

ILLINOIS REGISTER

DEPARTMENT OF PUBLIC HEALTH

NOTICE OF PROPOSED AMENDMENTS

- 1) Heading of the Part: The Dental Student Grant Act
- 2) Code Citation: 77 Ill. Adm. Code 592
- 3)

<u>Section Numbers:</u>	<u>Proposed Action:</u>
592.10	Repeal
592.20	Repeal
592.30	Amend
592.31	New Section
592.32	New Section
592.33	New Section
592.40	Repeal
592.50	Repeal
592.60	Repeal
592.70	Repeal
592.80	Repeal
592.100	New Section
592.105	New Section
592.110	New Section
592.115	New Section
592.120	New Section
592.125	New Section
592.130	New Section
592.135	New Section
592.140	New Section
592.145	New Section
592.150	New Section
592.155	New Section
592.160	New Section
- 4) Statutory Authority: Dental Student Grant Act [110 ILCS 925].
- 5) A Complete Description of the Subjects and Issues Involved: Changes are proposed to Part 592 due to amendments to the Dental Student Grant Act. Public Act 87-665 removed the Act's definition regarding designated shortage area and the requirement that a grant recipient work in a shortage area after graduating from dental school. Public Act 91-0798 repealed the Act's requirement regarding the creation and administration of the Dental Student Grant Advisory Committee. Finally, Public Act 97-396 amended Section 3.07 of the Act regarding the definition of racial minority.

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The economic effect of this proposed rulemaking is unknown. Therefore, the Department requests any information that would assist in calculating this effect.

The Department anticipates adoption of this rulemaking approximately six to nine months after publication of the Notice in the *Illinois Register*.

- 6) Published studies or reports, and sources of underlying data, used to compose this rulemaking: None
- 7) Will this rulemaking replace any emergency rulemaking currently in effect? No
- 8) Does this rulemaking contain an automatic repeal date? No
- 9) Does this rulemaking contain incorporations by reference? No
- 10) Are there any other proposed rulemakings pending on this Part? No
- 11) Statement of Statewide Policy Objectives: This rulemaking does not create or expand a State mandate.
- 12) Time, Place and Manner in which interested persons may comment on this proposed rulemaking: Interested persons may present their comments concerning this rulemaking within 45 days after the publication of this issue of the *Illinois Register* to:

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Division of Legal Services
Illinois Department of Public Health
535 W. Jefferson St., 5th floor
Springfield, Illinois 62761

217/782-2043
e-mail: dph.rules@illinois.gov

- 13) Initial Regulatory Flexibility Analysis:
 - A) Types of small businesses, small municipalities and not for profit corporations affected: None
 - B) Reporting, bookkeeping or other procedures required for compliance: None

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- C) Types of professional skills necessary for compliance: None
- 14) Regulatory Agenda on which this rulemaking was summarized: This rule was not included on either of the two most recent Regulatory Agendas because the need for the rulemaking was not apparent when the Regulatory Agendas were prepared.

The full text of the Proposed Amendments begins on the next page:

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TITLE 77: PUBLIC HEALTH
CHAPTER I: DEPARTMENT OF PUBLIC HEALTH
SUBCHAPTER g: GRANTS TO DENTAL AND MEDICAL STUDENTS

PART 592
~~THE DENTAL STUDENT GRANT~~ CODE ACT

SUBPART A: GENERAL PROVISIONS

Section	
592.10	Applicability (<u>Repealed</u>)
592.20	Authority (<u>Repealed</u>)
592.30	Definitions
<u>592.31</u>	<u>Referenced Materials</u>
<u>592.32</u>	<u>Administrative Hearings</u>
<u>592.33</u>	<u>Freedom of Information</u>
592.40	Advisory Committee (<u>Repealed</u>)
592.50	Eligibility (<u>Repealed</u>)
592.60	Application (<u>Repealed</u>)
592.70	Awarding of Grants (<u>Repealed</u>)
592.80	Terms of Performance (<u>Repealed</u>)

SUBPART B: DENTAL GRANTS

<u>592.100</u>	<u>Eligibility Requirements</u>
<u>592.105</u>	<u>Use of Grant Funds</u>
<u>592.110</u>	<u>Notification</u>
<u>592.115</u>	<u>Application Procedure</u>
<u>592.120</u>	<u>Application Review Process</u>
<u>592.125</u>	<u>Grant Award Process and Grant Agreement</u>
<u>592.130</u>	<u>Student Enrollment and Dental School's Obligation</u>
<u>592.135</u>	<u>Grant Obligation</u>
<u>592.140</u>	<u>Terms of Performance</u>
<u>592.145</u>	<u>Grant Monitoring</u>
<u>592.150</u>	<u>Cooperation with Investigations and Audits</u>
<u>592.155</u>	<u>Suspension or Termination of Grant Agreement or Funding</u>
<u>592.160</u>	<u>Grant Funds Recovery</u>

