

## AGENDA ITEM 12.

### PROPOSED RULES AMENDMENT

**Submitted for:** Action

**Summary:** This item reports on the agency's proposed amendment for the Illinois Veteran Grant (IVG) Program. The text of the proposed amendment was published in the **Illinois Register** on September 17, 2004 and was presented to the Commission as an information item at its September 24, 2004 meeting. Initial publication of the proposed amendment triggered a 45-day public comment period that ended on October 31, 2004.

No letters of comment were received during the public comment period.

The amendment was also published as an emergency amendment. As provided for in the Administrative Procedure Act, rules adopted on an emergency basis remain in effect for only 150 days. Staff proposed the amendment concurrently through the regular rulemaking process in order to ensure that the Commission will have adequate time in which to be able to adopt a permanent amendment prior to the expiration of the emergency amendment.

The Joint Committee on Administrative Rules (JCAR) considered the emergency amendment at its October 12, 2004 meeting and voted "no objection" to the rulemaking. However, JCAR did issue a Statement of Recommendation in which it asked ISAC to amend the proposed rulemaking to more clearly set forth the applicant eligibility standards. A number of revisions have been made in response to discussions with JCAR staff, and the revised text of the proposed amendment is included in this item. JCAR also recommended that ISAC work with the General Assembly to update and clarify the underlying statute, and has begun work on this effort as well.

Following acceptance of the revised proposed amendment by the Commission, the Executive Director will direct staff to submit the amendment to JCAR, thus initiating the second 45-day review period. After the JCAR review, the amendment will be presented to the Commission for final approval and adoption.

**Action requested:** That the Commission approve the following resolution:

**"BE IT RESOLVED** that the Commission accepts the revised proposed amendment for the Illinois Veteran Grant (IVG) Program, as modified thus far during the rulemaking process."

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TITLE 23: EDUCATION AND CULTURAL RESOURCES

SUBTITLE A: EDUCATION

CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

PART 2733

ILLINOIS VETERAN GRANT (IVG) PROGRAM

Section

2733.10	Summary and Purpose
2733.20	Applicant Eligibility
2733.30	Program Procedures
2733.40	Institutional Procedures

**AUTHORITY:** Implementing Section 40 and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/40 and 20(f)].

**SOURCE:** Emergency rule adopted at 10 Ill. Reg. 14322, effective August 20, 1986 for a maximum of 150 days; emergency expired January 16, 1987; adopted at 11 Ill. Reg. 3207, effective January 29, 1987; amended at 12 Ill. Reg. 11536, effective July 1, 1988; transferred from Chapter IX, 23 Ill. Adm. Code 1733 (State Scholarship Commission) to Chapter XIX, 23 Ill. Adm. Code 2733 (Illinois Student Assistance Commission) pursuant to P.A. 86-168, effective July 1, 1989, at 13 Ill. Reg. 17858; amended at 14 Ill. Reg. 10571, effective July 1, 1990; emergency amendments at 15 Ill. Reg. 15613, effective October 11, 1991, for a maximum of 150 days; emergency expired March 9, 1992; emergency amendment at 15 Ill. Reg. 18778, effective January 1, 1992, for a maximum of 150 days; amended at 16 Ill. Reg. 6880, effective April 14, 1992; amended at 16 Ill. Reg. 11261, effective July 1, 1992; amended at 17 Ill. Reg. 10570, effective July 1, 1993; amended at 18 Ill. Reg. 10309, effective July 1, 1994; amended at 20 Ill. Reg. 9200, effective July 1, 1996; old Part repealed and new Part adopted at 21 Ill. Reg. 11139, effective July 18, 1997; amended at 22 Ill. Reg. 11114, effective July 1, 1998; amended at 23 Ill. Reg. 7575, effective July 1, 1999; amended at 24 Ill. Reg. 9166, effective July 1, 2000; amended at 25 Ill. Reg. 8418, effective July 1, 2001; amended at 26 Ill. Reg. 10020, effective July 1, 2002; amended at 27 Ill. Reg. 10342, effective July 1, 2003; emergency amendment at 28 Ill. Reg. 12932, effective September 15, 2004, for a maximum of 150 days; amended at 28 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_.

**Section 2733.10 Summary and Purpose**

- a) As described in this Part, eligible Illinois Veteran Grant (IVG) recipients are entitled to be exempt from paying tuition and certain fees at public postsecondary institutions. If appropriated Illinois Student Assistance Commission (ISAC) funds

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are insufficient to reimburse institutions for all eligible recipients, the obligation to pay is transferred to the institution.

- b) This Part establishes rules which govern the IVG Program. Additional rules and definitions are contained in General Provisions, 23 Ill. Adm. Code 2700.

