



## Alaska Commission on Postsecondary Education

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### MEMORANDUM

**TO:** Members, Alaska Commission on Postsecondary Education  
**THROUGH:** Diane Barrans, Executive Director  
**FROM:** Rochelle Rogers, Executive Secretary   
**DATE:** October 8, 2014  
**SUBJECT:** Regulations for Adoption

The Alaska Commission on Postsecondary Education (ACPE) proposes to notice for public comment regulations changes in Title 20 Chapters 15, 16 and 17 of the Alaska Administrative Code dealing with the regulation of Alaska state financial aid programs and postsecondary institutions (AS 14.43 and 14.48), including the following:

- Revise loan deferment eligibility (15.195);
- Add definition of “on-time” enrollment (15.945);
- Set loan award maximums based on enrollment status: on-time, full-time, half-time (15.935 and 15.945);
- Set out allowable uses of half-time loan awards (15.935);
- Clarify the post-enrollment grace period is up to six months (15.745);
- Clarify that borrower or cosigner who defaulted previously may be eligible for a new loan based on voluntary repayment of defaulted loan (15.970 and 15.988);
- Consolidate and clarify regulations related to general ASEL and FEL provisions (15.705, 15.735, 15.795, 15.910, and 15.940);
- Update federal poverty guidelines (15.915);
- Rename the Alaska Education Grant pursuant to Chapter 89 SLA 14 (throughout Chapter 16);
- Modify grant eligibility (16.010, 16.030);
- Revise grant applicant prioritization criteria (16.020);
- Repeal reference to federal LEAP funding (16.021)
- Clarify grant application procedure (16.030);
- Revise award amounts and computation of financial need (16.034 and 16.037);
- Establish grant disbursement conditions for a student on a leave of absence (16.040);
- Revise institutional authorization exemptions pursuant to SB 195 (17.015);
- Revise required surety bonding for postsecondary educational institutions (17.045);
- Modify the complaint investigation process (17.145);
- Miscellaneous update to incorporated references (17.225, 17.230, and 17.245); and
- Make general housekeeping and conforming changes

**Motion: to approve for adoption regulation changes to Title 20, Chapters 15, 16 and 17 pursuant to Chapter 89 SLA 14, update references to federal porverty guidelines, update incorporated references relating to institutional authorization, and make general housekeeping and conforming changes.**

**The introduction to each section will show whether it is an existing regulation being amended, an existing regulation being repealed and readopted, or a new regulation.**

**In amendments to existing regulations:**

**Underlined and bold language is new.**

**[UPPERCASE LANGUAGE WITHIN BRACKETS IS DELETED]**

**A proposed new regulation or replacement of an existing regulation will not be underlined or in bold.**

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20 AAC 15.195(f) is amended to read:

(f) Subject to the approval of the executive director, the commission staff may approve a student deferment for no longer than a cumulative 24 months over the life of the loan, while the borrower is enrolled as at least a **full-time** [HALF-TIME] student at an institution that has received approval under 20 AAC 15.922. In the event commission staff approves a borrower's request for a period of deferment on the loan, interest will continue to accrue during the period of deferment and will be capitalized at the end of the deferment period. (Eff. 3/19/2003, Register 166; am 7/31/2003, Register 167; am 12/29/2010, Register 196; am \_\_/\_\_/\_\_\_\_, Register \_\_\_\_)

**Authority:** AS 14.42.030 AS 14.43.122

20 AAC 15.537 is repealed and readopted to read:

**20 AAC 15.537. Annual and aggregate loan limits.** (a) Borrowing under the Alaska family education loan program is subject to the annual and aggregate limits under AS 14.43.173 and 20 AAC 15.935(f).

(b) A borrower who receives loans under this program on behalf of more than one student and has borrowed up to the aggregate limit under (a) of this section may receive additional loans if the current total principal loan balance owed by the borrower, including the

new loan amount, does not exceed the aggregate limit. (Eff. 3/1/2002, Register 161; am 2/20/2005, Register 173; am \_\_/\_\_/\_\_\_\_, Register \_\_\_\_)

**Authority:** AS 14.42.030 AS 14.43.730 AS 14.43.740  
AS 14.43.173

20 AAC 15.705(e) is repealed:

(e) **Repealed.** \_\_/\_\_/\_\_\_\_. [FOR THE PURPOSES OF AS 14.43.172(c)(5), A PERSON HAS DEFAULTED ON A LOAN IF ONE OR MORE OF THE FOLLOWING HAS OCCURRED:

(1) FORECLOSURE UPON OR REPOSSESSION OF COLLATERAL FOR A LOAN OR INSTALLMENT CONTRACT;

(2) AN ENTRY OF JUDGMENT ACCELERATING THE AMOUNT DUE UNDER A LOAN OR INSTALLMENT CONTRACT;

(3) THE DISCHARGE BY A CREDITOR OF A DEBT OR INSTALLMENT CONTRACT DUE TO NONPAYMENT ON A BALANCE GREATER THAN \$250.]

(Eff. 7/1/2002, Register 162; am 12/31/2005, Register 176; am 9/23/2006, Register 179; am 5/7/09, Register 190; am \_\_/\_\_/\_\_\_\_, Register \_\_\_\_)

**Authority:** AS 14.42.030 AS 14.43.172

20 AAC 15.735(b) is repealed:

(b) **Repealed.** \_\_/\_\_/\_\_\_\_. [THE MINIMUM AUTHORIZED LOAN AWARD FOR AN APPLICANT IS \$500 FOR A SCHOOL YEAR.]

20 AAC 15.735(c) is repealed:

(c) **Repealed.** / / . [A STUDENT ENROLLED IN A VOCATIONAL CERTIFICATE PROGRAM, THE DURATION OF WHICH IS AT LEAST 180 HOURS OVER A PERIOD OF NOT LESS THAN SIX WEEKS, AND THAT CULMINATES IN A TERMINAL CERTIFICATE DESIGNED TO LEAD TO EMPLOYMENT, IS ELIGIBLE FOR THE ENTIRE AMOUNT OF THE AUTHORIZED LOAN AWARD UNDER AS 14.43.173(a)(3), UP TO THE STUDENT'S ALLOWABLE COSTS OF ATTENDANCE.]

20 AAC 15.735(e) is repealed:

(e) **Repealed.** / / . [ASEL AWARDS ARE SUBJECT TO 20 AAC 15.935(c)].

