communications to the applicable Illinois residents; and
 - 3) developing an outreach plan prior to deployment and then reviewing the efficacy of the plan periodically thereafter to ensure that:
 - A) ISAC and the institution's outreach efforts are appropriately distributed regionally and demographically; and
 - B) outreach materials and programs are up-to-date and appropriate.

ILLINOIS REGISTER

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

(Source: Amended at 47 Ill. Reg. _____, effective _____)

Section 2700.40 General Applicant Eligibility Requirements

- a) Except as otherwise provided by this subsection, an applicant with a defaulted loan made pursuant to Title IV of the Higher Education Act is not eligible for benefits under ISAC-administered programs.
 - 1) Eligibility for federally-guaranteed loans may be reinstated in accordance with federal regulations and the following provisions:
 - A) Eligibility for federally-guaranteed loans will be reinstated when:
 - i) the debt has been paid in full;
 - ii) the borrower has made a "satisfactory repayment arrangement," in accordance with 34 CFR 682.200;
 - iii) the borrower's prior defaulted loan has been rehabilitated, in accordance with 34 CFR 682.405; or
 - iv) the borrower has made payments on a defaulted loan to consolidate that loan in accordance with 34 CFR 682.201.
 - B) Borrowers are eligible to use subsections (a)(1)(A)(ii) and (iii) only one time.
 - C) Eligibility for ISAC-administered gift assistance will be reinstated for current and future terms when the applicant has maintained a satisfactory repayment record for at least 6 consecutive months or has met the requirements of subsection (a)(1)(A). Factors to be considered by ISAC in evaluating the repayment record include: the amount of the debt, the amount of the payments received by ISAC, the employment status of the applicant, and the frequency of the applicant's contact with ISAC.
 - 2) A qualified applicant for Illinois Veteran Grant (IVG) assistance (23 Ill. Adm. Code 2733) shall be permitted one term of assistance during which a satisfactory repayment record, as defined by subsection (a)(1)(C), must be established. If such a repayment record is not established, additional

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

assistance shall be denied until a satisfactory repayment record is established.

- b) No applicant shall receive ISAC-administered assistance if the applicant owes a refund for any ISAC-administered gift assistance, a Federal Pell Grant, or a Federal Supplemental Educational Opportunity Grant (FSEOG) (20 USC 1070(b)).
- c) An applicant shall, upon request, provide documentation to establish and verify eligibility. (See Section 2700.50.) Failure to supply adequate documentation will result in the denial of student assistance benefits.
- d) An applicant who has received financial assistance based on fraudulent data shall be denied ISAC-administered assistance until full restitution has been made to ISAC for any fraudulently-obtained funds, and may also be subject to prosecution by the Illinois Attorney General, United States Department of Justice and/or an Illinois State's Attorney.
- e) Applicants with a Social Security Number (SSN) must submit it at the time of applying.
- f) Recipients who cease to be residents of Illinois after notification of eligibility may complete the academic year with the assistance awarded.
- g) Unless otherwise provided, benefits under gift assistance programs are subject to the limits of dollars appropriated to ISAC by the Illinois General Assembly and approved by the Governor.
- h) When gift assistance eligibility is limited to a specified number of term payments, the eligibility cap is calculated in accordance with this subsection.
 - 1) For each semester term of full-time payment benefits, the recipient is assessed 6 eligibility units. For each quarter term of full-time payment benefits, the recipient is assessed 4 eligibility units.
 - 2) For each semester term of half-time payment benefits, the recipient is assessed 3 eligibility units. For each quarter term of half-time payment benefits, the recipient is assessed 2 eligibility units.
 - 3) For each semester or quarter term of less than half-time payment benefits, the recipient is assessed one eligibility unit.

ILLINOIS REGISTER

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

- 4) Sixty eligibility units are the equivalent of payments for 10 semesters/15 quarters of full-time benefits.
- 5) Forty-eight eligibility units are the equivalent of payments for 8 semesters/12 quarters of full-time benefits.
- i) Except for grants pursuant to 23 Ill. Adm. Code 2730 (Illinois National Guard Grant Program) (ING Grant) and 23 Ill. Adm. Code 2733 (Illinois Veteran Grant Program) (IVG Grant), an applicant must be maintaining satisfactory academic progress in accordance with the institution's policy.
- j) Except for MAP, ING and IVG Grants, ISAC gift assistance benefits for courses utilizing distance education are limited to students enrolled in eligible degree or certificate programs that are defined as eligible to receive Title IV, HEA program funds. (See 34 CFR 668.38.)
- k) Except for ING and IVG Grants, students enrolled in academic programs while incarcerated are ineligible for ISAC gift assistance benefits.
- l) For the purpose of determining the timeliness of an individual's application, the postmark date of an application submitted electronically shall be the date on which ISAC receives that individual's submission of complete application data.

