

ARKANSAS REGISTER

Proposed Rule Cover Sheet



Secretary of State
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Name of Department _____

Agency or Division Name _____

Other Subdivision or Department, If Applicable _____

Previous Agency Name, If Applicable _____

Contact Person _____

Contact E-mail _____

Contact Phone _____

Name of Rule _____

Newspaper Name _____

Date of Publishing _____

Final Date for Public Comment _____

Location and Time of Public Meeting _____

Notice of Rulemaking

Pursuant to Arkansas Code Annotated § 25-15-201 et seq., notice is hereby given that the Division of Higher Education is considering the repeal of the Minority Masters Fellows Program Rules and Regulations. A public hearing regarding these rules will be held on December 20, 2021 at 10:00 a.m. at the Arkansas Division of Higher Education board room, 423 Main St., Little Rock, AR, 72201. Written comments regarding these proposed rules may be mailed to ADE Legal Services, Four Capitol Mall, Room 302A, Little Rock, AR, 72201. Comments also may be emailed to ADE.RulesComments@ade.arkansas.gov. A copy of the proposed rules can be found on the Division of Higher Education's website at: <https://www.adhe.edu/data-publications/higher-education-policies/pending-policies>. Copies also may be obtained by contacting ADE's Legal Services at the above address or via phone at (501) 682-4227.

~~MINORITY MASTERS FELLOWS PROGRAM RULES AND REGULATIONS~~

~~RULE 1 – ORGANIZATION AND STRUCTURE~~

- ~~I. The Arkansas Department of Higher Education (ADHE) shall administer the Minority Masters Fellows Program within the policies set by the State Board of Higher Education. The program will provide scholarships to students who have completed their baccalaureate degrees and are entering a master's program in mathematics, science, or foreign language, and to students in the fifth year of a five-year teacher education program who were eligible to participate in the Minority Teacher Scholars Program. Beginning with the 1997-98 academic year, applicants who enroll in master's degree program in education must have been recipients of the Minority Teacher Scholars Program scholarships.~~

~~All formal communications shall be addressed to or signed by the Director of the Arkansas Department of Higher Education or his/her designee.~~

- ~~II. The final responsibility for selecting scholarship recipients shall rest with the Director of the Arkansas Department of Higher Education.~~

~~RULE 2 – SCHOLARSHIP ELIGIBILITY CRITERIA~~

~~I. Eligibility Criteria~~

- ~~A. Applicants must be African American, Hispanic, or Asian American, or Native American.~~

- ~~1. For guidance purposes, the terms African American, Hispanic, Asian American, and Native American are based on the Race/Ethnic classifications utilized by the Integrated Postsecondary Education Data System (IPEDS) as follows:~~

- ~~a. African American = Black/Non-Hispanic: a person having origins in any other black racial groups of Africa.~~
- ~~b. Hispanic: a person of Mexican, Puerto Rican, Cuban, Central or South American or other Spanish culture or origin, regardless of race.~~
- ~~c. Asian American = Asian or Pacific Islander: a person having origins in any of the original peoples of the Far East, Southeast Asia, the Indian subcontinent, or the Pacific Islands. This area includes those from China, Japan, Korea, the Philippine Islands, Samoa, India and Vietnam.~~

- ~~d. Native American – American Indian or Alaska Native: a person having origins in any of the original peoples of North America and who maintain cultural identification through tribal affiliation or community recognition.~~
- ~~B. Applicants must be bona fide Arkansas residents, as defined by the Arkansas Department of Higher Education, for at least six months prior to the application deadline.~~
- ~~C. Applicants must be citizens of the United States or permanent resident aliens.~~
- ~~D. Applicants must be enrolled full time in a public or independent 4-year institution located in Arkansas. Full-time is defined as a minimum of nine college semester hours, or the equivalent, excluding correspondence courses.~~
- ~~E. Applicants must have received a baccalaureate degree. They must be admitted to a master's-level program in mathematics, the sciences or foreign languages at an Arkansas university. In addition, students in the fifth year of a five-year teacher education program who were eligible for the Minority Teacher Scholars Program scholarship are eligible for the Minority Masters Fellows Program if their undergraduate major field was mathematics, any of the sciences or foreign languages. In 1995-96 and 1996-97, such applicants are eligible to receive Minority Masters Fellowships whether or not they actually received a Minority Teacher Scholars scholarship. Starting in 1997-98, however, a fifth-year master's program applicant must have been a recipient of the Minority Teacher Scholars award.~~
- ~~F. Priority will be given to applicants who have completed baccalaureate degrees within the past two years.~~
- ~~G. Applicants must have a minimum 2.75 cumulative grade point average on a 4.0 scale (or its equivalent). For continued eligibility, masters fellows must maintain a 3.0 grade point average.~~