20 AAC 15.735(o) is repealed:

(o) **Repealed.** / / . [FOR PURPOSES OF THIS SECTION, ALLOWABLE COSTS OF ATTENDANCE ARE

- (1) TUITION AND REQUIRED FEES;
- (2) REQUIRED BOOKS, SUPPLIES, AND EQUIPMENT
- (3) TRANSPORTATION;
- (4) ROOM AND BOARD; AND
- (5) AN ALLOWANCE FOR PERSONAL EXPENSES AS PROVIDED IN THE INSTITUTION'S BUDGET.]

20 AAC 15.735 is amended by adding a new subsection to read:

(p) Borrowing under the Alaska supplemental education loan program is subject to the annual and aggregate limits under AS 14.43.173 and 20 AAC 15.935(f). (Eff. 7/1/2002, Register 162; am 1/30/2003, Register 165; am 12/31/2005, Register 176; am 11/16/2012, Register 204; am \_\_/\_\_/\_\_\_\_, Register \_\_\_\_)

**Authority:** AS 14.42.030 AS 14.43.171 AS 14.43.173  
AS 14.43.164 AS 14.43.172 AS 14.43.175

20 AAC 15.745(b) is amended to read:

(b) The repayment period begins **no later than** the day after completion of six months from the last date on which the borrower was enrolled on at least a half-time basis in an eligible program, with a first payment due within 45 days after the first day of the repayment period. (Eff. 7/1/2002, Register 162; am 12/31/2005, Register 176; am 12/29/2010, Register 196; am \_\_/\_\_/\_\_\_\_, Register \_\_\_\_)

**Authority:** AS 14.42.030 AS 14.43.171 AS 14.43.175

20 AAC 15.795(4) is repealed:

(4) **Repealed.** / / \_\_\_\_\_. [“ENROLLED ON AT LEAST A HALF-TIME BASIS”

MEANS ENROLLED AS

(A) AN UNDERGRADUATE STUDENT, IN GOOD STANDING, IN ANY COMBINATION OF COURSES, WORK EXPERIENCES, RESEARCH, OR SPECIAL STUDIES THAT THE INSTITUTION REQUIRES TO CONSIDER THE STUDENT AS ENGAGED IN HALF-TIME STUDY AND THAT AMOUNT TO THE

EQUIVALENT OF AT LEAST SIX, BUT LESS THAN 12, UNDERGRADUATE SEMESTER OR QUARTER HOURS PER ACADEMIC TERM;

(B) A GRADUATE STUDENT, IN GOOD STANDING, IN ANY COMBINATION OF COURSES, WORK EXPERIENCES, RESEARCH, OR SPECIAL STUDIES THAT THE INSTITUTION REQUIRES TO CONSIDER THE STUDENT AS ENGAGED IN HALF-TIME STUDY AND THAT AMOUNTS TO THE EQUIVALENT OF AT LEAST THREE, BUT LESS THAN NINE, GRADUATE SEMESTER OR QUARTER HOURS PER ACADEMIC TERM; OR

(C) A STUDENT, IN GOOD STANDING, IN A CAREER EDUCATION PROGRAM THAT MEETS AT LEAST 12 CLOCK HOURS A WEEK; FOR PURPOSES OF THIS SUBPARAGRAPH, "ENROLLED" MEANS ENROLLED AND ATTENDING FOR THE SPECIFIED MINIMUM NUMBER OF CLOCK HOURS EXCEPT FOR

(i) EXCUSED AND UNEXCUSED ABSENCES ON RECORD AT THE INSTITUTION OF ATTENDANCE THAT DO NOT EXCEED 15 PERCENT OF THE TOTAL POSSIBLE CONTRACTED HOURS ELAPSED SINCE THE BEGINNING OF THE CONTRACTED ENROLLMENT PERIOD FOR THE COURSE OF STUDY; OR

(ii) PERIODS OF APPROVED LEAVE OF ABSENCE VERIFIED AS DESCRIBED IN 20 AAC 17.110(b)(10);]

(Eff. 7/1/2002, Register 162; am 2/27/2010, Register 193; am \_\_/\_\_/\_\_\_\_, Register \_\_\_\_)

**Authority:** AS 14.42.030

20 AAC 15.910(a) is amended to read:

(a) Unless otherwise stated, the provisions of 20 AAC 15.915 – **20 AAC 15.990** [20 AAC 15.975] apply generally to the

- (1) education loan program under AS 14.43.091 - 14.43.160;
- (2) AlaskAdvantage consolidation loan program under AS 14.43.122;
- (3) memorial education loan program under AS 14.43.250 - 14.43.325;
- (4) teacher education loan program AS 14.43.600 - 14.43.700;
- (5) family education loan program under AS 14.43.710 - 14.43.750; and
- (6) supplemental education loan program under AS 14.43.170 – 14.43.175.

(Eff. 6/23/95, Register 134; am 12/4/96, Register 140; am 3/15/98, Register 145; am 3/1/2002, Register 161; am 1/30/2003, Register 165; am 3/19/2003, Register 166; am 12/28/2008, Register 188; am 12/29/2010, Register 196; am \_\_/\_\_/\_\_\_\_, Register \_\_\_\_)

<b>Authority:</b>	AS 14.42.030	AS 14.43.320	<b><u>AS 14.43.710</u></b>
	AS 14.43.105	AS 14.43.405	<b><u>AS 14.43.740</u></b>
	AS 14.43.122	AS 14.43.510	AS 14.44.035
	AS 14.43.170	AS 14.43.630	

20 AAC 15.915(e) is amended to read:

(e) A request for a hearing on the commission’s authority to seize a defaulted borrower’s permanent fund dividend shall be accompanied by a \$25 fee to cover costs of retrieval and duplication of the borrower’s file, mailing of duplicated documents, and research of the borrower’s payment history. This fee shall be waived if a borrower documents that the borrower’s total income from all sources falls below the federal poverty guidelines for the

borrower’s family size. To request a waiver of fee under this subsection, the borrower must submit a request on a form or in a format provided by the commission and include with the request a copy of the borrower’s federal income tax return for the past year. The commission will refund a fee paid under this subsection not later than 30 days after receipt of a decision by a court or administrative agency that the seizure was not allowed under AS 14.43.145(a)(2) and 20 AAC 15.970(e)(3). In this subsection, “federal poverty guidelines” means the United States Department of Health and Human Services poverty guidelines for this state established in **79 Fed. Reg. 3593 – 3594, revised as of January 22, 2014** [78 FED. REG. 5182 – 5183, REVISED AS OF JANUARY 24, 2013], and adopted by reference. (Eff. 6/23/95, Register 134; am 1/30/2003, Register 165; am 12/31/2005, Register 176; am 6/7/2007, Register 182; am 10/18/2007, Register 184; am 7/12/2008, Register 187; am 8/19/2009, Register 191; am 5/26/2011, Register 198; am 11/16/2012, Register 204; am 2/21/2014, Register 209; am. \_\_\_/\_\_\_/\_\_\_, Register \_\_\_)

