

AGENDA ITEM 13.

PROPOSED RULES AMENDMENTS

Submitted for: Information

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

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

Amendments are being proposed to 10 different Parts this year: General Provisions; Federal Family Education Loan Program (FFELP); Illinois National Guard (ING) Grant Program; Illinois Veteran Grant (IVG) Program; Monetary Award Program (MAP); State Scholar Program; Minority Teachers of Illinois (MTI) Scholarship Program; Illinois Special Education Teacher Tuition Waiver (SETTW) Program; College Savings Bond Bonus Incentive Grant (BIG) Program, and Illinois Prepaid Tuition Program.

Publication of the proposed amendments will initiate a 45-day public comment period. Comments received will be reviewed by staff. Where appropriate, the proposed amendments will be revised based on comments and suggestions from the public, and staff will request authority from the Commission to submit the proposed amendments, as revised, to the Joint Committee on Administrative Rules (JCAR) for the second 45-day review period. After incorporating changes suggested by JCAR, the proposed amendments will be presented to the Commission for final adoption. The anticipated effective date of these proposed amendments is July 2005.

Action requested: None

ILLINOIS STUDENT ASSISTANCE COMMISSION
HIGHLIGHTS OF PROPOSED RULES AMENDMENTS

Rules amendments are being proposed for the following Parts:

Part 2700 General Provisions

Several references in Section 2700.30 to the North Central Association of Colleges and Schools have been modified to appropriately reference the Association's Higher Learning Commission. In Section 2700.40(g), language has been deleted to reflect statutory changes contained in Public Act 93-1032, which allows MAP grants to be used year-round, rather than just during fall and spring college semesters. A new Section 2700.40(m) has been added to clarify how the timeliness of an individual's application will be determined when it has been submitted electronically. Section 2700.50(j) has been deleted to reflect statutory changes contained in Public Act 93-0812, which eliminates provisions exempting consideration of Bright Start Savings Accounts, *College Illinois!* contracts and college savings bonds proceeds in determining financial need for ISAC gift assistance programs.

Part 2720 Federal Family Education Loan Program (FFELP)

The language in Section 2720.70(j)(3) has been modified to more accurately describe the procedures used when payments from the State are offset by the Office of the Comptroller. The borrower is notified of the offset by the Comptroller rather than ISAC, and in the event the borrower wishes to dispute the debt, the protest must also be filed through the Comptroller rather than with ISAC.

Part 2730 Illinois National Guard (ING) Grant Program

A number of amendments are being proposed to this Part to reflect statutory changes contained in Public Act 93-0856, which expands eligibility for the Illinois National Guard (ING) Grant so that members of the National Guard who served for at least five years and had their studies interrupted by being called to federal active duty for at least six months can continue their eligibility for the ING Grant for up to one year, even after leaving the Guard.

Part 2733 Illinois Veteran Grant (IVG) Program

Section 2733.20(i)(3) is being modified in order to simplify the documentation required when the applicant is a member of the Armed Forces at the time of application, by eliminating the need to submit copies of various enlistment contracts and extensions. Section 2733.40(b) is being amended to clarify the appropriate documentation that is to

be relied upon by the institution in establishing a qualified applicant's initial eligibility. The scope of the school certification required in Section 2733.40(c) is being narrowed to just the requirement for the applicant to maintain an acceptable grade point average, since that is the only eligibility criterion for which the school bears the primary responsibility for monitoring and certification.

Part 2735 Monetary Award Program (MAP)

Section 2735.20(d) has been deleted and language has also been deleted from Section 2735.40(l) to reflect statutory changes contained in Public Act 93-1032, which allows MAP grants to be used year-round, rather than just during fall and spring college semesters, as long as student does not exceed his/her annual maximum award.

Part 2760 State Scholar Program

The table in Section 2760.30(b) is being updated to better align SAT I and ACT scores having similar percentile rankings. At this time, ISAC will not be incorporating the score from the additional writing section that is being added to the SAT I and the ACT exams beginning in 2005, but ISAC will continue to monitor this issue. References in Section 2760.30 to the SAT I verbal score have been changed to reflect its new name, critical reading.

Part 2763 Minority Teachers of Illinois (MTI) Scholarship Program

A change has been proposed to Section 2763.30(j)(5) to add a deferment when the recipient is pursuing a graduate course of study, as part of the agency's continuing effort to conform deferments for ISAC's teacher education programs.

Part 2765 Illinois Special Education Teacher Tuition Waiver (SETTW) Program

The conditions for a deferment under Section 2765.30(n)(5) are being modified from requiring full-time enrollment to requiring enrollment on at least a half-time basis, as part of the agency's continuing effort to conform deferments for ISAC's teacher education programs.

Part 2771 College Savings Bond Bonus Incentive Grant (BIG) Program

Section 2771.30(e) is being deleted to reflect statutory changes contained in Public Act 93-0812, which eliminates provisions exempting consideration of Bright Start Savings Accounts, *College Illinois!* contracts and college savings bonds proceeds in determining financial need for ISAC gift assistance programs.

Part 2775 Illinois Prepaid Tuition Program

Section 2775.60(a) is being deleted and the language in 2775.60(b) modified to reflect statutory changes contained in Public Act 93-0812, which eliminates provisions exempting consideration of Bright Start Savings Accounts, *College Illinois!* contracts and college savings bonds proceeds in determining financial need for ISAC gift assistance programs.

No amendments are being proposed to the following Parts:

- Part 2721 Alternative Loan Program
- Part 2731 Grant Program for Dependents of Correctional Officers
- Part 2732 Grant Program for Dependents of Police or Fire Officers
- Part 2736 Illinois Incentive for Access (IIA) Program
- Part 2737 Higher Education License Plate (HELP) Grant Program
- Part 2741 Optometric Education Scholarship Program
- Part 2755 Robert C. Byrd Honors Scholarship Program
- Part 2761 Merit Recognition Scholarship (MRS) Program
- Part 2762 Paul Douglas Teacher Scholarship (PDTS) Program
- Part 2764 Illinois Future Teacher Corps (IFTC) Program
- Part 2767 Illinois Teachers and Child Care Providers Loan Repayment Program
- Part 2770 Student to Student (STS) Program of Matching Grants
- Part 2790 Limitation, Suspension and Termination (L,S&T) Proceedings