AUTHORITY: Implementing and authorized by the Dental Student Grant Act [110 ILCS 925]

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~~(Ill. Rev. Stat. 1981, ch. 144, pars. 1501 et seq.).~~

SOURCE: Adopted at 4 Ill. Reg. 25, p. 31, effective June 6, 1980; codified at 8 Ill. Reg. 8920; amended at 38 Ill. Reg. _____, effective _____.

SUBPART A: GENERAL PROVISIONS

Section 592.10 Applicability (Repealed)

~~This Part is applicable to the award of grants to students who are Illinois residents, are enrolled or accepted for enrollment in schools of dentistry in Illinois, and who contract to practice dentistry in a designated shortage area in the State.~~

(Source: Repealed at 38 Ill. Reg. _____, effective _____)

Section 592.20 Authority (Repealed)

~~The authorization for this Part is the Dental Student Grant Act (the Act) (Ill. Rev. Stat. 1981, ch. 144, pars. 1501 et seq.).~~

(Source: Repealed at 38 Ill. Reg. _____, effective _____)

Section 592.30 Definitions

a) ~~The following terms have meanings ascribed to them in the Act.~~

"Act" means the Dental Student Grant Act [110 ILCS 925].

"Arrears" means an overdue amount that has not been paid.

"Award letter" means the letter to the applicant that states that the applicant is being awarded funding.

"Business day" means Monday through Friday. It does not include a federal or State government declared holiday, Saturday or Sunday.

"Calendar day" means all days in a month or prescribed time frame. It includes weekends and federal or State government declared holidays.

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"Debarment" means an action by the Department to prevent a grantee from receiving any additional Department grants.

"Dentist" means a person licensed to practice dentistry under the Illinois Dental Practice Act. For purposes of the Act and this Part, "dentist" does not include persons licensed as specialists. Dentist is defined in (Section 3.05 of the Act);

"Dental school" means a school in Illinois that teaches dentistry to prospective dentists.

"Department" means the Illinois Department of Public Health, (Section 3.01 of the Act);

"Designated shortage area" is defined in Section 3.04 of the Act and is based upon the ratio of population to practicing dentists and the number of special population groups not being served.

"Director" means the Director of the Department of the Department of Public Health, (Section 3.02 of the Act);

"Eligible dental student" means a person who is an applicant for a dental student grant and who meets all of the following qualifications:

That the individual is a resident of this State and a citizen or lawful permanent resident alien of the United States;

That the individual has been accepted in a dental school located in Illinois;

That the individual exhibits financial need as determined by the Department;

That the individual has earned an educational diploma at an institution of education located in this State or has been a resident of the State for no less than 3 years prior to applying for the grant;

That the individual is a member of a racial minority as defined in Section 3.07; and

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That the individual meets other qualifications which shall be established by the Department. (Section 3.06 of the Act)

~~"Eligible dental student" is defined in Section 3.06 of the Act.~~

"Funding period" means the time during which grant funds are to be expended by grantees.

"Good academic standing" means that a student is matriculating with the rest of his or her class as determined by the student's dental school.

"Grant" means an award of assistance, whether financial or otherwise, by the Department to any eligible person or entity to support a program authorized by law. The term does not include an award the primary purpose of which is to procure an end product for the direct benefit or use of the Department, whether in the form of goods or services.

"Grant agreement" means the written instrument defining a legal relationship entered into between the Department and a grantee.

"Grant agreement period" (see Funding period).

"Grant amendment" means a modification to the grant agreement submitted prior to the end of the grant agreement requesting a change to the original grant agreement, including, but not limited to, the grant amount awarded, a change in scope of work, or an extension of the end date of the grant.

"Grant funds" means public funds dispensed by the Department to any person or entity for obligation, expenditure or use for a specific purpose. (Section 2(b) of the Illinois Grant Funds Recovery Act)

"Grantee" means the person or entity which may use grant funds in accordance with a grant agreement with the Department. (Section 2 of the Illinois Grant Funds Recovery Act)

"Illinois resident" means a person who has been a resident of Illinois for at least three years prior to applying for a dental student grant and is a citizen or lawful permanent resident of the United States. (Section 3.06(d) of the Act)

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"Lawful permanent resident" means a person who is not a citizen of the United States but who resides in the United States under legally recognized requirements and has lawfully recorded permanent residence as an immigrant.

