

NOTICES OF EXEMPT RULEMAKING

The Administrative Procedure Act requires the *Register* publication of the rules adopted by the state's agencies under an exemption from all or part of the Administrative Procedure Act. Some of these rules are exempted by A.R.S. §§ 41-1005 or 41-1057; other rules are exempted by other statutes; rules of the Corporation Commission are exempt from Attorney General review pursuant to a court decision as determined by the Corporation Commission.

NOTICE OF EXEMPT RULEMAKING

TITLE 7. EDUCATION

CHAPTER 3. COMMISSION FOR POSTSECONDARY EDUCATION

PREAMBLE

1. **Sections Affected**

	<u>Rulemaking Action</u>
Article 3	Amend
R7-3-301	Amend
R7-3-302	Amend
R7-3-303	Amend
R7-3-304	Amend
R7-3-305	Amend
R7-3-306	Amend
R7-3-307	Amend
R7-3-308	Amend
R7-3-309	Amend
2. **The specific authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):**

Authorizing statute: A.R.S. § 15-1852(C)
Implementing statute: A.R.S. § 15-1851(B)
3. **The effective date of the rules:**

June 1, 1999
4. **A list of all previous notices appearing in the Register addressing the final rule:**

Notice of Rulemaking Docket Opening: 5 A.A.R. 708, March 5, 1999.
Notice of Proposed Rulemaking: 5 A.A.R. 1194, April 30, 1999.
5. **The name and address of agency personnel with whom persons may communicate regarding the rulemaking:**

Name: Verna Allen, Executive Director
Address: Commission for Postsecondary Education
2020 N. Central Avenue, Suite 275
Phoenix, Arizona 85004
Telephone: (602) 229-2595
Fax: (602) 229-2599
6. **An explanation of the rule, including the agency's reason's for initiating the rule, including the statutory citation to the exemption from the regular rulemaking procedures:**

On October 7, 1998, President Clinton signed reauthorization of the Higher Education Act ("HEA"). HEA changes the name of the State Student Incentive Grant ("SSIG") Program to Leveraging Educational Assistance Partnership ("LEAP") Program. The heading for Article 3 will be changing to reflect the new name of the program. The only other change is removing the name of a former employee. Pursuant to A.R.S. § 15-1852(C), the Commission is exempt from the regular rulemaking procedures.
7. **A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:**

Not applicable.

Arizona Administrative Register
Notices of Exempt Rulemaking

8. **The summary of the economic, small business, and consumer impact:**
- a. An identification of the proposed rulemaking: Leveraging Educational Assistance Partnership Program, R7-3-301 through R7-3-309, adopted pursuant to A.R.S. § 15-1851(B).
 - b. An identification of the persons who will be directly affected by, bear the costs of, or directly benefit from the proposed rulemaking: There will be no significant impact to anyone or any institution. The rules simply reflect a name change implemented at the federal level.
 - c. An analysis of the probable costs and benefits from the implementation and enforcement of the proposed rulemaking on the Commission, and on any political subdivision or business directly affected by the proposed rulemaking: There may be minor costs in changing letterhead, envelopes, etc.
 - d. The probable impact of the proposed rulemaking on employment in business, agencies, and political subdivisions of this state affected by the proposed rulemaking: None.
 - e. A statement of the probable impact of the proposed rulemaking on small business: None.
 - f. A statement of the probable effect on state revenues: None are anticipated as the Program remains unchanged.
 - g. A description of any less intrusive or less costly alternative methods of achieving the purpose of the proposed rulemaking: Due to the nature of the various statutory requirements, less intrusive or less costly alternatives are not available.
9. **A description of the changes between the proposed rules, including supplemental notices, and final rules:**
There are no changes between the proposed rules and the final rules.
10. **A summary of the principal comments and the agency response to them:**
There were no oral or written comments from the public.
11. **Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:**
Not applicable.
12. **Incorporation by reference and their location in the rules:**
Not applicable.
13. **Was this rule previously adopted as an emergency rule?**
No.
14. **The full text of the rules follows:**

TITLE 7. EDUCATION

CHAPTER 3. COMMISSION FOR POSTSECONDARY EDUCATION

ARTICLE 3. ARIZONA STATE STUDENT INCENTIVE GRANT LEVERAGING EDUCATIONAL ASSISTANCE PARTNERSHIP PROGRAM

Sections

- R7-3-301. Federal ~~SSIGLEAP~~ Requirements
- R7-3-302. Institutional Eligibility Requirements
- R7-3-303. Receipt and Allocation of Arizona ~~SSIGLEAP~~ Program Funds
- R7-3-304. Arizona ~~SSIGLEAP~~ Student Eligibility Requirements
- R7-3-305. Arizona ~~SSIGLEAP~~ Award Procedures
- R7-3-306. Award Alternation

