

ARKANSAS REGISTER

Transmittal Sheet

Use only for **FINAL** and **EMERGENCY RULES**



Secretary of State

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For Office

Use Only:

Effective Date _____ Code Number _____

Name of Agency Arkansas Department of Education

Department Division of Higher Education

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Statutory Authority for Promulgating Rules Ark. Code Ann. § 6-85-307; § 6-80-109

Rule Title: Division of Higher Education Rules Governing the Arkansas Workforce Challenge Scholarship Program

Intended Effective Date

(Check One)

☐ Emergency (ACA 25-15-204)

☒ 10 Days After Filing (ACA 25-15-204)

☐ Other _____
(Must be more than 10 days after filing date.)

Legal Notice Published

Final Date for Public Comment

Reviewed by Legislative Council

Adopted by State Agency

Date

May 3, 2024

Jun. 6, 2024

Oct. 17, 2024

Jul. 26, 2024

Electronic Copy of Rule e-mailed from: (Required under ACA 25-15-218)

Alisha Price

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Oct. 21, 2024

Contact Person

E-mail Address

Date

CERTIFICATION OF AUTHORIZED OFFICER

I Hereby Certify That The Attached Rules Were Adopted
In Compliance with the Arkansas Administrative Act. (ACA 25-15-201 et. seq.)

Signature

(501) 682-7590

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Phone Number

E-mail Address

Associate Legal Counsel

Title

Oct. 21, 2024

Date

**DIVISION OF HIGHER EDUCATION RULES GOVERNING THE
ARKANSAS WORKFORCE CHALLENGE SCHOLARSHIP PROGRAM**
Effective Date: October 31, 2024

POLICY STATEMENT

These rules shall be known as the Division of Higher Education Rules Governing the Arkansas Workforce Challenge Scholarship Program. This policy addresses the student eligibility criteria, method for recipient selection, continuing eligibility requirements and procedures for making payments to an approved institution of higher education, and other administrative procedures necessary for operation of the program.

APPLICABLE ARKANSAS CODE

Ark. Code Ann. § 6-85-302 et seq.

APPLICABILITY

This rule is applicable to students who are eligible for a scholarship under the Arkansas Workforce Challenge Scholarship Program.

1.00 DEFINITIONS

- 1.01 “Academic year” means a measure of the academic work to be accomplished by the recipient.
 - 1.01.1 The academic year is defined as fall, spring, and summer semesters, in that order.
- 1.02 “Approved Institution of higher education” means an institution of higher education that is approved by the Division of Higher Education to participate in the Arkansas Workforce Challenge Scholarship Program and that is:
 - 1.02.1 A state-supported two-year or four-year college or university; or
 - 1.02.2 A private, nonprofit two-year or four-year college or university with its primary headquarters located in Arkansas and that is eligible to receive Title IV federal student aid funds.
- 1.03 “Certificate program” means a program that is offered or made available to a student by an approved institution of higher education that leads to the obtainment of a certification or license, including without limitation a program operated or sponsored by a third party.

- 1.03.1 The credit hours or contact hours awarded for a certificate program may include credit hours or contact hours that are not creditable toward an associate or a baccalaureate degree.

2.00 FUNDING

- 2.01 For an academic year, the following shall be used to fund Arkansas Workforce Challenge Scholarships under these rules:
 - 2.01.1 Excess funding returned to the Office of the Arkansas Lottery under Ark. Code Ann. § 6-85-212(d)(2)(B)(i) from the previous academic year; and
 - 2.01.2 Net proceeds remaining from the previous academic year after the Office of the Arkansas Lottery:
 - 2.01.2.1 Transfers the funds requested by the Division of Higher Education under Ark. Code Ann. § 23-115-801(c)(2); and
 - 2.01.2.2 Deposits the amount necessary to maintain the Scholarship Shortfall Reserve Trust Account under Ark. Code Ann. § 23-115-802 in an amount equal to twenty million dollars (\$20,000,000).
- 2.02 A scholarship under these rules shall not be awarded for an academic year if:
 - 2.02.1 Less than two hundred fifty thousand dollars (\$250,000) is available under 2.01 of this section; or
 - 2.02.2 The division received a loan from the Scholarship Shortfall Reserve Trust Account under Ark. Code Ann. § 23-115-802 for the Arkansas Academic Challenge Scholarship Program -- Part 2, Ark. Code Ann. § 6-85-201 et seq., for the previous academic year.
- 2.03 Any funds under 2.01 of this section that are not disbursed for scholarships under these rules shall be carried over to the next academic year to be used for scholarships under these rules.