(Source: Amended at 47 Ill. Reg. _____, effective _____)

ILLINOIS REGISTER

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENT

- 1) Heading of the Part: Illinois National Guard (ING) Grant Program
- 2) Code Citation: 23 Ill. Adm. Code 2730
- 3) Section Number: 2730.20 Proposed Action:
Amendment
- 4) Statutory Authority: Implementing Section 45 and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/45 and 20(f)].
- 5) A Complete Description of the Subjects and Issues Involved: This Part is being revised to delete unnecessary term deadlines and to update applicants' notification responsibilities to be consistent with those under other programs.
- 6) Published studies or reports, and sources of underlying data, used to compose this rulemaking: None
- 7) Will this proposed rulemaking replace an emergency rule currently in effect? No
- 8) Does this rulemaking contain an automatic repeal date? No
- 9) Does this proposed rulemaking contain incorporations by reference? No
- 10) Are there any other proposed rulemakings pending on this Part? No
- 11) Statement of Statewide Policy Objectives: This rulemaking does not create or expand a state mandate as defined in Section 3(b) of the State Mandates Act [30 ILCS 805/3(b)] and does not necessitate a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.
- 12) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Persons who wish to comment on this proposed rulemaking may submit written comments no later than 45 days after the publication of this notice to:

ILLINOIS REGISTER

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENT

Jackie Eckley
Agency Rules Coordinator
Illinois Student Assistance Commission
500 West Monroe, 3rd Floor
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217-782-5161
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- 13) Initial Regulatory Flexibility Analysis:
- A) Types of small businesses, small municipalities and not for profit corporations affected: None
 - B) Reporting, bookkeeping or other procedures required for compliance: None
 - C) Types of professional skills necessary for compliance: None
- 14) Small Business Impact Analysis: None
- 15) Regulatory Agenda on which this rulemaking was summarized: January 2023

The full text of the Proposed Amendment begins on the next page:

ILLINOIS REGISTER

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENT

TITLE 23: EDUCATION AND CULTURAL RESOURCES

SUBTITLE A: EDUCATION

CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

PART 2730

ILLINOIS NATIONAL GUARD (ING) GRANT PROGRAM

Section

2730.10	Summary and Purpose
2730.20	Applicant Eligibility
2730.30	Program Procedures
2730.40	Institutional Procedures

AUTHORITY: Implementing Section 45 and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/45 and 20(f)].

SOURCE: Adopted at 3 Ill. Reg. 4, p. 38, effective January 26, 1979; rules repealed at 6 Ill. Reg. 8239, effective June 30, 1982; new rules adopted at 6 Ill. Reg. 8413, effective June 30, 1982; codified at 7 Ill. Reg. 10877; amended at 8 Ill. Reg. 17016, effective September 5, 1984; amended at 9 Ill. Reg. 20827, effective January 1, 1986; amended at 11 Ill. Reg. 3202, effective January 29, 1987; amended at 12 Ill. Reg. 11531, effective July 1, 1988; transferred from Chapter IX, 23 Ill. Adm. Code 1730 (State Scholarship Commission) to Chapter XIX, 23 Ill. Adm. Code 2730 (Illinois Student Assistance Commission) pursuant to P.A. 86-168, effective July 1, 1989, at 13 Ill. Reg. 17857; amended at 14 Ill. Reg. 10567, effective July 1, 1990; amended at 16 Ill. Reg. 11254, effective July 1, 1992; amended at 17 Ill. Reg. 10563, effective July 1, 1993; amended at 18 Ill. Reg. 10303, effective July 1, 1994; amended at 20 Ill. Reg. 9187, effective July 1, 1996; old Part repealed and new Part adopted at 21 Ill. Reg. 11119, effective July 18, 1997; amended at 22 Ill. Reg. 11100, effective July 1, 1998; amended at 24 Ill. Reg. 9148, effective July 1, 2000; amended at 25 Ill. Reg. 8406, effective July 1, 2001; amended at 26 Ill. Reg. 10013, effective July 1, 2002; amended at 27 Ill. Reg. 10338, effective July 1, 2003; amended at 29 Ill. Reg. 9904, effective July 1, 2005; amended at 30 Ill. Reg. 11623, effective July 1, 2006; amended at 32 Ill. Reg. 10305, effective July 1, 2008; amended at 36 Ill. Reg. 9408, effective July 1, 2012; amended at 37 Ill. Reg. 9504, effective July 1, 2013; emergency amendment at 37 Ill. Reg. 15439, effective September 3, 2013, for a maximum of 150 days; amended at 38 Ill. Reg. 2891, effective January 15, 2014; amended at 39 Ill. Reg. 8415, effective July 1, 2015; amended at 41 Ill. Reg. 8121, effective July 1, 2017; amended at 44 Ill. Reg. 11008, effective July 1, 2020; amended at 47 Ill. Reg. _____, effective _____.