- R7-3-307. Administrative Costs
- R7-3-308. Institutional Program Review
- R7-3-309. Definitions

**ARTICLE 3. ARIZONA STATE STUDENT INCENTIVE GRANT LEVERAGING EDUCATIONAL ASSISTANCE
PARTNERSHIP PROGRAM**

R7-3-301. Federal SSIGLEAP Requirements

The federal government requires that a state SSIGLEAP Program must:

1. Be administered by a single state agency in accordance with the Federal-State Agreement under Section 1203 of the Higher Education Act, as amended. The Governor of Arizona has designated as the responsible single state agency the Arizona Commission for Postsecondary Education, which hereafter shall be referred to as the Commission;
2. Award grants only to students who meet the eligibility and financial need requirements as outlined in R7-3-304(A) and (B);
3. Provide grants which do not exceed \$5,000 per program year for a full-time student enrolled in an eligible program at a participating postsecondary institution;
4. Use as state matching funds an amount which is over and above the amount the state expended for grants in the initial program year of FY 1974;
5. Provide for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of the accounting for federal funds paid to the state;
6. Provide for making such reports, in such form and containing such information, as may be reasonably necessary to enable the U.S. Secretary of Education to perform program analysis;
7. Provide for the payment of the state matching fund share of grants awarded from direct state appropriated funds;
8. Provide that no payment may be made to a student under this program unless the student meets the requirements specified in R7-3-304;
9. Obey all other United States laws and regulations applying to the Federal-State Student Grant Program;
10. Provide that all institutions of higher education in Arizona which meet the eligibility requirements of R7-3-302 shall be eligible to participate in the program;
11. Provide that state expenditures shall not be less than:
 - a. The average annual aggregate expenditures for the preceding 3 years; or
 - b. The average annual expenditure per full-time equivalent student for those years.
12. Provides assurances that all SSIGLEAP grants will be awarded without regard to sex, race, debilitating condition, creed, or economic background.

R7-3-302. Institutional Eligibility Requirements

To participate in the Arizona SSIGLEAP Program, an Arizona postsecondary educational institution must either:

1. Be a public or other nonprofit institution of higher education which:
 - a. 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 the state in which the institution is located, and who have the ability to benefit from the training offered;
 - b. Is legally authorized by the State of Arizona to provide an educational program beyond secondary education;
 - c. Provides an educational program for which it awards an associate, baccalaureate, graduate, or professional degree, or at least a 2-year program which is acceptable for full credit toward a baccalaureate degree; or at least a 1-year training program which leads to a certificate or degree and prepares students for gainful employment in a recognized occupation; or at least a 6-month training program at a postsecondary vocational institution (such as a public community college) which leads to a certificate or degree and prepares students for gainful employment;
 - d. Is accredited by a nationally recognized accrediting agency or association, or if not so accredited, is an institution which has satisfactorily assured the 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 is an institution whose credits are determined by the Secretary to be accepted on transfer by at least 3 accredited institutions on the same basis as transfer credits from fully accredited institutions.
 - e. Has a certified Eligibility Letter and a valid written Program Participation Agreement from the Department of Education cited in 34 CFR 668.
2. Be a proprietary institution of postsecondary education which:
 - a. Is not a public or other nonprofit institution;
 - 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 the state in which the institution is located, and who have the ability to benefit from the training offered;

Arizona Administrative Register
Notices of Exempt Rulemaking

- c. Is legally authorized to provide postsecondary education in the State of Arizona;
- d. Provides at least a 6-month or 600 clock hour program of training to prepare students for gainful employment in a recognized occupation;
- e. Is accredited by a nationally recognized accrediting agency or association; and
- f. Has been in existence for at least 2 years. The Secretary considers a school to have been in existence for 2 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.
- g. Refer to subsection (1)(e).

R7-3-303. Receipt and Allocation of Arizona SSIGLEAP Program Funds

A. Receipt of funds.

- 1. The Commission may receive funds for the Arizona SSIGLEAP Program from the following sources:
 - a. The federal government;
 - b. The Arizona Legislature;
 - c. Institutions which are eligible to participate in the program; and
 - d. Other nonfederal institutions, organizations, or individuals.
- 2. All funds received will be deposited by the Commission in a properly secured account and appropriate controls will be instituted to assure that accountability will be maintained for all funds received.
- 3. Available federal program funds will be matched, on a dollar-for-dollar basis, by state appropriated funds.
- 4. Funds provided by the eligible participating institutions and nonfederal funds from other institutions, organizations, or individuals shall be used by the Commission to supplement the federal and state program funds for grants and for necessary administrative costs.