"Legal residence" means where an individual has his or her permanent home or principal establishment and where, whenever he or she is absent, he or she intends to return.

"Naturalized citizen" means an individual who has acquired citizenship in the United States but was not a citizen at the time of birth.

"Racial minority" means a person who is any of the following:

American Indian or Alaska Native (a person having origins in any of the original peoples of North and South America, including Central America, and who maintains tribal affiliation or community attachment).

Asian (a person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent, including, but not limited to, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand, and Vietnam).

Black or African American (a person having origins in any of the black racial groups of Africa).

Hispanic or Latino (a person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race).

Native Hawaiian or Other Pacific Islander (a person having origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands. (Section 3.07 of the Act)

"Reasonable educational expenses" means costs for education, including fees, books, supplies, clinical travel, educational equipment, materials, and board, certification or licensing examinations. These costs cannot exceed the estimated standard budget for expenses for the student's dental school and for the years of enrollment.

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"Reasonable living expenses" means room and board, transportation and commuting costs. These expenses cannot exceed the estimated standard budget for the student's dental school.

"Suspension" means an action by the Department to suspend a grantee's participation in Department grant programs for a specified period of time.

"United States citizen" means an individual born in the United States, Puerto Rico, Guam, Northern Mariana Islands, U.S. Virgin Islands, American Samoa, or Swain's Island; foreign-born children, under age 18, residing in the U.S. with their birth or adoptive parents, at least one of whom is a U.S. citizen by birth or naturalization; and individuals granted citizenship status by the U.S. Customs and Immigration Service.

- b) ~~The term "grant" as used in this Part shall include all monies for tuition, fees and monthly living stipends awarded to a dental student.~~
- e) ~~The term "Illinois resident" as used in this Part requires students or their parents to have resided in Illinois for at least twelve (12) consecutive months prior to September 1 of the year for which application is made for a Dental Student Grant.~~
 - 1) ~~If the student is claimed by the parents as a tax dependent, the parent's length of Illinois residence may be used to determine the student's resident status.~~
 - 2) ~~If the student is independent of the family and not claimed as a tax dependent, then the student must have resided in Illinois in a capacity other than as a student for at least twelve (12) consecutive months prior to September 1 of the year for which application is made for a Dental Student Grant.~~

(Source: Amended at 38 Ill. Reg. _____, effective _____)

Section 592.31 Referenced Materials

The following materials are referenced in this Part:

- a) Illinois Statutes:

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- 1) Dental Student Grant Act [110 ILCS 925]
 - 2) Illinois Dental Practice Act [225 ILCS 25]
 - 3) Illinois Grant Funds Recovery Act [30 ILCS 705]
 - 4) Administrative Review Law [Article III of the Code of Civil Procedure 735 ILCS 5/3-101]
 - 5) Freedom of Information Act [5 ILCS 40]
- b) Illinois Administrative Rule: Practice and Procedure in Administrative Hearings (77 Ill. Adm. Code 100).
- (Source: Added at 38 Ill. Reg. _____, effective _____)

Section 592.32 Administrative Hearings

Administrative hearings conducted concerning the provisions of this Part shall be governed by the Department's Practice and Procedure in Administrative Hearings.

(Source: Added at 38 Ill. Reg. _____, effective _____)

Section 592.33 Freedom of Information

The provisions of the Freedom of Information Act shall apply to this Part.

(Source: Added at 38 Ill. Reg. _____, effective _____)

Section 592.40 Advisory Committee (Repealed)

- a) ~~Membership of the Advisory Committee shall include two Illinois licensed, practicing dentists, two members of the general public, and one dean of an Illinois dental school, all of whom shall be capable of advising the Director in the administration of this Act.~~
- b) ~~Responsibilities of the Advisory Committee shall include:~~

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- 1) ~~consultation with the Director or designated personnel on general policy and program procedural matters;~~
 - 2) ~~review of grant applications from dental students;~~
 - 3) ~~consultation with the Director or designated personnel on determination and updating of designated shortage areas.~~
- e) ~~Advisory Committee meetings shall be at the discretion of the Director but not less than once a year.~~

(Source: Repealed at 38 Ill. Reg. _____, effective _____)

Section 592.50 Eligibility (Repealed)

- a) ~~Any student who is an Illinois resident, is enrolled or accepted for enrollment in an Illinois dental school, is certified by the school as being eligible to receive financial aid, and who contracts to practice dentistry in a designated shortage area within the State shall be eligible for a grant.~~
- b) ~~No student is eligible to receive funds from the Department and from another scholarship or loan program requiring a service commitment.~~