(Source: Amended at 22 Ill. Reg. 11114, effective July 1, 1998)

**Section 2733.20 Applicant Eligibility**

- a) A qualified applicant shall be any member of the Armed Forces of the United States, a reserve component of the Armed Forces, or the Illinois National Guard who has served at least one year of federal active duty service and whose separation from such service has been characterized as honorable provided he/she:
  - 1) was a:
    - A) resident of Illinois at the time of entering federal active duty~~the~~ service or within 6 months prior to entering the service; or
    - B) student at an Illinois public university or community college at the time of entering federal active duty~~the~~ service; and
  - 2) established or plans to establish Illinois residency within 6 months after leaving federal active duty service~~separation from the Armed Forces~~, or if married to a person in continued military service:
    - A) applied for this grant within 6 months after and including the date that the spouse was stationed within Illinois; or
    - B) established Illinois residency within 6 months after and including the date that the spouse was separated (if the spouse was stationed outside Illinois).
- b) A qualified applicant~~recipient~~ must reside in Illinois unless he or she~~the recipient~~ is serving federal active duty~~a member of the Armed Forces~~ at the time of enrollment or is residing with a spouse in continued military service who is currently stationed outside of Illinois.

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- c) Any member of the Armed Forces of the United States, a reserve component of the Armed Forces, or the Illinois National Guard who has served at least one year of federal active duty service and who meets the Illinois residency requirements of subsections (a) and (b) is a qualified applicant if his/her ~~separation from such~~ service was characterized as honorable. If the applicant is still in service, the individual the Armed Forces, he/she must have completed his/her initial active duty commitment with service characterized as honorable. Upon discharge from the Armed Forces, the veteran shall be subject to verification of continued eligibility for assistance under this Part after each period of federal active duty service.
- d) A recipient must maintain an acceptable grade point average as determined by the institution pursuant to a published policy.
- e) An individual is not a qualified applicant unless the individual's ~~service~~separation from the Armed Forces of the United States was characterized as honorable for each period of federal active duty service.
- f) An individual is not a qualified applicant if the individual's federal active duty ~~service with the Armed Forces~~ was for less than one year unless:
- 1) the ~~applicant's~~veteran's separation from such service for medical reasons directly connected with such service was characterized as honorable; or
  - 2) the ~~applicant's~~veteran's separation prior to August 11, 1967 was characterized as honorable; or
  - 3) the ~~applicant's federal active duty~~veteran's separation from such service, which included service in a foreign country in a time of hostilities in that country, was characterized as honorable. As used in this Section, "time of hostilities in a foreign country" means any action by the Armed Forcesarmed forees of the United States that is recognized by the issuance of a Presidential proclamation or a Presidential executive order and in which the Armed Forcesarmed forees expeditionary medal or other campaign service medals are awarded according to Presidential executive order.

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- g) Members of the Reserve Officer Training Corps (ROTC) ~~and a state's National Guard~~ are not eligible for assistance under this Part.
- h) Applicants are not eligible if their only service has been attendance at a service academy.
- i) In order to establish eligibility for this grant, an individual shall submit to ISAC an application and documentation of all periods of service.
  - 1) An applicant should submit a copy of his or her Certificate of Release or Discharge From Active Duty (DD Form 214) or Discharge Certificate, which can be obtained from the National Personnel Records Center or the Illinois Department of Veterans' Affairs.
  - 2) If the applicant does not have a copy of the DD Form 214, he/she should submit documentation that provides the following information: date of entry, date of separation, character of service, total active service, home or place of entry into the service, and home or place of separation from the service. Such documentation must have been issued by the United States Department of Defense (DD) or the United States Department of Veterans Affairs.
  - 3) If the applicant is a member of the Armed Forces at the time of application, he/she shall submit a copy of the current Enlistment/Re-enlistment Document and a letter from the commanding officer. If the veteran is on an enlistment extension, copies of all extension contracts and a letter from the commanding officer must be provided with the application. The letter from the commanding officer must indicate that the applicant is a member of the Armed Forces at the time of application, must include the veteran's home of record at the time of original enlistment, and must state the veteran's length of time in service and the expiration date of the current enlistment.
  - 4) The definition of "Resident of Illinois" contained in 23 Ill. Adm. Code 2700.20 is applicable to the Illinois Veteran Grant Program although residency, for the purposes of this program, can be established in six months. If the applicant's DD Form 214 does not indicate Illinois residency when entering and/or separating from the Armed Forces, he/she may verify residency by providing one or more of the documents listed below:
    - A) Illinois driver's license issued during the relevant six month period;

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- B) Illinois high school or college transcripts demonstrating attendance during the relevant six month period;
- C) Utility bills/rent receipts in the applicant's name for the relevant six month period;
- D) Illinois motor vehicle registration issued during the relevant six month period;
- E) Residential lease in the applicant's name for the relevant six month period;
- F) Statement of benefits history from the Illinois Department of Public Aid for the relevant six month period;
- G) Statement of benefits from the Illinois Department of Employment Security for the relevant six month period;
- H) State of Illinois identification card issued during the relevant six month period; or
- I) Letter of employment verified by certification in accordance with Illinois law (see 735 ILCS 5/1-109) and printed on company letterhead.