**Authority:** AS 14.43.100 AS 14.43.320 AS 14.43.640  
AS 14.43.105 AS 14.43.630 AS 14.43.740

20 AAC 15.935(a) is amended to read:

(a) A loan award is based upon [COMPUTATION OF] allowable expenses **as computed** [UNDER AS 14.43.120(a). THE AUTHORIZED LOAN AWARD FOR A STUDENT ENROLLED FOR LESS THAN A FULL SCHOOL YEAR, AS DEFINED] by the enrolling institution and [AS] approved by the commission. **The loan award for a student enrolled for less than a full school year is prorated** [, IS DETERMINED BY COMPUTING

ALLOWABLE EXPENSES AND PRORATING THE AUTHORIZED LOAN AWARD] based upon the actual period of attendance.

20 AAC 15.935 is amended by adding new subsections to read:

(d) Allowable costs of attendance for students enrolled on at least a full-time basis are

- (1) tuition and required fees;
- (2) required books, supplies, and equipment;
- (3) transportation;
- (4) room and board; and
- (5) an allowance for personal expenses as provided in the institution's budget.

(e) For students enrolled less than full-time, allowable costs of attendance are

- (1) tuition and required fees; and
- (2) required books, supplies, and equipment.

(f) For loans made under the Alaska supplemental education loan program or the Alaska family education loan program, the maximum annual loan award to a borrower for

- (1) an eligible undergraduate student is
  - (A) \$14,000 for on-time enrollment;
  - (B) \$12,500 for full-time enrollment;
  - (C) \$7,500 for half-time enrollment;
- (2) an eligible graduate student is
  - (A) \$15,000 for full-time enrollment;
  - (B) \$7,500 for half-time enrollment; and

(3) an eligible student attending a career education program, the duration of which is at least 180 hours over a period of not less than six weeks, and that culminates in a terminal certificate designed to lead to employment, is \$10,000. (Eff. 3/22/97, Register 141; am 4/20/2000, Register 154; am \_\_/\_\_/\_\_\_\_, Register \_\_\_\_)

**Authority:** AS 14.43.105            AS 14.43.173            AS 14.43.640  
AS 14.43.110            AS 14.43.320            [AS 14.43.730]  
AS 14.43.120            AS 14.43.630            AS 14.43.740

20 AAC 15.940(f) is amended to read:

(f) For the purposes of AS 14.43.125(a)(7), AS 14.43.172(c)(5), or 14.43.750(a)(1)(B), a person has defaulted on a loan if any of the following has occurred:

- (1) foreclosure upon or repossession of collateral for a loan or installment contract;
- (2) execution procedures initiated on unpaid loan or installment contract;
- (3) entry of judgment accelerating the amount due under a loan or installment contract; or
- (4) the discharge by a creditor of a debt [HAS CHARGED OFF A LOAN] or installment contract due to nonpayment on a balance greater than \$250.

(Eff. 3/22/97, Register 141; am 3/15/98, Register 145; am 9/23/99, Register 151; am 4/20/2000, Register 154; am 2/27/2010, Register 193; am \_\_/\_\_/\_\_\_\_, Register \_\_\_\_)

**Authority:** AS 14.42.030            AS 14.43.305            AS 14.43.640  
AS 14.43.105            AS 14.43.320            AS 14.43.740  
AS 14.43.120            AS 14.43.630            AS 14.43.750

AS 14.43.125

20 AAC 15.945(g) is repealed:

(g) **Repealed** / / \_\_\_\_\_. [BEFORE MARCH 1 OF EACH SCHOOL YEAR, THE COMMISSION WILL DETERMINE THE INTEREST RATE THAT WILL APPLY TO A WICHE PSE LOAN AWARDED UNDER AS 14.44.010 – 14.44.040 OR A TEACHER EDUCATION LOAN MADE FOR THE FOLLOWING SCHOOL YEAR BASED ON

(1) THE WEIGHTED AVERAGE OF THE STATED INTEREST RATE ON THE OUTSTANDING BALANCE, AS OF JUNE 30 OF THE PRECEDING FISCAL YEAR, OF ALL BONDS ISSUED BY THE CORPORATION; AND

(2) THE COMMISSION'S AND CORPORATION'S AVERAGE COSTS, DURING THE PRECEDING FIVE FISCAL YEARS, OF ADMINISTERING LOANS OF THE ALASKA EDUCATION LOAN PROGRAMS THAT ARE PLEDGED AS SECURITY FOR THE CORPORATION'S BONDS, INCLUDING, IN THE COMMISSION'S DISCRETION, SALARIES; SERVICE AGREEMENTS; SUPPLIES; UTILITIES; MAILING; LABOR; MATERIALS; OFFICE RENT; MAINTENANCE; FURNISHINGS; EQUIPMENT; MACHINERY AND APPARATUS; INSURANCE; LEGAL, ACCOUNTING, MANAGEMENT, CONSULTING, AND BANKING SERVICES AND EXPENSES; FEES AND EXPENSES OF THE TRUSTEE FOR CORPORATION BONDS AND OF THE TRUSTEE'S AGENTS, COUNSEL, DEPOSITORIES; AND PAYING AGENTS; LOAN DEFAULT COSTS; LOAN FORGIVENESS COSTS; COST OF ISSUANCE OF CORPORATION BONDS; PAYMENTS FOR PENSION, RETIREMENT, HEALTH AND HOSPITALIZATION,

AND LIFE AND DISABILITY INSURANCE BENEFITS; AND OTHER COSTS  
CONSIDERED APPROPRIATE BY THE COMMISSION, BUT NOT INCLUDING  
COSTS RECOVERED BY THE LOAN ORIGINATION FEE.]

20 AAC 15.945 is amended by adding a new subsection to read:

(j) A borrower may be eligible for the annual loan award amount allowable for an on-time student status pursuant to AS 14.43.173, based upon enrolling in at least 30 semester or the equivalent per academic year. (Eff. 3/22/97, Register 141; am 3/15/98, Register 145; am 4/20/2000, Register 154; am 12/18/2000, Register 157; am \_\_/\_\_/\_\_\_\_, Register \_\_\_\_)

**Authority:** AS 14.42.030 AS 14.43.300 AS 14.43.640  
AS 14.43.105 AS 14.43.320 AS 14.43.740  
AS 14.43.120 AS 14.43.630 AS 14.44.035  
AS 14.43.125

20 AAC 15.970(g) is amended to read:

(g) For the purposes of determining, as a basis for eligibility for a loan, whether the borrower **or cosigner** has defaulted on a loan previously awarded by the commission, a borrower **or cosigner** will be considered not to have defaulted on the loan if the borrower **or cosigner** has made full payment on the loan, including all interest and collection costs, and if **the borrower or cosigner** [A PERSON WHO] satisfies the requirements of AS 14.43.172(c) [COSIGNS FOR THE NEW LOAN]. The **borrower or cosigner's** [BORROWER'S] payment of the loan under this subsection must have been predominately voluntarily paid.

