

**RULES GOVERNING THE ARKANSAS GEOGRAPHICAL CRITICAL NEEDS
MINORITY TEACHER SCHOLARSHIP PROGRAM**

In compliance with Act 413 of 2023, the rules for the Arkansas Geographical Critical Needs Minority Teacher Scholarship Program are presented to the Arkansas Higher Education Coordinating Board (AHECB) for initial approval.

The following resolution is offered for the Board's consideration:

RESOLVED, That the Arkansas Higher Education Coordinating Board reviews the rules presented in this agenda item for the Arkansas Geographical Critical Needs Minority Teacher Scholarship Program to be administered by the Arkansas Division of Higher Education.

FURTHER RESOLVED, That the Commissioner of the Arkansas Division of Higher Education or his designee is authorized to make technical changes and corrections, when necessary, in the program rules for the Arkansas Geographical Critical Needs Minority Teacher Scholarship Program.

FURTHER RESOLVED, That the Arkansas Geographical Critical Needs Minority Teacher Scholarship Program rules be approved for public comment release.

**DIVISION OF HIGHER EDUCATION RULES GOVERNING THE ARKANSAS
GEOGRAPHICAL CRITICAL NEEDS MINORITY TEACHER
SCHOLARSHIP PROGRAM**

Effective Date:

1.00 Program Definitions

The following definitions are used in the Arkansas Geographical Critical Needs Minority Teacher Scholarship Program:

- 1.01 “Academic Year” means ~~a~~ a measure of the academic work to be accomplished by the recipient.
- 1.01.1 The academic year is defined as two semesters, two trimesters, or three quarters.
- 1.02 “Approved Institution” means ~~A~~ an Arkansas postsecondary public or private college or university school that is currently accredited by a nationally recognized accrediting agency or association that has a teacher education program or a regionally accredited two-year Arkansas institution where those courses are directly creditable toward teacher education in a baccalaureate institution.
- 1.02.1 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.
- 1.02.2 The institution must have a signed administrative agreement with ~~ADHE~~ Division of Higher Education.
- 1.03 “Award Year” means ~~T~~ the award year ~~begins~~ beginning on July 1 of one calendar year and ~~ends~~ ending on June 30 of the next calendar year.
- 1.04 “Cancellation” means ~~the~~ University of Arkansas ~~at~~ Pine Bluff ~~UAPB~~ shall cancel a recipient's repayment obligation if it determines:
- 1.04.1 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.
- 1.04.1.1 ~~UAPB~~ The university reserves the right to require a second opinion by an ~~UAPB~~ university approved physician; or
- 1.04.1.2 On the basis of a death certificate or other evidence of death, that is conclusive under state law, that the recipient is deceased.

- 1.05 “Default” means ~~F~~failure to repay the ~~Arkansas Geographical Critical Needs Minority Teacher S~~scholarship in accordance with the terms of the promissory note provided that this failure persists for 180 days for monthly payments.
- 1.06 “Deferment” means ~~This is~~ a postponement of repayments and the accrual of interest. ~~UAPB~~ The university 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.
- 1.07 “Delta Region” means ~~T~~the following 42 counties of Arkansas are designated as being in the Delta Region: Arkansas, Ashley, Baxter, Bradley, Calhoun, Chicot, Clay, Cleveland, Craighead, Crittenden, Cross, Dallas, Desha, Drew, Fulton, Grant, Greene, Independence, Izard, Jackson, Jefferson, Lawrence, Lee, Lincoln, Lonoke, Marion, Mississippi, Monroe, Ouachita, Phillips, Poinsett, Prairie, Pulaski, Randolph, St. Francis, Searcy, Sharp, Stone, Union, Van Buren, White, and Woodruff. (Information obtained from the Delta Foundation in Mississippi.)
- 1.08 “Due Diligence” means ~~This process refers to those steps~~ UAPB the university takes to collect ~~Arkansas Geographical Critical Needs Minority Teacher S~~scholarship funds when a recipient enters repayment status.
- 1.08.1 It includes:
- 1.08.1.1 ~~B~~billing the recipient,
 - 1.08.1.2 ~~S~~ending overdue notices,
 - 1.08.1.3 ~~C~~onducting address searches if the recipient cannot be located,
 - 1.08.1.4 ~~R~~eporting the account to credit bureaus, collection, and
 - 1.08.1.5 ~~L~~itigation.
- 1.08.2 Due diligence also includes keeping the recipient informed of all changes in the ~~Arkansas Geographical Critical Needs Minority Teacher S~~scholarship that affect his or her rights and responsibilities and responding promptly to the recipient's inquiries.
- 1.09 “Full-time Student” means ~~A~~ a student enrolled for a minimum of 12 semester credit hours or the equivalent.
- 1.10 “Grace Period” means ~~A~~ a nine-month period of time following graduation and before the recipient must either take employment in a public school in Arkansas or begin repayment of the scholarship.

