



## Financial Aid

### Arkansas Future Grant Program

#### **Policy Statement**

These rules shall be known as the Arkansas Department of Higher Education Rules Governing the Arkansas Future Grant Program. This policy addresses the student eligibility criteria, method for recipient selection, continuing eligibility requirements, procedures for making payments to an approved institution of higher education, and other administrative procedures necessary for operation of the program.

#### **Applicable Arkansas Code**

Ark. Code Ann. 6-82-1801 ET. Seq.

#### **Definitions**

(1) "Approved institution of higher education" means an institution of higher education approved by the Department of Higher Education to participate in the Arkansas Future Grant Program and that is:

- (A) A state-supported two-year or four-year college or university;
- (B) A state-supported technical institute; or
- (C) An approved state-supported school of nursing;

(2) "Approved state-supported school of nursing" means a state-supported school of nursing with its primary headquarters located in Arkansas that:

- (A) Prepares students as registered nurses;
- (B) Grants nursing diplomas;

- (C) Is eligible to participate in the federal student aid programs of the Higher Education Act of 1965, 20 U.S.C. § 1070 et seq.;
  - (D) Is approved by the Arkansas State Board of Nursing;
  - (E) Has been approved by the Department of Higher Education as eligible to participate in the Arkansas Future Grant Program; and
  - (F) Is not a two-year or four-year college or university;
- (3) "Federal student financial assistance" means scholarships or grants awarded to a student as a result of:
- (A) An approved Free Application for Federal Student Aid, including without limitation a Pell Grant; or
  - (B) The student's or other family member's service in the United States Armed Forces, including without limitation the Army National Guard or Air National Guard;
- (4) "Private scholarship" means a scholarship or grant awarded by a private entity or donor; and
- (5) "Regional high-demand field" means any field of study identified as in demand by the Arkansas Department of Workforce Services as published on its annual regional Projected Employment Opportunities List or any field of study identified as high demand by an approved institution of higher education and approved by the Department of Higher Education.
- (6) "State-supported student financial assistance" means a state-supported scholarship, grant, tuition waiver, or tuition reimbursement funded with state funds or net proceeds from the state lottery awarded by:
- (A) The Department of Higher Education; or
  - (B) A scholarship or grant awarded by an approved institution of higher education in this state funded, in whole or in part, by state funds, including without limitation:
    - (i) Scholarships awarded on the basis of entrance exam scores or high school academic achievement;
    - (ii) Tuition waivers based on age, military service, occupation, or other factors;

(iii) Performance scholarships for band, musical performing groups, arts, theater, forensics, and similar activities that are not awarded on the basis of entrance exam scores or high school academic achievement; and

(iv) Any other publicly funded program under which students are not charged or are reimbursed by the approved institution of higher education for tuition, fees, books, or other costs of attendance.

## **Procedures**

### **Eligibility Requirements.**

(a) A student is eligible for an Arkansas Future Grant if the student is an Arkansas resident who:

(1) Meets one (1) of the following requirements:

(A) Has either:

(i) Graduated from an Arkansas:

(a) Public high school;

(b) Private high school; or

(c) Home school under § 6-15-501 et seq.; or

(ii) Received a high school equivalency diploma approved by the Department of Career Education; or

(B) Verifies that he or she has resided in Arkansas for the three (3) years immediately preceding application for the grant and has either:

(i) Graduated from an out-of-state:

(a) Public high school;

(b) Private high school; or

(c) Home school recognized by another state; or

(ii) Received a high school equivalency diploma approved by another state;

(2) Is enrolled part-time or full-time at an approved institution of higher education in a program of study that leads to an associate degree or a certification in a:

(A) Science, technology, engineering, or mathematics field, including computer science; or

(B) Regional high-demand field; and

(3) Has completed and submitted to the United States Department of Education a Free Application for Federal Student Aid or a subsequent application required by the United States Department of Education for federal financial aid.

#### **Continuing Eligibility Requirements.**

(a) A student may continue to be eligible until the student has:

- (1) Received the grant for five (5) academic semesters;
- (2) Obtained an associate degree;
- (3) Failed to maintain satisfactory academic progress, as determined by the approved institution of higher education in which the student is enrolled; or
- (4) Failed to complete the mentoring or community service requirements under the Grant Recipient Responsibilities section of this rule.

#### **Grant Award Amounts.**

(a) (1) An Arkansas Future Grant shall be in an amount equal to the tuition, fees, and other charges incurred by a student who meets the requirements under the Eligibility Requirements and Continuing Eligibility Requirements sections of this rule to attend an approved institution of higher education less the amount the student receives in:

- (A) State-supported student financial assistance;
- (B) Federal student financial assistance; and
- (C) Private scholarships.

(2) If the approved institution of higher education in which the student is enrolled is a four-year institution of higher education, the total amount of tuition, fees, and other charges under subdivision (a)(1) of this section shall be calculated as the average cost of tuition, fees, and other charges at approved institutions of higher education that are two-year institutions of higher education.

(b) The Department of Higher Education shall disburse the grant directly to the approved institution of higher education.

(c) The department shall award grants under this rule in the order in which the department receives applications from eligible students and based on availability of funds.

#### **Grant Hold.**

(a) (1) The Department of Higher Education may approve a grant hold for a period of twenty-four (24) months or less.

(2) The reasons for a grant hold may include without limitation:

(A) A medical condition of the student or a member of the student's immediate family that, on the basis of a physician's good-faith judgment, necessitates the student or the student's immediate family member to be hospitalized or receive outpatient or home-based medical care or to recuperate until released by the attending physician;

(B) A personal or family emergency that requires the student to:

(i) Attend the funeral of an immediate family member; or

(ii) Visit a relative of the student if the relative has a medical condition in which death is possible or imminent;

(C) Military service under § 6-61-112; or

(D) (i) A commitment of twelve (12) to twenty-four (24) months for service in a national or international humanitarian project sponsored by a nonprofit corporation organized with a charitable or educational purpose.