RULE 3 – SELECTION PROCESS

- ~~I. Students must submit an application to the Arkansas Department of Higher Education. Applications will be mailed to presidents and chancellors for distribution to all deans and department chairs, to financial aid directors, and to Teacher Certification Officials at all public and independent four-year institutions in the State of Arkansas. Applications may also be obtained from ADHE upon request.~~

II. Deadline for Applications

~~The application deadline will be established by the Arkansas Department of Higher Education and published in its brochure and announced to each participating institution when applications are distributed.~~

III.—Review of Applications

~~For applications that are either incomplete or ineligible, a notice will be sent to the applicant identifying the reason for incompleteness or ineligibility. The applicant will then have the opportunity to provide the missing information or correct any inaccurate information.~~

IV.—Ranking of Applicants

~~Applications are ranked according to a combination of components including cumulative grade point average and major grade point average.~~

V.—Selection and Notification of Recipients

~~A. The ADHE shall review ranked applicants and make recommendations for scholarship recipients based on allocation of funds. The total of initial awards shall not exceed \$200,000 in 1995-96.~~

~~B. The final responsibility for selecting scholarship recipients shall rest with the Director of the Arkansas Department of Higher Education.~~

~~C. Recipients will be notified by mail of their awards.~~

VI.—Institutional Eligibility

~~The institution to be attended under the scholarship program must be an Arkansas public or independent four-year institution and must meet federal institutional eligibility requirements.~~

~~RULE 4—AWARDING OF SCHOLARSHIP~~

I.—Award Process

~~Scholarship recipients will be mailed award notices announcing their selection for the program. Prior to the disbursement of funds, each recipient will receive a promissory note for the purpose of entering into an agreement with ADHE. The terms of the agreement will include the general purpose, repayment and deferment procedures, interest calculations, and a schedule of advances. The promissory note shall be signed by the scholarship recipient and by a co-maker of eligible age. Modifications to any award amounts will be confirmed through the issuance of a new promissory note.~~

II.—Limitation of Scholarships

~~A. Students may receive up to \$7,500 for one academic year (or up to \$2,500 per summer for no more than three summers).~~

~~B. Students may receive the scholarship for a maximum of one academic year (or no more than three summers).~~

- III. ~~Act 1180 of 1999 states that students who receive scholarships from public funds may not use those funds in a financial aid package to exceed the federally recognized cost of attendance at the institution where the student enrolls. The institution must follow ADHE policy in repaying public funds in the amount exceeding the total cost of attendance for any student who receives public funds in a financial aid package above the cost of attendance.~~

~~RULE 5 – REPAYMENT OF SCHOLARSHIP~~

~~I. Terms of Repayment~~

- A. ~~Scholarship recipients who teach full-time in an Arkansas public school or public institution of higher education for two years shall have the total scholarship and related interest forgiven. This shall be in addition to any teaching obligation the recipient may have to fulfill based on receipt of a Minority Teacher Scholars Program scholarship.~~
- B. ~~Recipients who do not teach full-time in an Arkansas public school or public institution of higher education, or who discontinue their studies prior to completing their programs of study, shall go into repayment.~~
- C. ~~The repayment schedule will be set in monthly payments based on the total amount of the loan remaining at the time of entry into repayment, plus interest. Payments will be computed to ensure that repayment will be completed within a maximum of five years from the completion of study or withdrawal from school.~~

~~II. Interest on Loan~~

- A. ~~Interest will accrue from the beginning of the repayment period at a maximum annual percentage rate not to exceed five percent (5%) per annum above the Federal Reserve Discount Rate at the time of the contract on the outstanding principal.~~
- B. ~~Interest will not accrue and installments need not be paid when a deferment has been approved by the Arkansas Department of Higher Education. Any recipient who desires a deferment must submit an application for deferment to ADHE for approval.~~

