

**APPROVED  
JUNE 5, 2018**

Item #VII-14  
June 5, 2018

**PROPOSED REPEAL OF RULE:  
ENGINEERING GRANT PROGRAM**

**Submitted for:** Action.

**Summary:** This item requests approval of the proposed repeal of the rule for the Engineering Grant Program. (23 Ill. Adm. Code 1025) The statutory language authorizing this program was repealed on January 1, 2018, after it was determined that the program previously met its objectives and was now obsolete.

This request is part of the Illinois Board of Higher Education's participation in the Cutting the Red Tape Initiative to conduct a comprehensive review of administrative rules and policies, pursuant to Executive Order #2016-13.

The Illinois Administrative Procedures Act specifies a three-step process for the repeal of administrative rules: (1) initial Board approval; (2) a publication and public notice period including a period for review by the staff and members of the legislative Joint Committee on Administrative Rules; and (3) final adoption by the Board.

**Action Requested:** That the Illinois Board of Higher Education approves the proposed repeal of the Engineering Grant Program rule (23 Ill. Adm. Code 1025) for publication in the Illinois Register.



STATE OF ILLINOIS  
BOARD OF HIGHER EDUCATION

**PROPOSED REPEAL OF RULE:  
ENGINEERING GRANT PROGRAM**

The Illinois Board of Higher Education (IBHE), pursuant to Public Act 83-1329, adopted a rule in 1984 to create an Engineering Grant Program. (23 Ill. Adm. Code 1025) The program provided matching grants to engineering colleges in Illinois to assist with purchasing laboratory equipment. State funds were distributed to nine institutions of higher education (five public and four private) to address more than \$6.9 million worth of needs starting in 1984. The Engineering Grant Program received its final appropriation of state funding in Fiscal Year 2004 which allowed the program to meet the needs of the institutions.

Effective January 1, 2018, the IBHE is no longer authorized to administer the Engineering Grant Program. Pursuant to Public Act 100-167, the statutory authority in section 9.13 of the Board of Higher Education Act was repealed. (110 ILCS 205/9.13) Thus, the rules to administer the program are no longer authorized and should be repealed. The proposed repeal of the rule will be shared with the Cutting the Red Tape Council as part of IBHE's comprehensive review of administrative rules.

The rule to be considered for repeal is attached.

Once approved by the Board, the proposed repeal of the rule will be submitted to the Secretary of State for publication in the Illinois Register. The Illinois Administrative Procedures Act specifies a three-step process for the repeal of administrative rules: (1) initial Board approval; (2) a publication and public notice period including a period for review by the staff and members of the legislative Joint Committee on Administrative Rules; and (3) final adoption by the Board. Final presentation is tentatively scheduled for the September 2018 Board meeting.

**Staff Recommendation**

Staff recommends the adoption of the following resolution:

*The Illinois Board of Higher Education hereby approves the proposed repeal of the rule for the Engineering Grant Program (23 Ill. Adm. Code 1025) for publication in the Illinois Register.*

TITLE 23: EDUCATION AND CULTURAL RESOURCES  
SUBTITLE A: EDUCATION  
CHAPTER II: BOARD OF HIGHER EDUCATION

PART 1025  
ENGINEERING GRANT PROGRAM

Section	
1025.10	Purpose
1025.20	Definitions
1025.30	Grant Amounts and Allocations
1025.40	Criteria for Grant Allocations
1025.50	Grant Requirements
1025.60	Audit Requirements and Guidelines

**AUTHORITY:** Implementing and authorized by Section 9.13 of "AN ACT creating a Board of Higher Education, defining its powers and duties, making an appropriation therefore, and repealing an Act herein named" (Ill. Rev. Stat. 1987, ch. 144, par. 189.13).

**SOURCE:** Adopted at 8 Ill. Reg. 16871, effective September 4, 1984; amended at 10 Ill. Reg. 7742, effective April 28, 1986; amended at 14 Ill. Reg. 2015, effective January 18, 1990.

**Section 1025.10 Purpose**

*This is a program of matching grants to engineering colleges in Illinois which is for the purpose of assisting such colleges in the purchase of engineering laboratory equipment and software.*

**Section 1025.20 Definitions**

The following definitions apply to all terms used in this Part.

"Board" means Illinois Board of Higher Education.

*"Engineering college" means a school, college, university, department of a university or other educational institution located in Illinois which grants baccalaureate degrees in engineering and which is reputable and in good standing in accordance with the rules prescribed by the Department of Professional Regulation. (Section 4 of "The Professional Engineering Act", Ill. Rev. Stat. 1987, ch. 111, par. 5106.)*

"Engineering laboratory equipment" means equipment to be used in engineering programs and includes *the acquisition, replacement or increase of visible tangible personal property of a non-consumable nature, having a unit value exceeding \$100.00*, (Section 20 of "AN ACT in

relation to State Finance," Ill. Rev. Stat. 1987, ch. 127, par. 156.)  
*excluding laboratory or classroom furniture.* (Section 9.13 of "AN ACT creating a Board of Higher Education, defining its powers and duties and making an appropriation therefore, and repealing an Act herein named" (the Act), Ill. Rev. Stat. 1987, ch. 144, par. 189.13.)