(Source: Repealed at 38 Ill. Reg. _____, effective _____)

Section 592.60 Application (Repealed)

~~Application shall be made through the financial aids office of the dental school on forms prescribed by the Department.~~

- a) ~~Applicants shall complete necessary financial needs analysis forms used by the applicant's dental school.~~
- b) ~~The Department shall rank order the applicants, based upon their expected contribution to their educational expenses as determined by the financial needs analysis.~~

(Source: Repealed at 38 Ill. Reg. _____, effective _____)

Section 592.70 Awarding of Grants (Repealed)

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~~Grants will be awarded to eligible students selected by the Department who agree to the provisions of this Part. In determining which students will receive grants, the Department shall consider the following:~~

- ~~a) whether or not the student resides in a designated shortage area and shows *an interest in establishing a permanent dental practice in such an area*;~~
- ~~b) financial need as certified by his/her dental school and evidenced by a copy of the student's financial needs analysis;~~
- ~~c) the interest shown by the student in establishing a practice in general dentistry;~~
- ~~d) recommendations from dental school officials regarding the student;~~
- ~~e) the period of time remaining before the student's graduation from dental school;~~
- ~~f) the student's preference as to the location in which he or she desires to establish a dental practice.~~

(Source: Repealed at 38 Ill. Reg. _____, effective _____)

Section 592.80 Terms of Performance (Repealed)

- ~~a) Each student shall sign a written contract agreeing to the provisions of this Part. The contract may contain additional terms and conditions to ensure compliance with the Dental Student Grant Act and enforcement of the contract.~~
- ~~b) Students who fail to complete their dental studies due to academic failure shall be discharged from all obligations of this Part.~~
- ~~c) Students who fail to complete their dental studies due to voluntary actions on their part shall repay the amount of monies spent by the Department for their dental education as provided by the Act. Repayment shall be made in such a manner as agreed to by the student and Department in the student's contract.~~
- ~~d) Grant recipients shall be required to complete at the first opportunity Illinois dental licensing examinations or the North East Regional Board examination.~~

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- e) ~~In the event the grant recipient cannot meet Illinois dental licensure requirements, he/she shall repay the amount of monies spent by the Department for their dental education as provided by the Act. Repayment shall be made in such a manner as agreed to by the student and Department in the student's contract.~~
- f) ~~Upon the Illinois licensure of the student to practice dentistry, the student shall serve as a general practice dentist in a designated shortage area in the State. The term of this service shall be as provided in the Dental Student Grant Act as now or hereafter amended.~~
- g) ~~Service as a dentist shall begin within one hundred and eighty (180) days of the Illinois licensure of the student to practice dentistry.~~
- h) ~~A grant recipient who becomes an Illinois licensed dentist and fails to practice dentistry in designated shortage areas shall be required to repay the Department three times the annual grant award for each obligated year they fail to practice in such areas. Repayment shall be made in such a manner as agreed to by the student and the Department in the student's contract.~~
- i) ~~If the student becomes disabled or, for reasons beyond his or her control, it becomes impossible for the student to perform the obligations set forth in this Part, these obligations shall be suspended until such time as the student is able to resume his or her obligations.~~
- j) ~~Grant recipients who do not take the Illinois dental licensing examination or the North East Regional Board examination, and do not become licensed to practice dentistry in Illinois within nine (9) months of their graduation from an Illinois dental school shall be required to repay the Department three times the amount of grant monies awarded to them. Repayment shall be made in such a manner as agreed to by the student and Department in the student's contract.~~

(Source: Repealed at 38 Ill. Reg. _____, effective _____)

SUBPART B: DENTAL GRANTS

Section 592.100 Eligibility Requirements

- a) To apply for a dental student grant, an applicant shall meet the requirements of eligible dental student (see Section 592.30).

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- b) Applications will not be approved if one or more of the following exist:
- 1) Default on a prior service obligation to the federal, State or local government, or other entity, even if the applicant has satisfied the obligation through service, monetary payment or other means; or
 - 2) Default on any federal payment obligation, federal income tax liability, federally guaranteed/insured loans or non-federal payment obligation; or
 - 3) Default on any State payment obligation or State income tax liability; or
 - 4) Write-off of any federal or non-federal debt as uncollectible or waiver of any federal service or payment obligation.