(ii) The student's commitment shall be expressed in a written agreement with the nonprofit organization including the terms of completion for the student's service on the related project.

(iii) The department shall release a grant hold if the department determines that the student did not complete the commitment under the written agreement.

### **Grant Recipient Responsibilities.**

(a) A student who receives an Arkansas Future Grant shall enter into a written agreement with the Department of Higher Education to:

(1) (A) Receive monthly mentoring from a mentor from an organization determined by the Department of Higher Education.

(B) A mentor under subdivision (a)(1)(A) of this section shall:

(i) Receive annual mentoring training:

(a) Developed by the Department of Higher Education; and

(b) Provided by a local volunteer group approved by the Department of Higher Education; and

- (ii) Certify to the Department of Higher Education that at least one (1) time each calendar month the mentor has provided mentoring services by telephone, email, or in person to each student he or she is mentoring;
- (2) (A) Complete at least fifteen (15) hours of community service each semester the student receives a grant.
  - (B) (i) A student may select a community service project that meets requirements developed by the Department of Higher Education.
    - (ii) An approved institution of higher education may provide community services opportunities designed to benefit the approved institution of higher education community or the broader local community.
  - (C) A student shall certify his or her community service to the approved institution of higher education by the last regular day of the semester the student received the grant; and
- (3) (A) Reside in this state for three consecutive (3) years and be employed beginning within six (6) months after receiving an associate degree or a certification.
  - (B) The Department of Higher Education may defer the requirement under subdivision (a)(3)(A) of this section if:
    - (i) The Department of Higher Education, in consultation with the Department of Workforce Services, determines that there was no employment position available that would reasonably enable the student to meet this requirement; or
    - (ii) Special circumstances as determined by the Department of Higher Education exist.
  - (C) After the period of deferral, the student shall begin or resume working in this state or become subject to repayment under subsection (b) of this section.
- (b) The written agreement under subsection (a) of this section shall provide that the grant converts into a loan and the student shall repay the grant amount:
  - (1) On a pro rata basis at an interest rate and on a schedule as determined by the Department of Higher Education for each year the student does not reside in this state for three (3) consecutive years and become employed beginning within six (6) months after receiving an associate degree or a certification; or
  - (2) In its entirety at an interest rate and on a schedule as determined by the Department of Higher Education if the recipient does not comply with the written agreement under subsection (a) of this section.
- (c) It is the recipient's responsibility to notify the Arkansas Department of Higher Education of any change in status within 21 days. Failure to notify the Arkansas

Department of Higher Education of a change of status may affect future eligibility.  
Change of status will include:

- (1) Change in name
- (2) Change in address
- (3) Change in institution

### **Collection of Loan.**

(a) Accounts will be retained by the Department of Higher Education in the Financial Aid Division until the individual is no longer eligible for deferment. The account will be turned over to a vendor for repayment. The student will be notified by mail that their account is being placed with a vendor for collections and they will be sent a loan amortization schedule along with the letter. The account will remain with the vendor until repaid or 120 days past due. Loan recipients who are determined by the Department of Higher Education to be 120 days delinquent will be mailed their first letter of notification ten (10) days after the installment payment is due. If payment is not forthcoming within 60 days from the original payment due date, a second letter of notification will be sent to the loan recipient declaring their account is delinquent and requesting that the account be immediately brought up to date. If the loan recipient has not responded within 90 days from the original payment due date, the third and final letter of notification will be sent to the recipient informing them that the account will officially be in default if outstanding payments are not made within 30 days.

### **(b) Skip Tracing Mechanisms**

(1) ADHE will use these steps to locate recipients if communications are returned as undelivered:

(A) Contact the Motor Vehicle Division of the Arkansas Department of Finance and Administration;

(B) Contact references listed on the recipient's application;

(C) Utilize telephone directory or check with directory assistance in the area of the recipient's last known address;

(D) 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;

(E) Contact creditors, such as credit card companies, credit bureaus, or GSL lender;

(F) Contact recipient's field of study--professional organization, union, or licensing board;

(G) Contact post office;

(H) Contact utility companies; and,

(I) Contact Chamber of Commerce.

(c) Credit Reporting Agencies

(1) Defaulted recipients will be reported to the following Credit Reporting Agencies:

(A) CSC Credit Reporting Services, Inc.

(B) T R W Credit Data

(C) Trans Union Credit Reporting

(2) Forms for reporting defaulted loan recipients are located in the collections file. The Department of Higher Education will also respond promptly to any inquiries it receives from credit reporting agencies concerning delinquent or defaulted loan recipients.

(d) State Income Tax Set Off

(1) By the authority of Act 345 of 1993, the Department of Higher Education has been included as a claimant agency for the setoff of debts against state tax refunds.

(e) Litigation

(1) No sooner than 30 days after sending the third letter of notification, the Department of Higher Education shall institute a civil suit against the recipient for repayment of the loan. Small Claims Courts will be used to satisfy debts of accounts up to \$3,000.00. If over \$3,000.01, the Department of Higher Education must use Circuit Court. If the account is \$3,000.01 or above, the Department of Higher Education may choose to use Small Claims Courts and waive the difference because of the expense involved in going to Circuit Court. If the Department of Higher Education chooses to waive the difference, it cannot later try to collect the difference. Forms to take the recipient to Small Claims Courts are requested from the recipient's county of residence.

(f) Write-Offs



(1) Arkansas Future Grants that convert to loans may be written off as uncollectible if the Department of Higher Education shows due diligence to satisfy the collection of the debt, and documents in the recipient's file that:

(A) The cost of litigation would exceed the likely recovery if litigation were commenced; or

(B) The recipient does not have the means to satisfy a judgment on the debt, or a substantial portion thereof.

(2) Proof of due diligence collection activities must be submitted to the Administrator of the Department of Finance and Administration and approval from the Administrator must be received before Arkansas Future Grant loan accounts may be written off.