~~III. Deferment of Loan~~

- A. ~~At ADHE's discretion, scheduled loan repayments may be deferred if ADHE determines that extraordinary circumstances prevent the recipient from making such repayments. Deferments may be granted for the following conditions:~~
1. ~~The recipient is engaged in a full-time course of doctoral study at an institution of higher education. This must be verified by the Registrar's Office.~~

- ~~2. The recipient is seeking and unable to find employment as a teacher for a single period not to exceed twelve (12) months. The loan recipient must submit a list of schools contacted for employment. ADHE will verify this information with the schools listed.~~
- ~~3. The recipient is temporarily totally disabled, for a period not to exceed three years, as established by sworn affidavit from a licensed physician. ADHE reserves the right to require a second opinion by an ADHE approved physician.~~
- ~~4. The recipient is unable to secure employment for a period not to exceed twelve (12) months by reason of the care of a spouse who is disabled, as established by the signature of a licensed physician. ADHE reserves the right to require a second opinion by an ADHE approved physician.~~
- ~~5. Other extraordinary circumstances which would prevent the recipient from repaying the debt within the contractual obligations of the promissory note may be considered.~~

- ~~B. To qualify for any of the deferments, recipients must notify ADHE of their claim to the deferment on a Request for Deferment form which will be supplied by ADHE upon request. The recipient must complete the Request for Deferment form and return it, along with supporting documentation, to ADHE. ADHE will notify the recipient within ten (10) working days of approval or disapproval of any application for a deferment.~~

~~IV. Cancellation of Scholarship~~

~~ADHE will cancel a recipient's repayment obligations if it determines:~~

- ~~A. On the basis of a sworn affidavit of a licensed physician, that the recipient is unable to teach on a full-time basis because of an impairment that is expected to continue indefinitely or result in death. ADHE reserves the right to require a second opinion by an ADHE approved physician; or~~
- ~~B. On the basis of a death certificate or other evidence of death, that is conclusive under state law, that the recipient has died.~~

~~V. Prepayment of Loan~~

~~There shall be no penalty for prepayment or repayment of all or any portion of the principal.~~

~~VI. Grace Period~~

~~There will exist a nine-month grace period following graduation before the recipient must either take employment in an Arkansas public school or public institution of~~

~~higher education in an approved subject specified for this program or begin repayment of the scholarship.~~

~~VII. Failure to Repay~~

~~Scholarship recipients who fail to meet their repayment obligations may have added to their total obligation any costs for collection of the debt.~~

~~RULE 6 -- INSTITUTIONAL RESPONSIBILITIES~~

~~I. College/University Responsibilities~~

~~A. Institutional Verification~~

~~The institution shall provide certification to ADHE each semester after registration, giving the names of the program scholarship recipients who are officially enrolled as full-time students and their grade point average. This information is reported on a verification roster.~~

~~The certifying official is responsible for completing the verification roster two times a year for those institutions on the semester system and three times a year for those institutions on the trimester system. The verification roster will be mailed to the financial aid director at the time of registration for each term. The signed verification roster should be returned to ADHE by July 1 for the summer I term, September 1 for the summer II term, November 1 for the fall term, March 15 for the winter and/or spring term, and May 1 of the spring term for institutions on the trimester system.~~

~~The verification roster is an alphabetical listing by institution of all persons receiving a Minority Masters Fellows scholarship for a given academic semester or trimester. Students who are not enrolled full-time in the current term shall not receive scholarship benefits in that term.~~

~~B. Refund Policy~~

~~It is the institution's responsibility to notify ADHE of the names of any persons owing a refund, the date of the withdrawal, and the refund amount. This information should be placed on the institution's verification roster before returning it to ADHE.~~

~~C. Deadlines for Disbursement of Funds~~

~~The scholarship will divided equally according to the number of terms at each institution: three payments for those institutions on trimesters and two payments for those institutions on semesters. After verification of full-time enrollment for the scholarship recipients, the institutions disburses the funds in accordance with its policy.~~

~~D. Due Diligence~~

~~The institution will exercise due diligence in providing complete, accurate, and timely information as requested by ADHE on any current or former loan recipient. In addition, the institution will exercise due diligence in complying with all the rules and regulations of the Minority Master's Fellows Program. The Arkansas Department of Higher Education will periodically review the institution's records concerning this program in an effort to exercise its due diligence requirements as a steward of state funds.~~

