

Agenda Item No. ____
Higher Education Coordinating Board
July 26, 2024

RULES GOVERNING THE FINANCIAL AID APPEALS PROCESS

In compliance with Act 244 of 2023, the rules for the Financial Aid Appeals Process 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 Financial Aid Appeals Process 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 Financial Aid Appeals Process.

FURTHER RESOLVED, That the Financial Aid Appeals Process rules be approved for public comment release.

**DIVISION OF HIGHER EDUCATION RULES GOVERNING THE
FINANCIAL AID APPEALS PROCESS
Effective Date:**

1.00 Definitions

1.01 “Appeals Process” means, without limitation:

1.01.1 The completion and submission of an appeals application as drafted by the Financial Aid Appeals Committee;

1.01.2 The confirmation of eligibility to appeal and the intention to retain appeals eligibility under this subchapter; and

1.01.3 The completion of a review by the committee that shall include a determination of eligibility and a final appeals decision;

1.02 “Eligibility” means, without limitation, the applicant:

1.02.1 Is a bona fide resident of the State of Arkansas;

1.02.2 Is enrolled or will be enrolled in a program of study at an eligible postsecondary institution;

1.02.3 Is currently in good standing; and

1.02.4 Is not currently under probationary restrictions for financial aid

1.03 “Financial Aid” means scholarships or grants awarded to a student from public funds, including without limitation:

1.03.1 The Arkansas Academic Challenge Scholarship under §6-85-201 et seq.;
and

1.03.2 Other division scholarship and grant programs, state general revenues, tuition, and local tax revenue.

2.00 Financial Aid Appeals Committee

2.01 The Financial Aid Appeals Committee is composed of five (5) representatives of the Division of Higher Education, which shall be responsible for administering the division’s appeal process, appointed by the Commissioner of Higher Education.

2.02 The committee is authorized to:

2.02.1 Resolve disputes arising out of or relating to a student who is no longer considered eligible to receive a scholarship or grant;

2.02.1.1 An appeal application may be filed by a parent or guardian, or student if the student is over eighteen (18) years of age, who has been notified that he or she is no longer considered eligible to receive a scholarship under this rule.

2.02.1.2 An appeal application must be received by the division or postmarked no later than ten (10) calendar days after the student or the student's parent, guardian, or person standing in loco parentis to the student (hereafter "appealing party") receives a notice of scholarship ineligibility and shall be delivered or mailed to:

Division of Higher Education
Attn: Legal Services
Four Capitol Mall
Little Rock, AR 72201

2.02.1.3 The committee may wave the deadline to file an appeal if the notice of ineligibility does not inform the petitioner of the right to appeal and the deadline to file an appeal or the petitioner makes a good faith attempt to file a timely appeal.

2.02.1.4 The committee shall either grant or deny an appeal filed not less than forty-five (45) days after the day the appeal is received.

2.02.1.5 If the committee overturns the determination of scholarship eligibility on appeal, the committee shall notify the appealing party of the basis for the board's decision.

2.02.2 Prescribe forms for and regulate the submission of appeals applications;

2.02.3 Determine eligibility of applicants;

2.02.4 Approve or reject appeals applications;

2.02.5 Manage, operate, and control all funds appropriated or otherwise contributed for this purpose;

2.02.6 Administer final determinations of financial aid appeals made by the committee; and

2.02.7 Report annually to the General Assembly the number of applications for appeals:

2.02.7.1 Received; and

2.02.7.2 Approved.

3.00 Eligibility for Appeals

3.01 The Financial Aid Appeals Committee may make appeals decisions for an applicant, with each appeal being expressly made subject to the provisions of this subsection and §6-81-1905, if the committee finds that reinstating the appealed scholarship or grant will benefit the student and finds that:

3.01.1 The applicant is a bona fide resident of Arkansas;

3.01.2 The applicant is enrolled or will be enrolled in a program of study at an eligible postsecondary institution;

3.01.3 The applicant is currently in good standing;

3.01.4 The applicant is not currently under probationary restrictions for financial aid; and

3.01.5 The application for appeal is submitted within two (2) academic semesters following the initial decision.

4.00 Exclusions and Conditions

4.01 In the event an applicant submits an appeal on the basis of failure to maintain full-time enrollment or the necessary grade point average during a previous term, the Financial Aid Appeals Committee may approve proportionate financial aid to be awarded within one (1) semester following the term during which the applicant failed to maintain full-time enrollment or the necessary grade point average.

4.01.1 Proportionate financial aid awarded following failure to maintain full-time enrollment under 5.01 of this section is limited to six (6) hours.

4.02 The committee shall not provide reimbursement for previous terms.

5.00 Financial Aid Appeals Committee Hearing Procedures

5.01 All persons wishing to testify before the Financial Aid Appeals Committee shall first be placed under oath by the Chairperson of the committee.

5.02 Each party that wishes to participate in the hearing may take up to fifteen (15) minutes to present its case, beginning with a member of the Committee and then the appealing party.

5.02.1 The chair of the committee may allow the parties additional time to present their cases.

5.03 The committee, at its discretion, shall have the authority to require any person associated with the scholarship application to appear in person before the committee as a witness during the hearing.

5.03.1 The committee may accept testimony by affidavit, declaration, deposition transcript, or hearing transcript.

5.04 The committee will resolve the appeal based upon the totality of evidence presented.

5.05 On appeal, the committee denying scholarship eligibility bears the burden of justifying its decision and must overcome that burden with a clear and convincing reason for that decision.

