

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

**RULES GOVERNING THE MILITARY DEPENDENTS' SCHOLARSHIP
PROGRAM**

In compliance with Act 413 of 2023, the rules for the Military Dependents' 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 Military Dependents' 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 Military Dependents' Scholarship Program.

FURTHER RESOLVED, That the Military Dependents' Scholarship Program rules be approved for public comment release.

**DIVISION OF HIGHER EDUCATION RULES GOVERNING MILITARY
DEPENDENTS' SCHOLARSHIP PROGRAM**

Effective Date:

1.00 Organization and Structure

- I. 1.01 The ~~Arkansas~~ Division of Higher Education shall administer the Military Dependents' Scholarship Program within the policies set by the ~~Arkansas~~ Higher Education Coordinating Board. All formal communications shall be addressed to or signed by the Director of the ~~Arkansas Division of Higher Education~~ division or ~~his/her~~ his or her designee.

- II. 1.02 The final responsibility for determining eligibility of scholarship recipients shall rest with the ~~Director~~ Commissioner of the ~~Arkansas Division of Higher Education~~ pursuant to the provisions of Act 188 of 1973, Act 2127 of 2005, Act 717 of 2007, Act 1216 of 2009 and subsequent legislation.

- III. 1.03 When functioning under Act 188 of 1973, Act 2127 of 2005, Act 717 of 2007, Act 1216 of 2009 and subsequent legislation, the ~~Arkansas Division of Higher Education~~ division shall follow the provisions of the Administrative Procedures Act.

2.00 Program Definitions

- 2.01 The following definitions are used in the Military Dependents' Scholarship Program:
 - 2.01.1 "Approved institution" means a private, nonprofit institution of higher education in Arkansas or state-supported institution of higher education or technical school located in Arkansas that is accredited by the Higher Learning Commission, or has achieved candidacy status, and does 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.

 - 2.01.2 "Dependent child" means any child born or conceived, been legally adopted, or under court appointed legal guardianship, or the stepchild of a person who has been declared to be a prisoner of war or missing or killed in action, or killed on ordnance delivery, or a disabled veteran, and who meets the definition of dependent with regards to children established by the U.S. Department of Education. ~~Stepchildren are not eligible unless legally adopted as stated above.~~

 - 2.01.3 "Dependent spouse" means the legal spouse of a person who has been declared to be a prisoner of war or missing or killed in action, or killed on ordnance delivery, or a disabled veteran.

2.01.4 “Disabled veteran” means a person who:

2.01.4.1 Has been declared by the Federal Department of Veterans Affairs to be one hundred percent (100%) totally and permanently disabled as a result of service-connected injuries or medical conditions; and

2.01.4.2 Is currently receiving special monthly compensation for such, and who was a resident of the State of Arkansas at the time that person entered the service of the U.S. Armed Forces or who is a current resident of Arkansas.

2.01.5 “Full-time student” means an undergraduate student enrolled in at least twelve (12) semester credit hours, or its equivalent, per semester.

2.01.6 “Satisfactory progress” means undergraduate students must maintain a cumulative college grade point average of at least 2.0 on a 4.0 scale, and make satisfactory progress toward a degree or certificate of completion, as defined by the institution.

2.01.7 “Fees waived” means the inclusion of ~~includes~~ tuition at the in-state rate, room and board when provided in campus facilities, fees or other charges incurred from the approved institution. Non-reimbursable charges would include any penalty charges, including but not limited to, parking tickets, or other penalty payments.

3.00 Scholarship Eligibility Criteria

I. 3.01 To be eligible for the Military Dependents’ Scholarship, an applicant must meet the following conditions:

A. 3.01.1 The student's parent or spouse must have been declared to be a disabled veteran, prisoner of war, missing in action, killed in action, or killed on ordnance delivery during the course of active military duty after January 1, 1960.

B. 3.01.2 The student's parent or spouse must have been a resident of the State of Arkansas at the time ~~he/she~~ he or she entered service in the United States Armed Services, or whose official residence is currently within the State of Arkansas.

C. 3.01.3 The dependent child or spouse of a person declared to be a prisoner of war or missing or killed in action, or a person killed on ordnance delivery, or a disabled veteran must be a current resident of Arkansas.