B. Allocation of funds.

- 1. Arizona SSIGLEAP Program Funds will be allocated to eligible Arizona postsecondary educational institutions according to their proportionate share of the State's total headcount of Arizona resident students enrolled in eligible programs. The Commission will survey each eligible institution in Arizona no later than May of each year to determine the number of eligible Arizona resident students who are enrolled. Headcount will be determined in the following manner:
 - a. Semester or quarter hour schedule institutions will provide data for the preceding fall semester. (For example, allocations for the ~~1996-97 SSIG LEAP~~ program for any given academic year will be based on ~~Fall 1995~~ enrollment data from the previous academic year.); and
 - b. Institutions which operate on clock hour or other nontraditional schedules will provide unduplicated student enrollment data for the period from August through April of the previous year. (For example, allocations for the ~~1996-97 SSIGLEAP~~ program for any given year will be based on data for the period August-~~1995~~, through April ~~1996~~.) Enrollment data must be verified by 2 Administrative Officials of the school.
- 2. The staff will promptly notify each eligible institution of its preliminary allocation as soon as necessary Commission approvals can be obtained. The total will show the amount of federal and state dollars and also the amount the institution must provide to receive the full allocation. The institution will be asked to select 1 of the following choices:
 - a. It will provide the full amount of institutional funds in order to receive the full allocation.
 - b. It will provide the full amount of institutional funds and also is prepared to provide additional institutional funds if additional federal and state funds should become available. The institution will be asked to specify the amount of additional institutional funds it will be able to provide.
 - c. It prefers to provide a lesser amount which will be noted in the space provided. In this case the federal and state amounts will be adjusted to meet the reduced institutional amount.
 - d. It chooses not to participate in the SSIGLEAP program for this period. In this case it is important that the institution return the form to the Commission to inform them of this choice.
- 3. A response due date will be included in this notification. Only institutions whose response is received by the Commission by that due date will be eligible to participate in the SSIGLEAP Program ~~for the 1996-97 program~~ that academic year.
- 4. All institution responses which are received by the Commission on or before the response due date will determine the final list of institutions eligible to participate in the SSIGLEAP program. If all institutions elect to participate, the preliminary allocation will become the final allocation list. However, if some institutions choose not to participate, or if some prefer to participate at a reduced level, the staff will calculate a new final allocation list considering only the institutions on the final institutional eligibility list. The staff will then notify each participant institution of its revised allocation, the amount of institutional funds to provide, and instructions for transmitting its funds to the Commission.

Arizona Administrative Register
Notices of Exempt Rulemaking

5. The Commission will maintain the necessary accounts for each eligible institution which participates in the Arizona SSIGLEAP Program. Each account will, as a minimum, show the current status of that account for its source of program funds, and such other information that the Commission deems necessary.
- C. Transfer of institutional funds. When the institution receives its final allocation notice from the Commission, it ~~should~~ shall send its institutional funds to the Commission. This transfer ~~should~~ shall take place beginning July 1, ~~1996~~ of each year. Checks conveying institutional funds ~~should~~ shall be made out to the Arizona Commission for Postsecondary Education -- SSIGLEAP Program.
- D. Disbursement of Arizona SSIGLEAP Program Funds to Participating Institutions. The Commission will disburse funds from the Arizona SSIGLEAP Program Fund to participating institutions for further disbursement to approved student applicants in accordance with the program calendar.
- E. Reallocation of Unused SSIGLEAP Program Funds.
 1. Schools will be contacted in February, and asked if they will be able to use all their funds or if they wish additional funding and the amount thereof.
 2. Schools not awarding 100% of their funds by the middle of February may have the remaining SSIGLEAP funds recovered by the Commission for reallocation. Remaining institutional funds, less administrative funds, will then be returned to each of those schools when the final program financial report has been received by the Commission.
 3. In March, a reallocation of funds will take place and funds will be available for those schools that asked for additional funds in February.
 - a. If the amount of available funds exceeds the total amount of requests, all requests will be honored. Any remaining available funds will be retained by the Commission for later reallocation.
 - b. If the amount of the requests exceeds the amount of available funds, the Commission will allocate those funds among the requesting institutions based on each institution's proportionate share of Arizona resident students eligible headcount for that institution. The enrollment at non-requesting institutions will not be included in these calculations.
 4. The staff will notify each participant institution of its share of the reallocation, the amount of institutional funds to provide, and instructions for transmitting its funds to the Commission.
 5. Any SSIGLEAP funds retained by the institutions, minus the institutional proportionate share originally paid, must be returned to the Commission in the form of a check by the end of July, along with the signed Financial Report. Any unused program funds remaining in the state treasury will be returned to the institutions in the same proportionate share as was paid in at the beginning of the program year. The Commission may impose a deduction in the amount of those unutilized program funds from a school's following years allocation.

