

APA-1

TRANSMITTAL SHEET FOR
NOTICE OF INTENDED ACTION

Control No. 300 Department or Agency: Alabama Commission on Higher Education

Rule No. 300-4-2-.04

Rule Title: Definition Of Terms.

New X Amend Repeal Adopt by Reference

Would the absence of the proposed rule significantly harm or endanger the public health, welfare, or safety?

NO

Is there a reasonable relationship between the state's police power and the protection of the public health, safety, or welfare?

YES

Is there another, less restrictive method of regulation available that could adequately protect the public?

NO

Does the proposed rule have the effect of directly or indirectly increasing the costs of any goods or services involved and, if so, to what degree?

NO

Is the increase in cost, if any, more harmful to the public than the harm that might result from the absence of the proposed rule?

NO

Are all facets of the rulemaking process designed solely for the purpose of, and so they have, as their primary effect, the protection of the public?

YES

Does the proposed rule have an economic impact? NO

If the proposed rule has an economic impact, the proposed rule is required to be accompanied by a fiscal note prepared in accordance with subsection (f) of Section 41-22-23, Code of Alabama 1975.

Certification of Authorized Official

I certify that the attached proposed rule has been proposed in full compliance with the requirements of Chapter 22, Title 41, Code of Alabama 1975, and that it conforms to all applicable filing requirements of the Administrative Procedure Division of the Legislative Reference Service.

Signature of certifying officer 
Timothy W. Vick, Interim Executive Director

Date 1-17-2017

Alabama Commission on Higher Education

NOTICE OF INTENDED ACTION

AGENCY NAME: Alabama Commission on Higher Education (Commission)

RULE NO. & TITLE: 300 – 4 – 2 - .04, Definition Of Terms.
300 – 4 – 2 - .05, Fund Allocation Procedure.
300 – 4 – 2 - .06, Awarding Procedures.
300 – 4 – 2 - .07, Refund And Repayment Requirements.

INTENDED ACTION: Amendments


SUBSTANCE OF PROPOSED ACTION:

The purpose of these changes is to up-date the procedures so that the program can maintain compliance with Title IV of the Higher Education Act of 1965, as amended, through which the Alabama Student Assistance Program (ASAP) was established.

TIME, PLACE, MANNER OF PRESENTING VIEWS: Persons wishing to present views on these amended rules may contact Tim Vick, Director of Operations and Fiscal Services, Alabama Commission on Higher Education, P.O. Box 302000, Montgomery, Alabama 36130-2000, Telephone 334-353-9153 between 8 a.m. and 5 p.m. each day up to and including March 24, 2017.

FINAL DATE FOR COMMENT AND COMPLETION OF NOTICE: March 24, 2017

CONTACT PERSON AT AGENCY: Timothy W. Vick



Timothy W. Vick
Interim Executive Director

300-4-2-.04: Definition Of Terms.