- 1.11 “Minority” means ~~P~~persons who are Black Americans, Hispanic Americans, Asian Americans, and Native Americans which group includes all persons having origins in any of the original peoples of North America and who maintain cultural identification through tribal affiliation or community recognition.
- 1.12 “Part-time Student” means ~~a~~A student enrolled in at least 6 semester credit hours of the equivalent, but less than 12 semester credit hours or the equivalent.
- 1.13 “Permanent Resident Alien” means ~~A~~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.
- 1.13.1 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".
- 1.13.2 A completed Form G-641 can also be used to document permanent resident status.
- 1.14 “Promissory Note” ~~The promissory note is~~ means a legal document obligating the recipient to repay the loan if he or she does not teach one year for each year of scholarship assistance received.
- 1.14.1 The recipient must be licensed to teach in a public school district in a geographical area of the state where there is a critical shortage of teachers, or in the Delta, as designated by the Department of Education.
- 1.14.2 The recipient's rights and responsibilities will be stated on the promissory note.
- 1.15 “Satisfactory Academic Progress” ~~Satisfactory academic progress~~ is maintained if the recipient has a minimum grade point average of:
- 1.15.1 2.75 on a 4.0 scale if attending an approved two-year institution; or
- 1.15.2 3.0 on a 4.0 scale if attending an approved four-year institution.
- 1.16 “Skip Tracing” means ~~A~~ a process for locating a recipient that is in repayment status.
- 1.16.1 ~~The university’s~~ UAPB's efforts may include contacting relatives, friends, references, and other individuals or entities in the recipient's file.
- 1.17 “Teach on a Full-time Basis” means ~~T~~teaching 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.

1.18 ~~“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.

1.19 ~~“U.S. National”~~ ~~The term “national”~~ includes citizens of American Samoa or Swain's Island.

2.00 ~~RULE 1-~~ Organization and Structure

2.01 ~~I.~~ The University of Arkansas at Pine Bluff (UAPB) shall administer the Arkansas Geographical Critical Needs Minority Teacher Scholarship Program.

2.01.1 ~~The purpose of the Arkansas Geographical Critical Needs Minority Teacher Scholarship Program~~ this scholarship program is to attract qualified minority teachers to the Delta and those geographical areas of this state where there exists a critical shortage of teachers by awarding full scholarships to minorities declaring an intention to serve in the teaching field who actually render service to this state while possessing an appropriate teaching license.

2.02 ~~H.~~ All formal communications shall be addressed to or signed by the Chancellor of the University of Arkansas at Pine Bluff university or his/her designee.

2.03 ~~III.~~ The final responsibility for selecting scholarship recipients shall rest with the Chancellor ~~of the University of Arkansas at Pine Bluff~~.

3.00 ~~RULE 2-~~ Scholarship Eligibility Criteria

3.01 ~~I.~~ Applicants must meet the following requirements to be eligible to receive the Arkansas Geographical Critical Need Minority Teacher Scholarship:

3.01.1 ~~A.~~ Be African-American, Hispanic-American, Asian-American or Native American, which group includes all persons having origins in any of the original peoples of North America and who maintain cultural identification through tribal affiliation or community recognition.

3.01.2 ~~B.~~ Be enrolled in or accepted for enrollment at a baccalaureate degree-granting institution of higher education whose teacher education program is approved by the State Board of Education or at an accredited state-supported community college in the State of Arkansas.

3.01.3 ~~C.~~ Be either full-time or part-time.

3.01.4 ~~D~~. Agree, in writing, of an intention to teach in the Delta or a geographical area of the state in which there exists a critical shortage of teachers, as designated by the state board ~~State Board of Education~~ for a term of:

3.01.4.1 At least two (2) years of service as a licensed teacher if he or she received four (4) annual awards, or the equivalent of four (4) annual awards; or

3.01.4.2 At least one (1) school semester of service as a licensed teacher, for each year that the person received a full-time student scholarship, or for the number of academic hours equivalent to one (1) school year, as determined by the University of Arkansas at Pine Bluff, for which a part-time student received a scholarship, if he or she received fewer than four (4) annual awards, or the equivalent of four (4) annual awards.