R7-3-304. Arizona SSIGLEAP Student Eligibility Requirements

- A. Student eligibility requirements. To be eligible for a grant from the Arizona SSIGLEAP Program, a student must:
 1. Be a resident of the State of Arizona as defined by the A.R.S. §§ 15-1802, 15-1803, 15-1804, and 15-1805;
 2. Be enrolled or accepted for enrollment on at least a half-time basis as defined in R7-3-309(A)(20) in an eligible course or program at an Arizona postsecondary educational institution which has met the institutional eligibility requirements in R7-3-302, and which has been approved by the Commission.
 3. At the discretion of the institution financial aid officer, this may include a person who has attained a baccalaureate or 1st professional degree and has re-entered an eligible Arizona postsecondary institution for retraining in a program below the baccalaureate level. Such a person will be considered an undergraduate student for SSIGLEAP purposes.
 4. Have a substantial demonstrated financial need determined in accordance with the provision given in this R7-3-304(B);
 5. Maintain satisfactory progress in a course of study as defined by the institution and not be in default or owe a repayment on a federal grant or loan. Refer to 34 CFR 692.
- B. Financial Need Determination Procedures. The financial need of eligible students will be determined annually, or more often if need be, by the financial aid officer of the institution the student is attending, or will attend, using the Federal Methodology (FM) system of need analysis approved by the Commission and the U.S. Department of Education. A student must be considered to have substantial need.
- C. A student is considered to have substantial financial need when:
 1. The student has an expected family contribution of \$2,140 or less as a result of the student's FM need analysis for the program year; or,
 2. The difference between the student's cost of education and the students expected family contribution is at least \$100.

R7-3-305. Arizona SSIGLEAP Award Procedures

- A. Eligible students who wish to apply for an SSIGLEAP award will provide to the financial aid office the information needed for the financial need analysis as specified in R7-3-304(B).
- B. The financial aid office will:

1. Determine whether or not the student meets the eligibility requirements for an Arizona SSIGLEAP award as outlined in R7-3-304(A);
 2. Determine the financial need of the student using the need analysis specified in R7-3-309(B);
 3. Exercise due diligence in determining that the student:
 - a. Satisfies verification procedures which may be required for federal Title IV financial aid programs;
 - b. Satisfies requirements listed under 34 CFR 692.4.
 4. Recommending the amount of the SSIGLEAP award in accordance with the following guidelines:
 - a. Awards may be made only to students who meet the criteria of R7-3-304(A);
 - b. The total of all SSIGLEAP awards to a student may not exceed \$2,500 for the program year;
 - c. The financial aid officer will determine, based on student need, an award of no more than \$2,500 nor less than \$100 (round all awards to the nearest \$1.00).
 - d. The financial aid officer must insure that all applications are received in a timely fashion so disbursement of funds to students will be made before a semester or training period ends.
 - e. Sign the application form.
 5. Send the application form to:

ARIZONA COMMISSION FOR
POSTSECONDARY EDUCATION
2020 North Central Avenue, Suite 275
Phoenix, Arizona 85004-4503
(Attention: ~~L.R. Bustillo, SSIG Administrator~~ Financial Aid Director)
 6. Receive approved applications, assure that SSIGLEAP award funds are disbursed to the student, and retain on file disbursement records (signed receipts, canceled checks) which verify that the student received the funds. No disbursement may be made to a student who, as a result of a change in status, no longer meets the eligibility requirements outlined in R7-3-304.
 7. Maintain adequate fiscal control, accounting, and financial aid records at the institution in accordance with approved state and federal procedures;
 8. Provide to the Commission such financial and other information as may be required to meet federal reporting and auditing requirements.
- C. The Arizona Commission for Postsecondary Education will:
1. Receive the application for the Arizona SSIGLEAP award;
 2. Verify that the student is eligible and that there are sufficient funds in the SSIGLEAP program account to fund the award;
 3. Approve applications which meet these criteria;
 4. Return applications that do not meet the criteria or are in any way incomplete to the financial aid office;
 5. Disburse funds to the institution's financial aid officer for the approved applications.

