

COLLEGE SAVINGS BOND BONUS INCENTIVE GRANT (BIG) PROGRAM

TITLE 23: EDUCATION AND CULTURAL RESOURCES

SUBTITLE A: EDUCATION

CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

PART 2771

COLLEGE SAVINGS BOND BONUS INCENTIVE GRANT (BIG) PROGRAM

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AUTHORITY: Implementing and authorized by Section 8 of the Baccalaureate Savings Act [110 ILCS 920/8].

SOURCE: Emergency rules adopted at 15 Ill. Reg. 15800, effective October 21, 1991, for a maximum of 150 days; emergency expired on March 19, 1992; adopted at 16 Ill. Reg. 6873, effective April 14, 1992; amended at 18 Ill. Reg. 10246, effective July 1, 1994; amended at 19 Ill. Reg. 8312, effective July 1, 1995; amended at 20 Ill. Reg. 9136, effective July 1, 1996; Old Part repealed and New Part adopted at 21 Ill. Reg. 11018, effective July 18, 1997; amended at 22 Ill. Reg. 11035, effective July 1, 1998; amended at 23 Ill. Reg. 7532, effective July 1, 1999; amended at 24 Ill. Reg. 9090, effective July 1, 2000; amended at 25 Ill. Reg. 8364, effective July 1, 2001.

Section 2771.10 Summary and Purpose

- a) The Baccalaureate Savings Act [110 ILCS 920/8] authorizes the sale of Illinois college savings bonds and provides for a grant program as an additional financial incentive to encourage the use of proceeds from matured bonds at Illinois colleges or universities.
- b) This Part establishes rules which govern the Bonus Incentive Grant (BIG) Program. Additional rules and definitions are contained in General Provisions, 23 Ill. Adm. Code 2700.
- c) The purpose of this Part is to establish the conditions and procedures for a bondholder to designate a student beneficiary as the recipient of a BIG and to outline the process by which a student beneficiary applies for and obtains this grant.

(Source: Amended at 22 Ill. Reg. 11035, effective July 1, 1998)

Section 2771.20 Applicant Eligibility

- a) A bondholder shall:
 - 1) be able to furnish documentation which demonstrates that s/he has continuously owned the Illinois college savings bond(s) for at least the 12 months preceding the date of maturity or for an Illinois college savings bond(s) with an original maturity date of less than 12 months that s/he has owned the bond(s) for at least the six

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months preceding the date of maturity, unless the bond(s) were acquired by gift or under the laws of descent and distribution; and

- 2) use at least 70 percent of the bond proceeds for costs incident to enrollment which are reasonably incurred by the student beneficiary during an academic year, including tuition and fees, room and board, books and supplies, child care expenses, laundry, travel and other personal expenses related to attendance at the eligible institution of higher learning.
- b) A student beneficiary shall be:
- 1) designated by a bondholder as the recipient of a grant pursuant to this Part;
 - 2) the beneficiary of at least 70 percent of the bond proceeds paid at maturity;
 - 3) the beneficiary of not more than \$25,000 worth of bond proceeds in any single academic year; and
 - 4) enrolled on at least a half-time basis at an eligible non-profit institution of higher learning which is not organized solely for the purpose of religious instruction.

(Source: Amended at 22 Ill. Reg. 11035, effective July 1, 1998)

Section 2771.30 Program Procedures

- a) Application Procedures
- 1) Applications for a BIG shall be available from the Illinois Student Assistance Commission (ISAC) and eligible non-profit institutions of higher learning.
 - 2) A complete application for BIG assistance shall include certifications from: the bondholder, the student beneficiary and the Registrar of the institution of higher learning at which the student beneficiary is enrolled.
 - 3) A bondholder or a student beneficiary must submit a BIG application between August 1 and May 30 of the academic year for which assistance is being requested. All grants under this program are subject to sufficient annual appropriations for this program by the General Assembly.
 - 4) ISAC may require applicants to provide documentation verifying that the bondholder owned the bonds for the requisite length of time.
 - 5) One student beneficiary may be designated for each bond redeemed. In cases where two individuals jointly own a college savings bond, only one student beneficiary may be designated.
- b) Application Certifications
- 1) The bondholder shall certify that:

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- A) the aggregate compound accreted value at maturity of the college savings bond(s) was not more than \$25,000;
 - B) at least 70 percent of the proceeds of the college savings bond(s) have been or will be used for educational expenses incurred by the student beneficiary during an academic year;
 - C) the student named on the application has been designated as the beneficiary of the bond proceeds;
 - D) no other student has been designated as the student beneficiary for the same college savings bond;
 - E) the information provided on the application with regard to the bonds is true and correct, including the date on which the bond(s) were issued, the date on which the bond(s) were acquired and the date on which the bond(s) matured; and
 - F) the preceding certifications are being provided for the academic year in which the application is being submitted.
- 2) The student beneficiary shall certify that:
- A) his or her address, Social Security Number and other identifying information is accurate;
 - B) at least 70% of the proceeds of the College Savings Bonds will be used for educational expenses;
 - C) s/he is enrolled at an eligible non-profit institution of higher learning;
 - D) s/he will use the BIG proceeds to finance educational expenses which are reasonably incurred during an academic year, including tuition and fees, room and board, books and supplies, child care expenses, laundry, travel and other personal expenses related to attendance at the institution of higher learning; and
 - E) s/he will not use the BIG proceeds to finance costs incurred in an academic program of divinity for any religious denomination or in a course of study to become a minister, priest, rabbi or other professional in the field of religion.
- c) The dollar value of the BIG shall be determined according to the Table of Grant Amounts (see Appendix A of this Part); provided, however, that:
- 1) the compound accreted value of the bonds shall not exceed \$25,000 in any given academic year;

Example: A BIG could not be claimed for more than 5 bonds of \$5,000 compound accreted value each in any given year. Even if 12 bonds of

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\$5,000 compound accreted value each, or \$60,000 total, had been purchased on behalf of a beneficiary, a BIG could be paid only for the first \$25,000.