(g) Nonpayment Penalties

(A) Loan recipients who fail to meet their repayment obligations may have added to their total obligation any costs for collection of the debt.

**Institutional Responsibilities.**

(a) College/University Responsibilities

(1) Administrative Agreement

The chief executive officer of the eligible institution is responsible for appointing one representative from the financial aid office to act as administrator of the Arkansas Future Grant Program and to receive all communications, forms, etc. This representative is responsible for verification, data and compliance with all program rules and regulations. The institution must comply with all rules and regulations in order to maintain continued eligibility status.

(2) Disbursement Records

The institution shall maintain information on the student indicating disbursement of scholarship funds.

(3) Institutional Verification

The institution shall provide certification of enrollment in eligible program of study and enrollment in courses that will meet satisfactory academic progress standards, as of the eleventh day of classes, by completing a Verification Roster each semester after

registration. The Verification Roster is an alphabetical listing by institution of all persons receiving the award for a given academic term. The certifying official is responsible for completing the verification rosters each semester or trimester. The Arkansas Department of Higher Education shall provide electronic Verification Rosters to the Financial Aid Administrator for each semester or trimester as needed. The electronic Verification Rosters shall be returned to the Arkansas Department of Higher Education by November 1 for the fall term and by March 15 for the spring term. The Arkansas Department of Higher Education shall also provide electronic continuing eligibility rosters to the Financial Aid Administrator before the end of the fall and spring term. The continuing eligibility rosters shall be returned to the Arkansas Department of Higher Education no later than January 15 based on the Fall semester and June 1 based on the Spring semester to ensure that adequate time is provided to notify students of their status in the program.

#### (4) Deadlines for Disbursement of Funds

The deadline for disbursement of funds is no later than 10 days after receipt of funds. Any outstanding funds not disbursed by these dates must be returned to the Arkansas Department of Higher Education. For those students whose applications are received by ADHE too late to allow disbursement by these dates, disbursement will be made within 10 working days of receipt of the verification roster and electronic transfer of funds.

#### (5) Due Diligence

The institution will exercise due diligence in providing complete, accurate, and timely information as requested by the Arkansas Department of Higher Education on any Arkansas Future Grant recipient or former recipient. In addition, the institution will exercise due diligence in complying with all the rules and regulations of the Arkansas Future Grant Program. The Arkansas Department of Higher Education shall periodically review the institution's records concerning this program in an effort to exercise its due diligence requirements as a steward of state funds.

1 State of Arkansas

*As Engrossed: H2/8/17*

2 91st General Assembly

# A Bill

3 Regular Session, 2017

HOUSE BILL 1426

4  
5 By: Representatives Della Rosa, Beck, Cavanaugh, Dotson, C. Douglas, Eubanks, Fortner, Holcomb,  
6 Hollowell, Lowery, Lundstrum, Lynch, Penzo, Warren, J. Williams, Wing

7 By: Senator B. Johnson  
8

## For An Act To Be Entitled

9  
10 AN ACT TO CREATE THE ARKANSAS FUTURE GRANT PROGRAM;  
11 TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.  
12

## Subtitle

13  
14  
15 TO CREATE THE ARKANSAS FUTURE GRANT  
16 PROGRAM; AND TO DECLARE AN EMERGENCY.  
17

18  
19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
20

21 SECTION 1. Arkansas Code Title 6, Chapter 82, is amended to add an  
22 additional subchapter to read as follows:

### Subchapter 18 – Arkansas Future Grant Program

#### 6-82-1801. Definitions.

26 As used in this subchapter:

27 (1) "Approved institution of higher education" means an  
28 institution of higher education approved by the Department of Higher  
29 Education to participate in the Arkansas Future Grant Program and that is:

30 (A) A state-supported two-year or four-year college or  
31 university;

32 (B) A state-supported technical institute; or

33 (C) An approved state-supported school of nursing;

34 (2) "Approved state-supported school of nursing" means a state-  
35 supported school of nursing with its primary headquarters located in Arkansas  
36 that:



1                   (A) Prepares students as registered nurses;  
2                   (B) Grants nursing diplomas;  
3                   (C) Is eligible to participate in the federal student aid  
4 programs of the Higher Education Act of 1965, 20 U.S.C. § 1070 et seq.;  
5                   (D) Is approved by the Arkansas State Board of Nursing;  
6                   (E) Has been approved by the Department of Higher  
7 Education as eligible to participate in the Arkansas Future Grant Program;  
8 and

9                   (F) Is not a two-year or four-year college or university;  
10               (3) "Federal student financial assistance" means scholarships or  
11 grants awarded to a student as a result of:

12                   (A) An approved Free Application for Federal Student Aid,  
13 including without limitation a Pell Grant; or

14                   (B) The student's or other family member's service in the  
15 United States Armed Forces, including without limitation the Army National  
16 Guard or Air National Guard;

17               (4) "Private scholarship" means a scholarship or grant awarded  
18 by a private entity or donor; and

19               (5) "State-supported student financial assistance" means a  
20 state-supported scholarship, grant, tuition waiver, or tuition reimbursement  
21 funded with state funds or net proceeds from the state lottery awarded by:

22                   (A) The Department of Higher Education; or

23                   (B) A scholarship or grant awarded by an approved  
24 institution of higher education in this state funded, in whole or in part, by  
25 state funds, including without limitation:

26                   (i) Scholarships awarded on the basis of entrance  
27 exam scores or high school academic achievement;

28                   (ii) Tuition waivers based on age, military service,  
29 occupation, or other factors;

30                   (iii) Performance scholarships for band, musical  
31 performing groups, arts, theater, forensics, and similar activities that are  
32 not awarded on the basis of entrance exam scores or high school academic  
33 achievement; and

34                   (iv) Any other publicly funded program under which  
35 students are not charged or are reimbursed by the approved institution of  
36 higher education for tuition, fees, books, or other costs of attendance.

6-82-1802. Establishment – Eligibility.

(a) There is established the Arkansas Future Grant Program within the Department of Higher Education.