R7-3-306. Award Alterations

The Commission will attempt to accommodate any changes which institutional financial aid officers wish to make in individual student awards. These changes might include, for example, cancellation of award, reduction in award level, or increase in award level.

1. Increased SSIGLEAP Awards: A student's SSIGLEAP award may be increased if the earlier award for that program year is less than the maximum amount specified, and if the student is eligible for such an increase. To increase an SSIGLEAP award, the institutional financial aid officer will simply submit to the Commission another SSIGLEAP application form, and provide updated financial aid information on the form. In no case may a student receive more than a total of \$2,500 in SSIGLEAP awards for a program year.
2. Reversions: A student's SSIGLEAP award may be reduced or canceled. If a student officially or unofficially withdraws or is expelled from the institution, or if the student drops below the minimum number of hours, the institutional financial aid officer must attempt to recover all of SSIGLEAP award funds possible in accordance with the repayment policies of that institution.
3. The reversion procedure includes the following steps:
 - a. Funds are recovered from the student;
 - b. The financial aid officer completes the SSIGLEAP Reversion Form;
 - c. The financial aid officer forwards the completed SSIGLEAP Reversion Form or forms and the Transmittal Form to the Commission.
4. Reverted SSIGLEAP funds recovered by the Commission are redeposited in the secured SSIGLEAP program account and credited to the institution's SSIGLEAP Program Fund account. Such funds are then available to the institution to be used to make new SSIGLEAP awards.

R7-3-307. Administrative Costs

No federal SSIGLEAP funds may be used to administer the Arizona SSIGLEAP Program. Therefore, administrative expenses will be paid from nonfederal state appropriated or institutional program funds provided such payment does not reduce state appropriated matching funds necessary to receive the maximum federal SSIGLEAP funds.

R7-3-308. Institutional Program Review

Commission staff members will review Institutional SSIGLEAP Program records for each program year, and each institution participating in the SSIGLEAP program will be visited at least once every 2 years. The purpose of the visit is to review, with institution financial aid and fiscal officers, the SSIGLEAP student records which state and federal regulations require be kept. Those records include documentation which verifies that:

1. The student is a resident of the State of Arizona as prescribed by Arizona Revised Statutes.
2. The student is currently enrolled at least half-time in an eligible course or program.
3. The student has a demonstrated need for financial assistance as determined by a Federal Methodology needs analysis system approved by the Commission and the U. S. Department of Education.
4. The student has received the SSIGLEAP funds approved for the award (for example, a canceled check, a written receipt, a signed roster).
5. The institutional financial aid officer must assure that the total amount of financial aid awarded to a student, from all sources, added to the amount of the family contribution, is limited by and does not exceed the student's total cost of education. The SSIGLEAP award limits and the treatment of any additional funds which were received after the institutional aid awards were made shall be consistent with the federal regulations which govern the Federal Title IV, Campus-based programs.
6. Repayments and refunds of SSIGLEAP disbursements which have been made to students shall be made in accordance with the written policies of the institution. These written policies must be consistent with applicable federal regulations and a copy must be filed at the Commission office at the beginning of each SSIGLEAP program year.
7. Verify that the institution has a Certified Letter of Eligibility and a valid Program Participation Agreement from the Department of Education cited in 34 CFR 668.

R7-3-309. Definitions

The following definitions are taken from the Federal Regulations which govern the SSIGLEAP program and apply to this Plan as well.