- ~~D.~~ 3.01.4 The student must qualify as the dependent of a disabled veteran, prisoner of war or a person declared to be missing or killed in action, or killed on ordnance delivery by meeting one of the following criteria:
- ~~1.~~ 3.01.4.1 The student is the legal spouse of a person declared to be a prisoner of war, missing or killed in action, or killed on ordnance delivery or a person declared to be a disabled veteran or,
 - ~~2.~~ 3.01.4.2 The dependent child must be the biological child of the parent who was declared to be a prisoner of war or missing or killed in action, or killed on ordnance delivery, or a disabled veteran; or,
 - ~~3.~~ 3.01.4.3 The dependent child is legally adopted or in legal custody of the guardian that was declared to be a prisoner of war or missing or killed in action or killed on ordnance delivery, or a disabled veteran.
 - ~~4.~~ 3.01.4.4 The dependent child is the stepchild of the parent that was declared to be a prisoner of war or missing or killed in action or killed on ordnance delivery, or a disabled veteran.,
- ~~E.~~ 3.01.5 The dependent child must meet the U.S. Department of Education's definition of "dependent" with regards to children.
- ~~F.~~ ~~A stepchild is not eligible for this scholarship unless he/she has been legally adopted by the parent who was declared to be a prisoner of war or missing or killed in action, or killed on ordnance delivery, or a disabled veteran.~~
- ~~F.~~ 3.01.6 A stepchild must have been listed as a dependent on the federal and state income tax returns in each of the five (5) income tax years immediately prior to the death or total and permanent disability and must have received more than one-half (1/2) his or her financial support.
- ~~G.~~ 3.01.7 The applicant must apply for the Dependents' Educational Assistance Program (DEA) Chapter 35 of Title 38 of the U.S. Code with the Department of Veterans Affairs.
- ~~H.~~ 3.01.8 The applicant must be enrolled or accepted for enrollment as a full-time student in any private, nonprofit institution of higher education in Arkansas or state-supported institution of higher education in Arkansas.
- ~~I.~~ 3.01.9 The applicant must be an undergraduate student seeking an associate's degree, a baccalaureate degree or certificate of completion.

- J. 3.01.10 The applicant must apply for the scholarship prior to the published deadline in order to receive the scholarship. Reimbursement can only be made for the year in which the student is currently enrolled and has made application.
- II. 3.02 Once a person qualifies as an eligible student under the terms of the program, there shall be no situation, such as the return of a parent or spouse, or the reported death of a parent or spouse that will remove the dependent from the benefits of this program.
- III. ~~Continued Eligibility~~
 - 3.03 An eligible recipient shall receive a scholarship for one (1) academic year, renewable for up to three (3) additional academic years (for a total of 8 semesters) if the recipient meets the following continuing eligibility criteria established by ~~ADHE~~ the Division of Higher Education:
 - 3.03.1 The student must maintain a cumulative grade point average of at least 2.0 on a 4.0 scale.
 - ~~1.~~ 3.03.2 The student is making satisfactory progress toward a degree or certificate of completion;
 - ~~2.~~ 3.03.3 The student is enrolled in at least twelve semester hours or the equivalent per ~~semester term~~ and completes 24 semester hours, or the equivalent, per academic year.
 - 3.04 For purposes of scholarship payments, “academic semester” includes summer terms, semesters, quarters, or their equivalent, at the postsecondary institution in which the student is enrolled.

4.00 Application Process

- I. Applications
 - A. 4.01 Brochures are mailed by the Division of Higher Education to counselors and principals at public and private Arkansas high schools.
 - B. 4.02 Brochures are mailed by the division to financial aid officers at private, nonprofit institutions of higher education ~~in Arkansas~~ and state-supported institutions of higher education in the state ~~of Arkansas~~.
 - C. 4.02.1 The institutional financial aid officer is responsible for ensuring that eligible students are made aware of the Military Dependents’ Scholarship Program and its benefits.

~~D.~~ 4.03 Applications will be made available ~~online from the Arkansas Division of Higher Education~~ on the division's website.

II. Submission of Applications

~~A.~~ 4.04 ~~The Arkansas Division of Higher Education~~ division shall establish the deadline for receipt of applications. The deadline date shall be clearly printed on the application.

~~B.~~ 4.05 Scholarship applicants shall submit to the ~~Arkansas Division of Higher Education~~ division the following documentation as it applies to the applicant:

~~1.~~ 4.05.1 Military Dependents' Scholarship Application;

~~2.~~ 4.05.2 A death certificate or other documentation certifying the death of the parent or spouse.

~~3.~~ 4.05.2.1 A death as a result of injuries received while serving in the armed forces is only covered if the death occurred while on active duty.

~~4.~~ 4.05.3 A Report of Casualty from the appropriate branch of the United States Armed Services or a copy of the veteran's DD214 form;

~~5.~~ 4.05.4 Documentation from the ~~federal~~ United States Department of Veterans Affairs citing service-connected, one hundred percent (100%) total and permanent disability;

~~6.~~ 4.05.5 A copy of the application and statement of acceptance or denial of the federal program for dependents of veterans, Dependents' Educational Assistance Program (DEA).