(b) A student is eligible for an Arkansas Future Grant if the student is an Arkansas resident who:

(1) Meets one (1) of the following requirements:

(A) Has either:

(i) Graduated from an Arkansas:

(a) Public high school;

(b) Private high school; or

(c) Home school under § 6-15-501 et seq.; or

(ii) Received a high school equivalency diploma approved by the Department of Career Education; or

(B) Verifies that he or she has resided in Arkansas for the three (3) years immediately preceding application for the grant and has either:

(i) Graduated from an out-of-state:

(a) Public high school;

(b) Private high school; or

(c) Home school recognized by another state;

or

(ii) Received a high school equivalency diploma approved by another state;

(2) Is enrolled part-time or full-time at an approved institution of higher education in a program of study that leads to an associate degree or a certification in a:

(A) Science, technology, engineering, or mathematics field, including computer science; or

(B) Regional high-demand field; and

(3) Has completed and submitted to the United States Department of Education a Free Application for Federal Student Aid or a subsequent application required by the United States Department of Education for federal financial aid.

(c) A student may continue to be eligible until the student has:

(1) Received the grant for five (5) academic semesters;

1           (2) Obtained an associate degree;

2           (3) Failed to maintain satisfactory academic progress, as  
3 determined by the approved institution of higher education in which the  
4 student is enrolled; or

5           (4) Failed to complete the mentoring or community service  
6 requirements under § 6-82-1804.

7

8           6-82-1803. Arkansas Future Grant.

9           (a)(1) An Arkansas Future Grant shall be in an amount equal to the  
10 tuition, fees, and other charges incurred by a student who meets the  
11 requirements under § 6-82-1802 to attend an approved institution of higher  
12 education less the amount the student receives in:

13                   (A) State-supported student financial assistance;

14                   (B) Federal student financial assistance; and

15                   (C) Private scholarships.

16           (2) If the approved institution of higher education in which the  
17 student is enrolled is a four-year institution of higher education, the total  
18 amount of tuition, fees, and other charges under subdivision (a)(1) of this  
19 section shall be calculated as the average cost of tuition, fees, and other  
20 charges at approved institutions of higher education that are two-year  
21 institutions of higher education.

22           (b) The Department of Higher Education shall disburse the grant  
23 directly to the approved institution of higher education.

24           (c) The department shall award grants under this subchapter in the  
25 order in which the department receives applications from eligible students.

26

27           6-82-1804. Recipients.

28           (a) A student who receives an Arkansas Future Grant shall enter into a  
29 written agreement with the Department of Higher Education to:

30                   (1)(A) Receive monthly mentoring from a mentor from an  
31 organization determined by the Department of Higher Education.

32                   (B) A mentor under subdivision (a)(1)(A) of this section  
33 shall:

34                           (i) Receive annual mentoring training:

35                                   (a) Developed by the Department of Higher  
36 Education; and

1 (b) Provided by a local volunteer group  
2 approved by the Department of Higher Education; and

3 (ii) Certify to the Department of Higher Education  
4 that at least one (1) time each calendar month the mentor has provided  
5 mentoring services by telephone, email, or in person to each student he or  
6 she is mentoring;

7 (2)(A) Complete at least fifteen (15) hours of community service  
8 each semester the student receives a grant.

9 (B)(i) A student may select a community service project  
10 that meets requirements developed by the Department of Higher Education.

11 (ii) An approved institution of higher education may  
12 provide community services opportunities designed to benefit the approved  
13 institution of higher education community or the broader local community.

14 (C) A student shall certify his or her community service  
15 to the approved institution of higher education by the last regular day of  
16 the semester the student received the grant; and

17 (3)(A) Reside in this state for three consecutive (3) years and  
18 be employed beginning within six (6) months after receiving an associate  
19 degree or a certification.

20 (B) The Department of Higher Education may defer the  
21 requirement under subdivision (a)(3)(A) of this section if:

22 (i) The Department of Higher Education, in  
23 consultation with the Department of Workforce Services, determines that there  
24 was no employment position available that would reasonably enable the student  
25 to meet this requirement; or

26 (ii) Special circumstances as determined by the  
27 Department of Higher Education exist.

28 (C) After the period of deferral, the student shall begin  
29 or resume working in this state or become subject to repayment under  
30 subsection (b) of this section.

31 (b) The written agreement under subsection (a) of this section shall  
32 provide that the grant converts into a loan and the student shall repay the  
33 grant amount:

34 (1) On a pro rata basis at an interest rate and on a schedule as  
35 determined by the Department of Higher Education for each year the student  
36 does not reside in this state for three (3) consecutive years and become

1 employed beginning within six (6) months after receiving an associate degree  
2 or a certification; or

3 (2) In its entirety at an interest rate and on a schedule as  
4 determined by the Department of Higher Education if the recipient does not  
5 comply with the written agreement under subsection (a) of this section.  
6

7 6-82-1805. Rules.

8 The Department of Higher Education shall promulgate rules to implement  
9 this subchapter.  
10

11 SECTION 2. Arkansas Code §§ 6-82-1601 – 6-82-1610 are repealed.

12 ~~Subchapter 16 — Arkansas Workforce Improvement Grant Program~~  
13

14 ~~6-82-1601. Legislative findings and intent — Purpose of subchapter.~~

15 ~~(a)(1) The General Assembly, giving due consideration to the~~  
16 ~~historical and continuing interest of the people of Arkansas in encouraging~~  
17 ~~able and deserving students to realize their aspirations for postsecondary~~  
18 ~~education, finds and declares that postsecondary education for residents of~~  
19 ~~this state who desire an education and are properly qualified therefor is~~  
20 ~~important to the welfare and security of this state and nation and~~  
21 ~~consequently is an important public service.~~

22 ~~(2) The General Assembly finds and declares that the state can~~  
23 ~~achieve its full economic and social potential only if every individual has~~  
24 ~~the opportunity to contribute to the full extent of his or her capabilities~~  
25 ~~and only when financial barriers to his or her economic, social, and~~  
26 ~~educational goals are removed.~~

