

**PROPOSED REGULATION OF THE
STATE BOARD OF EDUCATION**

LCB File No. R037-98

March 12, 1998

EXPLANATION - Matter in *italics* is new; matter in brackets [] is material to be omitted.

AUTHORITY: § 1, NRS 385.080.

Section 1. NAC 385.440, 385.445, 385.450, 385.455, 385.460, 385.465, 385.470, 385.475, 385.480, 385.485, 385.490, 385.495, 385.500, 385.505, 385.510, 385.515, 385.520, 385.525, 385.530, 385.535, 385.540, 385.545, 385.550, 385.555, 385.560, 385.565, 385.570, 385.575, 385.580, 385.585, 385.590, 385.595, 385.600, 385.605, 385.610, 385.615, 385.620, 385.625, 385.630, 385.635, 385.640 and 385.645 are hereby repealed.

TEXT OF REPEALED SECTIONS

385.440 Definitions. As used in NAC 385.445 to 385.645, inclusive, unless the context otherwise requires, the words and terms described in NAC 385.445 to 385.525, inclusive, have the meanings ascribed to them in those sections.

385.445 “Administrator” defined. “Administrator” means the person appointed by the superintendent to administer the program.

385.450 “Advisory committee” defined. “Advisory committee” means the committee appointed by the superintendent pursuant to NAC 385.535 to advise the department in developing the policies and procedures for the program.

385.455 “Allocation” defined. “Allocation” means money received from federal and nonfederal sources which is set aside by the department for eligible institutions to be used as grants to eligible students.

385.460 “Correspondence school” defined. “Correspondence school” means a postsecondary educational institution which offers a course of instruction primarily by mail and is not eligible to participate in the program.

385.465 “Department” defined. “Department” means the department of education.

385.470 “Eligible institution” defined. “Eligible institution” means an educational institution in this state which is approved by the United States Department of Education for participation in the State Student Incentive Grant Program. The term includes any public or private educational institution and any proprietary and vocational educational institution.

385.475 “Eligible student” defined. “Eligible student” means a student who is a resident of this state and is attending an eligible institution in this state on at least half-time status.

385.480 “Full-time student” defined. “Full-time student” means a student, other than a student enrolled in a correspondence school, who is carrying a full-time academic workload as determined by the eligible institution.

385.485 “Grant” defined. “Grant” means money given by the department to an eligible institution on behalf of an eligible student.

385.490 “Grant period” defined. “Grant period” means the period during which money received from the Federal Government may be spent by the department.

385.495 “Half-time status” defined. “Half-time status” means one-half or more of the number of credits required for a full-time student as determined by the eligible institution.

385.500 “Nonfederal money” defined. “Nonfederal money” means an appropriation or authorization of money by the Nevada legislature which is administered by the department for the program and disbursed only to those institutions described in NAC 385.570.

385.505 “Program” defined. “Program” means the State Student Incentive Grant Program which is administered by the department for the State of Nevada.

385.510 “Program year” defined. “Program year” means a year which begins on July 1 and ends on the following June 30.

385.515 “Secretary” defined. “Secretary” means the Secretary of the United States Department of Education.

385.520 “Substantial financial need” defined. “Substantial financial need” means the extent of need of a student which is determined by the eligible institution to be sufficiently great so as to render that student eligible for the program.

385.525 “Superintendent” defined. “Superintendent” means the superintendent of public instruction.

385.530 Administration of program; selection of eligible students.

1. The department is the agency of the State of Nevada which will administer the program.

2. The eligible institutions shall annually select eligible students on the basis of substantial financial need pursuant to the requirements established by the department and approved by the secretary.

3. The department may use independent contractors or eligible institutions to carry out the provisions of the program.

385.535 Advisory committee: Creation; appointment; term; number of members.

1. The advisory committee, consisting of six members, is hereby created.

2. The superintendent will appoint the members of the advisory committee. Each member appointed must be an employee of an eligible institution who has knowledge of financial aid programs for students of those institutions.

3. The term of office for each member of the advisory committee is 2 years.

4. The superintendent may increase or decrease the number of members of the advisory committee.

385.540 Development and publication of procedures for operation of program. The department will develop, with the assistance and approval of the advisory committee, procedures for the operation of the program and publish those procedures for use by eligible institutions.

385.545 Charging costs of program. The total costs charged to the Federal Government for the program must not exceed the total amount set forth in the grant. The expenses of the department may be charged to the program if they are:

1. In payment of approvable obligations for grants incurred during the grant period; and
2. Submitted on a form approved by the department.

385.550 Reports and records of department.

1. The department will prepare and maintain any reports and records required by the program and submit any such report or record required by the secretary pursuant to the program.
2. The records maintained by the department must reflect the receipt and disbursement of equal matching contributions of federal and nonfederal money under the program.

385.555 Allocation of money for grants.

1. Each fiscal year the department will allocate money for grants for the program in an amount which is not less than the amount awarded to the department by the Federal Government for that fiscal year.
2. The nonfederal money for grants for the program must represent an additional amount for grants which exceeds the amount of money spent by the department for those activities.

