

AGENDA ITEM 10.

PROPOSED RULES AMENDMENTS

Submitted for: Action

Summary: This item reports on the agency’s proposed rules amendments, which were presented to the Commission at its January 25 meeting. Amendments have been proposed to nine different Parts this year. Text of the proposed rules amendments was published in the Illinois Register on February 8, 2008, triggering a 45-day public comment period.

The proposed rules amendments are being presented to the Commission for consideration now that the public comment period has ended. No public comments were received and no substantive changes have been made since the initial publication; only technical modifications have been included that are a normal part of the rulemaking process.

According to the rulemaking process, a second 45-day review period is required. Following acceptance of the proposed rules amendments by the Commission, the Executive Director may direct staff to submit the rules amendments to the Joint Committee on Administrative Rules, thus initiating the second 45-day review period.

Action requested: That the Commission approve the following resolution:

“BE IT RESOLVED that the Commission accepts the proposed rules amendments, as modified thus far during the rulemaking process, for submission to the Joint Committee on Administrative Rules.”

ILLINOIS STUDENT ASSISTANCE COMMISSION

PROPOSED RULES AMENDMENTS

Background

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 the financial aid community. The Illinois Association of Student Financial Aid Administrators (ILASFAA) Rules and Operations Advisory Committee provided valuable input to ISAC staff concerning the proposals.

Rulemaking Process Overview

The proposed rules amendments are presented to the Commission prior to publication in the Illinois Register, which commences a 45-day public comment period. The Illinois Register is the State's official documentation of rules and regulations promulgated by state entities and maintained by the Illinois Secretary of State. If comments are received from the public, they are then reviewed by staff. Where appropriate, the proposed rules amendments are revised based on comments and suggestions, and staff requests authority from the Commission to submit the proposed rules amendments, as revised, to the Joint Committee on Administrative Rules (JCAR) for a second 45-day review period. During this review period, legislative review of the rules is conducted first by the JCAR staff and then at a meeting of the legislative members. After incorporating changes suggested by JCAR, the proposed rules amendments will be presented to the Commission for final adoption. The anticipated effective date of these proposed rules amendments is July 2008.

Current Rulemaking Cycle

The proposed rules amendments were presented to the Commission at its January 25 meeting and subsequently were published in the Illinois Register on February 8, 2008. This initial publication triggered the 45-day public comment period that ended on March 24, 2008.

In order to maximize the opportunity for public input, in addition to being published in the Illinois Register, the proposed rules amendments were posted to ISAC's College Zone Web site and messages were sent to client groups announcing the public comment period. No public comments were received.

Proposed Rules Amendments

Highlights of the proposed amendments to existing rules are presented in this item to nine different Parts this year: General Provisions; Federal Family Education Loan Program (FFELP); Illinois National Guard (ING) Grant Program; Illinois Veteran Grant (IVG) Program; Higher Education License Plate (HELP) Grant Program; Illinois Future Teacher Corps (IFTC) Program; State Scholar Program; College Savings Bond Bonus Incentive Grant (BIG) Program; and Illinois Prepaid Tuition Program.

Action Requested

Staff is requesting the Commission accept the proposed rules amendments, as modified thus far during the rulemaking process, for submission to the Joint Committee on Administrative Rules (JCAR).

HIGHLIGHTS OF PROPOSED RULES AMENDMENTS

Rules amendments are being proposed for the following Parts:

Part 2700 General Provisions

Several citations referencing Federal Regulations and the Higher Education Reconciliation Act of 2005 (HERA) have been updated throughout this Part. In Section 2700.15, the incorporations by reference date has been updated to July 1, 2008 to reflect a change necessitated by HERA. In Section 2700.20, the HERA Public Law number has been updated in the “Independent Student” definition and language has been added to the definition of “PLUS” to include graduate students in addition to parents. In the “Institution of Higher Learning” definition and in Section 2700.30, the name of the North Central Association of Colleges and Schools Higher Learning Commission has been changed to reflect their correct name, The Higher Learning Commission of the North Central Association of Colleges and Schools. Section 2700.50(c), applicant eligibility, has been modified from “must certify” to “is certifying” as that is the action that is occurring. The list of acceptable residency documents in Section 2700.50(g)(5) has been expanded to include the IRS Form 1099-Miscellaneous Income Statements to be used in conjunction with other documentation on that list.

Part 2720 Federal Family Education Loan Program (FFELP)

Numerous citations referencing Federal Regulations and the Higher Education Reconciliation Act of 2005 (HERA) have been updated throughout this Part. Section 2720.50(e)(2) has been amended to reflect current federal regulation changes to the late disbursement provision. In addition, “guarantee fee” and “student guarantee fee” have been changed to “federal default fee” in Sections 2720.70(e) and (g) to reflect current federal regulation changes.

Part 2730 Illinois National Guard (ING) Grant Program

In Section 2730.30(a) and (b) the list of eligible and non-eligible fees is being updated to more accurately reflect the fees specified in the statute. Language has been added to Section 2730.30(j) permitting schools to require students to provide proof of residency for the purposes of determining in-district or out-of-district payment. Section 2730.40(b) has been modified from “shall certify” to “is certifying” to clarify the action that is occurring in Section 2730.20(d), Applicant Eligibility.

Part 2733 Illinois Veteran Grant (IVG) Program

Language has been added to Section 2733.30(f) permitting schools to require students to provide proof of residency for the purposes of determining in-district or out-of-district payment. Section 2733.40(c) has been modified from “shall certify” to “is certifying” to clarify the action that is occurring in Section 2733.20(d), Applicant Eligibility.

Part 2737 Higher Education License Plate (HELP) Grant Program

This Part is being amended to accommodate Public Act 095-0444, effective August 27, 2007, to maintain consistency in grants awarded for students attending eligible private colleges and universities in the contiguous states. Language has been added to Sections 2737.10(a) and 2737.20(a)(3) to reflect this. Section 2737.30(c) has been amended to reflect that moneys collected by the State Treasurer for the issuance of special collegiate license plates will be distributed, subject to appropriation, through the Illinois Student Assistance Commission to participating private colleges and universities for the sole purpose of grant awards to Illinois residents.

Part 2760 State Scholar Program

This Part is being amended to update the standardized test names. The ACT and SAT have been changed to reflect their correct names and the Prairie State Achievement Exam (PSAE) has been added. Section 2760.20(b) has been changed to clarify that there are now three standardized tests instead of two and that a student may take a test more than one time. Also, Section 2760.30(a) has been amended to allow ISAC to request the submission of academic data in an approved format.

Part 2764 Illinois Future Teacher Corps (IFTC) Program

A change is proposed in Section 2764.30(b)(1) to clarify the availability of applications for this program. In Section 2764.30(c)(5) language has been added to more accurately describe priority processing for purposes of awarding.

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

Amendments to this Part provide clarification as to the enrollment requirements of the student beneficiary and the timeframe during which complete applications are accepted at ISAC. Language also has been added in Section 2771.30(a) that describes priority processing for the purposes of awarding.

Part 2775 Illinois Prepaid Tuition Program

Language has been deleted in Section 2775.50(b)(2) of the *College Illinois!*SM Prepaid Tuition Program for contracts to which that provision applied. These contracts have been in force for more than three years, so the restriction is no longer needed.