Register \_\_\_\_\_, \_\_\_\_\_ 2015 MISCELLANEOUS BOARDS

(Eff. 12/4/96, Register 140; am 3/22/97, Register 141; am 3/15/98, Register 145; am 9/23/99, Register 151; am 4/20/2000, Register 154; am 3/1/2002, Register 161; am 7/1/2002, Register 162; am 5/26/2011, Register 198; am \_\_/\_\_/\_\_\_\_, Register \_\_\_\_)

<b>Authority:</b>	AS 14.42.030	AS 14.43.145	AS 14.43.320
	AS 14.43.105	AS 14.43.168	AS 14.43.630
	AS 14.43.120	AS 14.43.171	AS 14.43.640
	AS 14.43.125	AS 14.43.175	AS 14.43.740

20 AAC 15.988(b) is amended to read:

(b) For the purposes of AS 14.43.120(h), 14.43.145, 14.43.147, [AND] 14.43.150, **14.43.172(d), and 14.43.750(a)**, the term “borrower” or “loan recipient” includes a cosigner, if any. (Eff. 3/15/98, Register 145; am 4/20/2000, Register 154; am \_\_/\_\_/\_\_\_\_, Register \_\_\_\_)

<b>Authority:</b>	AS 14.43.105	AS 14.43.320	[AS 14.43.730]
	AS 14.43.120	AS 14.43.630	AS 14.43.740
	<b><u>AS 14.43.172</u></b>	AS 14.43.640	<b><u>AS 14.43.750</u></b>

20 AAC 16.005 is amended to read:

**20 AAC 16.005. Purpose of the Alaska [ALASKADVANTAGE] education grant program.** The Alaska [ALASKADVANTAGE] education grant program provides higher education grants to residents of this state attending institutions eligible under 20 AAC 16.021 and who demonstrate financial need based on a methodology allowable under 34 C.F.R. 692 [AND THE STANDARD COST OF ATTENDANCE AT AN ALASKA INSTITUTION]. This grant award is available to an eligible student to pay allowable costs of attendance that exceed

the sum of any other non-self-help financial aid provided to the student. (Eff. 2/20/2005, Register 173; am 12/28/2008, Register 188; Eff. \_\_/\_\_/\_\_\_\_, Register \_\_\_\_)

**Authority:** AS 14.42.030 AS 14.43.400

The lead in language to 20 AAC 16.010(a) is amended to read:

(a) An applicant for an **Alaska** [ALASKADVANTAGE] education grant

...

20 AAC 16.010(a)(3) is repealed:

(3) **repealed.** \_\_ / / \_\_\_\_; [MUST HAVE UNMET FINANCIAL NEED OF AT LEAST \$500 AFTER CONSIDERATION OF ALL OTHER NON-SELF-HELP SOURCES OF FINANCIAL AID;]

20 AAC 16.010(a)(4) is repealed:

(4) **repealed.** \_\_ / / \_\_\_\_; [MUST COMPLY WITH THE REQUIREMENTS FOR PARTICIPATION IN THE LEVERAGING EDUCATIONAL ASSISTANCE PARTNERSHIP (LEAP) PROGRAM AS SET OUT IN 34 C.F.R. 692, IF THE STUDENT RECEIVES A GRANT THAN INCLUDES LEAP MONEY;]

20 AAC 16.010(a)(7) is repealed:

(7) **repealed.** \_\_ / / \_\_\_\_; [MUST HAVE SATISFIED REFUND REQUIREMENTS ASSOCIATED WITH PRIOR ASSISTANCE UNDER 20 U.S.C. 1070 – 1099D (TITLE IV OF THE HIGHER EDUCATION ACT OF 1965);]

20 AAC 16.010(a)(8) is repealed:

(8) **repealed.**  / / ; [MUST HAVE EXECUTED A STATEMENT OF EDUCATIONAL PURPOSE;]

(Eff. 6/13/80, Register 74; am 11/27/86, Register 100; am 2/20/2005, Register 173; am 12/28/2008, Register 188; am 10/3/2011, Register 200; am 11/16/2012, Register 204; am \_\_\_/\_\_\_/\_\_\_, Register \_\_\_)

**Authority:** AS 14.43.405                      AS 14.43.415                      AS 14.43.420  
AS 14.43.406

The editor's note following 20 AAC 16.010 is changed to read:

Editor's note: As of Register 172 (January 2005), and acting under AS 44.62.125(b)(6), the regulations attorney made technical changes to reflect the name change of the Alaska state educational incentive grant program to the AlaskAdvantage education grant program made by secs. 18, 19, 21 and 28, ch. 63, SLA 2004.

**Editor's note: As a result of Chapter 89, SLA 2014, the AlaskAdvantage education grant program received a name change to the Alaska education grant program effective 07/17/2014.**

20 AAC 16 is amended by adding a new section to read:

**20 AAC 16.015. Application priority.** (a) Awards to applicants are prioritized and determined in accordance with the following criteria:

(1) lowest expected family contribution as reported on the Free Application for Federal Student Aid (FAFSA);

(2) continuing award recipient who meets Satisfactory Academic Progress as defined in 20 AAC 16.010(a)(11);

(3) enrollment as a full-time or on-time student as defined by 20 AAC 15.990(a)(5); and

(4) the earliest FAFSA filing date.

(b) For the purposes of this section, a previous award recipient is a student who received a grant award in the immediately preceding academic year. (Eff. 6/13/80, Register 74; repealed 2/20/2005, Register 173; am \_\_/\_\_/\_\_\_\_, Register \_\_\_\_)

**Authority:** AS 14.43.405 AS 14.43.406 AS 14.43.415

The lead in language to 20 AAC 16.021(a) is amended to read:

(a) An institution eligible to participate in the Alaska [ALASKADVANTAGE] education grant program is described in AS 14.43.415(a)(2)(A), and must  
...