~~7.~~ 4.05.6 A copy of DEA benefits statement showing the amount of educational assistance allowed for each term.

~~8.~~ 4.05.7 A copy of legal adoption or court appointed legal guardianship for a dependent child;

~~9.~~ 4.05.8 A copy of birth certificate, if a dependent child;

~~10.~~ 4.05.9 A copy of marriage license, if a spouse.

5.00 Award Process

- I. 5.01 Applications and supporting documentation will be reviewed for completeness and to determine whether the applicant meets all the eligibility requirements. Applicants will be notified within 30 days of the status of their application.
 - II. 5.02 Eligible students will receive an award notice, which contains the conditions of the award, the requirements for continued eligibility, an explanation of the benefits, and the student's responsibilities.
 - III. 5.03 The institution will also receive an award notice, which contains the student's name, social security number, award limits, the conditions of the award, verification process, and payment process. The institution will be required to complete a Reimbursement Form listing all charges covered by this program.
 - IV. 5.04 The institution will be responsible for verifying the student's continued eligibility each semester.
 - V. 5.05 The award will be renewed annually provided the student satisfies the continued eligibility requirements as defined by the ~~Arkansas~~ Division of Higher Education in "Scholarship and Eligibility Criteria," Section III.
 - VI. 5.06 Reimbursement can only be made for the year in which the student is currently enrolled and has made application.
- VII. **6.00 Scholarship Payment Policies**
- I. 6.01 The scholarship will pay that portion of charges that exceeds the amount of the DEA educational assistance allowance OR the full amount if the recipient is ineligible for DEA, but is eligible for the MDS. Reimbursement is limited to the cost of tuition at the in-state rate, mandatory fees, and a room and meal plan when provided in campus facilities from such institution or school. The amount reimbursed for the room shall not exceed the usual and custom amounts charged by the institution as for similar scholarship programs.
 - II. 6.02 Payment on behalf of the scholarship recipient will be made directly to the recipient's institution. The ~~Arkansas~~ Division of Higher Education will reimburse the institution at the beginning of each semester for approved charges covered by this program upon receipt of the Reimbursement Form, and verification of the charges. Reimbursement can only be made for the year in which the student is currently enrolled and has made application.
 - III. 6.03 The ~~Arkansas Division of Higher Education~~ division will pay the institution for the award covered by this program upon receipt of the Reimbursement Form, and verification of the charges.

A. ~~Transfer Policy~~

6.04 A recipient who has received a Military Dependents' Scholarship may transfer to another eligible institution ~~provided the Arkansas Division of Higher Education receives after providing~~ written notification of the change of status ~~to the division~~ by October 1 for ~~the Fall Term a fall term~~, February 1 for ~~the Winter/Spring Terms a winter or spring term~~, and June 1 for ~~the Summer Terms a summer term~~.

6.04.1 Failure to notify the ~~Arkansas Division of Higher Education~~ division of the transfer by the deadline will disqualify the student for waiver of tuition and fees at the institution to which ~~he/she~~ he or she has transferred.

B. ~~Withdrawal Policy~~

6.05 Recipients may withdraw from the Military Dependents' Scholarship Program upon written notification to, and approval by, the ~~Arkansas Division of Higher Education~~ division. The petition shall give the reason for withdrawal and will be supported with documentation. Recipients who withdraw from school and fail to notify the ~~Arkansas Division of Higher Education~~ division by October 1 for the Fall term, February 1 for the Winter and/or Spring terms, and June 1 for the Summer terms will not be eligible for a tuition waiver for that semester. The recipient may receive the tuition waiver if ~~he/she~~ he or she can demonstrate that extraordinary circumstances prevented ~~him/her~~ him or her from notifying the ~~Arkansas Division of Higher Education~~ division.

C. ~~Revocation Policy~~

6.06 The award will be permanently revoked if the recipient fails to enroll full-time and the ~~Arkansas Division of Higher Education~~ division receives neither written notification of transfer to another eligible institution, nor a petition for withdrawal by the recipient by October 1 for the Fall Term, February 1 for the Winter/Spring Terms and June 1 for the Summer Terms. At the discretion of the ~~Arkansas Division of Higher Education~~ division, the award will not be revoked if the division determines that extraordinary circumstances prevented the student from notifying the division by the required dates.