27 ~~(b)(1) The General Assembly recognizes the importance that Arkansans~~  
28 ~~of all ages continue to pursue educational opportunities.~~

29 ~~(2) Arkansans who desire to pursue educational enrichment and to~~  
30 ~~improve present skills but who may be unable to attend postsecondary~~  
31 ~~educational institutions in the traditional manner are commended for their~~  
32 ~~initiative and persistence.~~

33 ~~(c) It is the intent of this legislation to provide financial support~~  
34 ~~to adult students who are unlikely to receive meaningful financial aid from~~  
35 ~~traditional state or federal financial aid programs and to enhance the~~  
36 ~~education of the current work force in Arkansas.~~



1  
2 ~~6-82-1602. Definitions.~~

3 ~~As used in this subchapter, unless the context otherwise requires:~~

4 ~~(1) "Approved institution" means a public-supported or private,~~  
5 ~~non profit postsecondary institution with its primary headquarters located in~~  
6 ~~Arkansas that is eligible to receive Title IV federal student aid funds or~~  
7 ~~any nursing school with its primary headquarters located in Arkansas that is~~  
8 ~~eligible to participate in Title IV federal student aid programs;~~

9 ~~(2) "Arkansas Workforce Improvement Grant" means the amount of~~  
10 ~~money paid by the State of Arkansas to a qualified applicant under this~~  
11 ~~subchapter;~~

12 ~~(3) "Credit certificate" means certificate programs that are~~  
13 ~~taken for credit;~~

14 ~~(4) "Department" means the Department of Higher Education;~~

15 ~~(5) "Eligible student" means any student who meets the criteria~~  
16 ~~set out in this subchapter and who is eligible by rules and regulations~~  
17 ~~authorized by this subchapter and promulgated by the Arkansas Higher~~  
18 ~~Education Coordinating Board;~~

19 ~~(6)(A) "Financial need" means the difference between the~~  
20 ~~student's financial resources available as determined by the department and~~  
21 ~~the student's total educational expenses, including tuition, mandatory fees,~~  
22 ~~and board and room while attending an approved private or public institution~~  
23 ~~of postsecondary education.~~

24 ~~(B) In determining need, the department shall employ a~~  
25 ~~formula of or a formula similar to a nationally recognized comprehensive~~  
26 ~~mechanism for determining need;~~

27 ~~(7) "Full-time student" means an individual resident of Arkansas~~  
28 ~~as defined by the department who:~~

29 ~~(A) Is a student at an approved private or public~~  
30 ~~institution in a course of study leading to an associate's or bachelor's~~  
31 ~~degree or completion of an occupational training program; and~~

32 ~~(B) Is enrolled in at least twelve (12) semester hours or~~  
33 ~~some other reasonable academic equivalent as defined by the department;~~

34 ~~(8) "Program" means the Arkansas Workforce Improvement Grant~~  
35 ~~Program;~~

36 ~~(9) "Qualified student" means a student who meets eligibility~~

~~criteria and financial need as determined by the department and who has demonstrated that an Arkansas Workforce Improvement Grant is warranted; and~~

~~(10) "Tuition" means charges levied for attendance at an approved institution, including mandatory fees.~~

~~6-82-1603. Program established.~~

~~There is established the Arkansas Workforce Improvement Grant Program to provide grants to residents of the State of Arkansas who:~~

~~(1) Are admitted to and in attendance as students at approved private or public institutions of postsecondary education in this state; and~~

~~(2) Establish academic ability and financial need as provided in this subchapter.~~

~~6-82-1604. Administration — Authority of Department of Higher Education.~~

~~The Department of Higher Education shall administer the Arkansas Workforce Improvement Grant Program provided for in this subchapter and in so doing shall have the following authority and responsibility with respect to the program:~~

~~(1) To consider all applications for an Arkansas Workforce Improvement Grant;~~

~~(2) To prepare application forms and other forms as it shall deem necessary to properly administer and carry out the purposes of this subchapter and to furnish the forms to persons desiring to make application for a grant;~~

~~(3)(A) To determine the necessary procedures for the awarding of grants should the number of eligible applicants exceed funds available, giving priority to those students who exhibit financial need and who meet academic eligibility requirements.~~

~~(B) To identify those students who exhibit financial need, the department shall utilize the family contribution method or another acceptable approved methodology;~~

~~(4) To determine a termination date for the acceptance of applications;~~

~~(5) To require applicants to file such additional information with the department as it may deem necessary and appropriate to carry out the~~

~~purposes of this subchapter and to prevent fraud or misrepresentation or misleading representation by applicants;~~

~~(6) To disburse grants to qualified students;~~

~~(7) To adopt rules and regulations as the department deems necessary or appropriate to carry out the purposes of this subchapter;~~

~~(8) To cooperate with and receive the cooperation of the approved private and public institutions of postsecondary education in the state and their governing bodies in the administration of the program;~~

~~(9) To establish and consult as necessary an advisory committee representing the private and public sectors of postsecondary education in determining guidelines and regulations for administration of the program, including, but not limited to, rules determining academic ability, financial need, and residency;~~

~~(10) To employ or engage such professional, administrative, clerical, and other employees as may be necessary to assist the department in the performance of its duties and responsibilities;~~

~~(11) To provide fair and equitable treatment to all approved institutions and students; and~~

~~(12) To approve a scholarship hold for a student for a period of twenty-four (24) months or less for the following reasons without limitation:~~

~~(A) A medical condition of the student or of a member of the student's immediate family that, on the basis of a physician's good faith judgment, necessitates that the student or the student's immediate family member be hospitalized or receive outpatient or home-based medical care or recuperate until released by the attending physician;~~

~~(B) A personal or family emergency that requires the student to:~~

~~(i) Attend the funeral of an immediate family member; or~~

~~(ii) Visit a relative of the student if the relative has a medical condition in which death is possible or imminent;~~