ILLINOIS REGISTER

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENT

Section 2730.20 Applicant Eligibility

- a) Students must file an application annually indicating the institution to be attended. No payment will be authorized for any applicant until a current application is on file. ~~The deadline for applications will be October 1 for consideration for all terms, March 1 for consideration for second semester/second and third quarter and summer, and June 15 for consideration for the summer term only.~~
- 1) Qualified applicants will receive an eligibility letter from ISAC for each academic year following the filing of the application. Ineligible applicants will receive written notification from ISAC of their ineligibility to receive program benefits; and
 - 2) ISAC will verify application data in consultation with the Illinois Department of Military Affairs (DMAIL) when reviewing an application. Changes to a recipient's National Guard status must be reported to ISAC by DMAIL.
 - 3) To receive an Illinois National Guard Grant, a qualified applicant must notify the institution of the qualified applicant's eligibility no later than the last scheduled day of classes for the term for which a grant is requested.
- b) A qualified applicant must:
- 1) be in active status in the Illinois Army or Air National Guard and have served for at least one year in the Illinois National Guard; or
 - 2) have been active in the Illinois National Guard for at least five consecutive years and had studies interrupted by being called to federal active duty for at least six months, and be within the 12 month period immediately following discharge from the Illinois National Guard.
- c) Eligibility is not available to those persons who are members of the inactive Illinois National Guard.
- d) Recipients must maintain an acceptable grade point average as determined by the institution pursuant to a published policy.
- e) Changes of address, name, status with the Illinois National Guard or institution of attendance must be reported in writing to ISAC.

ILLINOIS REGISTER

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENT

(Source: Amended at 47 Ill. Reg. _____, effective _____)

ILLINOIS REGISTER

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

- 1) Heading of the Part: Minority Teachers of Illinois (MTI) Scholarship Program
- 2) Code Citation: 23 Ill. Adm. Code 2763
- 3)

<u>Section Numbers:</u>	<u>Proposed Actions:</u>
2763.20	Amendment
2763.30	Amendment
- 4) Statutory Authority: Implementing Section 50 and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/50 and 20(f)].
- 5) A Complete Description of the Subjects and Issues Involved: This Part is being revised to clarify eligibility requirements, update a term based on P.A. 102-1100, and to correct a reference in the program procedures.
- 6) Published studies or reports, and sources of underlying data, used to compose this rulemaking: None
- 7) Will this proposed rulemaking replace an emergency rule currently in effect? No
- 8) Does this rulemaking contain an automatic repeal date? No
- 9) Does this proposed rulemaking contain incorporations by reference? No
- 10) Are there any other proposed rulemakings pending on this Part? No
- 11) Statement of Statewide Policy Objectives: This rulemaking does not create or expand a state mandate as defined in Section 3(b) of the State Mandates Act [30 ILCS 805/3(b)] and does not necessitate a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.
- 12) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Persons who wish to comment on this proposed rulemaking may submit written comments no later than 45 days after the publication of this notice to:

ILLINOIS REGISTER

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

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- 13) Initial Regulatory Flexibility Analysis:
- A) Types of small businesses, small municipalities and not for profit corporations affected: None
 - B) Reporting, bookkeeping or other procedures required for compliance: None
 - C) Types of professional skills necessary for compliance: None
- 14) Small Business Impact Analysis: None
- 15) Regulatory Agenda on which this rulemaking was summarized: January 2023

The full text of the Proposed Amendments begins on the next page:

ILLINOIS REGISTER

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

TITLE 23: EDUCATION AND CULTURAL RESOURCES

SUBTITLE A: EDUCATION

CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

PART 2763

MINORITY TEACHERS OF ILLINOIS (MTI) SCHOLARSHIP PROGRAM

Section	
2763.10	Summary and Purpose
2763.20	Applicant Eligibility
2763.30	Program Procedures
2763.40	Institutional Procedures

AUTHORITY: Implementing Section 50 and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/50 and 20(f)].

SOURCE: Emergency rules adopted at 15 Ill. Reg. 15621, effective October 11, 1991, for a maximum of 150 days; emergency expired on March 9, 1992; adopted at 16 Ill. Reg. 7048, effective April 21, 1992; emergency amendments adopted at 16 Ill. Reg. 16326, effective September 28, 1992, for a maximum of 150 days; emergency expired on February 25, 1993; emergency amendment at 17 Ill. Reg. 175, effective January 1, 1993, for a maximum of 150 days; emergency expired on May 30, 1993; amended at 17 Ill. Reg. 10585, effective July 1, 1993; amended at 18 Ill. Reg. 10325, effective July 1, 1994; amended at 19 Ill. Reg. 8361, effective July 1, 1995; amended at 20 Ill. Reg. 9221, effective July 1, 1996; amended at 20 Ill. Reg. 9221, effective July 1, 1996; old Part repealed, new Part adopted at 21 Ill. Reg. 11174, effective July 18, 1997; amended at 22 Ill. Reg. 11141, effective July 1, 1998; amended at 24 Ill. Reg. 9181, effective July 1, 2000; amended at 27 Ill. Reg. 10385, effective July 1, 2003; amended at 28 Ill. Reg. 9155, effective July 1, 2004; amended at 29 Ill. Reg. 9934, effective July 1, 2005; amended at 30 Ill. Reg. 11678, effective July 1, 2006; amended at 37 Ill. Reg. 9544, effective July 1, 2013; amended at 39 Ill. Reg. 8454, effective July 1, 2015; amended at 42 Ill. Reg. 13641, effective July 1, 2018; amended at 43 Ill. Reg. 15044, effective January 1, 2020; amended at 45 Ill. Reg. 8480, effective July 1, 2021; amended at 45 Ill. Reg. 15332, effective January 1, 2022; amended at 47 Ill. Reg. _____, effective _____.

Section 2763.20 Applicant Eligibility

- a) A qualified applicant shall:
 - 1) be a minority student or a qualified bilingual minority applicant;
 - 2) be a resident of Illinois;

ILLINOIS REGISTER

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

- 3) be a citizen or eligible noncitizen of the United States;
 - 4) be a high school graduate or a State of Illinois High School Diploma~~high school equivalency certificate~~ recipient;
 - 5) be enrolled or accepted for enrollment on at least a half-time basis at an institution of higher learning and;
 - A) be enrolled or accepted for enrollment in a course of study which, upon completion, qualifies the student to be licensed as a preschool, elementary or secondary school teacher by the Illinois State Board of Education, including alternative teacher licensure; or
 - B) *if the applicant is already licensed to teach, be enrolled or accepted for enrollment in a course of study leading to an additional teaching endorsement or a master's degree in an academic field in which the applicant is teaching or plans to teach; or ~~has received one or more College and Career Pathway Endorsements (pursuant to Section 80 of the Postsecondary and Workforce Readiness Act) and commits to enrolling in a course of study leading to teacher licensure, including alternative teacher licensure. [110 ILCS 947/50]~~*
 - C) have received one or more College and Career Pathway Endorsements (pursuant to Section 80 of the Postsecondary and Workforce Readiness Act) and commit to enrolling in a course of study leading to teacher licensure, including alternative teacher licensure. [110 ILCS 947/50]
 - 6) if enrolled at the sophomore, junior, senior or graduate level, have earned a cumulative grade point average of 2.5 on a 4.0 scale; and
 - 7) be maintaining satisfactory academic progress as determined by the institution.
- b) In any academic year in which the qualified applicant accepts or receives financial assistance through the Paul Douglas Teacher Scholarship Program (23 Ill. Adm. Code 2762), Golden Apple Scholars of Illinois Program (23 Ill. Adm. Code 2764), the Special Education Teacher Tuition Waiver Program (23 Ill. Adm. Code 2765), or the Teach Illinois Scholarship Program (23 Ill. Adm. Code 2768), the qualified applicant shall not be eligible for scholarship assistance under this Part.