3.01.5 ~~E~~. Have successfully completed the core curriculum established by the State Board of Education ~~state board~~ and the Arkansas Higher Education Coordinating Board.

3.01.5.1 Applicants who have not completed the core curriculum due to unavailability of the courses in the applicant's high school, shall have a grace period of twelve (12) months from the date of high school graduation in which to make up any course deficiencies.

3.01.6 ~~F~~. Have a 2.75 on a 4.0 scale in the core curriculum courses if attending an approved two-year institution or 3.0 on a 4.0 scale in the core curriculum courses if attending an approved four-year institution.

3.01.7 ~~G~~. Have scored nineteen (19) or above on the ACT composite or the equivalent as defined by the University of Arkansas at Pine Bluff university.

3.01.8 ~~H~~. Be a citizen of the United States or permanent resident alien.

3.02 ~~H~~. Continued Eligibility Requirements:

3.02.1 The University of Arkansas at Pine Bluff university will renew awards for succeeding years to recipients who:

3.02.1.1 ~~C~~ontinue to meet the criteria set forth in subsections 3.01.1 through 3.01.8 Rule 2, Paragraphs I, A-H; and

3.02.1.2 ~~Who~~ who complete at least 24 semester credit hours (or the equivalent) unless they are a part-time student.

4.00 ~~RULE 3~~ Selection Process

4.01 ~~I~~ Application

4.01.1 Students must submit an application to the University of Arkansas at Pine Bluff.

4.01.1.1 Applications will be mailed to Education Departments, financial aid directors, Deans of Colleges of Education, and Teacher Certification Officials at all public and independent 2-year and 4-year institutions in the State of Arkansas.

4.01.1.2 Applications may also be obtained from the ~~University of Arkansas at Pine Bluff~~, university's School of Education upon request.

4.02 ~~II~~ Deadline for Applications

4.02.1 The application deadline will be established by the ~~university~~ ~~University of Arkansas at Pine Bluff~~ and the Department of Education and announced to each participating institution when applications are distributed.

4.03 ~~III~~ Review of Applications

4.03.1 For applications that are either incomplete or ineligible, a notice will be sent to the applicant identifying the reason for incompleteness or ineligibility.

4.03.1.1 The applicant will then have the opportunity to provide the missing information or correct any inaccurate information.

4.04 ~~IV~~ Ranking of Applicants

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

4.05 ~~V~~ Selection and Notification of Recipients

4.05.1 ~~A. UAPB~~ ~~The university~~ and the ~~department~~ ~~Arkansas Department of Education~~ shall review ranked applicants and make recommendations for scholarship recipients based on allocation of funds.

4.05.1.1 If sufficient funds are not available to fully fund scholarship awards to all eligible students, ~~UAPB~~ the university shall make awards to first-time students on a first-come, first-served basis.

4.05.2 ~~B.~~ The final responsibility for selecting scholarship recipients shall rest with the Chancellor of the university ~~University of Arkansas at Pine Bluff~~.

4.06 ~~VI.~~ Institutional Eligibility

4.06.1 The institution to be attended under the scholarship program must be a baccalaureate degree-granting institution of higher education whose teacher education program is approved by the State Board of Education or at an accredited state-supported community college in the State of Arkansas.

5.00 ~~RULE 4~~— Awarding of Scholarship

5.01 ~~I.~~ Award Process

5.01.1 Selected scholarship recipients will be mailed award notices stating their eligibility for the program and the conditions for continued eligibility.

5.01.2 Prior to the disbursement of funds, recipients will receive promissory notes for the purpose of entering into an agreement with the University of Arkansas at Pine Bluff.

5.01.2.1 The terms of the agreement will include the general purpose, repayment and deferment procedures, interest calculations, and a schedule of advances.

5.01.2.2 The promissory note shall be signed by the scholarship recipient and by a co-maker of eligible age.

5.01.2.3 Modifications to any award amounts will be confirmed through the issuance of a new promissory note.

5.02 ~~II.~~ Disbursement Scholarship

5.02.1 The scholarship will be divided equally according to the number of terms at each institution:

5.02.1.1 ~~T~~three payments for those institutions on trimesters; and

5.02.1.2 ~~T~~two payments for those institutions on semesters.