(Source: Added at 38 Ill. Reg. _____, effective _____)

Section 592.105 Use of Grant Funds

- a) Grant funds can be used to pay for reasonable educational expenses at an Illinois dental school and for reasonable living expenses.
- b) Grant funds shall be expended only while the student is enrolled and in good academic standing at a dental school in Illinois.
- c) Grant funds shall not be awarded for expenses incurred when the student must repeat an academic term or terms, if the repetition is necessary because the student has an academic performance below an acceptable level, as determined by the student's dental school.
- d) Grant funds shall be provided to the student's dental school for tuition and fees. All funds for tuition and fees shall be expended only on the dental student's behalf.
- e) Grant funds for living expenses shall be provided directly to the dental student.
- f) Grant funds shall not be awarded to any dental student for more than four years.
- g) Grant funds shall not be awarded if the student is in arrears on tuition payments to the dental school.

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(Source: Added at 38 Ill. Reg. _____, effective _____)

Section 592.110 Notification

- a) The Department will post a notice of grant opportunity on its web site. The notice will consist of at least the following elements:
 - 1) Identification of the grant opportunity, including a brief description of the program and the date that applications can be submitted to the Department;
 - 2) Identification, including mailing address and telephone number, of the Department's unit or section that is responsible for the grant program; and
 - 3) Information regarding where the application can be obtained.
- b) Notification to prospective students and the public shall be considered to have been provided by publication of this notice.

(Source: Added at 38 Ill. Reg. _____, effective _____)

Section 592.115 Application Procedure

- a) Any person desiring to receive grant funds, must submit a grant application to the Department. Applications for grant funds shall be made on prescribed forms developed by the Department. (Section 4(a) of the Illinois Grant Funds Recovery Act).
- b) Applicants shall complete necessary financial need analysis forms used by the applicant's dental school. These forms shall be appended to the Department's grant application.
- c) Completed applications shall be returned to the Department at the address indicated on the grant application form. All applications shall be submitted on the forms provided by the Department and shall include, without being limited to, the following provisions:
 - 1) The name and address of the applicant. Section 4(a)(1) of the Illinois Grant Funds Recovery Act);

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- 2) The Legislative House District, Legislative Senate District, and Congressional District (based on the applicant's legal residence in Illinois);
- 3) Social Security number of the applicant;
- 4) A general description of the program, project, or use for which grant funding is requested; (Section 4(a)(2) of the Illinois Grant Funds Recovery Act);
- 5) Such plans, equipment lists, and other documents as may be required to show the type, structure, and general character of the program, project, or use for which grant funding is requested; (Section 4(a)(3) of the Illinois Grant Funds Recovery Act)
- 6) Cost estimates of developing, constructing, operating, or completing the program, project, or use for which grant funding is requested; (Section 4(a)(4) of the Illinois Grant Funds Recovery Act)
- 7) A program of proposed expenditures for the grant funds; (Section 4(a)(5) of the Illinois Grant Funds Recovery Act)
- 8) Documentation from the dental school demonstrating the applicant's financial need;
- 9) Proof of citizenship, including a copy of the applicant's notarized birth certificate or a copy of the applicant's documents demonstrating that he or she is a naturalized citizen or documentation that the applicant is a lawful permanent resident;
- 10) Proof of enrollment in an Illinois dental school, including a copy of the applicant's admission acceptance letter.

(Source: Added at 38 Ill. Reg. _____, effective _____)

Section 592.120 Application Review Process

- a) The Department will accept applications for grant awards during the period specified in the Notification (see Section 592.110(a)(1)).

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- b) The Department will perform a technical review to ensure that all required materials (as listed in Section 592.115) are submitted and comply with submission requirements. The review will include whether the application form includes all required information and the applicant's signature and date of signature.
- c) An application will be incomplete if the Department's technical review determines that required information and materials are not present or if additional information or documentation is required to clarify a response. If the application is incomplete, the Department will notify the applicant in writing. The applicant shall have 30 calendar days (from the date of the Department's notification) to provide all necessary information to complete the application. Upon receipt of all additional information requested, the Department will review the application for completeness and notify the applicant of its decision. If the Department determines that the application remains incomplete, the application will be null and void.
- d) If the amount of grant funds available is insufficient to award to each approved applicant the maximum amount of grant funds requested, the Department may divide the funds equally among the qualified applicants; rank order the applicants and prorate the award of funds based on the rank order; or choose another method of allocating funds. In determining how to award grant funds, the Department will consider, but is not limited to, the amount of funds available, the number of approved applicants, and the requirements of the grant program as set forth in the Act and this Part.
- e) Applications received after the published deadline for submission in the Notification will not be considered in the selection process.