- (1) **Academic Qualifications and Satisfactory Progress of Eligible students:** A student is considered academically qualified if he/she is currently enrolled and matriculated in an eligible program of an eligible institution and is maintaining satisfactory progress in a course of study he or she is pursuing according to the standards and practices of the institution in which the student is in attendance. The regulations regarding academic qualifications and satisfactory progress of eligible students participating in this State Student Incentive Grant Leveraging Educational Assistance Program are the same regulations which apply to all Title IV programs.
- (2) **Academic Year:** An academic year is a period of time, usually nine months, during which a full-time student is expected to complete the equivalent of two semesters, two trimesters, three quarters, or 900 clock hours of instruction.
- (3) **Alabama Resident:** An Alabama resident is a person who has established residence within the State of Alabama for at least a twelve-month period prior to the beginning of the term for which financial assistance is requested, and is in the State of Alabama for other than a temporary purpose.
- (4) **Clock Hours:** A clock hour is a period of time which is the equivalent of either: (a) a 50- to 60-minute class, lecture, or recitation, or (b) a 50- to 60-minute period of faculty-supervised laboratory, shop training, or internship.
- (5) **Educational Grant:** A grant is defined as a financial award by the State of Alabama to an Alabama Student Assistance Program applicant who is designated to be an eligible student enrolled in or accepted for enrollment in an eligible institution, and is to be awarded to the student to defray direct educational-related expenses: tuition, mandatory fees, room rent, board, transportation, books, supplies, and personal expenses.
- (6) **Eligible Institution:** An eligible institution is a public or private nonprofit institution of higher education, proprietary institution of higher education, or postsecondary vocational educational institution or a department, division, or other administrative unit in a junior college, community college, college, or university which provides primarily or exclusively an accredited program in professional nursing and allied subjects leading to an associate degree, in nursing, or equivalent degree, the degree of bachelor of science in nursing, or to an equivalent degree, and which submits a complete application to the Alabama Student Assistance Program for financial assistance to its students and complies with all reporting requirements of the previous fiscal year. ~~If the institution advertised job placement rates as a means of attracting students, the institution shall provide these students with recent data on employment and graduation statistics.~~ The institution must also certify to the Alabama Student Assistance Program Office the availability of a drug abuse prevention program for officers, employees, and students of the institution.
- (7) **Eligible Program:** An eligible program (except theology, divinity, or other program of preparation for a religious profession) that is separately identifiable and leads to a degree or certificate, and meets the requirements for eligibility at a particular type of institution. An eligible program must admit as regular students only persons who have a high school diploma, have a General Education Development (GED) Certificate, or who are beyond the age of compulsory school attendance and have the ability to benefit from the education or training offered. An eligible program must lead to an associate or bachelor's, degree, or be a program which is at least a two-year program that is acceptable for full credit toward a bachelor's degree, or be a program which is at least a one-year program leading to a certificate or diploma that prepares a student for gainful employment in a recognized occupation, or be a program which for a proprietary institution or a postsecondary vocational

institution, is at least a 6-month program leading to a certificate or diploma which prepares students for gainful employment in a recognized occupation.

(8) **Eligible Student:** An eligible student is an applicant who completes ~~an annual institutional application for financial aid~~ the Free Application for Federal Student Aid, and

(a) Is classified as an undergraduate student as defined in 04(26);

(b) Is a citizen or an eligible non-citizen as defined by the U.S. Department of Education;

(c) Is a resident of the State of Alabama, as defined in 04(3);

(d) Is enrolled or accepted for enrollment as a full-time student, as defined in 04(13), or a part-time student, as defined in 04(19), in an eligible program within an eligible institution;

(e) Is not enrolled in a course of study leading to a degree in theology, religion, or other field of preparation for a religious profession;

(f) Is making satisfactory academic progress as defined by the eligible institution and consistent with guidelines applicable to all Title IV programs at the institution;

(g) Cannot complete his/her education at the institution without financial assistance, and has established financial need for an Alabama Student Assistance Program grant by means of a federally-approved need analysis system for the academic year;

(h) Is not in default on a student loan or owes a refund on a student grant from the federally-funded student financial aid programs;

(i) Has not borrowed in excess of the annual or aggregate limits for the federally-funded or federally-guaranteed student financial aid programs; and

(j) Files a Statement of Education Purpose/Certification Statement on Refunds and Default, a Statement of Registration Status, and a Statement of Updated Information.

(9) **Expected Family Contribution:** The expected family contribution of a dependent student is the sum of the amount which reasonably may be expected from the student and spouse, plus the amount which reasonably may be expected to be made available to the student by the parents or legal guardians to meet the student's cost of education. The expected family contribution of an independent or self-supporting student means the amount of money which reasonably may be expected from the student and spouse to meet the student's cost of education.

(10) **Family Status of Eligible Students:** The Alabama Student Assistance Program provides a supplemental source of financial assistance to students with an established financial need following a determination of the student's family status--i.e., dependent or self-supporting independent.

(11) **Financial Need:** An applicant's financial need is the difference between the applicant's available financial resources, as defined in 04(12), and the applicant's anticipated educational cost, including tuition and fees applicable to such student together with the institution's estimate of other expenses reasonably related to cost of attendance at such institution, including, but not limited to, the cost of room and board, transportation costs, and costs for books and supplies. An approved institution may not charge students fees for processing data or determining student eligibility for Alabama Student Assistance Program awards.

(12) Financial Resources: Financial resources must include, but may not necessarily be limited to, family financial support, anticipated awards under all federally-supported financial aid programs, veterans' educational benefits, plus other benefits, and scholarships, grants, work, or loan assistance of which the institution has knowledge.