20 AAC 16.021(a)(1) is repealed:

(1) repealed. / / \_\_\_\_\_; [MEET THE CRITERIA OF AND OPERATE IN COMPLIANCE WITH THE REQUIREMENTS SET OUT IN 20 U.S.C. 1001 - 1155 (HIGHER EDUCATION ACT OF 1965), AND 34 C.F.R. 600 AND 668, IF ITS STUDENTS RECEIVE LEAP MONEY;]

20 AAC 16.021(b) is amended to read:

(b) An institution that is otherwise eligible to participate in the **Alaska** [ALASKADVANTAGE] education grant program becomes ineligible upon failure to submit required reconciliation reports or related documentation to the commission, or a commission audit finding that the institution is ineligible because the institution lacks the financial, administrative, or academic capacity to successfully administer the grant program.

(Eff. 2/20/2005, Register 173; am 10/3/2011, Register 200; am 11/16/2012, Register 204; am 4/4/2013, Register 206; am \_\_/\_\_/\_\_\_\_, Register \_\_\_\_)

**Authority:** AS 14.43.405 AS 14.43.415

20 AAC 16.030(a) is amended to read:

(a) A student requesting an **Alaska** [ALASKADVANTAGE] education grant must submit a completed Free Application for Federal Student Aid to the United States Department of Education that results in **a valid** [AN] ISIR [ON OR BEFORE JUNE 30 OF EACH YEAR FOR WHICH GRANT MONEY WILL BE REQUESTED. ISIRS RECEIVED AFTER JUNE 30 MAY BE CONSIDERED FOR A GRANT AWARD, SUBJECT TO AVAILABILITY OF MONEY].

20 AAC 16.030(d)(3) is amended to read:

(3) has unmet financial need; **and**

20 AAC 16.030(d)(4) is repealed:

(4) **repealed.** / / \_\_\_\_; [HAS A FINAL DETERMINATION OF DEPENDENT OR INDEPENDENT STATUS; AND]

20 AAC 16.030(d)(5) is amended to read:

(5) meets requirements set out in **20 AAC 16.034** [20 AAC 16.034(B)] for an increased grant award.

20 AAC 16.030(e) is amended to read:

(e) The commission staff shall notify each institution of the names of students at that institution who are eligible to receive an **Alaska** [ALASKADVANTAGE] education grant as determined under this section.

(Eff. 6/13/80, Register 74; am 11/27/86, Register 100; am 5/8/88, Register 106; am 2/20/2005, Register 173; am 12/28/2008, Register 188; am 10/3/2011, Register 200; am 4/4/2013, Register 206; am \_\_/\_\_/\_\_\_\_, Register \_\_\_\_)

**Authority:** AS 14.42.030 AS 14.43.406 AS 14.43.415  
AS 14.43.405 AS 14.43.410

The editor's note following 20 AAC 16.030 is changed to read:

Editor's note: As of Register 172 (January 2005), and acting under AS 44.62.125(b)(6), the regulations attorney made technical changes to reflect the name change of the Alaska state educational incentive grant program to the AlaskAdvantage education grant program made by secs. 18, 19, 21 and 28, ch. 63, SLA 2004.

**Editor's note: As a result of Chapter 89, SLA 2014, the AlaskAdvantage education grant program received a name change to the Alaska education grant program effective 07/17/2014.**

20 AAC 16.034(b) is amended to read:

(b) **The** [UNDER AS 14.43.415(b), THE] commission will **award** [ANNUALLY SET ASIDE A PORTION OF THE AVAILABLE GRANT MONEY AS PRIORITY AWARDS TO ASSURE THE AVAILABILITY OF] increased grant award amounts to eligible applicants [WHEN THE APPLICANTS] **who meet either of the following conditions:** [ARE ENROLLED IN A PROGRAM OF STUDY DESIGNED TO LEAD TO EMPLOYMENT IN A WORKFORCE SHORTAGE AREA, OR WHEN THE APPLICANTS DOCUMENT PARTICIPATION IN A SECONDARY EDUCATION PROGRAM OF STUDY THAT IS A PREDICTOR OF POSTSECONDARY EDUCATION SUCCESS.]

**(1) are enrolled "on-time" as defined by AS 14.43.990(7); or**

**(2) are high school graduates specified in AS 14.43.915(d).**

20 AAC 16.034(c) is repealed:

(c) **Repealed.** / / / ; [FOR PURPOSES OF THIS SECTION, ACCEPTABLE DOCUMENTATION OF PARTICIPATION IN A SECONDARY EDUCATION PROGRAM OF STUDY THAT IS A PREDICTOR OF POSTSECONDARY EDUCATION SUCCESS IS

(1) ELIGIBILITY FOR THE ALASKA PERFORMANCE SCHOLARSHIP UNDER

AS 14.43.810 – AS 14.43.849; OR

(2) A COMPOSITE OR TOTAL TEST SCORE IN THE TOP QUARTILE FOR THE APPLICABLE TEST YEAR ON THE SCHOLASTIC APTITUDE TEST (SAT) OR THE ACT ASSESSMENT, AS REPORTED BY THE TESTING AUTHORITY FOR THE APPLICANT]

20 AAC 16.034(d) is repealed:

(d) **Repealed.** \_\_\_ / \_\_\_ / \_\_\_; [THE COMMISSION WILL ANNUALLY PUBLISH A LIST OF WORKFORCE SHORTAGE AREAS TO BE USED TO DETERMINE ELIGIBILITY FOR INCREASED GRANT AWARDS AWARDED FROM THE PRIORITY MONEY RESERVED UNDER AS 14.43.415(b).]

(Eff. 2/20/2005, Register 173; am 12/28/2008, Register 188; am 6/24/2012, Register 202; am 4/4/2013, Register 206; am 2/21/2014, Register 209; am \_\_\_/\_\_\_/\_\_\_, Register \_\_\_)

**Authority:** AS 14.43.405            AS 14.43.415            AS 14.43.915  
AS 14.43.406

20 AAC 16.037(a) is amended to read:

(a) Grant award amounts are based on financial need, determined **by** [AS THE STANDARD COST OF ATTENDANCE IN THIS STATE AS DETERMINED UNDER (I) OF THIS SECTION, OR IF LESS, THE STUDENT’S ACTUAL COST OF ATTENDANCE, LESS] the student’s expected family contribution **and enrollment status** [AND ANY AVAILABLE NON-SELF-HELP FINANCIAL AID. THE COMMISSION MAY PRORATE THE COST OF ATTENDANCE FOR A STUDENT ATTENDING A PROGRAM LESS THAN 12 MONTHS IN DURATION].