5.02.1.2.1 Disbursements may be made during fall, spring, or summer semesters, trimesters, or their equivalent, based on the guidance in 5.02.1.1 and 5.02.1.2.

5.02.2 Funds will be sent to the institution via electronic funds transfer.

5.02.3 After verification of full-time enrollment for the scholarship recipient, the institution disburses the funds in accordance with its policy.

5.03 ~~III~~ Limitation Scholarship

5.03.1 ~~A~~. Students may receive up to \$1,500 per academic year for full-time attendance.

5.03.1.1 Awards for part-time students will be \$750.00 if they attend at least six (6) semester credit hours, but less than 12 semester credit hours or the equivalent.

5.03.1.2 For purposes of scholarship payments, “academic year” includes summer terms, semesters, quarters, or their equivalent, at the postsecondary institution in which the student is enrolled.

5.03.2 ~~B~~. Students may receive scholarships for a maximum of four (4) annual awards for full-time students.

5.03.2.1 Part-time students may receive the number of academic hours equivalent to one (1) school year, as determined by the ~~university~~ University of Arkansas at Pine Bluff.

5.03.2.2 No student may receive an award after they have completed certification requirements, as determined by the teacher certification official to teach in Arkansas.

5.03.3 ~~C~~. Recipients must indicate an intention to teach in a public school district in a geographical area of the State of Arkansas where there is a critical shortage of teachers, or in the Delta, as designated by the Department of Education.

5.03.4 ~~D~~. 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.

5.03.5 The institution must follow ~~ADHE~~ the Division of Higher Education 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.

6.00 ~~RULE 5~~—Repayment of Scholarship

6.01 I- Terms of Repayment

6.01.1 ~~A-~~ Scholarship recipients who teach full-time in an Arkansas public school district in a geographical areas of the state where there is a critical shortage of teachers, or in the Delta, as designated by the Department of Education, following certification shall ~~render one year of service as a licensed teacher for each year of scholarship assistance received, when the total scholarship and accumulated interest will be forgiven.;~~

6.01.1.1 Render two (2) years' service as a licensed teacher if the person received four (4) annual awards, or the equivalent of four (4) annual awards; or

6.01.1.2 If the person received fewer than four (4) annual awards, or the equivalent of four (4) annual awards, the person shall render one (1) school semester of service as a licensed teacher for each year that the person received a full-time student scholarship or for the number of academic hours equivalent to one (1) school year, as determined by the University of Arkansas at Pine Bluff, for which a part-time student received a scholarship.

6.01.2 The University of Arkansas at Pine Bluff will verify the recipient's employment once a year in June by contacting the superintendent's office in the recipient's employment district.

6.01.3 ~~C- Recipients~~ A recipient's scholarship will convert to a loan and the recipient who shall, within a maximum of five (5) years from the completion of study or withdrawal from school, repay the full remaining balance, plus accrued interest according to an interest and repayment schedule provided by the university if the they recipient:

6.01.3.1 ~~Do~~ Does not teach full-time in an Arkansas public school district in a geographical areas of the state where there is a critical shortage of teachers, or in the Delta, as designated by the Department of Education following certification, or

6.01.3.2 ~~who d~~ Discontinues their studies prior to completing their program of study ~~shall, within a maximum of five (5) years from the completion of study or withdrawal from school, repay the full remaining balance, plus accrued interest according to~~

~~an interest and repayment schedule provided by the university
University of Arkansas at Pine Bluff.~~

~~6.01.3.3 At this point, the recipient's scholarship converts to a loan.~~

6.01.4 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.

6.01.5 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.

6.01.5.1 Minimum repayment is \$50.00 per month.

6.02 ~~H.~~ Interest on Loan

6.02.1 Interest will accrue from the beginning of the repayment period at a maximum annual percentage rate of 10 percent on the unpaid balance.

6.02.2 Interest will be calculated as a simple, per annum interest charge on the outstanding principal.

6.02.3 Interest will not accrue, and installments need not be paid, when a deferment has been approved by the ~~university~~ University of Arkansas at Pine Bluff.

6.02.4 Any recipient who wishes a deferment must submit an application for deferment to ~~UAPB~~ the university for approval.

