



Division of Higher Education

423 Main Street, Suite 400 • Little Rock, Arkansas • 72201-3818 • (501) 371-2000 • Fax (501) 371-2001

Johnny Key
Secretary

Maria Markham, Ph.D.
Director

July 29, 2022

Ms. Rebecca Miller-Rice
Rules Administrator
Bureau of Legislative Research
One Capitol Mall, Fifth Floor
Little Rock, AR 72201

Re: Division of Higher Education Rules Governing the Governor's Higher Education Transition Scholarship Program

Dear Ms. Miller-Rice:

Attached are the proposed rules as well as a post-public comment summary, a Financial Impact Statement, and a summary of public comments and Division responses. The Division respectfully requests that the proposed rules be placed on the September 2022 ALC Administrative Rules Subcommittee agenda.

On April 29, 2022, the Arkansas Higher Education Coordinating Board approved the release of these rules for public comment pending the approval of the Governor's Office. On May 16, 2022, the Governor's Office approved them for public comment release. On July 29, 2022, the Arkansas Higher Education Coordinating Board gave its final approval of the rules.

Thank you for your assistance. If you have any questions or require further information, please do not hesitate to call me at (501) 683-1876.

Respectfully submitted,

/s/ Whitney James
Staff Attorney
Arkansas Department of Education

FINANCIAL IMPACT STATEMENT

PLEASE ANSWER ALL QUESTIONS COMPLETELY

DEPARTMENT Arkansas Department of Education

DIVISION Division of Higher Education

PERSON COMPLETING THIS STATEMENT _____

TELEPHONE NO. (501) 683-1876

FAX NO. _____

EMAIL: _____

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

ADHE Rules Governing the Governor's Higher Education Transition Scholarship Program

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 Does this proposed, amended, or repealed rule have a financial impact?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

Next Fiscal Year

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

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

Total \$ 0.00

Total \$ 0.00

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

Current Fiscal Year

Next Fiscal Year

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

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

Total \$ 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

Next Fiscal Year

\$ 0

\$ 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

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.

SUMMARY OF AMENDMENTS

DIVISION OF HIGHER EDUCATION RULES GOVERNING THE GOVERNOR'S HIGHER EDUCATION TRANSITION SCHOLARSHIP PROGRAM

These rules were created per Acts 2022, No. 215 to outline the administration of the program, eligibility criteria, scholarship amounts, and payment of scholarships.

The rules also outline the responsibilities of qualifying institutions and the responsibilities of recipients.

**ARKANSAS DIVISION OF HIGHER EDUCATION
RULES GOVERNING THE GOVERNOR'S HIGHER EDUCATION TRANSITION
SCHOLARSHIP PROGRAM**

1.00 REGULATORY AUTHORITY AND PURPOSE

- 1.01 These rules shall be known as the Arkansas Department of Education Division of Higher Education Rules Governing the Governor's Higher Education Transition Scholarship Program.
- 1.02 These rules are enacted pursuant to the Arkansas Higher Education Coordinating Board's authority under Ark. Code Ann. §§ 6-82-105 and Acts 2022, No. 215.
- 1.03 The purpose of these rules is to establish the requirements and processes governing the Governor's Higher Education Transition Scholarship Program.

2.00 GOVERNOR'S HIGHER EDUCATION TRANSITION SCHOLARSHIP

- 2.01 The Arkansas Division of Higher Education (ADHE) shall oversee the establishment of the Governor's Higher Education Transition Scholarship Program.
- 2.02 Continuation of the Governor's Higher Education Transition Scholarship Program shall be contingent upon available funding.

3.00 ORGANIZATION AND STRUCTURE

- 3.01 ADHE shall administer the Governor's Higher Education Transition Scholarship Program.
- 3.02 ADHE shall establish application periods and deadlines.