20 AAC 16.037(b) is amended to read:

(b) A [NOTWITHSTANDING THE FORMULA SPECIFIED IN (A) OF THIS SECTION, A] grant recipient may not receive a grant award that exceeds the amount of the student's unmet need, based on the student's actual cost of attendance.

20 AAC 16.037(d) is repealed:

(d) Repealed, / /. [THE MINIMUM GRANT AWARD PER SCHOOL YEAR IS \$500.]

20 AAC 16.037(e) is amended to read:

(e) The maximum grant award is determined annually by the executive director of the commission, but may not exceed \$3,000 [\$2,000] per school year for a full-time student, unless the student qualifies for an increased grant award under 20 AAC 16.034(b), in which case the grant award may be increased to up to \$4,000 [\$3,000] per school year. The commission may prorate grant awards for less than full-time attendance.

20 AAC 16.037(i) is repealed:

(i) Repealed, / /. [THE COMMISSION WILL DETERMINE ANNUALLY  
(1) THE STANDARD COST OF ATTENDANCE IN THIS STATE, BASED  
ON THE ANNUAL COST OF TUITION AND REQUIRED FEES AT THE STATE  
PUBLIC UNIVERSITY SYSTEM FOR A HALF-TIME AND FULL-TIME STUDENT;  
AND

(2) THE ANNUAL COST OF LIVING FOR INDEPENDENT AND DEPENDENT STUDENTS, NOT TO EXCEED THE AVERAGE ANNUAL LIVING COSTS AT THE STATE PUBLIC UNIVERSITY SYSTEM FOR DEPENDENT AND INDEPENDENT STUDENTS.]

(Eff. 2/20/2005, Register 173; am 12/28/2008, Register 188; am 10/3/2011, Register 200; am 4/4/2013, Register 206; am \_\_/\_\_/\_\_\_\_, Register \_\_\_\_)

**Authority:** AS 14.43.405 AS 14.43.415 AS 14.43.420  
AS 14.43.406

20 AAC 16.040(b) is amended to read:

(b) **Unless a participating school requests an alternative distribution schedule, the** [THE] commission will distribute grant money to the schools on or after **the final date on which the school permits a student to modify course enrollment without a financial penalty** [JULY 15, ACCORDING TO SCHOOL REQUESTS, FOR PROGRAMS THAT START AUGUST 1 OR LATER IN THAT SCHOOL YEAR].

20 AAC 16.040(d) is repealed:

(d) **Repealed.** / / \_\_\_\_\_. [AN ACCELERATED PROGRAM OF STUDY MAY HAVE ACCELERATED AWARD ELIGIBILITY IF ACCELERATED STUDY IS A REQUIREMENT OF THE PROGRAM IN WHICH THE STUDENT IS ENROLLED. FOR PURPOSES OF THIS SUBSECTION, “ACCELERATED PROGRAM OF STUDY” MEANS A PROGRAM OF STUDY IN WHICH THE STUDENT IS SCHEDULED TO COMPLETE MORE THAN ONE ACADEMIC YEAR PER CALENDAR YEAR OF ATTENDANCE.]

20 AAC 16.040 is amended by adding a new subsection to read:

(g) An institution may not disburse grant **funds** [AWARDS] to a student who is on an approved leave of absence unless the student has already **successfully** completed the program period for which the grant **funds were** [MONEY WAS] awarded. (Eff. 6/13/80, Register 74; am 12/13/84, Register 92; am 2/20/2005, Register 173; am 12/28/2008, Register 188; am 10/3/2011, Register 200; am 4/4/2013, Register 206; am \_\_/\_\_/\_\_\_\_, Register \_\_\_\_)

**Authority:** AS 14.43.405 AS 14.43.406 AS 14.43.415

20 AAC 16.050(a) is amended to read:

(a) Complaints and appeals regarding administration of the **Alaska** [ALASKADVANTAGE] education grant program will be considered under 20 AAC 15.915. (Eff. 6/13/80, Register 74; am 11/27/86, Register 100; am 2/20/2005, Register 173; am \_\_/\_\_/\_\_\_\_, Register \_\_\_\_)

**Authority:** AS 14.43.030 AS 14.43.405

20 AAC 16.235(c) is amended to read:

(c) An institution that does not provide the documentation required in (b)(2) of this section may qualify to administer scholarship money by providing educational institution surety bonding, executed solely in favor of and filed with the commission in an amount equal to **total instructional** [INSTITUTIONAL] expenses **to be paid to the institution by award recipients attending** [PROJECTED AS REQUIRED TO OFFER THE INSTITUTION'S QUALIFYING POSTSECONDARY PROGRAMS FOR] the upcoming academic year or vocational period.

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(Eff. 1/1/2011, Register 196; am 2/21/2014, Register 209; am \_\_/\_\_/\_\_\_\_, Register \_\_\_\_)

**Authority:** AS 14.42.030 AS 14.43.825 AS 14.43.840  
AS 14.43.810 AS 14.43.830

20 AAC 16.900(b)(2) is repealed:

(2) **repealed.** \_\_ / \_\_ / \_\_\_\_; [“DEPENDENT STUDENT” MEANS A STUDENT WHO IS EXPECTED TO HAVE ACCESS TO PARENTAL SUPPORT IN PAYING FOR HIGHER EDUCATION, AS DEFINED IN 34 C.F.R. 668.2(b);]

20 AAC 16.900(b)(4) is repealed:

(4) **repealed.** \_\_ / \_\_ / \_\_\_\_; [“INDEPENDENT STUDENT” MEANS A STUDENT WHO IS NOT EXPECTED TO HAVE ACCESS TO PARENTAL SUPPORT IN PAYING FOR HIGHER EDUCATION, AS DEFINED IN 34 C.F.R. 668.2(b);]

(Eff. 6/13/80, Register 74; am 11/27/86, Register 100; am 2/20/2005, Register 173; am 12/28/2008, Register 188; am 1/1/2011, Register 196; am 11/16/2012, Register 204; am 4/4/2013, Register 206; am \_\_/\_\_/\_\_\_\_, Register \_\_\_\_)

**Authority:** AS 14.42.030 AS 14.43.405 AS 14.43.810

20 AAC 17.015(a)(4) is amended to read:

(4) a short course of study that is not more than **120** [80] hours or **15** [10] days in duration, including all required class, laboratory, externship, and independent study hours;

20 AAC 17.015(a)(8) is amended to read:

(8) an **online** [ON-LINE] or distance delivered program that does not have a physical presence within the state.

20 AAC 17.015(d)(5)(D) is amended to read:

(D) is not advertised as leading to any professional credential or certification for which the certifying entity publishes a curriculum that exceeds **120** [80] hours.