6.03 ~~III.~~ Deferment of Loan

6.03.1 ~~A.~~ At ~~UAPB's~~ the university's discretion, scheduled loan repayments may be deferred if ~~UAPB~~ the university determines that extraordinary circumstances prevent the recipient from making such repayments.

6.03.2 Deferments may be granted for the following conditions:

6.03.2.1 ~~1.~~ The recipient is engaged in a full-time course of undergraduate or graduate study at an institution of higher education.

6.03.2.1.1 This must be verified by the Registrar's Office.

6.03.2.2 ~~2.~~ The recipient is seeking and unable to find employment as a teacher in an Arkansas public school district in a geographical

areas of the state where there is a critical shortage of teachers, or in the Delta, as designated by the ~~D~~Department of Education approved for a single period not to exceed twelve (12) months.

6.03.2.2.1 The loan recipient must submit a list of schools contacted for employment.

6.03.2.2.2 ~~UAPB~~The university will verify this information with the superintendent's office in each of those school districts.

6.03.2.3 ~~3.~~ The recipient is temporarily totally disabled, for a period not to exceed three years, as established by sworn affidavit from a licensed physician.

6.03.2.3.1 ~~UAPB~~ The university reserves the right to require a second opinion by an ~~UAPB~~ university approved physician.

6.03.2.4 ~~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.

6.03.2.4.1 ~~UAPB~~ The university reserves the right to require a second opinion by an ~~UAPB~~ university approved physician.

6.03.2.5 ~~5.~~ Other extraordinary circumstances which would prevent the recipient from repaying the debt within the contractual obligations of the note may be considered.

6.03.3 ~~B-~~ To qualify for any of the deferments, recipients must notify ~~UAPB~~ the university of their claim to the deferment on a Request for Deferment form which will be supplied by ~~UAPB~~ the university upon request.

6.03.3.1 The recipient must complete the ~~Request for Deferment~~ form and return it, along with supporting documentation, to ~~UAPB~~ the university.

6.03.3.2 ~~UAPB~~The university will notify the recipient within ten (10) working days of approval or disapproval of any application for a deferment.

6.04 ~~IV.~~ Cancellation of Scholarship

6.04.1 ~~UAPB-The university~~ will cancel a recipient's repayment obligations if it determines:

6.04.1.1 ~~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.

6.04.1.1.1 ~~UAPB-The university~~ reserves the right to require a second opinion by an ~~UAPB~~ university approved physician; or

6.04.1.2 ~~B-~~ On the basis of a death certificate or other evidence of death, that is conclusive under state law, that the recipient has died.

6.05 ~~V-~~ Prepayment of Loan

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

6.06 ~~VI-~~ Grace Period

6.06.1 There will exist a nine-month grace period following graduation before the recipient must either:

6.06.1.1 ~~ƒ~~Take employment in an Arkansas public school district in a geographical area of the state where there is a critical shortage of teachers, or in the Delta, as designated by the ~~D~~epartment of Education; or

6.06.1.2 ~~h~~Begin repayment of the scholarship.

6.07 ~~VII-~~ Failure to Repay

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

7.00 ~~RULE 6~~—Institutional Responsibilities

7.01 ~~I-~~ The University of Arkansas at Pine Bluff shall:

7.01.1 ~~A-~~ Be the administering agency of the program;:

7.01.2 ~~B-~~ Deposit all funds received from the repayment of scholarship awards by program participants in the funds that provides funding for the Arkansas Geographical Critical Needs Minority Teacher Scholarship Program;: and

7.01.3 ~~C-~~ Make an annual report to the General Assembly that:

- 7.01.3.1 ~~1-~~ Contains a complete enumeration of the program's activities, scholarships granted, names of persons to whom granted, and the institutions attended by those receiving the scholarships, the teaching location of applicants who have received their education and become licensed teachers within this state as a result of the scholarship;
- 7.01.3.2 ~~2-~~ Accounts for receipts and expenditures for salaries and expenses incurred; and
- 7.01.3.3 ~~3-~~ Distinguishes between those recipients who have breached their contracts but with ~~UAPB's~~ the university's permission who have paid their financial obligations in full, and those recipients who have breached their contracts and remain financially indebted to the state.

7.01.4 ~~B-~~ Institutional Verification

7.01.4.1 The institution shall provide certification to ~~UAPB~~ the university each semester after registration, giving the names of the program scholarship recipients who are officially enrolled as full-time students.