(Source: Added at 38 Ill. Reg. _____, effective _____)

Section 592.125 Grant Award Process and Grant Agreement

- a) Once all qualifying applications are received and complete, the Department will use the following to determine the distribution of grants:
 - 1) *Preference shall be given to those individuals who come from racial minorities which traditionally have been most underrepresented in the field of dentistry;*

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- 2) Preference shall be given to those individuals whose financial resources are such that, in the absence of a dental student grant, the individual will be prevented from pursuing a dental degree;
 - 3) Preference shall be given to those individuals who express an intent to teach or practice dentistry in the State of Illinois; (Section 4.03a of the Act)
 - 4) Financial need as certified by the applicant's dental school;
 - 5) Recommendations from officials at the applicant's dental school regarding the student; and
 - 6) Greater number of years of dental school remaining.
- b) Applicants will be notified of their status by means of an award letter or other communication. The notice will contain information concerning the amount of the grant award, the dates of the grant agreement, and that distribution of grant funds is dependent on available funding.
 - c) Grant funds will be awarded in amounts and at time intervals specified in the grant agreement.
 - d) The grant agreement will be executed between the applicant and the Department.
 - e) An award to an applicant will not be final until the applicant and the Department have executed a grant agreement setting forth the terms and conditions of the grant, using the form prescribed by the Department. The Department will retract the award of a grant if an agreement cannot be reached on the terms of the grant agreement.
 - f) Pursuant to the Illinois Grant Funds Recovery Act, the grant agreement shall, at a minimum:
 - 1) Describe the purpose of the grant and be signed by the Department and all grantees of the grant;
 - 2) Specify how payments shall be made, what constitutes permissible expenditure of the grant funds, and the financial controls applicable to the

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grant, including, for those grants in excess of \$25,000, the filing of quarterly reports describing the progress of the program project, or use and the expenditure of the grant funds related thereto;

- 3) Specify the period of time for which the grant is valid and the period of time during which grant funds may be expended by the grantee;
- 4) Contain a provision that any grantees receiving grant funds are required to permit the Department, the Auditor General or the Attorney General to inspect and audit any books, records or papers related to the program, project, or use for which grant funds are provided;
- 5) Contain a provision that all grant funds remaining at the end of the grant agreement or at the expiration of the period of time grant funds are available for expenditure or obligation by the grantee shall be returned to the State within 45 days; and
- 6) Contain a provision in which the grantee certifies under oath that all information in the grant agreement is true and correct to the best of the grantee's knowledge, information and belief; that all funds shall be used only for the purposes described in the grant agreement; and that the award of grant funds is conditioned upon such certification. (Section 4(b) of the Illinois Grant Funds Recovery Act)

(Source: Added at 38 Ill. Reg. _____, effective _____)

Section 592.130 Student Enrollment and Dental Schools' Obligation

- a) The Department will disburse available grant funds to the dental school directly for the payment of tuition and other necessary fees. After the dental school receives the grant funds, it shall provide facilities and instruction to the student on the same terms as to other students.
- b) A dental school shall provide written notice to the Department if any grantee who is enrolled in the dental school ceases to be a student in good academic standing. The notice shall be sent to the Department within 10 business days after the dental school determines that the student ceases to be in good standing.

(Source: Added at 38 Ill. Reg. _____, effective _____)

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Section 592.135 Grant Obligation

- a) Grant funds may not be used except pursuant to a written grant agreement between the grantee and the Department. (Section 4 of the Illinois Grant Funds Recovery Act)
- b) Grant funds shall be used only for reasonable educational expenses and reasonable living expenses of the student.
- c) The Department may grant a suspension or waiver of the recipient's requirements in the grant agreement.
 - 1) A suspension temporarily relieves the recipient of the requirements in the grant agreement but will not permanently alleviate the recipient's obligation.
 - A) A suspension may be granted for up to one year, if the recipient provides independent medical documentation of a physical or mental health disability or personal circumstance that results in the recipient's temporary inability to fulfill the requirements in the grant agreement. Independent medical documentation shall include a letter from the recipient's licensed physician fully explaining and attesting to the recipient's temporary inability to fulfill the agreement's requirements.
 - B) Recipients who are military reservists and are called to active duty will be granted a suspension beginning on the activation date in the active duty order. The recipient shall submit a copy of the order to active duty with the written request for suspension. The duration of the suspension shall equal the recipient's period of active military duty.
 - 2) A waiver permanently relieves the recipient of all the requirements in the grant agreement. Waiver requests shall be submitted in writing to the Department. The request shall detail the reasons for the waiver request and shall be accompanied and supported by documentation as described in this subsection (2).
 - A) Reasons for a waiver request can include the recipient's:

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- i) Total and permanent disability;
 - ii) Incompetency; or
 - iii) Death.
- B) If a waiver is requested because of total and permanent disability, the request shall be supported by a letter from the recipient's physician fully explaining and attesting to the recipient's inability to continue with dental school.
- i) If the request is approved, the Department will notify the recipient in writing that the requirements of the grant agreement are waived, that the recipient is discharged from all obligations to the Department in connection with this Part and that the recipient is ineligible to participate in the program in the future.
 - ii) If the request is denied, the recipient shall fulfill the requirements stipulated in the grant agreement and this Part.
- C) If the waiver is requested because the recipient has been adjudicated as incompetent, the request shall be supported by documentation by a court of law fully explaining and attesting to the recipient's inability to continue with the requirements of the grant agreement.
- i) If the request is approved, the Department will notify the recipient in writing that the requirements in the grant agreement are waived, that the recipient is discharged from all obligations to the Department in connection with this Part and that the recipient is ineligible to participate in the program in the future.
 - ii) If the request is denied, the recipient shall fulfill the requirements stipulated in the grant agreement and this Part.

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- C) If the waiver is requested because of the recipient's death, the request shall be supported by a copy of the recipient's death certificate.

(Source: Added at 38 Ill. Reg. _____, effective _____)

Section 592.140 Terms of Performance

- a) If the grant agreement is breached, repayment shall be made as agreed to by the grantee and the Department in the grant agreement and in accordance with the applicable provisions of this Part.
- b) A breach of the grant agreement shall include, but not be limited to:
- 1) Making any material misstatement in reporting information to the Department;
 - 2) Making any material misrepresentation to the Department for the purpose of obtaining a grant;
 - 3) Failure for any reason to complete dental school; and
 - 4) Failure to become a licensed dentist in Illinois.
- c) When the Department has determined that a breach of the grant agreement has occurred, it shall notify the recipient and schedule an administrative hearing. The administrative hearing will identify the item or items breached in the grant agreement, propose a resolution to address the agreement's breach and propose a repayment process to the Department.
- d) When the administrative hearing process determines that the grant agreement has not been fulfilled, the Department and grantee shall enter into a contract for the repayment of the obligation.
- e) To fulfill the repayment requirements of this Section, the grantee shall have 30 calendar days after the conclusion of the administrative hearing to enter into a repayment contract with the Department.

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- f) Any dispute about the terms of performance or repayment shall be governed by the administrative hearing process. The administrative law judge will make the final decision and send it to all parties.
- g) If the grantee does not repay all funds owed to the Department within the required time period, the Department may use all collection methods available, including referral to the Illinois Attorney General or a collection agency.

(Source: Added at 38 Ill. Reg. _____, effective _____)

Section 592.145 Grant Monitoring

- a) Grants will be monitored throughout the grant period. Components in the monitoring process include, but are not limited to, the grant application; the grant agreement; correspondence, e-mails and telephone calls concerning the grant; and site visits.
- b) The grantee shall cooperate with the Department's efforts to monitor and verify the grantee's compliance with the Act and this Part and the grant agreement, including providing supporting documentation. Grantees shall retain records relating to the grant until after final reports have been submitted to the Department and have been reviewed.
- c) Grantees shall cooperate with the Department to maintain compliance with the grant agreement and notify the Department of any breaches of the grant agreement or problems or concerns.
- d) Grantees shall be subject to on-site visits by the Department during normal business hours at the dental school. Grantees shall provide, upon request, copies of all documents concerning the expenditure of grant funds.
- e) The Department will relay any questions and concerns regarding management of grant funds to the grantee in writing. The grantee will be requested to respond in writing addressing the concerns.
- f) If the Department finds evidence of financial mismanagement, depending on the severity of the situation, the amount of money involved, and the grantee's ability to clarify the situation, the Department may either place the grantee on a corrective action plan and hold the processing of vouchers until the issue is

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resolved, or terminate the grant and take any appropriate or necessary action to recover grant funds under applicable law.

(Source: Added at 38 Ill. Reg. _____, effective _____)

Section 592.150 Cooperation with Investigations and Audits

Grantees shall cooperate with all investigations and audits of a grantee's use of grant funds. A failure to cooperate shall create a presumption that grant funds have not been spent in accordance with the grant agreement and be grounds for immediate suspension or termination of any grant agreement and the recovery of grant funds.