385.560 Approval of participating institutions. Each eligible institution which participates in the program must be approved by an accrediting agency or association approved by the United States Department of Education.

385.565 Allocations to institutions: Applications; required notices; revised allocations.

1. An eligible institution which wishes to receive an allocation for a program year must submit an application to the administrator not later than March 1 of the year preceding the program year for which the money is requested. The application must be signed by the director of financial aid of the eligible institution.
2. The superintendent will prescribe the form of the application.
3. After the department receives the notification of award, the administrator shall notify each eligible institution of the amount of its allocation. The advisory committee shall review all the allocations of the eligible institutions.

4. Not later than February 15 or October 30 of each program year, each eligible institution shall notify the administrator if it wishes to request additional money or is unable to use the entire allocation.

5. Not later than March 1 or November 15 of each program year, the administrator shall, after a review of the revised allocations by the advisory committee, notify each eligible institution of the revised allocations for the program year.

385.570 Submission and review of applications; substitution of certain documents for forms.

1. The director of financial aid of each eligible institution shall mail the completed application forms and the forms for requesting payment to the administrator each month.

2. The administrator shall review the applications each month and authorize the payment of grants.

3. The administrator may allow the directors of financial aid of:

- (a) The University of Nevada, Las Vegas;
- (b) The University of Nevada, Reno;
- (c) The Clark County Community College;
- (d) The Northern Nevada Community College;
- (e) The Western Nevada Community College; or
- (f) The Truckee Meadows Community College,

to substitute copies of the students' award letters and forms requesting checks in lieu of the application forms and the forms for requesting payment.

385.575 Method of allocation: Initially; approval by advisory committee. The advisory committee shall initially offer each eligible institution an allocation based upon the

requests of the eligible institutions. If the amount of the requests exceeds the amount of money available, the department will use a method of allocation which is approved by the advisory committee to determine the allocation for each eligible institution.

385.580 Method of allocation: Manner of determination; review by advisory committee.

1. The method of allocation will be determined in the following manner:

(a) The administrator shall determine for each eligible institution the number of eligible recipients of Pell Grants from the previous program year and the number of eligible recipients of the Guaranteed Student Loan Program from the previous program year who are graduate students.

(b) The total number of recipients for each eligible institution must be divided by the total number of all such recipients from all eligible institutions.

(c) Each eligible institution is entitled to receive an allocation in the proportion that the number of eligible recipients for each eligible institution as calculated in paragraph (a) bears to the total number of eligible recipients for all eligible institutions.

2. The advisory committee:

(a) Shall review annually the method of allocation to determine the actual and potential effects on the allocations to the eligible institutions; and

(b) May recommend changes in the method of allocation for subsequent program years to ensure a more equitable allocation of money.

385.585 Statements and financial reports of institutions; reallocation and disbursement of grants.

1. Not later than April 2 of each program year, the director of financial aid of each eligible institution shall submit to the administrator a statement signed by the director which includes information concerning the amount of the grants already awarded and the amount of the grants already committed.

2. The administrator may, after receiving the statement, reallocate any excess money for grants and obligate that money to another eligible institution.

3. The department will, not later than June 30 of each program year, disburse all grants to or on behalf of eligible students.

4. The director of financial aid of each eligible institution shall, not later than July 31 following the end of each program year, submit to the administrator a financial report signed by the director. The report must include a description of all activity relating to the program and be filed on a form prescribed by the superintendent.

385.590 Reallocation of available money; allocation of additional money; review of reallocation.

1. The department may reallocate money if an eligible institution chooses not to participate in the program or if the grants previously allocated are not needed to the extent previously estimated. If money is available, the department will allocate the money in the manner prescribed in NAC 385.580.

2. If a grant from the Federal Government is increased for any program year, the department will allocate the additional federal money in the manner prescribed in NAC 385.580.

3. The advisory committee shall review each reallocation of money.

385.595 Separate accounts required for grants. Grants to an eligible institution must be kept in a separate account.

385.600 Records of accounting procedures and disbursements; procedure for disbursement.

1. The department will prepare and maintain records concerning the accounting procedures for the program and for financial reporting and requests for cash.
2. The department will disburse the allocations to each eligible institution.
3. Each eligible institution shall disburse the checks to each eligible student.
4. The administrator and the director of financial aid of each eligible institution shall prepare and maintain the records concerning the disbursement of the allocations.
5. The director of financial aid of each eligible institution shall disburse the checks to the eligible students.

385.605 Transfer of allocation prohibited after disbursement; cancellation of grant upon transfer of student.

1. An allocation made to an eligible institution which is reviewed by the advisory committee and disbursed by the department may not be transferred from one eligible institution in this state to another eligible institution in this state.
2. If an eligible student who receives a grant transfers from one eligible institution to another eligible institution, his grant is canceled. The student may apply to the institution to which he transferred for another grant.