7.01.4.1.1 This information is reported on a verification roster.

7.01.4.1.2 The certifying official is responsible for completing the verification roster two times a year for those schools on the semester system and three times a year for those schools on the trimester system.

7.01.4.2 The verification roster will be mailed to the financial aid director at the time of registration for each term.

7.01.4.3 The signed verification roster should be returned to ~~UAPB~~ the university by:

7.01.4.3.1 November 1 for the fall term;

7.01.4.3.2 March 15 for the winter and/or spring term; and

7.01.4.3.3 May 1 of the spring term for institutions on the trimester system.

7.01.4.4 The verification roster is an alphabetical listing by institution of all persons receiving an ~~Arkansas Geographical Critical Needs Minority Teacher Scholarship~~ scholarship for a given academic semester or trimester.

7.01.4.5 Students who are not enrolled in the current term or making satisfactory progress according to the rules and regulations of ~~Arkansas Geographical Critical Needs Minority Teacher Scholarships~~ scholarships shall not receive scholarship benefits in that term.

7.01.5 ~~C~~. Deadlines for Disbursement of Funds

7.01.5.1 The deadline for disbursement of funds is no later than 10 days after written receipt of funds.

7.01.5.2 Any outstanding funds not disbursed must be returned to the ~~University of Arkansas at Pine Bluff~~ university.

7.01.6 ~~D~~. Refund Policy

7.01.6.1 It is the institution's responsibility to notify ~~UAPB~~ the university of the names of any persons owing a refund, the date of the withdrawal, and the refund amount.

7.01.6.1.1 This information should be placed on the institution's verification roster before returning it to the university ~~UAPB~~.

7.01.7 ~~E~~. Due Diligence

7.01.7.1 The institution will exercise due diligence in providing complete, accurate, and timely information as requested by ~~UAPB~~ the university on any current or former loan recipient.

7.01.7.2 In addition, the institution will exercise due diligence in complying with all the rules and regulations of the ~~Arkansas Geographical Critical Needs Minority Teacher Scholarship Program~~ scholarship program.

7.01.7.3 The ~~University of Arkansas at Pine Bluff~~ university 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.

8.00 ~~RULE 7~~—Scholarship Recipient Responsibilities

8.01 ~~I~~ Recipient's Responsibility

8.01.1 It is the recipient's responsibility to notify the University of Arkansas at Pine Bluff of any change in status within 21 days.

8.01.1.1 This will include:

8.01.1.1.1 Change in name;

8.01.1.1.2 Change in residence;

8.01.1.1.3 Change in institution;

8.01.1.1.4 Change in full-time status (below twelve college semester credit hours or its equivalent per semester or trimester);

8.01.1.1.5 Change in course of study; and/or

8.01.1.1.6 Change in employment.

8.01.1.2 Failure to notify the ~~University of Arkansas at Pine Bluff~~ university of a change in status will affect future eligibility or collection status.

9.00 ~~RULE 8~~—Collection of Loan

9.01 ~~I~~ Collection of Loan

9.01.1 Accounts will be retained by the University of Arkansas at Pine Bluff ~~UAPB~~ in the School of Education 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.

9.01.1.1 At that time, the scholarship will be converted to a loan and the account will be turned over to a vendor for servicing.

9.01.1.2 ~~UAPB~~-The university will notify the student by mail of this action and include a loan amortization schedule with the notification letter.

9.01.1.3 The account will remain with the vendor until repaid or 120 days past due.

9.01.1.4 Upon determination that a loan recipient is 120 days delinquent, ~~UAPB~~ the university will mail both the recipient and the co-signer a first letter of notification ten (10) days after the installment payment is due.

9.01.1.5 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.

9.01.1.6 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.

9.02 ~~H~~ Skip Tracing Mechanisms

9.02.1 If letters are returned as undeliverable, the Department of Finance and Administration's Motor Vehicle Division can be used to perform skip tracing activities.