~~(C) Military service under § 6-61-112; or~~

~~(D)(i) A commitment of twelve (12) to twenty-four (24) months for service in a national or international humanitarian project sponsored by a nonprofit corporation organized with a charitable or educational purpose.~~

~~(ii) The student's commitment shall be expressed in a written agreement with the nonprofit organization, including the terms of completion for the student's service on the related project.~~

~~(iii) The department shall release a scholarship held if the department determines that the student did not complete the commitment under the written agreement.~~

~~6-82-1605. Eligibility.~~

~~A qualified student shall be eligible for an initial or renewed state Arkansas Workforce Improvement Grant only if the student:~~

~~(1) Is a citizen of the United States or a permanent resident alien;~~

~~(2) Is a resident of the State of Arkansas as determined by the Department of Higher Education for at least six (6) months immediately preceding the date on which the student applies;~~

~~(3) Is accepted for admission at an approved institution of postsecondary education of his or her choice to pursue a baccalaureate degree, an associate degree, or a credit certificate;~~

~~(4) Is enrolled in no fewer than three (3) credit hours or the equivalent as of the eleventh day of class at an approved institution that the department has determined to be eligible to participate in the Arkansas Workforce Improvement Grant Program;~~

~~(5)(A) As an initial first-year student, meets satisfactory academic progress standards required to receive other financial aid at the institution to be attended as determined by the rules and regulations of the department.~~

~~(B) After the initial first year, the student meets satisfactory academic progress standards of the institution attended;~~

~~(6) Has not earned a baccalaureate degree;~~

~~(7) Does not owe a refund on a Pell Grant, Federal Supplemental Educational Opportunity Grant, or State Student Incentive Grant award or is not in default on a National Defense/Direct Student Loan, Federal Perkins Loan, Stafford Loan, a supplemental educational loan, Parent Loan for Undergraduate Students, Income Contingent Loan, William D. Ford Federal Direct Loan, or a consolidated loan under the Federal Direct Student Loan Program;~~

1           ~~(8) Has not borrowed, as determined by the institution to be~~  
2     ~~attended, in excess of the annual loan limits under the Federal Family~~  
3     ~~Education Loan Program, William D. Ford Federal Direct Loan Program, Income~~  
4     ~~Contingent Loan Demonstration Program, Stafford Loan Program, Parent Loan for~~  
5     ~~Undergraduate Students Program, or a supplemental educational loan in the~~  
6     ~~same academic year for which the student has applied for assistance under the~~  
7     ~~Arkansas Workforce Improvement Grant Program and has not borrowed in excess~~  
8     ~~of the aggregate maximum loan limits under the Arkansas Workforce Improvement~~  
9     ~~Grant Program;~~

10           ~~(9) Is twenty-four (24) years of age or older on or before the~~  
11     ~~first day of the semester or summer sessions in which the grant has been~~  
12     ~~awarded; and~~

13           ~~(10) Either:~~

14                 ~~(A)(i) Graduated from high school or passed a high school~~  
15     ~~equivalency test; and~~

16                 ~~(ii) Meets the ability to benefit criteria as~~  
17     ~~defined by federal regulations in existence on January 1, 2003; or~~

18                 ~~(B) Enrolls in a combined general education development~~  
19     ~~program and postsecondary credential program.~~

20  
21           ~~6-82-1606. Qualified student entitled to grant.~~

22           ~~A qualified student who is enrolled or has been accepted for enrollment~~  
23     ~~at an approved private or public institution and who meets other eligibility~~  
24     ~~criteria shall be entitled to a Workforce Improvement Grant based on academic~~  
25     ~~ability and financial need as determined by the Department of Higher~~  
26     ~~Education.~~

27  
28           ~~6-82-1607. Duties of applicant for grant.~~

29           ~~In accordance with the provisions of this subchapter and the rules and~~  
30     ~~regulations of the Department of Higher Education adopted pursuant to this~~  
31     ~~subchapter, each applicant shall:~~

32                 ~~(1) Complete and file with the department either directly or~~  
33     ~~through a service recognized by the department the appropriate application~~  
34     ~~for an Arkansas Workforce Improvement Grant and other information and data as~~  
35     ~~may be requested by the department for its use and consideration in~~  
36     ~~determining the eligibility of the applicant; and~~

1           ~~(2) Promptly furnish to the department information regarding any~~  
2 ~~other financial aid received, any change in the financial status of the~~  
3 ~~applicant, and any other information that might have a direct bearing on the~~  
4 ~~eligibility of the applicant for assistance under this subchapter.~~

5  
6           ~~6-82-1608. Amounts of grants.~~

7           ~~(a) Each person awarded an Arkansas Workforce Improvement Grant shall~~  
8 ~~receive the grant for one (1) academic year or its equivalent for part-time~~  
9 ~~students as defined by the Department of Higher Education.~~

10          ~~(b) The grant may be renewable for up to three (3) academic years or~~  
11 ~~the equivalent for part-time students if the person applies and meets~~  
12 ~~continuing eligibility criteria established by the department.~~

13          ~~(c)(1) The amount of the annual grant for full-time students shall not~~  
14 ~~exceed the lesser of two thousand dollars (\$2,000) per academic year or the~~  
15 ~~cost of tuition at the institution.~~

16          ~~(2) The amount of the annual grant for part-time students shall~~  
17 ~~be prorated on the basis of the number of credit hours enrolled each term not~~  
18 ~~to exceed the lesser of two thousand dollars (\$2,000) or the cost of tuition~~  
19 ~~at the institution per academic year.~~

20          ~~(3) The maximum total grant shall be eight thousand dollars~~  
21 ~~(\$8,000).~~

22          ~~(4) The amount of any award under subdivisions (c)(1) or (2) of~~  
23 ~~this section shall be reduced by the amount of any Pell Grant received by the~~  
24 ~~student for the academic year.~~

25          ~~(d) The enrollment hours shall be determined on the eleventh class day~~  
26 ~~or the official department counting day.~~