(13) Full-Time Student: A full-time student is defined as an individual who is carrying a full-time academic workload, other than by correspondence, measured in terms of (a) course work or other required activities, including any combination of courses, work experience, research, or special studies which the institution requires of the student in order to be considered as being engaged in full-time study, and which amounts to the equivalent of a minimum of 12 semester hours or 12 quarter hours per academic term, or a minimum of 24 clock hours per week, and (b) is charged the tuition and fees customarily charged for full-time study by the institution.

(14) Graduate or Professional Student: A graduate or professional student is a student enrolled in an academic program of study above the baccalaureate level at an institution of higher education, including (a) a program leading to a first professional degree if the institution requires at least 3 years of study at the college level for entrance into the program; and (b) course work beyond the fourth year of study, except any undergraduate study outlined in 04(26).

(15) Half-Time Student: A half-time student is an enrolled student who is carrying a half-time academic work load as determined by the institution according to its own standards and practices. However, the institution's half-time standards must equal or exceed the equivalent of the following minimum requirements: (a) 6 semester hours or 6 quarter hours per academic term in an institution using standard semester, trimester, or quarter systems; (b) 12 semester hours or 12 quarter hours per academic year for an institution using credit hours to measure progress, but not using a standard semester, trimester, or quarter system, or the prorated equivalent for a program of less than 1 year; and (c) 12 clock hours per week for an institution using clock hours.

(16) Matriculated Status of Eligible Students:

(a) To be eligible for an Alabama Student Assistance Program grant, a student must be in a "matriculated status" in an eligible program leading to a degree, diploma, or certificate approved for a grant award. For purposes of the Alabama Student Assistance Program, a student shall be considered in "matriculated status" if the student is enrolled in an appropriate degree, diploma, or certificate program.

(b) A student is to be considered matriculated and eligible only if the courses pursued by the student are fully recognized at that time as contributing toward fulfillment by the student of the requirements for completion of the program. That the student may be required to complete certain courses to make up deficiencies in background or training does not necessarily negate the student's status as an enrolled and recognized degree candidate, so long as acceptance and credit are not contingent upon additional and special requirements designed to establish his/her qualifications to pursue the program successfully. If credit toward the degree is conditional upon satisfactory completion of additional special requirements, then the student must be considered not fully matriculated and ineligible for assistance during his/her present program of study.

(c) A student who meets all eligibility requirements for the Alabama Student Assistance Program and who is permitted to enroll in an eligible postsecondary educational institution on an early admission basis is eligible to receive a State grant provided he/she meets all other matriculated status criteria of these procedures.

(17) Nonprofit Institution: A "nonprofit" institution means a school, college, agency, organization, or institution, in Alabama and owned and operated by one or more nonprofit corporations, or associations in which no part of the net earnings of the corporation(s) or association(s) lawfully inure to the benefit of any private shareholder or individual, and which meets other requirements defined in 04(6).

(18) Over-Award of Established Need: If a student receives other gift aid awards, loans, scholarships, or work-study that are non-adjustable and meet the student's financial need as defined in 04(11), the student is not eligible to receive an Alabama Student Assistance Program grant.

(19) Part-Time Student: A part-time student is an individual who is enrolled as a half-time student as defined in 04(15).

(20) Postsecondary Vocational Institution: A "postsecondary vocational institution" is a public or private nonprofit educational institution which, (a) is in Alabama; (b) admits as regular students only persons who have a high school diploma, have the recognized equivalent of a high school diploma, or are beyond the age of compulsory school attendance in Alabama and have the ability to benefit from the training offered; (c) is legally authorized to provide an educational program beyond secondary education and is physically located in Alabama; (d) provides at least a six-month program of training to prepare students for gainful employment in a recognized occupation; (e) is accredited by a nationally recognized accrediting agency or association, or, is approved by the State Department of Education Alabama Community College System, if the institution is a public postsecondary vocational institution, or, has satisfactorily assured the U.S. Secretary that it will meet the accreditation standards of an approved agency or association within a reasonable time, considering the resources available to the institution, the period of time it has operated and its efforts to meet accreditation standards, or an institution whose credits are determined by the U.S. Secretary to be accepted on transfer by at least three accredited institutions on the same basis as transfer credits from fully accredited institutions; and, (f) has been in existence for at least two years. The U.S. Secretary considers an institution to have been in existence for two years if it has been legally authorized to provide, and has provided, a training program on a continuous basis to prepare students for gainful employment in a recognized occupation during the 24 months (except for normal vacation periods) preceding the date of application for eligibility.

