

**APPROVED
JUNE 9, 2020**

Item #G-7
June 9, 2020

**PROPOSED REPEAL OF RULE:
GRADUATION INCENTIVE GRANTS**

Submitted for: Action.

Summary: This item requests approval of the proposed repeal of the rule for the Graduation Incentive Grants Program (23 Ill. Adm. Code 1002). The statutory language authorizing this program was repealed by Public Act 101-149.

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 Graduation Incentive Grants program rule (23 Ill. Adm. Code 1002) for publication in the *Illinois Register*.

STATE OF ILLINOIS
BOARD OF HIGHER EDUCATION

**PROPOSED REPEAL OF RULE:
GRADUATION INCENTIVE GRANT**

The Board adopted a new rule in 1999 to administer the Graduation Incentive Grant Program, pursuant to Public Act 90-750. Grant funds were used to provide incentives to public universities to develop programs to assist participating students in graduating within four years. Funding for the program was first provided in Fiscal Year 2000 with a \$50,000 appropriation. The Board continued to recommend increases in state funding, but the program was capped at \$100,000. From Fiscal Year 2000 to Fiscal Year 2005, the Board awarded a total of \$375,000 in grants to two public universities during the five-year period of funding, Western Illinois University and Eastern Illinois University. The program has not received an appropriation of state funds since Fiscal Year 2004.

Effective January 1, 2018, the Board is no longer authorized to administer the Graduation Incentive Grant Program. Section 9.28 of the Board of Higher Education Act was repealed by Public Act 101-149. Thus, the rules to administer the program are no longer authorized and should be repealed.

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 Board meeting on June 9, 2020.

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 Graduation Incentive Grant (23 Ill. Adm. Code 1002) for publication in the Illinois Register.

TITLE 23: EDUCATION AND CULTURAL RESOURCES
SUBTITLE A: EDUCATION
CHAPTER II: BOARD OF HIGHER EDUCATION
PART 1002
GRADUATION INCENTIVE GRANTS

Section	
1002.10	Purpose
1002.20	Definitions
1002.30	Grant Eligibility and Grant Allocation
1002.40	Grant Application Requirements
1002.50	Verifications and Audit

AUTHORITY: Implementing and authorized by Section 9.28 of the Board of Higher Education Act [110 ILCS 205/9.28].

SOURCE: Emergency rulemaking adopted at 23 Ill. Reg. 13248, effective October 18, 1999, for a maximum of 150 days; adopted at 24 Ill. Reg. 3359, effective February 14, 2000.

Section 1002.10 Purpose

This Part provides for the administration of *incentive grants to public universities that offer their undergraduate students contracts under which the university commits itself to provide the courses, academic programs, and support services necessary to enable the contracting students to graduate with a baccalaureate degree within a designated time period.* [110 ILCS 205/9.28(a)]

Section 1002.20 Definitions

"Board" means the Illinois Board of Higher Education.

"Contract" means a written agreement between a public university and an undergraduate student in *which the university commits itself to provide the courses, programs, and support services necessary to enable the student to graduate with a baccalaureate degree within a designated time period.* [110 ILCS 205/9.28(a)]

"Designated time period" means not more than four years for an incoming freshman and not more than two years for an incoming community college student.

"Eligible students" means students enrolled on the first day of the fourth full week of classes of the current fall term who have a valid contract with the university.

"Public university" means Chicago State University, Eastern Illinois University, Governors State University, Illinois State University, Northeastern Illinois University, Northern Illinois University, the campuses of Southern Illinois University, the campuses of the University of Illinois, or Western Illinois University.

Section 1002.30 Grant Eligibility and Grant Allocation

- a) *Public universities that offer their undergraduate students contracts under which the university commits itself to provide the courses, programs, and support services necessary to enable the contracting students to graduate with a baccalaureate degree within a designated time period are eligible to apply for a grant. [110 ILCS 205/9.28(a)]*
- b) Individual university grants will be based upon the total allocation for graduation incentive grants divided by the total number of eligible students statewide.

Section 1002.40 Grant Application Requirements

Grant application materials may be obtained from the Illinois Board of Higher Education, 431 East Adams Street, Second Floor, Springfield, Illinois 62701-1418. Applications should be submitted to the Graduation Incentive Grant Program, Illinois Board of Higher Education, at the same address. For State fiscal year 2000 grants, applications must be received at the Board by November 12, 1999. In subsequent years, applications must be received at the Board by the second Friday in October.

- a) Grant applications shall contain, at a minimum:
 - 1) A copy of the contract of the applicant university;
 - 2) The number of eligible students;
 - 3) A listing of the specific requirements of the graduation contracts offered by the university;
 - 4) A listing of the support services provided by the university to the contracting students;
 - 5) The cost of administering the program for the previous fiscal year;
 - 6) The audit of the previous fiscal year grant as specified in Section 1002.50;
 - 7) Completion rates of previous students enrolled in the program; and
 - 8) The intended use of graduation incentive grant funds.

b) Reductions and Refunds

- 1) A reduction will be made in the amount of an institution's grant when the enrollment audit from the previous fiscal year identifies an overpayment made for the previous fiscal year grant.
- 2) A refund to the State will be required of any institution that does not continue to participate in the program when the enrollment audit from the previous fiscal year identifies an overpayment made for the previous fiscal year grant or when no enrollment audit is submitted.
- 3) Underpayments of a previous fiscal year's grant revealed by an enrollment audit shall not be made to an institution in subsequent year grants.

Section 1002.50 Verifications and Audit

- a) Recipients of \$25,000 or less in grant funds may submit a statement signed by the chief executive officer of the recipient in lieu of an audit. That statement shall verify that the institution received the grant funds indicated, that the stated number of students on which the grant was based was enrolled and entered into a graduation contract agreement with the institution at the time specified, and that the recipient has complied with all requirements with respect to the grant.
- b) Recipients of more than \$25,000 shall contract with an external auditor who is registered as a public accountant by the Illinois Department of Professional Regulation. That auditor shall verify that the institution received the grant funds indicated, that the stated number of students on which the grant was based were enrolled and entered into a graduation contract agreement with the institution at the time specified, and that the recipient has complied with all requirements with respect to the grant. A copy of that audit shall be provided to the Board at the time of application for universities applying for subsequent grants or by the application due date for those universities not applying for subsequent grants.