1. "Academic year" means a period of time, usually 8 to 9 months, during which a full-time student would normally be expected to complete the equivalent of 2 semesters (24 semester hours), 2 trimesters (24 trimester hours), 3 quarters (36 quarter hours), or 900 clock hours of instruction.
2. "Act" means the Higher Education Act of ~~1965~~1998, as amended, ~~Sections 415A-415D~~ of Title IV.
3. "Board" means the Arizona Board of Regents.
4. "CFR" means the Code of Federal Regulations.
- ~~4~~5. "Clock hour" means a period of time which is the equivalent of a 50 to 60 minute class, lecture, or recitation, or a 50 to 60 minute period of faculty-supervised laboratory, shop training, or internship.
- ~~5~~6. "Commission" means the Commission for Postsecondary Education.
- ~~6~~7. "Cost of education" means the cost of attending an institution as defined by the institution.
- ~~7~~8. "Dependent student" is a student who does not qualify as an Independent Student.
- ~~8~~9. "Eligible course or program" is 1 which is properly approved by an accrediting agency recognized by the U.S. Department of Education as being an integral part of the curriculum of the institution, is of postsecondary level, and is at least 1 semester in length at a college or university, or 6 months in length, or a minimum of 600 clock hours at a proprietary institution.
- ~~9~~10. "Expected family contribution of a dependent student" means the sum of amounts which reasonably may be expected from the student to meet the student's costs of education and the amount which reasonably may be expected to be made available to the student by the student's parents for such purpose. Amount is calculated based upon the Federal methodology need analysis for current program year.
- ~~10~~11. "Expected Family Contribution of an Independent Student" means the amount which reasonably may be expected from the student or their spouse, or both, to meet the student's cost of education. Amount is calculated based upon the from Federal methodology need analysis for current program year.
- ~~11~~12. "Federal methodology" means the methodology now mandated by federal regulation for determining financial need for federally funded programs.
- ~~12~~13. "Full-time undergraduate student" means a student who has not attained the baccalaureate or 1st professional degree and who is carrying a full-time academic work load, other than by correspondence, measured in terms of:
 - a. Course work or other required activities as determined by the institution in which the student is enrolled, or by the state whose agency is administering the program authorized by the Act, which amounts to the equivalent for institutions utilizing trimester, semester, or quarter hour systems, or which consists of a program requiring

Arizona Administrative Register
Notices of Exempt Rulemaking

- a minimum of 24 clock hours per week in a program of at least 6 months or 600 clock hours for those institutions that do not utilize such systems; and
- b. The tuition and fees customarily charged for full-time study by the institution.
- ~~13~~14. “Full-time graduate student” is a student who has attained a baccalaureate or 1st professional degree, has been accepted by the graduate college, and is enrolled in an approved graduate level program at an accredited university or college for a minimum of 9 semester, trimester, or quarter hours during a normal length term or 5 hours during a summer session.
- ~~14~~15. “Independent” means an independent student as defined by federal regulations.
- ~~15~~16. “Program funds” means the awards; reversions (reverted/retained); and un-utilized Funds:
- a. Awards: Awarded ~~SSIGLEAP~~ Funds are dollars given in the form of grants to eligible students attending eligible postsecondary institutions.
- b. Reversions:
- i. Reverted ~~SSIGLEAP~~ funds are funds that have been awarded and because student is no longer eligible are returned to the Commission for re-use at a later date.
- ii. Reverted Retained ~~SSIGLEAP~~ funds are those funds that institutions have kept and not transferred back to the Commission after the student who has been awarded is considered ineligible for ~~SSIGLEAP~~ award.
- c. Un-utilized: Un-utilized ~~SSIGLEAP~~ Program Funds are those Funds that have never been awarded to a student by an eligible institution.
- ~~16~~17. “Public or private nonprofit institution of higher education” means an educational institution which:
- a. Admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such a certificate.
- b. Is legally authorized to provide a program of education beyond secondary education.
- c. Provides an educational program for which it awards an associate, baccalaureate, or professional degree or at least a 2-year program which is acceptable for full credit towards a baccalaureate degree, or at least a 6-month vocational program which leads to a certificate or degree and prepares students for gainful employment in a recognized occupation.
- d. Is accredited by a nationally recognized accrediting agency or association or, if not so accredited,
- i. Is an institution with respect to which the Commission has determined that there is satisfactory assurance, considering the resources available to the institution, the period of time, if any, during which it has operated, the effort it is making to meet accreditation standards, and the purpose for which this determination is being made, that the institution will meet the accreditation standards of such an agency or association within a reasonable time; or
- ii. Is an institution whose credits are accepted on transfer, by not less than 3 institutions which are so accredited, for credit on the same basis as if transferred from an institution so accredited. This term also includes a public or nonprofit private educational institution which, in lieu of the requirement in this subsection 309(A)(16)(d)(I) admits as regular students persons who are beyond the age of compulsory school attendance in the state in which the institution is located and who have the ability to benefit from the training offered by the institution.
- ~~17~~18. “Nonprofit” as applied to a school, agency, organization, or institution means a school, agency, organization, or institution owned and operated by 1 or more nonprofit corporations or associations no part of the net earnings of which may lawfully inure to the benefit of any private shareholder or individual.
- ~~18~~19. “Parent” means the student’s mother or father, or both, legal guardians or legally adoptive parents. This does not include foster parents.
- ~~19~~20. “Part-time undergraduate student” is a student who is enrolled at least half-time, but less than full-time, in an eligible program at an eligible and participating Arizona institution. In no case will this be less than 6 semester, trimester or quarter hours per academic term (including 1 summer session), or less than 12 clock hours per week for institutions which utilize a clock hour system.
- ~~20~~21. “Part-time graduate student” is a student who has attained a baccalaureate or 1st professional degree, has been accepted by the graduate college, and is enrolled in an approved graduate level program at an accredited university or college for a minimum of 6 semester, trimester, or quarter hours during any term, including summer sessions.
- ~~21~~22. “Postsecondary education institution” means an educational institution which offers courses or training programs which are beyond the high school level in scope and complexity and which are open to the general public. Major categories are public universities, private colleges and universities, community colleges and proprietary institutions.
23. “Program Year” means the consecutive period which begins on July 1, ~~1996~~ and runs through June 30, ~~1997~~ of any given year.
24. “Proprietary institution of higher education” means an educational institution:
- a. Which provides not less than a 6-month or 600 clock hour program of training to prepare students for gainful employment in a recognized occupation;