(21) Proprietary Institution of Higher Education: A "proprietary institution of higher education" is an educational institution which, (a) is not a public or other nonprofit institution; (b) is in Alabama; (c) admits as regular students only persons who have a high school diploma, have the recognized equivalent of a high school diploma, or are beyond the age of compulsory school attendance in Alabama and have the ability to benefit from the training offered; (d) is legally authorized to provide postsecondary education and is physically located in Alabama; (e) provides at least a six-month program of training to prepare students for gainful employment in a recognized occupation; (f) is accredited by a nationally recognized accrediting agency or association; and (g) has been in existence for at least two years. The U.S. Secretary considers a school to have been in existence for two years if it has been legally authorized to provide, and has provided, a continuous training program to prepare students for gainful employment in a recognized occupation during the 24 months (except for normal vacation periods) preceding the date of application for eligibility.

(22) Public or Private Nonprofit Institution of Higher Education: A "public or private nonprofit institution of higher education" is: an educational institution which (a) is in Alabama; (b) admits as regular students only persons who have a high school diploma, or have the recognized equivalent of a high school diploma, or are beyond the age of compulsory school attendance in Alabama, and have the ability to benefit from the training offered; (c) is legally authorized to provide an educational program beyond secondary education and is physically located in Alabama; (d) provides an educational program for which it awards an associate,

baccalaureate, graduate, or professional degree, or at least a two-year program which is acceptable for full credit toward a baccalaureate degree, or at least a one-year training program which leads to a certificate or diploma and prepares students for gainful employment in a recognized occupation; and (e) is accredited by a nationally recognized accrediting agency or association or, if not accredited, is approved by the State Department of Education Alabama Community College System, if the institution is a public postsecondary vocational institution, or is an institution which has satisfactorily assured the U.S. Secretary of Education it will meet the accreditation standards of an approved agency or association within a reasonable time, considering the resources available to the institution, the period of time it has operated and its efforts to meet accreditation standards, or an institution whose credits are determined by the U.S. Secretary to be accepted on transfer by at least three accredited institutions on the same basis as transfer credits from fully accredited institutions.

(23) Refunds.

(a) If a student becomes ineligible for a state grant during the academic year of the award, and prior to the delivery of Alabama Student Assistance Program funds to the student, the institutional financial aid administrator will not disburse Alabama Student Assistance Program grant funds to the student.

(b) Whenever an institution refunds monies to the Alabama Student Assistance Program, the institution must provide to the Alabama Student Assistance Program the refund amount and the institution must maintain with the student's records documentation listing (a) the date the student withdrew, (b) the net institutional charges to the student for the period of the student's attendance, (c) the amount of the student's grant award, and (d) the amount of refund due the Alabama Student Assistance Program.

(24) State Student Incentive Grant Program Leveraging Educational Assistance Partnership Program: The SSIGP LEAP Program is a federal grant made to the several states by the U.S. Department of Education to encourage creation and/or expansion of state student assistance programs. Federal funds must be matched with at least an equal amount of state funding. All federal funds received plus the state matching funds must be returned to students. Administrative cost of the program must be borne entirely by state appropriations and/or institutional funds. Federal regulations require that a single agency designated by the state shall administer the program.

(25) Student Application Procedure: Each Alabama Student Assistance program applicant must submit a financial statement utilizing a need analysis system approved by the U.S. Secretary of Education the Free Application for Federal Student Aid application. Award priorities will be given to completed need analysis reports in accordance with dates established by the individual eligible institutions.

(26) Undergraduate Student: An undergraduate student is defined as a person who is in attendance at an Alabama postsecondary educational institution and who has not earned a baccalaureate or first professional degree. A student who is enrolled in a program of study designed to extend for more than four academic years shall not be considered an undergraduate student in that portion of the program that involves study beyond the fourth academic year, unless the program leads to a first degree and is designed to extend for a period of five academic years.

Author: Joseph T. Sutton, Timothy W. Vick

Statutory Authority: Title IV of the Higher Education Act of 1965 as amended.

History: Filed September 30, 1982. **Emergency Amendment:** Filed October 13, 1987.

Amended: Filed December 7, 1987; Amended Filed April 6, 1988; Amended Filed April 9, 1992. Amended: Filed March 27, 2017.