~~RULE 7 – SCHOLARSHIP RECIPIENT'S RESPONSIBILITY~~

~~I. Recipient's Responsibility~~

~~It is the recipient's responsibility to notify the Arkansas Department of Higher Education of any change in status within 21 days. This will include:~~

~~Change in name~~

~~Change in residence~~

~~Change in institution~~

~~Change in full-time status (below nine college semester credit hours or its equivalent per semester or trimester)~~

~~Change in course of study and/or~~

~~Change in employment.~~

~~Failure to notify the Arkansas Department of Higher Education of a change in status will affect future eligibility or collection status.~~

~~RULE 8 – COLLECTION OF LOAN~~

~~I. Collection of Loan~~

~~Accounts will be retained by ADHE in the Financial Aid Division until the individual is no longer eligible for forgiveness or deferment due to the recipient's failure to remain employed in the teaching field for the specified time period. At that time, the scholarship will be converted to a loan and the account will be turned over to a vendor for servicing. ADHE will notify the student by mail of this action and include a loan amortization schedule with the notification letter. The account will remain with the vendor until repaid or 120 days past due. Upon determination that a loan recipient is 120 days delinquent, ADHE will mail both the recipient and the co-signer a first letter of notification ten (10) days after the installment payment is due. If payment is not received within 60 days from the original payment due date, a second letter of notification will be sent to the loan recipient and the co-signer~~

~~declaring the account delinquent and requesting that it be immediately brought up to date. If no response is received by 90 days from the original payment due, the third and final letter of notification will be sent to the recipient and co-signer informing them that the account will officially be in default if outstanding payments are not received within 30 days. At this point, defaulted recipients and/or cosigners will be reported to credit reporting agencies, a state income tax set-off will be requested, and a civil suit will be initiated, if necessary, against the recipient and co-signer for repayment of the loan.~~

~~II. Skip Tracing Mechanisms~~

~~If letters are returned as undeliverable, the Department of Finance and Administration's Motor Vehicle Division can be used to perform skip tracing activities. Motor Vehicle Division's records are updated in March and September each year. To get this information, mail name, current address, and social security number on Arkansas Department of Higher Education letterhead to:~~

~~Department of Finance and Administration
Motor Vehicle Division
P. O. Box 1272
Little Rock, AR 72202
ATTENTION: Correspondence Desk~~

~~A response from the Motor Vehicle Division should be received within ten (10) working days. Additionally, ADHE will use these steps to locate recipients and/or co-signers if communications are returned as undelivered:~~

- ~~A. Contact references listed on the recipient's application~~
- ~~B. Use telephone directory or check with directory assistance in the area of the recipient and/or co-signer's last known address~~
- ~~C. Contact institutional offices (alumni office, admissions office, registrar's office, fraternity or sorority, and the department that the recipient majored in) at the campus where the recipient last attended~~
- ~~D. Contact creditors, such as credit card companies, credit bureaus, or GSL lender~~
- ~~E. Contact recipient's field of study professional organization, union, or licensing board~~
- ~~F. Contact post office~~
- ~~G. Contact utility companies~~
- ~~H. Contact Chamber of Commerce.~~

~~III. Credit Reporting Agencies~~

~~Defaulted recipients and/or co-signers will be reported to the following credit reporting agencies:~~

~~A. CSC Credit Reporting Services, Inc.~~

~~B. T R W Credit Data~~

~~C. Trans Union Credit Reporting~~

~~Forms for reporting defaulted loan recipients and/or co-signers are located in the collections file. ADHE will also respond promptly to any inquiries it receives from credit reporting agencies concerning delinquent or defaulted loan recipients and/or co-signers.~~

~~IV. State Income Tax Set Off~~

~~By the authority of Act 345 of 1993, ADHE is a claimant agency for the set-off of debts against state tax refunds. To access the Set Off Section of the State Tax Administration Office, ADHE must submit name, address, social security number, and amount of debt via computer magnetic tape by December 1 to intercept taxes for the next year.~~

~~V. Litigation~~

~~No sooner than 30 days after sending the third letter of notification, ADHE may institute a civil suit against the recipient and co-signer for repayment of the scholarship. Small Claims Courts will be used to satisfy debts of accounts up to \$3,000.00. If over \$3,000.00 ADHE must use Circuit Court. If the account is \$3,000.01 or above, ADHE may choose to use Small Claims Court and waive the difference because of the expense involved in going to Circuit Court.~~

