

## AGENDA ITEM 4.

### ADOPTED RULES AMENDMENTS

**Submitted for:** Action

**Summary:** This item reports on proposed amendments to the rules for the Monetary Award Program (MAP), which were part of the agency's omnibus rules package. The text of these amendments was originally published in the **Illinois Register** on February 6, 2004, and was previously presented to the Commission as an information item at its January 16, 2004 meeting and an action item at its April 2, 2004 meeting.

Initial publication of the proposed amendments triggered a 45-day public comment period that ended on March 21, 2004. At its April 2, 2004 meeting, the Commission accepted the proposed amendments, following which the Executive Director authorized staff to initiate the second 45-day review period by submitting the proposed amendments to the Joint Committee on Administrative Rules (JCAR), the legislative support services agency responsible for reviewing all rulemaking action of state agencies. At its May 18, 2004 meeting, JCAR voted to extend the second notice period for 45 additional days for Part 2735, Monetary Award Program (MAP), to allow JCAR staff additional time to work with ISAC in resolving various issues. At its June 15, 2004 meeting, JCAR voted "no objection" to the proposed MAP amendments.

There have been no substantive changes from the amendments approved by the Commission at its April meeting. The anticipated effective date of these amendments is July 15, 2004. The full text of the amendments follows.

Following approval and adoption of these amendments by the Commission, the Executive Director will authorize staff to submit them to the Administrative Code Division of the Secretary of State for publication as final adopted amendments. Once adopted, they will be communicated to ISAC's clients through publication in the **Illinois Register** and various client communications, as well as being posted to ISAC's web site.

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

**"BE IT RESOLVED** that the Commission approves and adopts the amendments for Part 2735, Monetary Award Program (MAP), so that they can be effective for the 2004-2005 academic year."

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ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF ADOPTED AMENDMENTS

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

PART 2735  
MONETARY AWARD PROGRAM (MAP)

Section

2735.10	Summary and Purpose
2735.20	Applicant Eligibility
2735.30	Program Procedures
2735.40	Institutional Procedures
2735.50	Advance Payment Option
2735.60	Contractual Agreement Requirements (Repealed)
2735. APPENDIX A	Advance Payment Formula

**AUTHORITY:** Implementing Section 35 and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/35 and 20(f)].

**SOURCE:** Adopted at 9 Ill. Reg. 20857, effective January 1, 1986; amended at 11 Ill. Reg. 3225, effective January 29, 1987; amended at 11 Ill. Reg. 14134, effective August 10, 1987; amended at 12 Ill. Reg. 11546, effective July 1, 1988; transferred from Chapter IX, 23 Ill. Adm. Code 1735 (State Scholarship Commission) to Chapter XIX, 23 Ill. Adm. Code 2735 (Illinois Student Assistance Commission) pursuant to P.A. 86-168, effective July 1, 1989, at 13 Ill. Reg. 17864; amended at 14 Ill. Reg. 7242, effective May 1, 1990, amended at 16 Ill. Reg. 11296, effective July 1, 1992; emergency amendment at 16 Ill. Reg. 19237, effective November 23, 1992, for a maximum of 150 days; emergency expired on April 22, 1993; emergency amendment at 17 Ill. Reg. 6672, effective April 15, 1993, for a maximum of 150 days; emergency expired on September 18, 1993; amended at 17 Ill. Reg. 10596, effective July 1, 1993; amended at 17 Ill. Reg. 22576, effective January 1, 1994; amended at 19 Ill. Reg. 8369, effective July 1, 1995; amended at 20 Ill. Reg. 9227, effective July 1, 1996; old Part repealed, new Part adopted at 21 Ill. Reg. 11184, effective July 18, 1997; amended at 22 Ill. Reg. 11149, effective July 1, 1998; amended at 23 Ill. Reg. 7592, effective July 1, 1999; amended at 24 Ill. Reg. 9187, effective July 1, 2000; amended at 25 Ill. Reg. 8424, effective July 1, 2001; amended at 26 Ill. Reg. 10024, effective July 1, 2002; amended at 27 Ill. Reg. 10349, effective July 1, 2003; amended at 28 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_.

**Section 2735.30 Program Procedures**

- a) An application for a MAP grant must be submitted annually. An applicant uses

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the form which the United States Department of Education (ED) designates as an application form for federal student financial aid. (See Section 483 of the Higher Education Act of 1965, as amended (20 USCA 1070a).)