(Eff. 12/30/77, Register 64; am 8/20/86, Register 99; am 1/30/87, Register 101; am 9/15/88, Register 107; am 3/25/90, Register 113; am 5/4/90, Register 114; am 10/11/95, Register 136; am 4/24/98, Register 146; am 4/20/2000, Register 154; am 4/27/2001, Register 158; am 3/1/2002, Register 161; am 12/31/2005, Register 176; am 10/18/2007, Register 184; am 12/29/2010, Register 196; am 10/3/2011, Register 200; am 2/21/2014, Register 209; am \_\_/\_\_/\_\_\_\_, Register \_\_)

**Authority:** AS 14.42.030            AS 14.48.030            AS 14.48.210  
                 AS 14.48.020            AS 14.48.050

20 AAC 17.045(b) is amended to read:

(b) Except as provided in (h) of this section, the amount of the required surety bond, cash deposit, or commission-approved negotiable securities is based, for an existing institution, upon the highest amount of revenue received by the institution for all students enrolled in all programs during an academic or a vocational program period, term, or semester in the previous academic year; or for new institutions or institutions that have added or deleted programs, the highest amount of revenue the commission staff projects will be earned by the institution for all students

enrolled in all programs during an academic or a vocational program period, term, or semester in the upcoming academic year. The amount of the bond is determined as follows:

**POSTSECONDARY EDUCATIONAL INSTITUTIONS**

Institution Revenue	Bond Amount (Pay-As-You-Go Schools)	Bond Amount (Other)
Up to \$25,000	\$ 3,750	\$ 5,000
\$ 25,001 - \$ 50,000	\$ 7,500	\$ 10,000
\$ 50,001 - \$100,000	\$15,000	\$ 20,000
\$100,001 - \$150,000	\$22,500	\$ 30,000
\$150,001 - \$200,000	\$30,000	\$ 40,000
\$200,001 - \$250,000	\$37,500	\$ 50,000
\$250,001 - \$300,000	\$45,000	\$ 60,000
\$300,001 - <b><u>\$400,000</u></b>	<b><u>\$60,000</u></b>	<b><u>\$80,000</u></b>
<b><u>\$400,001 - \$500,000</u></b>	<b><u>\$75,000</u></b>	<b><u>\$100,000</u></b>
<b><u>\$500,001 - \$750,000</u></b>	<b><u>\$112,500</u></b>	<b><u>\$150,000</u></b>
<b><u>\$750,001 - \$1,000,000</u></b>	<b><u>\$150,000</u></b>	<b><u>\$200,000</u></b>
<b><u>\$1,000,001 and above</u></b>	<b><u>\$200,000</u></b>	<b><u>\$250,000</u></b>
[\$350,000	\$52,500	\$ 70,000
\$350,001 - \$400,000	\$60,000	\$ 80,000
\$400,001 - \$450,000	\$67,500	\$ 90,000
\$450,001 AND ABOVE	\$75,000	\$100,000]

**AGENTS**

Tuition Revenue

Bond Amount

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Up to \$ 25,000	\$ 2,500
\$ 25,001 - \$50,000	\$ 5,000
\$ 50,001 - \$100,000	\$10,000
\$100,001 - \$150,000	\$15,000
\$150,001 - \$200,000	\$20,000
\$200,001 - \$250,000	\$25,000
\$250,001 - \$300,000	\$30,000
\$300,001 - \$350,000	\$35,000
\$350,001 - \$400,000	\$40,000
\$400,001 - \$450,000	\$45,000
\$450,001 and above	\$50,000

(Eff. 3/6/86, Register 97; am 5/8/88, Register 106; am 9/15/88, Register 107; am 12/8/88, Register 108; am 5/4/90, Register 114; am 8/18/91, Register 117; am 4/24/98, Register 146; am 8/26/98, Register 147; am 4/20/2000, Register 154; am 12/31/2005, Register 176; am 12/29/2010, Register 196; am \_\_/\_\_/\_\_\_\_, Register \_\_\_\_)

**Authority:** AS 14.48.050 AS 14.48.100

20 AAC 17.145(i) is amended to read:

(i) Within 30 days after the mailing or distribution of [THE INVESTIGATION REPORT OR] the executive director’s decision on the request for reconsideration, a party to a complaint may submit to the commission a [WRITTEN RESPONSE TO THAT DECISION OR TO THE INVESTIGATION REPORT. THE PARTY MAY INCLUDE IN THE RESPONSE A] request for a hearing before the commission. A hearing under this subsection is subject to AS

44.64 (Hearing Officers and Office of Administrative Hearings). The hearing will be conducted according to AS 44.62 (Administrative Procedure Act). If a party does not **submit a request for a hearing** [FILE A RESPONSE OR FAILS TO INCLUDE A REQUEST OFR A HEARING IN A RESPONSE], the commission may [, WITHOUT HEARING,] adopt the investigation report, in whole or in part, as the commission's decision on the complaint.

(Eff. 4/27/2001, Register 158; am 12/31/2005, Register 176; am 12/29/2010, Register 196; am \_\_\_/\_\_\_/\_\_\_\_, Register \_\_\_)

**Authority:** AS 14.48.050 AS 14.48.130

20 AAC 17.225(d)(1) is amended to read:

(1) conform to the policies and guidelines for contractual relationships and for the transfer and award of credit in the *Accreditation Handbook* of the Northwest Commission on Colleges and Universities, **2013** [2003] edition, adopted by reference; and  
(Eff. 4/19/90, Register 114; am 11/5/92, Register 124; am 4/24/98, Register 146; am 8/26/98, Register 147; am 4/20/2000, Register 154; am 3/1/2002, Register 161; am 1/30/2003, Register 165; am 12/31/2005, Register 176; am 12/29/2010, Register 196; am \_\_\_/\_\_\_/\_\_\_\_, Register \_\_\_)

**Authority:** AS 14.42.030 AS 14.48.060 AS 14.48.070  
AS 14.48.050

The Editor's Note following 20 AAC 17.225 is amended to read:

Editor's Note: The **Accreditation Handbook** [ACCREDITATION HANDBOOK], adopted by reference in 20 AAC 17.225(d), can be obtained by writing to the Northwest Commission on Colleges and Universities at: 8060 165th Ave., N.E. Suite 100, Redmond, WA

98052[-3981]. **An electronic version is available at <http://www.nwccu.org>.** The commission's telephone number is (425) 558-4224[, AND INTERNET ADDRESS IS [HTTP://WWW.NWCCU.ORG](http://www.nwccu.org)].