9.02.1.1 Motor Vehicle Division's records are updated in March and September each year.

9.02.2 To get this information, mail name, current address, and social security number on ~~University of Arkansas at Pine Bluff~~ university letterhead to:

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

9.02.3 A response from the Motor Vehicle Division should be received within ten (10) working days.

9.02.4 Additionally, ~~UAPB~~ the university will use these steps to locate recipients and/or co-signers if communications are returned as undelivered:

9.02.4.1 ~~1~~ Contact references listed on the recipient's application;

9.02.4.2 ~~2~~ Utilize telephone directory or check with directory assistance in the area of the recipient and/or co-signer's last known address;

- 9.02.4.3 ~~3~~: 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;
- 9.02.4.4 ~~4~~: Contact creditors, such as credit card companies, credit bureaus, or GSL lender;
- 9.02.4.5 ~~5~~: Contact recipient's field of study professional organization, union, or licensing board;
- 9.02.4.6 ~~6~~: Contact post office;
- 9.02.4.7 ~~7~~: Contact utility companies; and,
- 9.02.4.8 ~~8~~: Contact Chamber of Commerce.

9.03 ~~III~~: Credit Reporting Agencies

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

- 9.03.1.1 ~~1~~: CSC Credit Reporting Services, Inc.
- 9.03.1.2 ~~2~~: T R W Credit Data
- 9.03.1.3 ~~3~~: Trans Union Credit Reporting Forms for reporting defaulted loan recipients and/or co-signers are located in the collections file.

9.03.2 ~~UAPB~~ The university will also respond promptly to any inquiries it receives from credit reporting agencies concerning delinquent or defaulted loan recipients and/or co-signers.

9.04 ~~IV~~: State Income Tax Set-Off

9.04.1 By the authority of Act 345 of 1993, ~~UAPB~~ the university is a claimant agency for the set-off of debts against state tax refunds.

9.04.2 To access the Set-Off Section of the State Tax Administration Office, ~~UAPB~~ the university 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.

9.05 ~~V~~: Litigation

9.05.1 No sooner than 30 days after sending the third letter of notification, ~~UAPB~~ the university shall institute a civil suit against the recipient and co-signer for repayment of the scholarship.

9.05.1.1 Small Claims Courts will be used to satisfy debts of accounts up to \$3,000.00.

9.05.1.2 If over \$3,000.00, ~~UAPB~~ the university must use Circuit Court.

9.05.1.3 If the account is \$3,000.01 or above, ~~UAPB~~ the university may choose to use Small Claims Courts and waive the difference because of the expense involved in going to Circuit Court.

9.05.1.4 If ~~UAPB~~ the university chooses to waive the difference, it may not, at a later date, attempt to collect the difference.

9.05.2 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.

9.06 ~~VI.~~ Write-Offs

9.06.1 Arkansas Geographical Critical Needs Minority Teacher Scholarships may be written off as uncollectible if ~~UAPB~~ the university shows due diligence to satisfy the collection of the debt, and documents in the recipient's file that:

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

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

9.06.2 Proof of due diligence collections activities must be submitted to the administrator of the Department of Finance and Administration and approved by the administrator before scholarship ~~Arkansas Geographical Critical Needs Minority Teacher Scholarship~~ accounts may be written off as uncollectible.

9.07 ~~VII.~~ Nonpayment Penalties

9.07.1 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 Arkansas Geographical Critical Needs Minority Teacher Scholarship 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 postsecondary public or private college or university school that is currently accredited by a nationally recognized accrediting agency or association that has a teacher education program or a regionally accredited two-year Arkansas institution where those courses are directly creditable toward teacher education in a baccalaureate institution. 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. The institution must have a signed administrative agreement with ADHE.

Award Year

The award year begins on July 1 of one calendar year and ends on June 30 of the next calendar year.

Cancellation

UAPB 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. UAPB reserves the right to require a second opinion by an UAPB-approved physician; or on the basis of a death certificate or other evidence of death, that is conclusive under state law, that the recipient is deceased.

Default

Failure to repay the Arkansas Geographical Critical Needs Minority Teacher 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. UAPB 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.

Delta Region

The following 42 counties of Arkansas are designated as being in the Delta Region: Arkansas, Ashley, Baxter, Bradley, Calhoun, Chicot, Clay, Cleveland, Craighead, Crittenden, Cross, Dallas, Desha, Drew, Fulton, Grant, Greene, Independence, IZard, Jackson, Jefferson, Lawrence, Lee, Lincoln, Lonoke, Marion, Mississippi, Monroe, Ouachita, Phillips, Poinsett, Prairie, Pulaski, Randolph, St. Francis, Searey, Sharp, Stone, Union, Van Buren, White, and Woodruff. (Information obtained from the Delta Foundation in Mississippi.)