- b) Applicants, spouses and the parents of applicants are required to submit financial information on the application which will be kept confidential, regarding income, asset value and non-taxable income (e.g., Temporary Assistance for Needy Families, public aid, veterans' or Social Security benefits).

- c) Priority Consideration Dates

In order to receive priority consideration for a full year award, an application from a student who had applied for a MAP grant for the previous regular school year must have a FAFSA receipt date of no later than August 15 of, or immediately prior to, the regular school year for which the application is being made. In order to receive priority consideration for a full year award, an application from a student who had not applied for a MAP grant for the previous regular school year must have a FAFSA receipt date of no later than September 30 of the regular school year for which the application is being made.

- d) Priority Processing Guidelines

- 1) Students who file applications will be considered for full or partial year MAP awards based on available funds and the following:

- A) For applications with a FAFSA receipt date of no later than August 15 of or preceding the regular school year for which assistance is being requested, students who had not applied for a MAP award the previous regular school year and students who did apply for a MAP award the previous regular school year will both be considered for full year awards;

- B) For applications with a FAFSA receipt date of August 16 or later, but no later than September 30, students who had not applied for MAP awards the previous regular school year will be considered for full year awards; while students who did apply for a MAP award the previous regular school year will be considered for second semester or second and third quarter awards only;

- C) For applications with a FAFSA receipt date of October 1 or later,

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and until the date of final suspension of award announcements for that regular school year, all students will be considered for second semester/second and third quarter awards only.

- 2) During the time periods referenced above, awards will be announced concurrently, both to students who had not applied for a MAP award the previous regular school year and to students who did apply for a MAP award during the previous regular school year. Award announcements will be made concurrently through the date of suspension of award announcements.
  - 3) If it becomes necessary to suspend the processing of award announcements in order to remain within appropriated funding levels, the suspension will be applied concurrently to students who had not applied for a MAP award for the previous regular school year and to students who did apply for a MAP award the previous regular school year.
  - 4) Corrections to applications received prior to the final suspension of award announcements will be processed and announced up to two months after the final suspension date or until the completion of the processing cycle, whichever comes first.
- e) Students eligible for second semester/second and third quarter awards who have a FAFSA receipt date of August 16 or later and who are graduating mid-year may request that their second semester/second or third quarter award be used for first semester/quarter.
  - f) To the extent necessary to administer the program within the limits of the MAP appropriation, the Commission may adjust the priority consideration dates and the priority processing guidelines established by this Section.
  - g) When an application is incomplete, a notice will be sent to the applicant. The applicant then has an opportunity to furnish the missing information; however, depending on processing schedules, the applicant may be considered only for subsequent term awards.
  - h) Applicants are informed that they are MAP recipients on the basis of application data supplied to ISAC. ISAC will recalculate awards for those applicants whose applications are not in basic agreement with their financial records, after receipt of corrected data. All announced MAP recipients are subject to verification.

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- i) The Commission shall annually establish and publicize guidelines for the release of or increase in MAP awards as additional funds become available.
- j) MAP grants are applicable only toward tuition and mandatory fees. MAP grants may not exceed the:
  - 1) maximum award specified at 110 ILCS 947/35(c); or
  - 2) institution's tuition and mandatory fee charges on file with ISAC.
- k) The maximum MAP grant available to a recipient attending a public community college is limited to the in-district tuition and mandatory fees. It is the recipient's responsibility to make arrangements to pay the additional costs incurred as an out-of-district student.
- l) For each credit hour of MAP benefits paid on behalf of the recipient, the recipient will be assessed one MAP paid credit hour toward his or her maximum usage. For each credit hour used, payment will be made to the school on behalf of the recipient in an amount equal to  $\frac{1}{15}$  of the student's calculated term award amount, with a minimum of three hours and a maximum of 15 hours paid per term. Public community college award recipients shall be eligible for payment up to 19 hours (9.5 hours for half-time).
- m) A recipient may receive the equivalent of 135 semester credit hours of MAP benefits paid~~10 semesters/15 quarters of full time MAP grant payment (see 23 Ill. Adm. Code 2700.40(h)).~~ Eligibility may be extended for one additional term if the recipient has accumulated fewer than 135 MAP paid credit hours~~60 eligibility units~~ but does not have enough credit hours of payment~~units~~ remaining for the number of hours for which that he or she/he~~is enrolled in~~ is enrolled ~~in~~ for the term.
- n) A recipient may use no more than 75 MAP paid credit hours while enrolled at the freshman or sophomore level. Eligibility may be extended for one additional term at the freshman or sophomore level if the recipient has accumulated fewer than 75 MAP paid credit hours, but does not have enough credit hours of payment remaining for the number of hours for which he or she is enrolled for the term. Upon progressing to the junior level or above, the recipient may use the remaining balance of MAP paid credit hours, up to the 135 credit hour maximum. Seniors in their last term of enrollment prior to receiving a baccalaureate degree and applicants enrolled in student teaching are classified as full time students for purposes of MAP grant eligibility.