20 AAC 17.230(a) is amended to read:

(a) An institution offering a degree program shall meet the requirements of Standard Seven - Finance in the Accreditation Handbook of the Northwest Commission on Colleges and Universities, **2013** [2003] edition, adopted by reference, or an equivalent financial reporting system approved by the commission. An equivalent financial reporting system must include an annual audit of the school's financial records conducted by an external certified public accountant, presentation of adequacy and stability of income as measured by at least three years' history, and an accounting system that follows the generally accepted principles of institutional accounting in **the Financial Accounting and Reporting Manual for Higher Education** [COLLEGE AND UNIVERSITY BUSINESS ADMINISTRATION, SIXTH EDITION, 2000], published by the National Association of College and University Business Officers (NACUBO), adopted by reference.

20 AAC 17.230(b) is amended to read:

(b) An institution's plans for student scholastic and financial record retention and disposal must meet the requirements of 20 AAC 17.110, and must either meet the recommended standards of the American Association of Collegiate Registrars and Admission Officers (AACRAO) in **Student Records Management: Retention, Disposal and Archive of Student Records, 2014 edition** [*RETENTION OF RECORDS: GUIDE FOR RETENTION AND*

*DISPOSAL OF STUDENT RECORDS*, 2010 EDITION], and *Academic Record and Transcript Guide*, 2011 edition, adopted by reference, or provide for an equivalent record retention and disposal system approved by the commission. Requirements for an approved system include

- (1) compliance with state and federal law regarding record establishment, maintenance, retention, disposal, access, and security;
- (2) protocols for transfer of record custody;
- (3) procedures for notification of changes in the location of, or means of access to, retained records, and identification of the responsible records manager. (Eff. 4/19/90, Register 114; am 11/5/92, Register 124; am 4/24/98, Register 146; am 8/26/98, Register 147; am 1/30/2003, Register 165; am 12/31/2005, Register 176; am 12/29/2010, Register 196; am 11/16/2012, Register 204; am \_\_/\_\_/\_\_\_\_, Register\_\_)

**Authority:** AS 14.48.050 AS 14.48.060 AS 14.48.070

The Editor's Note following 20 AAC 17.230 is amended to read:

Editor's Note: The *Accreditation Handbook*, **adopted by reference in 20 AAC 17.230(a)**, can be obtained by writing to the Northwest Commission on Colleges and Universities at: 8060 165th Ave., N.E. Suite 100, Redmond, WA 98052. **An electronic version is available at <http://www.nwccu.org>**. The commission's telephone number is (425) 558-4224[, AND INTERNET ADDRESS IS [HTTP://WWW.NWCCU.ORG](http://www.nwccu.org)].

The **online publication** [BOOK] **Financial Accounting and Reporting Manual for Higher Education** [*COLLEGE AND UNIVERSITY BUSINESS ADMINISTRATION*], adopted by reference in 20 AAC 17.230**(a)** and published by the National Association of College and University Business Officers (NACUBO), **is available through a subscription service at**

**<http://www.nacubo.org>. The association's telephone number is (800) 462-4916** [CAN BE OBTAINED BY WRITING TO: NACUBO PUBLICATIONS, P.O. BOX 1020, SEWICKLEY, PA 15143-1020; TELEPHONE (800) 462-4916].

Publications from the American Association of Collegiate Registrars and Admission Officers (AACRAO) and adopted by reference in 20 AAC 17.230**(b)** can be obtained **through the AACRAO Online Bookstore at <http://www4.aacrao.org/publications>**. **The AACRAO distribution center's telephone number is (301) 490-7651** [BY WRITING TO: AACRAO DISTRIBUTION CENTER, P.O. BOX 231, ANNAPOLIS JUNCTION, MARYLAND 20701; TELEPHONE (301) 490-7651; INTERNET ADDRESS [HTTP://WWW.AACRAO.ORG/PUBLICATIONS/PUBLICATIONS\\_CATALOG.ASPX](HTTP://WWW.AACRAO.ORG/PUBLICATIONS/PUBLICATIONS_CATALOG.ASPX)].

20 AAC 17.245(b) is amended to read:

(b) **Baccalaureate Degree Program.** Except as provided in this subsection, faculty members of a baccalaureate program must hold an advanced degree in that member's discipline. An instructor of a subject area that is not usually academically credentialed with a graduate degree is excused from the advanced degree requirement. Faculty representing major fields of study and their related disciplines must, unless waived by the commission, possess the highest degree in their discipline. An adequate number of qualified and full-time graduate faculty members must be provided representing each subject field and related disciplines in which the institution offers major study, in accordance with the accreditation standards in the *Accreditation Handbook* of the Northwest Commission on Colleges and Universities, **2013** [2003] edition, adopted by reference. If that core faculty does not exist, or does not meet the academic credential standards of the Northwest Commission on Colleges and Universities, the institution

must demonstrate to the commission that its students are well-served by a waiver of the requirements of this subsection. The institution must provide the faculty with structured and routine opportunities for development of institutional policies and with safeguards for the faculty's academic freedom.

20 AAC 17.245(c) is amended to read:

(c) **Graduate Degree Programs.** Except as provided in this subsection, each faculty member must hold the highest degree in that member's discipline. An adequate number of qualified and full-time graduate faculty members must be provided in the subject field and related disciplines in accordance with the accreditation standards in the *Accreditation Handbook* of the Northwest Commission on Colleges and Universities, **2013** [2003] edition, adopted by reference. If such graduate faculty does not exist, or does not meet the academic credential standards of the Northwest Commission on Colleges and Universities, the institution must demonstrate to the commission that its students are well-served by a waiver of the requirements of this subsection. The institution must provide the faculty with structured and routine opportunities for development of institutional policies and with safeguards for the faculty's academic freedom. (Eff. 4/19/90, Register 114; am 11/5/92, Register 124; am 4/24/98, Register 146; am 8/26/98, Register 147; am 1/30/2003, Register 165; am 12/31/2005, Register 176; am 12/29/2010, Register 196; am \_\_/\_\_/\_\_\_\_, Register \_\_\_\_)

**Authority:** AS 14.48.050 AS 14.48.060 AS 14.48.070

The editor's note following 20 AAC 17.245 is changed to read:

Editor's note: The *Accreditation Handbook*, adopted by reference in 20 AAC 17.245, can be obtained by writing to the Northwest Commission on Colleges and Universities at: 8060 165th Avenue N.E., Suite 100, Redmond, Washington 98052. **An electronic version is available online at <http://www.nwccu.org>**. The commission's telephone number is (425) 558-4224[, AND INTERNET ADDRESS IS [HTTP://WWW.NWCCU.ORG](http://WWW.NWCCU.ORG)].