~~If ADHE chooses to waive the difference, it may not, at a later date, attempt to collect the difference. Forms to take the recipient and/or co-signer to Small Claims Court are requested from the recipient's and/or co-signer's county of residence.~~

~~VI. Write Offs~~

~~Minority Masters Fellows scholarships may be written off as uncollectible if ADHE shows due diligence to satisfy the collection of the debt, and documents in the recipient's file reflect that:~~

~~A. The cost of litigation would exceed the likely recovery if litigation were commenced; or~~

~~B. The recipient and co-signer do not have the means to satisfy a judgment on the debt, or a substantial portion thereof.~~

~~Proof of due diligence collection activities must be submitted to the administrator of the Department of Finance and Administration and approved by the administrator before Minority Masters Fellows Program accounts may be written off as uncollectible.~~

~~VII. Nonpayment Penalties~~

~~Scholarship recipients who fail to meet their repayment obligations may have added to their total obligation any costs for collection of the debt.~~

~~RULE 9 - PROGRAM DEFINITIONS~~

~~The following definitions are used in the Minority Masters Fellows Program:~~

Academic Year	A measure of the academic work to be accomplished by the recipient. The academic year is defined as two semesters, two trimesters, or three quarters.
Approved Institution	An Arkansas public or independent college or university that is currently accredited by the North Central Association, Commission of Institutions of Higher Education, or has achieved candidacy status. The institution must not discriminate against applicants, or employees on the basis of race, color, religion, sex, age, handicap, or national origin, consistent with the provisions of applicable state and federal laws.
Award Year	The award year begins on July 1 of one calendar year and ends on June 30 of the next calendar year.
Cancellation	ADHE shall cancel a recipient's repayment obligation if it determines: On the basis of a sworn affidavit of a licensed physician, that the recipient is unable to teach on a full-time basis because of an impairment that is expected to continue indefinitely or result in death. ADHE reserves the right to require a second opinion by an ADHE approved physician; or on the basis of a death certificate or other evidence of death, that is conclusive under state law, the recipient is deceased.
Default	Failure to repay the Minority Masters Fellows scholarship in accordance with the terms of the promissory note provided that this failure persists for 180 days for monthly payments.

Deferment	This is a postponement of repayments and the accrual of interest. ADHE shall not consider that the recipient has violated the repayment schedule if he or she does not meet the payments during the time he or she is in deferment status.
Due Diligence	This process refers to those steps ADHE takes to collect Minority Masters Fellows Program funds when a recipient enters repayment status. It includes: billing the recipient, sending overdue notices, conducting address searches if the recipient cannot be located, reporting the account to credit bureaus, collection, and litigation. Due diligence also includes keeping the recipient informed of all changes in the Minority Masters Fellows Program that affect his or her rights and responsibilities and responding promptly to the recipient's inquiries.
Full-time Student	A student enrolled for a minimum of 9 semester credit hours or the equivalent.
Grace Period	A nine-month period of time following graduation and before the recipient must either take employment in an Arkansas public school or public institution of higher education or begin repayment of the scholarship.
Permanent Resident Alien	An individual who can provide documentation from the Immigration and Naturalization Service (INS) that he or she is in the U.S. for other than a temporary purpose with the intention of becoming a citizen or permanent resident. Valid documentation is an I-551, I-151, I-181, I-94, or passport stamped with the notation "Processed for I-551, Temporary Evidence of Lawful Admission for Permanent Residence". A completed Form G-641 can also be used to document permanent resident status.
Promissory Note	The promissory note is a legal document obligating the recipient to repay the loan if he or she does not teach for two (2) full years in an approved subject area on a full-time basis in an Arkansas public school or public institution of higher education. The recipient's rights and responsibilities will be stated on the promissory note.
Satisfactory Academic Progress	Satisfactory academic progress is maintained if the recipient has a minimum 3.00 cumulative grade point average on a 4.0 scale.