- b. Which admits as regular students only persons having a certificate of graduation from a school providing secondary education or the recognized equivalent of such a certificate, or persons who are beyond the age of compulsory school attendance and who have the ability to benefit from the training offered;
 - c. Which is legally authorized by the state in which it is located to provide a program of education beyond secondary education;
 - d. Which is accredited by a nationally recognized accrediting agency or association approved by the U.S. Commissioner of Education for this purpose;
 - e. Which is not a public or other nonprofit institution; and
 - f. Which has been in existence for at least 2 years. The term also includes any proprietary institution which offers degrees at the associate, baccalaureate or graduate level, and which has an agreement with the U.S. Secretary of Education containing the terms and conditions which the Secretary determines to be necessary to insure that the availability of assistance to students at the school under this program has not resulted, and will not result, in an increase in the tuition, fees, or other changes to students.
25. "State" means, in addition to the several states of the Union, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, and Trust Territory of the Pacific Islands, and the Virgin Islands.

NOTICE OF EXEMPT RULEMAKING

**TITLE 14. PUBLIC SERVICE CORPORATIONS; CORPORATIONS AND ASSOCIATIONS; SECURITIES
REGULATION**

**CHAPTER 2. CORPORATION COMMISSION
FIXED UTILITIES**

PREAMBLE

- | | |
|------------------------------------|---------------------------------|
| 1. <u>Sections Affected</u> | <u>Rulemaking Action</u> |
| R14-2-207 | Amend |
| R14-2-208 | Amend |
| R14-2-506 | Amend |
| R14-2-507 | Amend |
- 2. The specific authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):**
Authorizing statute: A.R.S. §§ 40-202, 40-203, 40-321, 40-441 and 40-442 et seq.
Constitutional authority: Arizona Constitution, Article 15.
Implementing statute: Not applicable.
- 3. The effective date of the rules:**
June 25, 1999
- 4. A list of all previous notices appearing in the Register addressing the proposed rule:**
Notice of Rulemaking Docket Opening: 5 A.A.R. 816, March 19, 1999.
Notice of Proposed Rulemaking: 5 A.A.R. 906, April 2, 1999.
- 5. The name and address of agency personnel with whom persons may communicate regarding the rulemaking:**
- | | |
|------------|---|
| Name: | Peter Breen, Attorney, Legal Division |
| Address: | Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007 |
| Telephone: | (602) 542-3402 |
| Fax: | (602) 542-4870 |
| Name: | Ron Franquero, Utilities Consultant |
| Address: | Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007 |