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

(Source: Amended at 47 Ill. Reg. _____, effective _____)

Section 2763.30 Program Procedures

- a) An application for an MTI scholarship must be submitted annually and an applicant must also complete the Free Application for Federal Student Aid® (FAFSA). An ISAC application for the MTI Scholarship Program and a FAFSA must be completed and received by March 31st immediately preceding the regular school year for which the scholarship is being requested, in order to receive priority consideration for an award.
 - 1) An application is available on ISAC's website.
 - 2) If the MTI application is incomplete, ISAC will notify the applicant. The applicant will then have an opportunity to furnish the missing information; however, the application will only be considered for processing as of the date when the application is complete and received by ISAC.

- b) When an appropriation for the MTI Scholarship Program for a given fiscal year is insufficient to provide scholarships to all qualified students, ISAC will allocate the available scholarship funds for that fiscal year to qualified students who submit a complete timely application, as specified in subsection~~subsecton~~_(a) based on the following order of priority:
 - 1) Funds will first be awarded to students who received the MTI scholarship in the prior academic year and who remain eligible for the MTI scholarship.
 - 2) If funds remain after the awarding of scholarships under subsection (b)(1), at least 35 percent of the funds appropriated for scholarships awarded under this Section in each fiscal year shall be reserved for male qualified applicants. *If ISAC does not receive enough applications from qualified male minorities on or before January 1 of each fiscal year to award 35% of the funds appropriated for these scholarships to qualified male minority applicants, then ISAC may award a portion of the reserved funds to qualified female minority applicants.*
 - 3) *When at least \$2,850,000, but less than \$4,200,000 is appropriated in a given fiscal year for MTI scholarships, then to the extent allowed by the amount of funding that remains, at least 10% of the funds appropriated shall*

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

be reserved for qualified bilingual minority applicants, with priority being given to qualified bilingual minority applicants who are enrolled in an educator preparation program with a concentration in bilingual, bicultural education.

- 4) *When at least \$4,200,000 is appropriated in a given fiscal year for MTI scholarships, then to the extent allowed by the amount of funding that remains, at least 30% of the funds appropriated shall be reserved for qualified bilingual minority applicants, with priority being given to qualified bilingual minority applicants who are enrolled in an educator preparation program with a concentration in bilingual, bicultural education. [110 ILCS 947/50]*
 - 5) To the extent allowed by the amount of funding that remains after awarding to those applicants in the priority categories in subsections (b)(1) through (4), ISAC may award the remaining funds to other qualified applicants.
- c) When an appropriation for the MTI scholarship in any given fiscal year is insufficient to provide scholarships to all qualified applicants within any of the categories in subsection (b), ISAC shall prioritize awards within that category in the following order:
- 1) to students that demonstrate the most financial need;
 - 2) to students with the earliest date of received completed applications; and
 - 3) to qualified applicants enrolled at or above the junior level.
- d) No recipient may receive more than 8 semesters/12 quarters of scholarship assistance under this program.
- e) Scholarship funds are applicable towards up to two semesters/three quarters of study within a regular school year.
- f) Qualified applicants may be required to furnish the postsecondary institution at which they are enrolled with a copy of their high school transcripts, any other documentation verifying high school graduation, or a copy of their State of Illinois High School Diploma ~~high school equivalency certificates~~.
- g) Prior to receiving scholarship assistance under this Part, the qualified applicant

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

must sign a Teaching Agreement/Promissory Note that is submitted to ISAC. The Teaching Agreement/Promissory Note shall include the following stipulations:

- 1) the recipient pledges to teach, on a full-time equivalent basis, for one year for each year of scholarship aid received, or for any portion of a year for which aid was received, under this Part;
 - 2) the recipient shall begin teaching within one year following the completion of the program for which the recipient received assistance under this Part, and shall teach on a continuous basis for the required period of time;
 - 3) the teaching requirement will be fulfilled at a nonprofit Illinois public, private or parochial preschool, elementary school or secondary school at which no less than 30 percent of the enrolled students are minority students, as certified by the Illinois State Board of Education (ISBE). If a recipient received an MTI scholarship as a qualified bilingual minority applicant, the recipient may instead fulfill the teaching obligation in a transitional bilingual education program (as defined by Article 14 C of the School Code) or in a school in which at least 20 English learner students in the same language classification are enrolled;
 - 4) if the teaching requirement is not fulfilled, the scholarship converts to a loan and the recipient must repay the entire amount of the scholarships prorated according to the fraction of the teaching obligation not completed, plus interest at a rate of interest equal to five percent and, if applicable, reasonable collection fees;
 - 5) the recipient agrees to provide ISAC with evidence of compliance with program requirements (e.g., responses to annual follow-up questionnaires, etc.); and
 - 6) the recipient promises to use the proceeds of the scholarship for educational expenses.
- h) A recipient of a scholarship awarded under this Part shall not be in violation of the agreement entered into pursuant to subsection (gh) during periods in which the recipient:
- 1) serves, for not more than three years, as a member of the United States Armed Forces;

ILLINOIS REGISTER

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

- 2) is enrolled on a full-time basis as a graduate student in a course of study related to the field of teaching at an institution of higher learning;
 - 3) is temporarily totally disabled, for not more than three years, as established by the sworn affidavit of a licensed physician;
 - 4) is actively seeking but unable to find full-time employment as a teacher at a school that satisfies the criteria set forth in subsection (h)(3) for one continuous period not to exceed two years, and is able to provide evidence of that fact;
 - 5) is taking additional courses, on at least a half-time basis, needed to obtain licensure as a teacher in Illinois; or
 - 6) is fulfilling teaching requirements associated with other programs administered by ISAC if the recipient cannot concurrently fulfill them in a period of time equal to the length of the teaching obligation.
- i) If a recipient is required to repay any portion of the scholarship, the repayment period shall be completed within 10 years after the scholarship converts to a loan. This 10 year period may be extended if the recipient:
- 1) serves, for not more than three years, as a member of the United States Armed Forces;
 - 2) is temporarily disabled, for not more than three years, as established by the sworn affidavit of a licensed physician;
 - 3) is seeking and unable to find full-time employment, for one continuous period not to exceed two years, and is able to provide evidence of that fact;
 - 4) withdraws from a course of study leading to licensure as a teacher but is enrolled full-time in another academic discipline; or
 - 5) is pursuing a graduate course of study and is enrolled on a full-time basis for one continuous period of time not to exceed three years.
- j) During the time a recipient qualifies for any of the extensions listed in subsection (i), the recipient shall not be required to make payments and interest shall not

ILLINOIS REGISTER

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

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- k) A recipient shall enter repayment status on the earliest of the following dates:
- 1) the first day of the first calendar month after the recipient has ceased to pursue a course of study leading to licensure as a teacher at the preschool, elementary or secondary level, but not before six months have elapsed after the cessation of at least half-time enrollment in such a course of study;
 - 2) the date the recipient informs ISAC that the recipient does not plan to fulfill the teaching obligation; or
 - 3) the day after the latest date upon which the recipient must have begun teaching after completing the postsecondary education for which the scholarship was awarded.
- l) A recipient shall not be required to repay the amount of the scholarships received if the recipient becomes permanently totally disabled as established by the sworn affidavit of a qualified physician (see, e.g., 34 CFR 682.402(c)), or if the recipient's representative provides ISAC with a death certificate or other evidence that the recipient has died.
- m) *If the MTI Program does not expend at least 90% of the appropriated amount in a given fiscal year for three consecutive years and ISAC does not receive enough applications by January 1 each year from the groups identified for reserved funds, then up to 3% of appropriated funds for the next three fiscal years shall be allocated to increase awareness of the program and for the recruitment of Black males. ISAC will make a recommendation to the General Assembly by January 1 of the following fiscal year regarding whether the amount allocated to increasing awareness and recruitment should continue beyond the three-year period. [110 ILCS 947/50]*

(Source: Amended at 47 Ill. Reg. _____, effective _____)