4.00 ELIGIBILITY CRITERIA

- 4.01 The Governor's Higher Education Transition Program Scholarship may only be awarded to those students who are admitted into transition programs that are accredited by The Institute for Community Inclusion as Comprehensive Training Programs.
- 4.01.1 In order to be considered a qualifying institution, an institution must offer a transition program as described in 4.01 of these rules.

4.02 Students, or representatives acting on behalf of students, must complete the online scholarship application provided by ADHE.

5.00 CONTINUED ELIGIBILITY

5.01 Recipients of the Governor's Higher Education Transition Scholarship will maintain award eligibility for a maximum of four (4) semesters as long as the recipients are continuously enrolled in a transition program.

6.00 SCHOLARSHIP AMOUNTS

6.01 Scholarship awards are contingent upon availability of funds.

6.02 Awards may not exceed the institutional cost of attendance. The maximum award amount is \$2,500.00 per semester that the student qualifies for the scholarship.

6.03 Awards may be applied to tuition, mandatory fees, programmatic fees, room and board, supplies, or extended support services.

7.00 PAYMENT OF SCHOLARSHIPS

7.01 ADHE shall disburse scholarship funds to the qualifying institution of the recipient's choice via electronic funds transfer or state warrant.

7.02 After verification of enrollment, the institution will disburse the scholarship funds to the student according to the institution's disbursement procedures.

7.03 The scholarship payment will correspond to academic terms, semesters, quarters, or equivalent time periods at the institution.

7.04 In no instance may the entire amount of the scholarship disbursement for an educational year be paid in advance to or on behalf of such student.

7.05 If the recipient of a scholarship withdraws, drops out, or is expelled on or after the first day of class of a payment period, the institution will determine whether the student received an overpayment of financial aid funds for non-institutional expenses.

7.05.1 Overpayment is the difference between the amount received as cash

disbursements and the amount incurred for non-institutional costs during the portion of the payment period that the student was actually enrolled.

7.05.2 It is the institution's responsibility to contact students and recover overpayment(s).

7.05.3 The institution shall refund the overpayment(s) to ADHE.

7.06 If the award of a Governor's Higher Education Transition Program Scholarship results in an overpayment to the student per Ark. Code Ann. § 6-80-105, the institution shall follow the ADHE Scholarship Stacking Policy in reducing the student's financial package so that the student does not receive funds above the federally-recognized cost of attendance.

8.00 RESPONSIBILITIES OF QUALIFYING INSTITUTIONS

8.01 The chief executive officer of the qualifying institution is responsible for appointing one representative from the financial aid office to act as administrator of the Governor's Higher Education Transition Scholarship Program and to receive all communications, forms, and other correspondence related to the program. This representative will be responsible for verification, data and compliance with all program rules, and regulations.

8.02 The institution shall maintain information regarding disbursement of scholarship funds.

8.03 The deadline for disbursement of funds is no later than ten (10) days after receipt of funds.

8.03.1 Any outstanding funds not disbursed by these dates must be returned to ADHE.

8.03.2 If ADHE receives an application beyond the deadline referenced in 8.03 of these rules, disbursement will be made within ten (10) business days of receipt of the verification roster and electronic transfer of funds.

8.04 In exercising its due diligence requirements as a steward of state funds, ADHE shall periodically review the qualifying institution's records concerning this program.

8.05 Upon request, the qualifying institution shall exercise due diligence in providing ADHE with complete, accurate, and timely information regarding current and former Governor's Higher Education Transition Scholarship Program recipients.

8.06 Institutions with accredited transition programs will certify students' admittance and enrollment prior to scholarship award.

8.07 The institution shall comply with all applicable ADHE rules and regulations in order to maintain its status as a qualified institution.

9.00 RESPONSIBILITIES OF RECIPIENTS

9.01 It is the recipient's responsibility to notify ADHE of any change in status within twenty-one (21) days. This will include:

9.01.1 Change in name;

9.01.2 Change in address; and

9.01.3 Change in institution.

9.02 Failure to notify ADHE of a change in status may affect future eligibility.