- ~~Skip Tracing~~ — ~~A process for locating a recipient who is in repayment status. ADHE's efforts may include contacting relatives, friends, references, and other individuals or entities in the recipient's file.~~
- ~~Teach on a Full-time Basis~~ — ~~Teach the same number of hours required of teachers who have full-time contracts, as determined by the institution or agency at which an individual is teaching, for a minimum of one academic term, as defined by the institution or agency in which an individual is teaching.~~
- ~~U.S. Citizen or National~~ — ~~The term "U.S. citizen" includes persons born or who have become naturalized citizens of the 50 States, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, the Northern Mariana Islands, and Trust Territory — Palau. The term "national" includes citizens of American Samoa or Swain's Island.~~
- ~~Approved:~~ — ~~Agenda Item No. 4~~
~~October 21, 1994~~
- ~~Approved:~~ — ~~Agenda Item No. 5~~
~~February 2, 1995~~
- ~~Amended:~~ — ~~Agenda Item No. 1 (Added Asian-Americans and Hispanics to qualifying April 7, 1997 — minorities)~~
- ~~Amended:~~ — ~~Agenda Item No. 34~~
~~July 23, 1999~~
- ~~Amended:~~ — ~~Agenda Item No. 24 (Added Native Americans to qualifying minorities) February 2, 2001~~

SUMMARY OF AMENDMENTS

DIVISION OF HIGHER EDUCATION MINORITY MASTERS FELLOWS PROGRAM RULES AND REGULATIONS

These rules are being repealed because they are no longer needed. The scholarship program is no longer in existence and all repayments have been satisfied.

Subject: Re: Notices of Publication

Date: Wednesday, December 1, 2021 at 12:08:59 PM Central Standard Time

From: legalads@arkansasonline.com

To: Whitney James (ADE)

Caution: This is an external email and may contain a suspicious subject or content. Please take care when clicking links or opening attachments. When in doubt, contact [ADE IT Services](#).

All three have been rescheduled to run on Sun 12/5, Mon 12/6, and Tues 12/7.

Thanks!

Gregg Sterne, Legal Advertising
Arkansas Democrat-Gazette
legalads@arkansasonline.com

From: "Whitney James" <Whitney.James@ade.arkansas.gov>

To: legalads@arkansasonline.com

Sent: Wednesday, December 1, 2021 12:00:46 PM

Subject: Re: Notices of Publication

It does not matter as long as they are consecutive. If Sunday 12/5 is the first possible date, can they run 12/5, 12/6, and 12/7?

From: "legalads@arkansasonline.com" <legalads@arkansasonline.com>

Date: Wednesday, December 1, 2021 at 11:57 AM

To: "Whitney James (ADE)" <Whitney.James@ade.arkansas.gov>

Subject: Re: Notices of Publication

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Which days?

Thank you.

Gregg Sterne, Legal Advertising
Arkansas Democrat-Gazette
legalads@arkansasonline.com

From: "Whitney James" <Whitney.James@ade.arkansas.gov>
To: legalads@arkansasonline.com
Sent: Wednesday, December 1, 2021 11:53:39 AM
Subject: Re: Notices of Publication

Forgive me but I should have mentioned that we need all three to run for three consecutive days. Thanks!

From: "legalads@arkansasonline.com" <legalads@arkansasonline.com>
Date: Wednesday, December 1, 2021 at 11:43 AM
To: "Whitney James (ADE)" <Whitney.James@ade.arkansas.gov>
Subject: Re: Notices of Publication

Caution: This is an external email and may contain a suspicious subject or content. Please take care when clicking links or opening attachments. When in doubt, contact [ADE IT Services](#).

All three will run Sun 12/5.

Thank you.

Gregg Sterne, Legal Advertising
Arkansas Democrat-Gazette
legalads@arkansasonline.com

From: "Whitney James" <Whitney.James@ade.arkansas.gov>
To: legalads@arkansasonline.com
Sent: Wednesday, December 1, 2021 9:50:50 AM
Subject: Notices of Publication

Hello. Attached please find three notices of publication. At your earliest convenience, please respond and let me know the dates that the notices will be published.

Thank you very much.

Whitney B. James
Attorney Specialist
Arkansas Department of Education
(501) 683-1876

FINANCIAL IMPACT STATEMENT

PLEASE ANSWER ALL QUESTIONS COMPLETELY

DEPARTMENT Arkansas Department of Education

DIVISION Division of Higher Education

PERSON COMPLETING THIS STATEMENT Whitney James

TELEPHONE NO. (501) 683-1876 FAX NO. _____ EMAIL: Whitney.James@ade.arkansas.gov

To comply with Ark. Code Ann. § 25-15-204(e), please complete the following Financial Impact Statement and file two (2) copies with the Questionnaire and proposed rules.