Arizona Administrative Register
Notices of Exempt Rulemaking

Telephone: (602) 542-7275

Fax: (602) 542-2129

6. **An explanation of the rule, including the agency's reasons for initiating the rule:**
This is an update of the Commission's rules to conform to the current standards of the National Electrical Safety Code. Some affected utilities have requested the update.
7. **A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:**
Not applicable.
8. **The summary of the economic, small business, and consumer impact:**
This rule will have a beneficial economic, small business, and consumer impact. It will allow the latest standards to be used while working on telecommunications and electrical cable. Contractors will not have to learn 2 sets of rules for regulated and unregulated entities. The latest edition of the rules allows for certain efficiencies in construction practices which would save money for contractors, utilities and consumers.
9. **A description of the changes between the proposed rules, including supplemental notices, and final rules (if applicable):**
There were no amendments to these rules from the proposed amended rules and the final rules approved by the Commissioners on June 1, 1999, at the properly noticed open meeting.
10. **A summary of the principal comments and the agency response to them:**
The only comment filed in this Commission Docket was filed by US WEST Communications, Inc. In summary, those comments supported staff's proposed amendments. The Commission did not respond to those comments as they did not offer any change or revision of the proposed amended rules.
11. **Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:**
None.
12. **Incorporations by reference and their location in the rules:**
The National Electrical Safety Code, 1997-C2 of the American National Standard Institute Standards set minimum safety standards for the installation and maintenance of overhead and underground electric and communications facilities. The regulations are attached to this Notice of Exempt Rulemaking and may be found at the Arizona Corporation Commission, Utilities Division, 1200 West Washington Street, Phoenix, Arizona 85007. These regulations are incorporated by reference in the amended rules at R14-2-207(E)(3)(c), R14-2-208(F)(1), R14-2-506(E)(3)(c) and R14-2-507(E)(1).
13. **Was this rule previously adopted as an emergency rule?**
No.
14. **The full text of the rules follows:**

**TITLE 14. PUBLIC SERVICE CORPORATIONS; CORPORATIONS AND ASSOCIATIONS; SECURITIES
REGULATION**

**CHAPTER 2. CORPORATION COMMISSION
FIXED UTILITIES**

ARTICLE 2. ELECTRIC UTILITIES

Section

R14-2-207. Line Extensions

R14-2-208. Provision of Service

ARTICLE 5. TELEPHONE UTILITIES

Section

R14-2-506. Construction Agreement

R14-2-507. Provision of Service

ARTICLE 2. ELECTRIC UTILITIES

R14-2-207. Line Extensions

- A. No change.
- B. No change.
- C. No change.
- D. No change.
- E. Single phase underground extensions in subdivision developments.
 - 1. No change.
 - 2. No change.
 - 3. Installation of single phase underground electric lines within a subdivision.
 - a. No change.
 - b. No change.
 - c. The utility shall install or cause to be installed underground electric lines and related equipment in accordance with the applicable provisions of the ~~1993~~ 1997 edition (and no further editions) of ANSI C2 (National Electrical Safety Code) with sufficient capacity and suitable materials which shall assure adequate and reasonable electric service in the foreseeable future. ANSI C2 is incorporated by reference, and on file with the Office of the Secretary of State. Copies are available from the Institute of Electrical and Electronic Engineers, Inc., 345 East 47th Street, New York, New York 10017.
 - d. No change.
 - 4. No change.
 - 5. No change.

R14-2-208. Provision of Service

- A. No change.
- B. No change.
- C. No change.
- D. No change.
- E. No change.
- F. Construction standard and safety
 - 1. Each utility shall construct all facilities in accordance with the provisions of the ~~1993~~ 1997 edition (and no future editions) of ANSI C2 (National Electrical Safety Code), incorporated by reference and on file with the Office of the Secretary of State, and the 1995 edition (and no future editions) of ANSI B31.1 (ASME Code for Pressure Piping), incorporated by reference and on file with the Office of the Secretary of State. Copies of the National Electrical Safety Code are available from the Institute of Electrical and Electronic Engineers, Inc., 345 East 47th Street, New York, New York 10017. Copies of the ASME Code for Pressure Piping are available from the American Society of Mechanical Engineers, 345 East 47th Street, New York, New York 10017.
 - 2. No change.

ARTICLE 5. TELEPHONE UTILITIES

R14-2-506. Construction Agreement

- A. No change.
- B. No change.
- C. No change.
- D. No change.
- E. Underground extension of communication lines
 - 1. No change.
 - 2. No change.
 - 3. Installation of underground communication lines within subdivision and multiple occupancy residential developments:
 - a. No change.
 - b. No change.
 - c. The utility shall install or cause to be installed underground communication lines and related equipment in accordance with the applicable provisions of the 1997 edition (and no future editions) of ANSI C2 (National Electrical Safety Code) ~~as heretofore or hereafter amended~~, with sufficient capacity and suitable materials which shall assure adequate and reasonable communication service in the foreseeable future.
 - d. No change.
 - 4. No change.
- F. No change.
- G. No change.

R14-2-507. Provision of Service

- A. No change.
- B. No change.
- C. No change.
- D. No change.
- E. Construction Standards. Each utility shall construct all facilities in accordance with the provisions of the ~~1993~~ 1997 edition (and no future editions) of ANSI C2 (National Electrical Safety Code), incorporated by reference and on file with the Office of the Secretary of State. Copies are available from the Institute of Electrical and Electronic Engineers, Inc., 345 East 47th Street, New York, New York 10017.