(Source: Amended at 27 Ill. Reg. 10342, effective July 1, 2003)

**Section 2733.30 Program Procedures**

- a) An applicant must apply to ISAC for assistance under this Part. ISAC will issue a Notice of Eligibility to each qualified applicant.
- b) To receive an Illinois Veteran Grant, a qualified applicant must notify the institution of his or her eligibility within two months following the last scheduled day of classes for the term for which a grant is requested.
- c) Benefits are applicable to both undergraduate and graduate enrollment. There are no minimum credit hour enrollment requirements and benefits are applicable for

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noncredit courses.

- d) Benefits may be used to enroll at Illinois public universities and Illinois public community colleges.
- e) Fees exempted by the IVG:
  - 1) The recipient is exempt from paying most fees, including:
    - A) tuition and other instructional fees;
    - B) activity, air flight instructor and athletic fees;
    - C) matriculation, service and other registration-type fees;
    - D) off-campus and other extension course fees;
    - E) application fees;
    - F) graduation and transcript fees;
    - G) proficiency exam, College Level Exam Program (CLEP), placement exam and similar fees; and
    - H) health insurance fees.
  - 2) The recipient is responsible for payment of the following fees:
    - A) book rental fees;
    - B) laboratory and supply fees;
    - C) student union fees; and
    - D) fees for the operation, maintenance or rental of any building, facility or equipment.

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- f) Recipients attending out-of-district community colleges receive tuition and fee benefits equivalent to those at the in-district rate. Recipients shall not be responsible for paying the difference between in-district and out-of-district tuition.
- g) Benefits are limited to the equivalent of four academic years of full-time enrollment, which is measured in eligibility units. Recipients may accumulate up to 120 eligibility units.
  - 1) To determine the amount of eligibility a recipient has used, credit hours (and noncredit hours for which benefits are used) will be converted to eligibility units according to the following table:

Number of Hours	Semester Term	Quarter Term
12 or more hours	12 units	8 units
9 - 11.99 hours	9 units	6 units
6 - 8.99 hours	6 units	4 units
3 - 5.99 hours	3 units	2 units
up to 2.99 hours	1 unit	1 unit

- 2) Full program benefits may be extended for one additional term if the recipient has accumulated fewer than 120 eligibility units but does not have enough units remaining for the number of hours in which s/he is enrolled for the term.
- 3) In the event that a recipient withdraws from a course(s) prior to the end of a term, eligibility units will be assessed in proportion with the total dollars that are paid. If the recipient has had any portion of his/her tuition and fees paid, at least one eligibility unit will be charged to the recipient.

Example: A recipient is enrolled for twelve semester hours at a cost of \$600. The recipient withdraws from enrollment and incurs expenses of \$300 in accordance with the institution's tuition refund

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policy. The recipient would use six eligibility units and would receive \$300 in benefits.

- 4) The eligibility units used for a noncredit course shall be the same as the number of eligibility units used for a credit course having the same number of faculty contact hours.

(Source: Amended at 24 Ill. Reg. 9166, effective July 1, 2000)

**Section 2733.40 Institutional Procedures**

- a) If a student is eligible for both an IVG and a Monetary Award Program (MAP) grant, the IVG benefits must be used first. A student cannot decline IVG benefits in favor of using MAP.
- b) A notice of eligibility from ISAC or an Illinois Veteran's Scholarship (IVS) ID card from the Illinois Department of Veterans' Affairs may be used by the institution to establish a qualified applicant's initial eligibility.
- c) Institutions shall submit a payment request to ISAC. When submitting payment requests, the institution shall certify that the qualified applicant meets the requirements of Section 2733.20, Applicant Eligibility.
- d) Institutions must report the total number of hours for which payment is being requested (including credit and noncredit hours) so that ISAC can accurately track the recipient's use of eligibility units.
- e) The deadlines for submission of complete payment requests shall be September 15 for summer terms; January 15 for first term; and May 25 for second semester/second and third quarter. All claims, including supplemental claims, must be submitted no later than August 1. This will provide sufficient time for processing and vouchering through the State Comptroller's Office in Springfield prior to the State's fiscal year lapse period ending on August 31.
- f) The reimbursement to institutions for Illinois Veteran Grants is contingent upon available funding. Should General Assembly appropriations be insufficient to pay all claims, institutions will be reimbursed in accordance with this subsection:

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- 1) summer term claims received by the deadline date designated in subsection (e) will be paid, or prorated if funding is insufficient to pay all claims in full;
- 2) if funds remain after summer term claims are paid, first semester and first quarter claims received by the designated deadline date will be paid, or prorated if funding is insufficient to pay all claims in full;
- 3) if funds remain after first semester and first quarter claims are paid, then second semester/second and third quarter claims received by the designated deadline date will be paid, or prorated if funds remaining are insufficient to pay all such claims in full; and
- 4) if funds remain after second semester/second and third quarter claims are paid, claims received by ISAC after the designated deadline dates will be paid or prorated.
- 5) Timely claims for the difference between in-district/state and out-of-district/state tuition for recipients who do not qualify for chargebacks will be considered for payment at the same time, and in the same priority order, as all other timely claims, in accordance with the provisions of this subsection.

(Source: Amended at 26 Ill. Reg. 10020, effective July 1, 2002)