EXHIBIT D



Division of Higher Education

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Johnny Key Secretary Maria Markham, Ph.D.
Director

Wednesday, December 9, 2020

The Honorable Joyce Elliott, Chair The Honorable Laurie Rushing, Chair Arkansas Lottery Legislative Oversight Committee State Capitol Building Little Rock, AR 72201

Dear Senator Elliott and Representative Rushing,

In accordance with Arkansas Code Annotated 6-85-219(b), I am submitting for your review the Arkansas Division of Higher Education (ADHE) recommendations for the Arkansas Academic Challenge Scholarship Program.

- Authorization to promulgate rules for appeals- The need for the Division of Higher Education to promulgate rules for scholarship appeals has never been greater following the global pandemic. In order to be fairly responsive to student and stakeholder needs, an appeals process is necessary. §6-85-205 would require an amendment to add the appeals process as one of ADHE's duties.
- Development of needs based component- Arkansas was identified as being one of the few states without a state-wide needs based aid program. We hope to remedy that and encourage college enrollment and retention with this additional aid for Arkansas's high needs population. A bill is under draft to develop such a component.
- Annual FAFSA completion requirement- Completing the Free Application for Financial Student Aid, is the first step to utilizing federal dollars available for students. It helps us to identify student needs and helps make students aware of the different methods to pay for college. A bill is under draft to develop such a requirement.
- Additional programs of study for workforce challenge- Workforce Challenge was created to help students earn credentials in highly skilled areas. The law allows for these credentials to be from only three career clusters, eliminating many eligible students and programs. §6-85-304(a)(4) delineates the eligible career clusters and would require amendment.
- Funds for replacing/upgrading Youniversal- YOUniversal is the application system
 that serves all of the state-wide scholarships the Division administers. Since its
 creation 10 years ago, we have added 5 scholarships to the portal. In order to
 continue to serve our students in the most efficient manner possible, it is time to
 bring our technology (that students and stakeholders expect) into the current
 decade. Preliminary cost estimates for necessary improvements are in the \$3-\$4

million range. ADHE's scholarship administration appropriation section would require an increase.

Best regards,

Maria Markham, PhD

Maia Markham

Director