APA-1

TRANSMITTAL SHEET FOR
NOTICE OF INTENDED ACTION

Control No. 300 Department or Agency: Alabama Commission on Higher Education
Rule No. Chapter 300 – 4 – 2 - .06
Rule Title: Awarding Procedures.
_____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

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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.

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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

APA-2

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-.06 Awarding Procedures.

(1) Each applicant must submit to the eligible institution a yearly ~~application for financial aid and submit a financial statement utilizing a need analysis system approved by the U.S. Secretary of Education~~ Free Application for Federal Student Aid application.

(2) An applicant may receive consideration for an Alabama Student Assistance Program award at only one institution per academic term. If a student wishes to receive consideration for an Alabama Student Assistance Program award at another Alabama postsecondary educational institution, he/she must follow the procedures outlined in 06(1).

(3) Information received on applicants shall be evaluated by an institutional student financial aid officer.

(a) All applicants' need shall be determined by the expected family contribution figures provided on the students' ~~financial statements utilizing an approved federal need analysis system~~ aid report.

(b) Students with need shall be compared with monies available. In determining the priority order in which students will be awarded funds in any given award year, the school must:

1. first, choose those students with exceptional financial need -- that is, those with the lowest expected family contributions (EFCs) who will also receive Pell Grants in that award year, and

2. after awarding ASAP funds to all of its eligible Pell Grant recipients in order of lowest expected family contributions (EFCs), next award ASAP funds to those eligible students with the lowest EFCs who will not receive Pell Grants in that award year.

(c) An award list shall be made and sent to the Alabama Commission on Higher Education. The maximum award that a student may receive is $5,000 per academic year. The maximum award shall be reduced proportionately for students who attend part-time.

(4) All grants to students enrolled at least half-time shall be not less than $300 nor more than $5,000 for the academic year.

(5) All awards made by the Alabama Student Assistance Program shall be made to individual students who are residents of ~~in~~ the State of Alabama.

(a) Each awardee shall be sent an award ~~letter~~ notice by the institution and informed of aid awarded through the Alabama Student Assistance Program.

(b) The institutional Financial Aid Officer will check each awardee for:

1. Number of hours enrolled;

2. Academic progress and program;

3. Residency and nationality; and

4. Status on previous grants and loans.

(c) The institutional Financial Aid Officer shall be responsible for ensuring that each student is not over-awarded.

(d) If the award is accepted, each student shall certify his/her eligibility and verify that the educational grant will be used only for educational expenses for attendance at the approved Alabama postsecondary institution.

(6) Disbursement of all grants shall be made by checks in accordance with the procedures outlined in 06(6)(a) or 06(6)(b).

(a) Certain approved institutions may prepare checks for eligible awardees under the following conditions:

1. An approved institution may prepare checks for eligible awards only after all steps in 06(5) have been completed.

2. The Alabama Student Assistance Program Office will send a lump sum payment of funds to the approved institution for deposit in a specific Alabama sStudent Assistance Program account.

3. The approved institution shall prepare individual checks on the account.

4. All checks which are undeliverable shall be cancelled, and the funds returned to the special Alabama Student Assistance Program account. Replacement awards may be issued to eligible students prior to the expiration of the term only after the ASAP Office is provided the following information: Social Security numbers of award recipients, full names of recipients, adjusted gross incomes of recipients, and amounts of awards per term.

5. All funds remaining in the institution's Alabama Student Assistance Program account must be returned to the Alabama Student Assistance Program Office no later than ~~April 30~~ August 31 each year. No awards may be issued for terms commencing after ~~April~~ June 30.

6. An approved institution's permission to write individual checks may be terminated at any time, upon written notice from the Alabama Student Assistance Program Office. Reasons for termination may include noncompliance with any Alabama Student Assistance Program Regulations or untimely delay in submitting required reports to the Alabama Student Assistance Program Office.

(b) Certain approved institutions may credit accounts of eligible awardees under the following conditions:

1. An approved institution may credit accounts of eligible awardees only after all steps in 06(5) have been completed.

2. The Alabama Student Assistance Program office will send a lump sum payment of funds to the approved institution for deposit in a specific Alabama Student Assistance Program account.

3. The approved institution shall provide each eligible awardee with documentation of an Alabama Student Assistance Program award.

4. Should the dollar amount of an award credited to an eligible student's account exceed the dollar amount due the institution by the student at the time an ASAP award is credited to an eligible student's account, a check in the amount of excess funds (credit) shall be issued within fourteen (14) work days to the student by the approved institution.

5. All checks which are undeliverable shall be

cancelled, and the funds returned to the special Alabama Student Assistance program account. Replacement awards may be issued to eligible students prior to the expiration of the term only after the ASAP Office is provided the following information: Social Security numbers of award recipients, full names of recipients, adjusted gross incomes of recipients, and amounts of awards per term.

6. All funds remaining in the institution's Alabama Student Assistance Program account must be returned to the Alabama Student Assistance Program Office no later than ~~April 30~~ August 31 each year. No awards may be issued for terms commencing after ~~April~~ June 30.

7. An approved institution's permission to credit eligible students' accounts may be terminated at any time, upon written notice from the Alabama Student Assistance Program Office. Reasons for termination may include noncompliance with any Alabama Student Assistance Program Regulations or untimely delay in submitting required reports to the Alabama Student Assistance Program office.

(7) All eligible institutions shall follow the recordkeeping procedures set forth by the Alabama Student Assistance Program Office.

(a) Eligible institutions shall complete all requested accounting reports and return them to the Alabama Student Assistance Program office on or before ~~May~~ August 31 each year.

(b) A summary of all fiscal reports pertaining to the Alabama Student Assistance Program shall be furnished to the Alabama Commission on Higher Education.

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. **Amended:** Filed May 18, 1984; July 5, 1984; June 11, 1985. **Emergency Amendment:** Filed October 13, 1987. **Amended:** Filed December 7, 1987; April 6, 1988; April 9, 1992. **Amended:** Filed December 6, 2007; effective January 10, 2008. Amended: Filed March 27, 2017.