27          ~~(e) The department may promulgate rules and regulations to allow~~  
28 ~~institutions to make emergency grants to students under the Arkansas~~  
29 ~~Workforce Improvement Grant Program.~~

30  
31          ~~6-82-1609. Award made to student.~~

32          ~~The Arkansas Workforce Improvement Grant is to be awarded directly to~~  
33 ~~the student by an eligible postsecondary institution in the name of the~~  
34 ~~student and in a manner to be determined by the Department of Higher~~  
35 ~~Education.~~

36

~~6-82-1610. Withdrawal and refunds.~~

~~If a recipient of a Workforce Improvement Grant at any time withdraws from an approved private or public institution so that under the rules and regulations of that institution he or she is entitled to a refund of any tuition, fees, or other charges, the institution shall pay the refund to which the student may be entitled to the Department of Higher Education to the extent of any amount the department has paid to the student for that academic year.~~

SECTION 3. Arkansas Code §§ 6-82-1612 - 6-82-1614 are repealed.

~~6-82-1612. Arkansas Workforce Improvement Grant Advisory Committee.~~

~~(a) There is created the Arkansas Workforce Improvement Grant Advisory Committee.~~

~~(b) The committee shall consist of eight (8) members to be appointed by the Director of the Department of Higher Education as follows:~~

~~(1) Three (3) members who are representative of public or private two-year educational institutions;~~

~~(2) Three (3) members who are representative of public or private four-year educational institutions;~~

~~(3) The Executive Director of the Arkansas Association of Two-Year Colleges or his or her designee; and~~

~~(4) The President of the Arkansas Association of Student Financial Aid Administrators.~~

~~(c)(1) The committee members shall initially be appointed for staggered terms so that the terms of one (1) member from a two-year institution and one (1) member of a four year institution expire each year for a period of three (3) years.~~

~~(2) Thereafter, each member shall be appointed to serve a term of three (3) years.~~

~~(d) Vacancies on the committee shall be filled by appointment of the director to serve out the remainder of the term of the vacated position.~~

~~(e) A member of the committee shall not be entitled to compensation for his or her services and shall not receive expense reimbursement except from the institution employing the member.~~

~~(f) The Department of Higher Education shall provide necessary staff to assist the committee with the range and diversity of its charge.~~

1       ~~(g)(1) The committee shall hold its first meeting within thirty (30)~~  
2 ~~days after its appointment to organize as necessary to carry out its purposes~~  
3 ~~as prescribed by this subchapter.~~

4       ~~(2) The director shall designate a person on the committee to~~  
5 ~~call and preside at the first meeting.~~

6       ~~(h) Four (4) of the members of the committee shall constitute a quorum~~  
7 ~~for the transaction of business.~~

8       ~~(i) The committee shall select by majority vote one (i) of its members~~  
9 ~~to serve as chair and one (1) to serve as vice chair.~~

10       ~~(j)(1) The committee shall meet as necessary to carry out the duties~~  
11 ~~of the committee.~~

12       ~~(2) Meetings may be called by the chair or as provided by the~~  
13 ~~rules of the committee.~~

14       ~~(k) The committee shall provide advice to the department concerning~~  
15 ~~the development of rules and regulations for the operation and administration~~  
16 ~~of the Arkansas Workforce Improvement Grant Program.~~

17  
18       ~~6-82-1613. Rules and regulations.~~

19       ~~(a)(1) The Department of Higher Education shall promulgate rules and~~  
20 ~~regulations for the administration of the Arkansas Workforce Improvement~~  
21 ~~Grant Program by the institutions of higher education consistent with the~~  
22 ~~purposes and requirements of this subchapter.~~

23       ~~(2) The rules and regulations shall be reviewed by the Arkansas~~  
24 ~~Workforce Improvement Grant Advisory Committee and approved by the Arkansas~~  
25 ~~Higher Education Coordinating Board.~~

26       ~~(b) The rules and regulations shall include:~~

27           ~~(1) Student eligibility criteria based on the provisions of this~~  
28 ~~subchapter;~~

29           ~~(2) The method for selecting grant recipients;~~

30           ~~(3) Rules for determining continuing eligibility;~~

31           ~~(4) Procedures for making payment to recipients;~~

32           ~~(5) Satisfactory academic standards; and~~

33           ~~(6) Other administrative procedures that may be necessary for~~  
34 ~~the implementation and operation of the program.~~

35       ~~(c) The department shall file a report no later than December 1 of~~  
36 ~~each year with the Legislative Council stating the total annual number of~~



1 ~~recipients in the program and the total annual amount of grants awarded.~~

2

3 ~~6-82-1614. Funding.~~

4 ~~(a) A Workforce Improvement Grant shall be awarded contingent on the~~  
5 ~~appropriation and availability of funds for the Arkansas Workforce~~  
6 ~~Improvement Grant Program.~~

7 ~~(b)(1) The total funds available for the program shall be divided~~  
8 ~~among all approved institutions.~~

9 ~~(2) The funds shall be divided pro rata based on each approved~~  
10 ~~institution's percentage of enrollment of undergraduate students over twenty-~~  
11 ~~five (25) years of age earning credit for the previous academic year.~~

12 ~~(3) Each institution shall be responsible for administering the~~  
13 ~~program in accordance with rules and regulations as approved by the Arkansas~~  
14 ~~Higher Education Coordinating Board.~~

15

16 SECTION 4. Arkansas Code Title 6, Chapter 82, Subchapter 17, is  
17 repealed.

18 ~~Subchapter 17—Higher Education Opportunities Grant Program~~

19

20 ~~6-82-1701. Legislative intent.~~

21 ~~(a) The General Assembly finds that tuition assistance to low-income~~  
22 ~~students is a key contributor to college and workforce success.~~

23 ~~(b) Tuition assistance will significantly enhance the ability of low-~~  
24 ~~income students to obtain college degrees and be productive citizens of~~  
25 ~~Arkansas and correspondingly benefit the State of Arkansas as a whole.~~