3.00 ELIGIBILITY REQUIREMENTS

- 3.01 A student is eligible to receive an Arkansas Workforce Challenge Scholarship for an academic year if the student applies to the Division of Higher Education by a date determined by the division preceding the academic year and:
 - 3.01.1 Is an Arkansas resident or, if the student is less than twenty-one (21) years of age, either a parent of the student or the student is an Arkansas resident;

3.01.2 Meets either of the following requirements:

3.01.2.1 Graduated from a:

3.01.2.1.1 Public high school in Arkansas or another state;

3.01.2.1.2 Private high school in Arkansas or another state; or

3.01.2.1.3 Home school as recognized under Ark. Code Ann. § 6-15-501 et seq. or recognized by another state; or

3.01.2.2 Received a high school equivalency diploma approved by the Division of Workforce Services or another state;

3.01.2.3 Is not receiving a scholarship under the Arkansas Academic Challenge Scholarship Program -- Part 2, Ark. Code Ann. § 6-85-201 et seq.;

3.01.2.4 Is accepted for admission in a program of study at an approved institution of higher education that leads to an associate degree or a certificate program in one (1) of the following high-demand fields:

3.01.2.4.1 Industry;

3.01.2.4.2 Health care; and

3.01.2.4.3 Information technology; and

3.01.2.5 Whose program of study or certificate program will result in the student's being qualified to work in an occupation identified by the Division of Workforce Services under 3.01.2.5.1 of this section.

3.01.2.5.1 The Division of Workforce Services shall provide annually to the Division of Higher Education by March 1 a list that identifies the five (5) most in-demand occupations in this state in each high-demand field under 3.01.2.4 of this section that require the completion of a program of study that leads to an associate degree or a certificate program.

3.01.2.5.2 The Division of Workforce Services shall publish on its website the list under 3.01.2.5.1 of this section and data supporting the list.

- 3.02 A student who received a scholarship under these rules and successfully completed a program of study or certificate program that meets the requirements under 3.01.2.4 is eligible to reapply for a scholarship under these rules if the student is accepted for admission in a different program of study or certificate program that meets the requirements under 3.01.2.4.
- 3.03 A student who received a scholarship under these rules and does not successfully complete the program of study or certificate program is eligible to reapply for and receive a scholarship one (1) time only.

4.00 DISTRIBUTION – AWARD AMOUNTS

- 4.01 If funds are available, the Division of Higher Education shall distribute Arkansas Workforce Challenge Scholarships to all students who meet the eligibility requirements.
- 4.02 The division shall distribute scholarships from the funds available in an equal amount to every student eligible to receive a scholarship.
 - 4.02.1 Except as provided in 4.03 of this section, the maximum scholarship award a student may receive in an academic year shall be the lesser of:
 - 4.02.1.1 Eight hundred dollars (\$800); or
 - 4.02.1.2 The cost of the certificate program or program of study.
 - 4.02.1.3 The cost of a certificate program or program of study shall be limited to:
 - 4.02.1.3.1 Tuition, fees, or other charges;
 - 4.02.1.3.2 Textbooks or other course materials; and
 - 4.02.1.3.3 Equipment needed for a course.
 - 4.02.2 The scholarship awards may be used for expenses included in the cost of the certificate program or program of study.
 - 4.02.3 A scholarship under this section shall be only for the academic year for which it is awarded, which includes the fall, spring, and summer semesters.
- 4.03 If the division has funds remaining after making the distributions under 4.02 of this section, the division shall distribute scholarships to students for the summer term of the academic year.

- 4.03.1 If funds are available under 4.03 of this section, a student shall apply for a scholarship for a summer term by a date determined by the division preceding the summer term.
- 4.03.2 The division shall distribute scholarships for a summer term in the same manner as under 4.02 of this section.
 - 4.03.2.1 Scholarships for a summer term may be used in the same manner as under 4.02 of this section.
- 4.03.3 A student who received a scholarship under 4.02 of this section may also receive a scholarship for a summer term
- 4.04 The division shall disburse scholarship awards on behalf of an eligible student directly to the approved institution of higher education.

5.00 INSTITUTIONAL RESPONSIBILITIES

College and University Responsibilities.