Due Diligence

This process refers to those steps UAPB takes to collect Arkansas Geographical Critical Needs Minority Teacher Scholarship 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 Arkansas Geographical Critical Needs Minority Teacher Scholarship 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 12 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 a public school in Arkansas or begin repayment of the scholarship.

Minority

Persons who are Black Americans, Hispanic Americans, Asian Americans, and Native Americans which group includes all persons having origins in any of the original peoples of North America and who maintain cultural identification through tribal affiliation or community recognition.

Part-time Student

A student enrolled in at least 6 semester credit hours of the equivalent, but less than 12 semester credit hours or the equivalent.

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 one year for each year of scholarship assistance received. The recipient must be licensed to teach in a public school district in a geographical area of the state where there is a critical shortage of teachers, or in the Delta, as designated by the Department of 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 2.75 on a 4.0 scale if attending an approved two-year institution or 3.0 on a 4.0 scale if attending an approved four-year institution.

Skip Tracing

A process for locating a recipient that is in repayment status. UAPB'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.

1 State of Arkansas
2 94th General Assembly
3 Regular Session, 2023
4

As Engrossed: H2/14/23

A Bill

HOUSE BILL 1412

5 By: Representative J. Mayberry
6 By: Senator J. English
7

For An Act To Be Entitled

9 AN ACT CONCERNING RULES PROMULGATED BY THE DIVISION
10 OF HIGHER EDUCATION; TO REQUIRE THE DIVISION OF
11 HIGHER EDUCATION TO PROMULGATE CERTAIN RULES
12 CONCERNING THE ADMINISTRATION OF SCHOLARSHIPS FUNDED
13 WITH STATE FUNDS AND LOTTERY PROCEEDS; TO DECLARE AN
14 EMERGENCY; AND FOR OTHER PURPOSES.

Subtitle

15
16
17
18 TO REQUIRE THE DIVISION OF HIGHER
19 EDUCATION TO PROMULGATE CERTAIN RULES
20 CONCERNING THE ADMINISTRATION OF
21 SCHOLARSHIPS FUNDED WITH STATE FUNDS AND
22 LOTTERY PROCEEDS; AND TO DECLARE AN
23 EMERGENCY.
24
25

26 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
27

28 SECTION 1. Arkansas Code Title 6, Chapter 80, Subchapter 1, is amended
29 to add an additional section to read as follows:

30 6-80-109. Division of Higher Education – Rules.

31 (a) The Division of Higher Education shall promulgate or update
32 existing division rules to allow a student who is a recipient of a
33 scholarship to utilize scholarship funds to enroll in and attend courses
34 offered during a summer term at the postsecondary institution in which the
35 student is enrolled.

36 (b) Rules promulgated under this section shall include without



1 limitation requirements concerning:

2 (1) Student eligibility; and

3 (2) The disbursement and administration of scholarship funds
4 utilized by a student to enroll in and attend courses offered during a summer
5 term.

6 (c) As used in this section, "scholarship" shall include a scholarship
7 program that is:

8 (1) Funded with state funds or lottery proceeds; and

9 (2) Administered by the division.

10
11 SECTION 2. Arkansas Code § 6-85-204(14), concerning the definition of
12 "semester" under the Arkansas Academic Challenge Scholarship Program, is
13 amended to read as follows:

14 (14)(A) "Semester" means one-half ($\frac{1}{2}$) of a traditional academic
15 year at an institution of higher education, or an equivalent approved by the
16 division, in which a student enrolls for not less than:

17 ~~(A)(i)~~ Fifteen (15) credit hours as a full-time student,
18 except that in the first semester as a first-time full-time freshman, a
19 traditional student shall enroll in not less than twelve (12) credit hours;
20 or

21 ~~(B)(ii)~~ Six (6) credit hours as a part-time student.

22 (B) For purposes of summer courses at an institution of
23 higher education, a "semester" shall mean the same as is defined by the
24 division, as required by § 6-80-109;

25
26 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the
27 General Assembly of the State of Arkansas that the Division of Higher
28 Education must make certain arrangements to facilitate the use of Arkansas
29 Academic Challenge Scholarship funds for upcoming summer courses; and that
30 many of these arrangements must occur in time for the 2023-2024 school year.
31 Therefore, an emergency is declared to exist, and this act being necessary
32 for the preservation of the public peace, health, and safety shall become
33 effective on July 1, 2023.

34
35 /s/J. Mayberry

36 **APPROVED: 3/30/23**