(Source: Added at 38 Ill. Reg. _____, effective _____)

Section 592.155 Suspension or Termination of Grant Agreement or Funding

a) Availability of Appropriation or Sufficiency of Funds

1) A grant is contingent upon and subject to the availability of funds. The Department may terminate or suspend the grant, in whole or in part, without penalty or further payment being required, if:

A) The Illinois General Assembly or the federal funding source fails to make an appropriation sufficient to pay the obligation, or if funds needed are insufficient for any reason;

B) The Governor decreases the Department's funding by reserving some or all of the Department's appropriation or appropriations pursuant to power delegated to the Governor by the Illinois General Assembly; or

C) The Department or the Governor determines that a reduction is necessary or advisable based upon actual or projected budgetary considerations.

2) The grantee will be notified in writing of the failure of appropriation or a reduction or decrease.

b) Termination for Cause

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- 1) The Department may immediately terminate the grant agreement, in whole or in part, upon notice to the grantee if:
 - A) The grantee is convicted of committing any illegal act;
 - B) The Department determines that the actions or inactions of the grantee have caused, or reasonably could cause, jeopardy to health, safety, or property;
 - C) The Department has notified the grantee that the Department is unable or unwilling to perform the agreement; or
 - D) The Department has reasonable cause to believe that the grantee cannot lawfully perform the grant agreement.
- 2) If the grantee breaches any material term, condition, or provision of the grant agreement, the Department may cancel the grant agreement, upon 15 days prior written notice to the grantee. For termination for any of the causes contained in this Section, the Department retains its right to seek any available legal or equitable remedies and damages.

c) Termination for Convenience

The Department may, for its convenience and with 30 days prior written notice to the grantee, terminate the grant agreement in whole or in part and without payment of any penalty or incurring any further obligation to the grantee.

(Source: Added at 38 Ill. Reg. _____, effective _____)

Section 592.160 Grant Funds Recovery

- a) Grants made under this Part are subject to the Illinois Grant Funds Recovery Act. If a provision of this Part conflicts with a provision of the Illinois Grant Funds Recovery Act, the provision of the Illinois Grant Funds Recovery Act will control.
- b) The Department shall have the authority to issue subpoenas as part of an official investigation into the use of grant funds. Subpoenas shall be issued and enforced according to Illinois Supreme Court Rules and the Code of Civil Procedure.

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- c) Every grantee shall keep complete and accurate accounting records of all grant funds that the grantee receives, administers, oversees, or expends. A grant recipient's failure to create and maintain accounting records that demonstrate the grant recipient's receipt, administration, oversight, expenditure, or use of all grant funds shall create a presumption in favor of recovery by the Department.
- d) Whenever the Department believes that grant funds are subject to recovery, the Department shall provide the grantee the opportunity for at least one informal hearing to determine the facts and issues and to resolve any conflicts as amicably as possible before taking any formal recovery actions. (Section 7 of the Illinois Grant Funds Recovery Act)
- e) The offer of an informal hearing will be in writing and will provide the grantee with no fewer than 10 calendar days in which to request an informal hearing. A grantee's failure to deliver a timely request for an informal hearing shall constitute the grantee's waiver of the informal hearing. During any informal hearing, the grantee may be represented by a licensed attorney.
- f) If, after an informal hearing or if no timely request for an informal hearing is received, the Department determines that any grant funds are to be recovered, the Department will provide the grantee with formal written notice of its intent to recover grant funds. The notice will identify the funds and the amount to be recovered and the specific facts that permit recovery.
- g) A grantee shall have 35 days from the receipt of the notice required in subsection (f) of this Section to request a hearing to show why recovery is not proper.
- h) If a grantee timely requests a hearing, then the Department will hold a formal hearing in accordance with Practice and Procedure in Administrative Hearings, at which the grantee may present evidence and witnesses to show why recovery should not occur. After the conclusion of the hearing, if recovery is warranted, the Department will issue a written final recovery order and send a copy of the order to the grantee by Certified US Mail.
- i) A grantee may seek judicial review in the circuit court of any Department final recovery order, pursuant to the Administrative Review Law.

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- j) If a grantee timely requests a formal hearing, the Department will not take any action of recovery until at least 35 days after a final recovery order has been issued.
- k) If a grantee does not timely request a hearing, the Department may proceed with recovery of the grant funds identified in the notice issued pursuant to this Section, at any time after the expiration of the 35-day request period.
- l) Any notice or mailing required or permitted by this Section shall be deemed received five days after the notice or mailing is deposited in the US mail, with the grantee's current business address and with sufficient US postage affixed, or the date of actual delivery, whichever is sooner.
- m) During any formal hearing, the grantee may be represented by a licensed attorney.

(Source: Added at 38 Ill. Reg. _____, effective _____)