SHORT TITLE OF THIS RULE Minority Masters Fellows Program Rules and Regulations

1. Does this proposed, amended, or repealed rule have a financial impact? Yes ☐ No ☒
2. Is the rule based on the best reasonably obtainable scientific, technical, economic, or other evidence and information available concerning the need for, consequences of, and alternatives to the rule?
Yes ☒ No ☐
3. In consideration of the alternatives to this rule, was this rule determined by the agency to be the least costly rule considered? Yes ☒ No ☐

If an agency is proposing a more costly rule, please state the following:

- a) How the additional benefits of the more costly rule justify its additional cost;

- b) The reason for adoption of the more costly rule;

- c) Whether the more costly rule is based on the interests of public health, safety, or welfare, and if so, please explain; and

- d) Whether the reason is within the scope of the agency's statutory authority, and if so, please explain.

4. If the purpose of this rule is to implement a federal rule or regulation, please state the following:

a) What is the cost to implement the federal rule or regulation?

Current Fiscal Year

General Revenue \$ 0.00
Federal Funds \$ 0.00
Cash Funds \$ 0.00
Special Revenue \$ 0.00
Other (Identify) \$ 0.00

Total \$ 0.00

Next Fiscal Year

General Revenue \$ 0.00
Federal Funds \$ 0.00
Cash Funds \$ 0.00
Special Revenue \$ 0.00
Other (Identify) \$ 0.00

Total \$ 0.00

b) What is the additional cost of the state rule?

Current Fiscal Year

General Revenue \$ 0.00
Federal Funds \$ 0.00
Cash Funds \$ 0.00
Special Revenue \$ 0.00
Other (Identify) \$ 0.00

Total \$ 0.00

Next Fiscal Year

General Revenue \$ 0.00
Federal Funds \$ 0.00
Cash Funds \$ 0.00
Special Revenue \$ 0.00
Other (Identify) \$ 0.00

Total \$ 0.00

5. What is the total estimated cost by fiscal year to any private individual, entity and business subject to the proposed, amended, or repealed rule? Identify the entity(ies) subject to the proposed rule and explain how they are affected.

Current Fiscal Year

\$0

Next Fiscal Year

\$0

6. What is the total estimated cost by fiscal year to state, county, and municipal government to implement this rule? Is this the cost of the program or grant? Please explain how the government is affected.

Current Fiscal Year

\$0

Next Fiscal Year

\$0

7. With respect to the agency's answers to Questions #5 and #6 above, is there a new or increased cost or obligation of at least one hundred thousand dollars (\$100,000) per year to a private individual, private entity, private business, state government, county government, municipal government, or to two (2) or more of those entities combined?
Yes ☐ No ☒

If YES, the agency is required by Ark. Code Ann. § 25-15-204(e)(4) to file written findings at the time of filing the financial impact statement. The written findings shall be filed simultaneously with the financial impact statement and shall include, without limitation, the following:

- (1) a statement of the rule's basis and purpose;
- (2) the problem the agency seeks to address with the proposed rule, including a statement of whether a rule is required by statute;
- (3) a description of the factual evidence that:
 - (a) justifies the agency's need for the proposed rule; and
 - (b) describes how the benefits of the rule meet the relevant statutory objectives and justify the rule's costs;
- (4) a list of less costly alternatives to the proposed rule and the reasons why the alternatives do not adequately address the problem to be solved by the proposed rule;
- (5) a list of alternatives to the proposed rule that were suggested as a result of public comment and the reasons why the alternatives do not adequately address the problem to be solved by the proposed rule;
- (6) a statement of whether existing rules have created or contributed to the problem the agency seeks to address with the proposed rule and, if existing rules have created or contributed to the problem, an explanation of why amendment or repeal of the rule creating or contributing to the problem is not a sufficient response; and
- (7) an agency plan for review of the rule no less than every ten (10) years to determine whether, based upon the evidence, there remains a need for the rule including, without limitation, whether:
 - (a) the rule is achieving the statutory objectives;
 - (b) the benefits of the rule continue to justify its costs; and
 - (c) the rule can be amended or repealed to reduce costs while continuing to achieve the statutory objectives.