- 5.01 Administrative agreement.
 - 5.01.1 The chief executive officer of the eligible institution is responsible for appointing one representative from the financial aid office to act as administrator of the Arkansas Workforce Challenge Scholarship and to receive all communications, forms, etc.
 - 5.01.1.1 This representative is responsible for verification, data and compliance with all program rules and regulations.
 - 5.01.2 The institution must comply with all rules and regulations in order to maintain continued eligibility status.
- 5.02 Disbursement records.
 - 5.02.1 The institution shall maintain information on the student indicating disbursement of scholarship funds.
- 5.03 Institutional Verification.
 - 5.03.1 The institution shall provide certification of enrollment in an eligible program of study and enrollment in courses that will meet satisfactory academic progress standards, as of the eleventh day of classes, by completing a Verification Roster each semester after registration.

- 5.03.1.1 The Verification Roster is an alphabetical listing by institution of all persons receiving the award for a given academic term.
 - 5.03.1.2 The certifying official is responsible for completing the verification rosters each semester or trimester.
- 5.03.2 The Division of Higher Education shall provide electronic Verification Rosters to the Financial Aid Administrator for each semester or trimester as needed.
 - 5.03.2.1 The electronic Verification Rosters shall be returned to the division by November 1 for the fall term and by March 15 for the spring term.
- 5.03.3 The division shall also provide electronic continuing eligibility rosters to the Financial Aid Administrator before the end of the fall and spring term.
 - 5.03.3.1 The continuing eligibility rosters shall be returned to the division no later than January 15 based on the Fall semester and June 1 based on the Spring semester to ensure that adequate time is provided to notify students of their status in the program.
- 5.04 Deadlines for disbursement of funds.
 - 5.04.1 The deadline for disbursement of funds by the eligible institution is no later than ten (10) days after receipt of funds.
 - 5.04.1.1 Any outstanding funds not disbursed by these dates must be returned to the division.
 - 5.04.1.2 For those students whose applications are received by the division too late to allow disbursement by these dates, disbursement will be made within ten (10) working days of receipt of the verification roster and electronic transfer of funds.
- 5.05 Due diligence.
 - 5.05.1 The institution will exercise due diligence in providing complete, accurate, and timely information as requested by the division on any Arkansas Workforce Challenge Scholarship recipient or former recipient.
 - 5.05.2 In addition, the institution will exercise due diligence in complying with all the rules and regulations of the Arkansas Workforce Challenge Scholarship.

5.05.3 The division shall periodically review the institution's records concerning this program in an effort to exercise its due diligence requirements as a steward of state funds.

5.06 Agreements Between Institutions.

5.06.1 An approved institution of higher education may enter into agreements with other institutions of higher education, including without limitation technical institutes, to allow students enrolled in the approved institution of higher education under these rules to take courses at the other institutions of higher education.

FINANCIAL IMPACT STATEMENT

PLEASE ANSWER ALL QUESTIONS COMPLETELY.

DEPARTMENT _____
BOARD/COMMISSION _____
PERSON COMPLETING THIS STATEMENT _____
TELEPHONE NO. _____ **EMAIL** _____

To comply with Ark. Code Ann. § 25-15-204(e), please complete the Financial Impact Statement and email it with the questionnaire, summary, markup and clean copy of the rule, and other documents. Please attach additional pages, if necessary.

TITLE OF THIS RULE _____

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 no, please explain:

(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 reason for adoption of the more costly rule is based on the interests of public health, safety, or welfare, and if so, how; and

(d) whether the reason for adoption of the more costly rule is within the scope of the agency's statutory authority, and if so, how.

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 _____
 Federal Funds _____
 Cash Funds _____
 Special Revenue _____
 Other (Identify) _____

Total _____

Next Fiscal Year

General Revenue _____
 Federal Funds _____
 Cash Funds _____
 Special Revenue _____
 Other (Identify) _____

Total _____

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

Current Fiscal Year

General Revenue _____
 Federal Funds _____
 Cash Funds _____
 Special Revenue _____
 Other (Identify) _____

Total _____

Next Fiscal Year

General Revenue _____
 Federal Funds _____
 Cash Funds _____
 Special Revenue _____
 Other (Identify) _____

Total _____

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

Current Fiscal Year

\$ _____

Next Fiscal Year

\$ _____

6. What is the total estimated cost by fiscal year to a state, county, or 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

\$ _____

Next Fiscal Year

\$ _____

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.