385.610 Eligibility of student for grant.

1. To be eligible to receive a grant from the program, a student must:
 - (a) Be a citizen or permanent resident of the United States or be residing in the United States for other than a temporary purpose as defined in 34 C.F.R. 692;
 - (b) Be a resident of this state pursuant to the requirements set forth in subsection 2;

(c) Be enrolled or accepted for enrollment as a full-time or half-time undergraduate or graduate student at an eligible institution in this state;

(d) Have a substantial financial need as determined annually;

(e) Maintain satisfactory progress in a course of study at the eligible institution;

(f) Not owe a refund on a grant previously received at any institution pursuant to a Pell Grant, State Student Incentive Grant Program or Supplemental Educational Opportunity Grant Program;

(g) Not be in default on a loan made, insured or guaranteed by the Carl D. Perkins Student Loan Program, National Defense Student Loan Program, Guaranteed Student Loan Program, Parent Loans to Undergraduate Students Program or Supplemental Loans to Students Program;

(h) Sign a statement concerning compliance with educational purpose;

(i) If the student is a permanent resident, submit to the eligible institution proof from the United States Immigration and Naturalization Service of his permanent residency; and

(j) If the student has attended another eligible institution as at least a half-time student, submit a transcript concerning financial aid from each eligible institution he attended. Each transcript must be signed by the director of financial aid of that eligible institution.

2. A student shall be deemed a resident of this state if:

(a) He has resided in this state for at least 6 months before the beginning of the period of enrollment for which the grant is intended;

(b) His parents or guardian resides in this state and has a legal mailing address in this state;

(c) He is a member of the Armed Forces of the United States and is stationed in this state; or

(d) His parents, spouse or guardian is a member of the Armed Forces of the United States and is stationed in this state.

3. The director of financial aid of each eligible institution shall verify the citizenship and residence of each eligible student as of the date of the completed application and include the proof in the student's record.

385.615 Determination of substantial financial need. An eligible institution must use one of the following methods to determine the substantial financial need of a student:

1. The standards for determining such need which have been adopted by the secretary pursuant to section 482 of the Higher Education Act of 1965, as amended;

2. The systems used to determine the substantial financial needs of students which are approved for the federal campus-based aid programs; or

3. If developed by the department and approved by the secretary, the program's system used to determine the substantial financial needs of students.

385.620 Time for awarding grants. The department will award grants to eligible students in the program:

1. Upon receiving a grant; or

2. After July 1 of the year in which the grant is available,

whichever is later.

385.625 Appeal by student of denial of grant.

1. A student who has been denied a grant by an eligible institution may appeal the decision to the superintendent.

2. The student must notify the superintendent of his intention to appeal, in writing, by setting forth the reasons why a grant should be awarded to him. The student shall include in the notice sufficient proof of his need for the grant.

3. The superintendent, upon receiving the notice, will:

(a) Notify the director of financial aid of the eligible institution in which the student is enrolled of the filing of an appeal by the student;

(b) Set a date for a hearing within 30 days after the filing of the appeal;

(c) Designate an employee of the department to act as the hearing officer for the appeal; and

(d) Notify the student and the director of financial aid of the eligible institution in which the student is enrolled of the time, date and place of the hearing.

4. All hearings must be completed not later than June 30.

5. The hearing officer shall submit his findings in writing to the superintendent.

6. The superintendent will notify the student, the director of financial aid of the institution in which the student is enrolled and the advisory committee, in writing, of his decision setting forth the reasons therefor.

7. If the superintendent determines that the student is entitled to receive a grant, he will instruct the eligible institution to award the grant to the student.

8. The decision of the superintendent is a final decision for the purposes of judicial review.

385.630 Limitations on amount of grant.

1. The minimum grant for an eligible student for each fiscal year is \$200.

2. The maximum grant for each fiscal year is:

(a) For an eligible student enrolled half time, \$1,250.

(b) For an eligible student enrolled three-quarters time, \$1,875.

(c) For an eligible student enrolled full time, \$2,500.

3. A maximum grant must not be reduced if the student attends the eligible institution for only one semester.

4. A minimum grant may be reduced on a pro-rata basis if the student attends the eligible institution for only one semester.

5. If the award of a grant is recommended as part of an arrangement for financial aid for a student which includes assistance from other federal or nonfederal sources, the director of financial aid of the eligible institution must ensure that the amount of the requested financial aid does not exceed the total cost of attending the eligible institution.

385.635 Change in grant to student. The director of financial aid of each eligible institution shall notify the administrator of any change in a student's grant. Any change which results in an increase in a student's grant must be approved by the administrator before the grant is awarded.

385.640 Refund of grant from ineligible student. If a student who is awarded a grant becomes ineligible for that award, the eligible institution in which he is enrolled shall comply with its requirements concerning the refunding of financial aid which are published in the institution's catalog or printed on the enrollment agreement. The grant may not be used for another eligible student until the refund of that grant is recorded in the eligible student's record which is maintained by the eligible institution.

385.645 Maintenance by institution of records concerning grants; submission of reports. Each eligible institution shall keep all records concerning the grants awarded to eligible students and the expenses of the program for 5 years after the date on which the Annual Institutional Fiscal Operations Report is submitted. The report must be submitted not later than July 31 following the program year.