- 2) 70 percent of the compound accreted value of the bonds for which a BIG is being claimed in a given academic year does not exceed the beneficiary's cost of attendance at the institution of higher learning for that year.

Example: The beneficiary's cost of attending University A is \$14,000. Since \$14,000 is 70 percent of \$20,000, a BIG could not be claimed for bonds with a compound accreted value in excess of \$20,000. Even if 5 bonds of \$5,000 compound accreted value each, or \$25,000 total, had been purchased on behalf of the beneficiary, in this case a BIG could be paid only on the first \$20,000.

- d) Both the proceeds of the bond(s) and the BIG assistance must be used by the student beneficiary in the academic year in which the bond matures or in the academic year immediately following maturity.
- e) Applicants may request that their eligibility for ISAC gift assistance be recalculated to exclude up to \$25,000 in accumulated bonds and interest, pursuant to ISAC Appeal Procedures (see 23 Ill. Adm. Code 2700.70). Recalculations will only be performed for those students who complete the required federal needs analysis process.

(Source: Amended at 24 Ill. Reg. 9090, effective July 1, 2000)

Section 2771.40 Institutional Procedures

- a) The institution shall certify that the student beneficiary is enrolled at least half time.
- b) BIG proceeds will be paid to institutions of record; however, proceeds may be remitted directly to the student beneficiary if the institution designates ISAC as its disbursing agent for this purpose.

Section 2771.APPENDIX A Table of Grant Amounts

GRANT AMOUNT PER \$5000 COMPOUND
 ACCRETED VALUE AT MATURITY

GRANT BOND MATURITY (August 1)	1/88 Bond Sale	10/88 Bond Sale	11/89 Bond Sale	11/90 Bond Sale	9/91 Bond Sale
1991	-	-	\$40	-	-
1992	-	-	\$60	\$40	-
1993	\$100	\$100	\$80	\$60	\$40
1994	\$120	\$120	\$100	\$80	\$60
1995	\$140	\$140	\$120	\$100	\$80
1996	\$160	\$160	\$140	\$120	\$100
1997	\$180	\$180	\$160	\$140	\$120
1998	\$200	\$200	\$180	\$160	\$140
1999	\$220	\$220	\$200	\$180	\$160
2000	\$240	\$240	\$220	\$200	\$180
2001	\$260	\$260	\$240	\$220	\$200
2002	\$280	\$280	\$260	\$240	\$220
2003	\$300	\$300	\$280	\$260	\$240
2004	\$320	\$320	\$300	\$280	\$260
2005	\$340	\$340	\$320	\$300	\$280
2006	\$360	\$360	\$340	\$320	\$300
2007	\$380	\$380	\$360	\$340	\$320
2008	\$400	\$400	\$380	\$360	\$340
2009	-	-	\$400	\$380	\$360
2010	-	-	\$420	\$400	\$380
2011	-	-	-	\$420	\$400
2012	-	-	-	-	\$420

GRANT AMOUNT PER \$5000 COMPOUND
 ACCRETED VALUE AT MATURITY

Section 2771.APPENDIX A Table of Grant Amounts (continued)

GRANT AMOUNT PER \$5000 COMPOUND
 ACCRETED VALUE AT MATURITY

GRANT BOND MATURITY (August 1)	10/92 Bond Sale	10/93 Bond Sale	10/94 Bond Sale	11/97 Bond Sale	11/98 Bond Sale	10/00 Bond Sale
1994	\$40	-	-	-	-	-
1995	\$60	\$40	\$15	-	-	-
1996	\$80	\$60	\$40	-	-	-
1997	\$100	\$80	\$60	-	-	-
1998	\$120	\$100	\$80	-	-	-
1999	\$140	\$120	\$100	-	-	-
2000	\$160	\$140	\$120	-	-	-
2001	\$180	\$160	\$140	\$80	\$60	-
2002	\$200	\$180	\$160	\$100	\$80	\$40
2003	\$220	\$200	\$180	\$120	\$100	\$60
2004	\$240	\$220	\$200	\$140	\$120	\$80
2005	\$260	\$240	\$220	\$160	\$140	\$100
2006	\$280	\$260	\$240	\$180	\$160	\$120
2007	\$300	\$280	\$260	\$200	\$180	\$140
2008	\$320	\$300	\$280	\$220	\$200	\$160
2009	\$340	\$320	\$300	\$240	\$220	\$180
2010	\$360	\$340	\$320	\$260	\$240	\$200
2011	\$380	\$360	\$340	\$280	\$260	\$220
2012	\$400	\$380	\$360	\$300	\$280	\$240
2013	\$420	\$400	\$380	\$320	\$300	\$260
2014	-	\$420	\$400	\$340	\$320	\$280
2015	-	\$440	\$420	\$360	\$340	\$300
2016	-	-	\$440	\$380	\$360	\$320
2017	-	-	-	\$400	\$380	\$340
2018	-	-	-	\$420	\$400	\$360
2019	-	-	-	\$440	\$420	\$380
2020	-	-	-	-	\$440	\$400
2021	-	-	-	-	-	\$420
2022	-	-	-	-	-	\$440

*If no grant amount is shown, there were no bonds sold at that maturity for that particular issue.

(Source: Amended at 25 Ill. Reg. 8364, effective July 1, 2001)