Engineering "software" means a computer program or programs used for teaching or research by an engineering college.

"Fair market value" is the price at which a willing seller and a willing buyer will trade at that point in time which the engineering equipment is donated to the college.

"Grant Year" shall be the fiscal year, from July 1 to the subsequent June 30, during which grant applications are submitted by the engineering college and grants are made by the Board.

"Matching funds" means: either *the fair market value of in-kind contributions of engineering laboratory equipment and software*; (Section 9.13 of the Act, Ill. Rev. Stat. 1987, ch. 144, par. 189.13) or any funds which were expended for engineering laboratory equipment or software, provided such funds were not *appropriated by the General Assembly* or did not result from *tuition, fees or assessments.* (Section 9.13 of the Act, Ill. Rev. Stat. 1987, ch. 144, par. 189.13)

(Source: Amended at 14 Ill. Reg. 2015, effective January 18, 1990)

### **Section 1025.30 Grant Amounts and Allocations**

- a) Grant allocations shall be based upon the lesser of:
  - 1) *An amount equal to \$1,200 for each Bachelor of Science degree in engineering conferred by such college in the previous fiscal year;*  
or
  - 2) *An amount not to exceed the previously unmatched, matching funds used or earmarked by such college after June 30, 1983.*
- b) *In the event that the appropriation to the Board is insufficient to fund grants in a given fiscal year, all such grants shall be reduced pro rata as necessary.*
- c) In the event that an enrollment audit reveals that an overpayment was made in a grant to an institution, one of the following courses will be taken:

- 1) A reduction will be made on the amount of the institution's grant in the following year.
- 2) A reimbursement to the State will be required.
- 3) In the event an institution fails to refund the amount, the Board will pursue the refund under provisions of the Illinois Grant Funds Recovery Act (Ill. Rev. Stat. 1985, ch. 127, pars. 2301 et seq.).

(Source: Amended at 10 Ill. Reg. 7742, effective April 28, 1986)

#### **Section 1025.40 Criteria for Grant Allocations**

- a) The number of Bachelor of Science degrees in engineering shall be the number of such degrees conferred by the engineering college between July 1 and June 30 of the year immediately prior to the grant year.
- b) Matching funds to be eligible for grant allocations must have been expended for engineering laboratory equipment or software. Accruals from previous years not matched by previous years' grants may be included.
- c) Expenditure of grant funds must be for engineering laboratory equipment or software in the same fiscal year as the grant year (July 1 - June 30). Grant funds obligated prior to June 30 may be expended up to and including September 30.

(Source: Amended at 10 Ill. Reg. 7742, effective April 28, 1986)

#### **Section 1025.50 Grant Requirements**

In order to receive a grant, an engineering college must submit a request to the Board by November 15 of each grant year. The grant request shall include:

- a) A list of students for which each Bachelor of Science degree in engineering was conferred between July 1 and June 30 of the year immediately prior to the grant year.
- b) A description of previously unmatched, matching funds, which description shall include:
  - 1) The fair market value of all in-kind contributions of engineering laboratory equipment and software, plus a list of such equipment and software and the date acquired.
  - 2) A list of all funds, including source, expended for engineering

laboratory equipment and software, plus a list of such equipment and software and the date acquired.

- 3) A list of all funds, including source, earmarked for the purchase of engineering laboratory equipment and software.
- c) An agreement to:
- 1) Expend matching funds and grant funds in accordance with this Part.
  - 2) Refund any grant funds which the engineering college was not eligible to receive pursuant to this Part or which were not spent in accordance with this Part.
  - 3) Contract with an external auditor who is registered as a public accountant by the Illinois Department of Professional Regulation to verify that the requirements in this Part have been met.
- d) The reports of the audits of matching funds, grant funds, and the qualified engineering graduates for the prior year's grant. See Section 1025.60 for audit requirements and guidelines. Information may be obtained from the Illinois Board of Higher Education, 500 Reisch Building, 4 West Old Capitol Square, Springfield, Illinois 62701.

(Source: Amended at 14 Ill. Reg. 2015, effective January 18, 1990)

### **Section 1025.60 Audit Requirements and Guidelines**

An audit of the degrees-conferred data, the amount of matching funds expended as claimed by the engineering college and the expenditure of the grant funds shall be conducted by external auditors contracted by the institution. The auditors shall review institutional records to assure that information reported in the grant application was true, accurate and met the requirements of this Part and to assure the expenditure of grant funds was for engineering laboratory equipment and software in accordance with this Part. Such checks should include the following steps:

- a) Review the number of Bachelor of Science degrees in engineering conferred by the engineering college in the previous grant year and trace the number to the engineering college's grant request claim.
- b) Review vouchers or other documents to verify the actual amount of previously unmatched funds claimed by the engineering college. The auditor shall report in an opinion any difference between the amount which the grant request claimed was expended or obligated and the amount actually expended. In those cases where the grant amount was

determined by the number of engineering degrees conferred, the auditor needs to verify matching fund expenditures only up to the actual grant amount.

- c) Review the expenditure of grant funds received under this program to assure they were expended for engineering laboratory equipment and software as defined and required pursuant to this Part.

(Source: Amended at 10 Ill. Reg. 7742, effective April 28, 1986)