5.06 When hearing an appeal, the committee may take one of the following actions:

5.06.1 Affirm denial of a scholarship eligibility by the institution;

5.06.2 Overturn the institution's determination and grant the scholarship; or

5.06.3 Table the petition for consideration at a future meeting.

5.07 The consideration of a petition under this Rule shall be conducted in an open meeting.

5.08 The committee shall provide a written decision to the institution and the appealing party within fourteen (14) days of announcing its decision under this section.

5.09 An order from the committee is immediately appealable to the circuit court, pursuant to APA.

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

As Engrossed: S2/28/23

A Bill

HOUSE BILL 1347

5 By: Representatives Beck, Andrews, Beaty Jr., Bentley, M. Berry, K. Brown, Joey Carr, A. Collins,
6 Cozart, Crawford, Ennett, Evans, V. Flowers, Furman, Gazaway, Haak, G. Hodges, Hudson, Jean,
7 Ladyman, Long, Maddox, McCollum, McCullough, B. McKenzie, S. Meeks, Milligan, Perry, Pilkington,
8 R. Scott Richardson, Rose, Rye, Scott, Springer, Tosh, Underwood, Vaught, Wing
9 By: Senators J. Dotson, D. Wallace

For An Act To Be Entitled

10
11 AN ACT TO CREATE A FINANCIAL AID APPEALS PROCESS AND
12 COMMITTEE FOR THE DIVISION OF HIGHER EDUCATION; AND
13 FOR OTHER PURPOSES.
14

Subtitle

15
16 TO CREATE A FINANCIAL AID APPEALS PROCESS
17 AND COMMITTEE FOR THE DIVISION OF HIGHER
18 EDUCATION.
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23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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25 SECTION 1. Arkansas Code Title 6, Chapter 81, is amended to add an
26 additional subchapter to read as follows:

Subchapter 19 – Financial Aid Appeals Process

6-81-1901. Definitions.

As used in this subchapter:

31 (1) “Appeals process” means without limitation:

32 (A) The completion and submission of an appeals
33 application as drafted by the Financial Aid Appeals Committee;

34 (B) The confirmation of eligibility to appeal and the
35 intention to retain appeals eligibility under this subchapter; and

36 (C) The completion of a review by the committee that shall



1 include a determination of eligibility and a final appeals decision;

2 (2) "Eligibility" means without limitation the applicant:

3 (A) Is a bona fide resident of the State of Arkansas;

4 (B) Is enrolled or will be enrolled in a program of study
5 at an eligible postsecondary institution;

6 (C) Is currently in good standing; and

7 (D) Is not currently under probationary restrictions for
8 financial aid; and

9 (3) "Financial aid" means scholarships or grants awarded to a
10 student from public funds, including without limitation:

11 (A) The Arkansas Academic Challenge Scholarship under § 6-
12 85-201 et seq.; and

13 (B) Other division scholarship and grant programs, state
14 general revenues, tuition, and local tax revenue.

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16 6-81-1902. Creation.

17 There is created the Financial Aid Appeals Committee within the
18 Division of Higher Education with the authority to administer the Division of
19 division's appeal process.

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21 6-81-1903. Financial Aid Appeals Committee.

22 (a) There is established the Financial Aid Appeals Committee, in
23 conjunction with the Governor's administration, to be composed of five (5)
24 representatives of the Division of Higher Education, which shall be
25 responsible for administering the division's appeal process.

26 (b) Members of the committee shall:

27 (1) Promulgate reasonable rules necessary to execute the
28 provisions of this subchapter, including without limitation rules addressing
29 the requirements and in conformance with the requirements of the Arkansas
30 Administrative Procedures Act, § 25-15-201 et seq., and other appropriate
31 state laws in promulgating and placing rules into effect for a procedure to
32 resolve disputes arising out of or relating to a student who is no longer
33 considered eligible to receive a scholarship or grant;

34 (2) Prescribe forms for and regulate the submission of appeals
35 applications;

36 (3) Determine eligibility of applicants;

1 (4) Approve or reject appeals applications;

2 (5) Manage, operate, and control all funds appropriated or
3 otherwise contributed for this purpose;

4 (6) Administer final determinations of financial aid appeals
5 made by the committee; and

6 (7) Report annually to the General Assembly the number of
7 applications for appeals:

8 (A) Received; and

9 (B) Approved.

10
11 6-81-1904. Eligibility for appeals.

12 The Financial Aid Appeals Committee may make appeals decisions for an
13 applicant, with each appeal being expressly made subject to the provisions of
14 this subchapter and § 6-81-1905, if the committee finds that reinstating the
15 appealed scholarship or grant will benefit the student and finds that:

16 (1) The applicant is a bona fide resident of Arkansas;

17 (2) The applicant is enrolled or will be enrolled in a program
18 of study at an eligible postsecondary institution;

19 (3) The applicant is currently in good standing;

20 (4) The applicant is not currently under probationary
21 restrictions for financial aid; and

22 (5) The application for appeal is submitted within two (2)
23 academic semesters following the initial decision.

24
25 6-81-1905. Exclusions and conditions.

26 (a)(1) In the event an applicant submits an appeal on the basis of
27 failure to maintain full-time enrollment or the necessary grade point average
28 during a previous term, the Financial Aid Appeals Committee may approve
29 proportionate financial aid to be awarded within one (1) semester following
30 the term during which the applicant failed to maintain full-time enrollment
31 or the necessary grade point average.

32 (2) Proportionate financial aid awarded following failure to
33 maintain full-time enrollment under subdivision (a)(1) of this section is
34 limited to six (6) hours.

35 (b) The committee shall not provide reimbursement for previous terms.

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/s/Beck

APPROVED: 3/9/23