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- o) The MAP grant shall not pay for academic programs intended to prepare a student for the General Educational Development (GED) test or for a high school diploma. (See, e.g., 23 Ill. Adm. Code 215.)
- p) The MAP grant shall not pay for audit courses, credit-by-examination and/or life experience, or noncredit course offerings (except qualifying remedial courses), ~~or clock-hour programs. Such course work cannot be used to meet the half-time or full-time requirement.~~ Remedial courses shall be eligible for MAP payment provided the student has been accepted into an eligible degree/certificate program and is taking the remedial courses as part of that program. Payment shall not be made for more than the equivalent of one year of remedial course work (i.e., 30 semester hours or 45 quarter hours). Repeat courses shall be eligible for MAP payment.
- q) If a recipient withdraws from enrollment after the expiration of the tuition refund/withdrawal adjustment period, the recipient shall receive MAP grant payment for tuition and mandatory fee costs incurred up to the term award provided the institution's tuition refund policy indicates the recipient has incurred charges in the amount of the claim.
- r) ~~MAP paid credit hours are assessed to~~ Eligibility units are accumulated by a recipient whenever MAP funds are disbursed on behalf of the recipient. ~~(See 23 Ill. Adm. Code 2700.40(h).)~~
- s) MAP grant payment is subject to the limits of dollars appropriated to ISAC by the General Assembly.
- t) It is the responsibility of MAP recipients to gain admission to approved Illinois institutions of higher learning. Illinois institutions of higher learning are not obligated to admit MAP recipients. The institution is obligated to provide MAP recipients the same facilities and instruction, on the same terms, as are provided to other students.
- u) If a recipient's academic program involves out-of-state and/or foreign study, enrollment must be in accordance with subsection (j) and the following provisions:
  - 1) The recipient must be enrolled at the ISAC-approved institution of higher learning, and the out-of-state/foreign study must be applicable to the student's degree or certificate program at the student's institution of record.

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- 2) The ISAC-approved institution of higher learning must record the course credits on the official academic transcript as institutionally earned credit and not as transfer credit.
- 3) An institution shall not request more than two semesters/three quarters of MAP assistance for any one qualified applicant enrolled on a full-time basis, or four semesters/six quarters of MAP for an applicant-enrolled on a half-time basis.

(Source: Amended at 28 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

**Section 2735.40 Institutional Procedures**

- a) MAP recipients must report to the institution all additional gift assistance that applies toward tuition and mandatory fees, such as tuition waivers and scholarships.
- b) If a MAP recipient receives other assistance targeted specifically for tuition and fees, the combined assistance shall not exceed the total tuition and fee expenses incurred.
- c) If an applicant is eligible for assistance under the Illinois National Guard (ING) Grant Program or the Illinois Veteran Grant (IVG) Program (23 Ill. Adm. Code 2730 and 2733), the applicant is not eligible for a full MAP grant because ING and IVG must be factored into the financial aid packaging prior to awarding MAP gift assistance. The institution may request payment of a partial MAP grant to finance fee expenses not covered by the above-referenced programs.
- d) If an applicant is eligible to receive tuition or fee benefits through a prepaid or reimbursable tuition plan other than the Illinois Prepaid Tuition Program, College Illinois! (23 Ill. Adm. Code 2775), or through a payment to the institution of higher learning by the applicant's employer, the institution of higher learning shall request MAP payment in accordance with this subsection:
  - 1) A prepaid tuition plan is any program which exempts a student from tuition charges because of a payment to the institution at a time prior to the student's enrollment. A reimbursable tuition plan is a program which reimburses a student for tuition costs after satisfactory completion of course work.