D. ~~Military Service~~

6.07 Recipients who are members of the Arkansas National Guard or Armed Forces Reserve units who are called to active duty for reasons other than regular unit training and are unable to complete the current term will not be penalized. They will be placed in deferred status until six (6) months after release from active duty.

- E. 6.08 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~~ division 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.
- IV. 6.09 The state assistance awarded to a dependent attending a private, nonprofit institution of higher education in this state shall not exceed the amount of state assistance awarded to dependents attending state-supported institutions of higher education.

7.00 Institutional Responsibilities

I. Administrative Agreement

7.01 The chief executive officer of the state-supported institution of higher education is responsible for appointing one representative from the Financial Aid Office to act as administrator of the Military Dependents' Scholarship Program and to receive all communications and forms issued by the ~~Arkansas~~ Division of Higher Education. This representative is responsible for completing all forms, verification of data, and complying with all program rules and regulations. The institution must comply with these responsibilities in order to maintain continued eligibility status.

II. Verification

7.02 The institution shall provide verification to the ~~Arkansas Division of Higher Education (ADHE)~~ division at the close of each term concerning the student's name and continuing eligibility. This is accomplished using the Verification Form issued by the division. Reimbursement to the institution will be made after the institution has completed the Verification Form and the Reimbursement Form and returned them to the ~~Arkansas Division of Higher Education~~ division.

III. Identification of Eligible Students

7.03 Institutions will be responsible for exercising all reasonable efforts to identify students eligible for the program. Reimbursement can only be made for the year in which the student is currently enrolled and has made application.

IV. Deadline for Disbursement of Funds

7.04 The deadline for disbursement of funds is no later than 10 days after written receipt of funds. Any outstanding funds not disbursed must be returned to the ~~Arkansas Division of Higher Education~~ division.

V. ~~Refund Policy~~

~~7.05~~ It is the institution's responsibility to notify ~~ADHE~~ the division of the names of 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~~ the division.

VI. ~~Due Diligence~~

~~7.06~~ The institution will exercise due diligence in providing complete, accurate, and timely information as requested by the ~~Arkansas Division of Higher Education~~ Division on any scholarship recipient. In addition, the institution will exercise due diligence in complying with all the rules and regulations of the Military Dependents' Scholarship Program.

8.0 Recipient Responsibilities

I. ~~8.01~~ It is the recipient's responsibility to notify the ~~Arkansas Division of Higher Education~~, in writing, of any change in status within 21 days. This includes:

- A. ~~8.01.1~~ Changes in name, or
- B. ~~8.01.2~~ Change in address, or
- C. ~~8.01.3~~ Change in Institution, or
- D. ~~8.01.4~~ Change in full-time status, or
- E. ~~8.01.5~~ Withdrawal from an institution.

~~8.02~~ Failure to notify the ~~Arkansas Division of Higher Education~~ division of any change in status may affect future eligibility.

Program Definitions

The following definitions are used in the Military Dependents' Scholarship Program:

~~Approved Institution~~ — A private, nonprofit institution of higher education in Arkansas or state-supported institution of higher education or technical school located in Arkansas that is accredited by the North Central Association Commission on Higher Education, or has achieved candidacy status, and does 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.

~~Dependent Child~~ — Any child born or conceived, been legally adopted, or under court

~~appointed legal guardianship, or the stepchild of a person who has been declared to be a prisoner of war or missing or killed in action, or killed on ordnance delivery, or a disabled veteran, AND who meets the definition of dependent with regards to children established by the U.S. Department of Education. Stepchildren are not eligible unless legally adopted as stated above.~~

~~Dependent Spouse — The legal spouse of a person who has been declared to be a prisoner of war or missing or killed in action, or killed on ordnance delivery, or a disabled veteran.~~

~~Disabled Veteran — A person who has been declared by the Federal Department of Veterans Affairs to be one hundred percent (100%) totally and permanently disabled as a result of service connected injuries or medical conditions AND who is currently receiving special monthly compensation for such, AND who was a resident of the State of Arkansas at the time that person entered the service of the U.S. armed forces OR who is a current resident of Arkansas.~~

~~Full-time Student — An undergraduate student enrolled in at least twelve (12) semester credit hours, or its equivalent, per semester.~~

~~Satisfactory Progress — Undergraduate students must maintain a cumulative college grade point average of at least 2.0 on a 4.0 scale, and make satisfactory progress toward a degree or certificate of completion, as defined by the institution.~~

~~Fees Waived — Includes tuition at the in-state rate, room and board when provided in campus facilities, fees or other charges incurred from the approved institution. Non-reimbursable charges would include any penalty charges, including but not limited to, parking tickets, or other penalty payments.~~

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.
15

Subtitle

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**