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- 2) The institution of higher learning shall recalculate the applicant's MAP eligibility by decreasing the applicant's tuition and fee charges by the amount of benefits the applicant is eligible to receive from the sources in subsection (d)(1) of this Section. The institution of higher learning shall report the applicant's reduced grant award on the payment request.
- e) The provisions of this Section shall not apply to benefits derived from the Baccalaureate Savings Act [110 ILCS 920] and 23 Ill. Adm. Code 2771.
- f) Notwithstanding the provisions of other ISAC-administered programs, the total amount of a student's gift assistance may not exceed the cost of attendance used to calculate Title IV aid for that student. Any excess gift assistance is considered an overaward and the institution of higher learning is required to reduce the MAP award and/or other gift assistance to prevent such an overaward. For the purposes of this calculation, federal veterans benefits are not counted as gift assistance.
- g) Institutions of higher learning shall submit payment requests to ISAC. By submitting a payment request, an institution is certifying that the qualified applicants meet the requirements of Section 2735.20, Applicant Eligibility.
- h) For any institution of higher learning which has concurrent registration opportunities, the following policy pertains:
  - 1) The recipient must indicate his/her institution of record on the MAP application.
  - 2) The payment of the term award by ISAC will require the institution of record to receive MAP payment on behalf of any other institutions and the institution of record shall distribute the appropriate share of the award to the other institutions. Payment by ISAC will not be made to more than one institution.
  - 3) The amount paid cannot exceed the maximum term award for ~~full-time or half-time~~ students at the institution of record, or the tuition and mandatory fee costs at the institution of record if the costs are less than the maximum term award.
  - 4) Concurrent registration is limited to ISAC-approved institutions of higher learning.

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- 5) The recipient's academic records at the institution of record must document the total number of credit hours for which the student is enrolled.
- i) If an Illinois institution operates an out-of-state center, residents of Illinois enrolled in classes at the out-of-state center may receive MAP benefits in accordance with Section 2735.30(u).
- j) If an announced recipient's credit hour enrollment decreases, the institution shall only request payment up to the amount of actual tuition and mandatory fee expenses incurred.
- k) Upon receipt of a payment request from the institution of record, ISAC remits MAP grant funds to the institution of record on behalf of the recipient. The institution of record shall credit these funds to the recipient's account.
- l) MAP grants are divided into two semester or three quarter regular term payments and are paid directly to the approved institution of record which certifies to ISAC that the applicant is an eligible recipient.
  - 1) ISAC will annually establish priority claim dates for the submission of payment requests and inform schools of the required priority dates.
  - 2) Late payment requests will result in delayed processing of payments. Payment requests are processed in the sequence of receipt by ISAC and as funds are available.
  - 3) Institutions may submit their payment requests beginning ten days prior to the start of classes for the term for which they are requesting payment.
- m) Institutional Processing of Payments
  - 1) Within 30 days after and including the date of receiving payment of any MAP funds claimed or advanced pursuant to this Section, the institution shall credit the MAP funds against the recipients' tuition and mandatory fee charges for the appropriate term.
  - 2) Institutions are required to reconcile payments received through MAP and, as applicable, submit all necessary corrections to student records on a timely basis. Any payments received by the institution that are determined

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in the reconciliation to be refunds payable to ISAC are to be processed and returned to ISAC no later than 60 days following the end of the academic term unless ISAC has already deducted outstanding refunds from institutional payment requests during the applicable fiscal year. Refunds may be caused by billing errors, retroactive withdrawals and other miscellaneous reasons. Refunds showing as owed to ISAC must be remitted within 30 days after the end of the institution's regular school year. Should the payment arrive after the end of the regular school year, the institution will have 60 days following receipt of payment to complete the reconciliation process and return any refunds due.

- 3) Award payments made in the name of one recipient cannot be applied to another recipient at the same institution. A refund of the payment made must be submitted to ISAC, and a supplemental request for payment must be processed for the proper recipient.
- 4) To provide sufficient time for processing and vouchering through the State Comptroller's Office in Springfield, all payment requests must be received by ISAC no later than August 1 due to the State's fiscal year lapse period ending August 31.
- 5) Payment requests received after August 1 for the prior academic year will be processed as time and available funds permit; however, final action may require institutions to go to the Illinois Court of Claims to obtain payment for approved claims. (See the Court of Claims Act [705 ILCS 505].)

(Source: Amended at 28 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)