26

27 ~~6-82-1702. Definitions.~~

28 ~~As used in this subchapter:~~

29 ~~(1)(A) "Approved institution" means a public or private~~  
30 ~~institution of higher education located in Arkansas that:~~

31 ~~(i) Is accredited by the Higher Learning Commission~~  
32 ~~of the North Central Association of Colleges and Schools; or~~

33 ~~(ii) Certifies to the Department of Higher Education~~  
34 ~~that its students are accepted for transfer at institutions accredited by an~~  
35 ~~accrediting agency recognized by the federal Department of Education.~~

36 ~~(B) "Approved institution" does not include an institution~~

1 ~~of higher education that discriminates against applicants, students, or~~  
2 ~~employees on the basis of race, color, religion, sex, age, handicap, or~~  
3 ~~national origin consistent with the provisions of applicable state and~~  
4 ~~federal law;~~

5 ~~(2) "Eligible student" means a student who meets the criteria~~  
6 ~~set out by this subchapter and is deemed to be eligible by rules authorized~~  
7 ~~by this subchapter and promulgated by the Department of Higher Education;~~

8 ~~(3) "Financial need" means the family income of program~~  
9 ~~applicants as determined by the Department of Higher Education through~~  
10 ~~evaluation of program applications and supporting documentation;~~

11 ~~(4) "Full-time undergraduate student" means a resident of~~  
12 ~~Arkansas who attends an approved institution of higher education and is~~  
13 ~~enrolled in at least twelve (12) credit hours or the equivalent the first~~  
14 ~~semester and fifteen (15) credit hours or the equivalent thereafter, as~~  
15 ~~defined by rule of the Department of Higher Education, in a program of study~~  
16 ~~that leads to or is creditable toward an associate degree or a baccalaureate~~  
17 ~~degree;~~

18 ~~(5) "High school graduate equivalent" means a student who passes~~  
19 ~~a high school equivalency test in Arkansas;~~

20 ~~(6) "Part-time undergraduate student" means a resident of~~  
21 ~~Arkansas who attends an approved institution of higher education and is~~  
22 ~~enrolled in at least six (6) credit hours per semester or the equivalent but~~  
23 ~~no more than twelve (12) credit hours or the equivalent the first semester~~  
24 ~~and fifteen (15) credit hours or the equivalent thereafter, as defined by~~  
25 ~~rule of the Department of Higher Education, in a program of study that leads~~  
26 ~~to or is creditable towards an associate degree or a baccalaureate degree;~~  
27 ~~and~~

28 ~~(7) "Qualified certificate program" means a program that is:~~

29 ~~(A) Offered by an approved institution of higher~~  
30 ~~education;~~

31 ~~(B) Shorter in duration than an associate degree for which~~  
32 ~~credit hours are awarded that are creditable towards an associate degree; and~~

33 ~~(C) Recognized by the United States Department of~~  
34 ~~Education for financial aid purposes.~~

35  
36 ~~6-82-1703. Establishment.~~

1       ~~The Higher Education Opportunities Grant Program is established to~~  
2       ~~increase the opportunities of low-income students to pursue higher education~~  
3       ~~opportunities.~~

4  
5       ~~6-82-1704. Eligibility.~~

6       ~~(a) Eligibility for the Higher Education Opportunities Grant Program~~  
7       ~~shall be based on criteria established by rule of the Department of Higher~~  
8       ~~Education.~~

9       ~~(b) The criteria established by the department shall include the~~  
10       ~~following:~~

11               ~~(1) An applicant shall be a citizen of the United States or a~~  
12               ~~permanent resident alien;~~

13               ~~(2) An applicant shall be a bona fide resident of the state as~~  
14               ~~defined by the department for a minimum of twelve (12) months immediately~~  
15               ~~before the date on which the student applies;~~

16               ~~(3) An applicant shall be accepted for admission in a qualified~~  
17               ~~certificate program, associate degree program, or a baccalaureate program at~~  
18               ~~an approved institution of higher education as a full-time or part-time~~  
19               ~~student, as defined by the department;~~

20               ~~(4) An applicant shall certify that he or she is drug-free and~~  
21               ~~shall pledge in writing on the application form to refrain from the use or~~  
22               ~~abuse of illegal substances; and~~

23               ~~(5)(A) An applicant shall demonstrate financial need as~~  
24               ~~determined by the department.~~

25               ~~(B) In determining financial need, the following criteria~~  
26               ~~shall be used:~~

27                       ~~(i) An applicant whose number in the household, as~~  
28                       ~~reported on the Free Application for Federal Student Aid, is "one (1)" shall~~  
29                       ~~have an average family adjusted gross income not exceeding twenty-five~~  
30                       ~~thousand dollars (\$25,000) per year at the time of application to the~~  
31                       ~~program;~~

32                       ~~(ii) An applicant whose number in the household, as~~  
33                       ~~reported on the Free Application for Federal Student Aid, includes more than~~  
34                       ~~one (1) shall add an additional five thousand dollars (\$5,000) per additional~~  
35                       ~~number in the household up to ten (10) additional household members, as~~  
36                       ~~reported on the Free Application for Federal Student Aid to the base income~~

1 ~~of twenty-five thousand dollars (\$25,000); and~~

2 ~~(iii) The department shall have the authority to~~  
3 ~~adjust these financial need family income requirements on an annual basis,~~  
4 ~~using the federal Consumer Price Index to make any necessary changes. Other~~  
5 ~~financial need criteria necessary for the selection of recipients, including~~  
6 ~~those defined as emancipated or independent by federal student aid~~  
7 ~~regulations, shall be established through rules issued by the department.~~

8  
9 ~~6-82-1705. Recipients.~~

10 ~~(a) Students who receive grants under this subchapter shall be known~~  
11 ~~as Higher Education Opportunities Grant recipients.~~

12 ~~(b) An eligible recipient shall receive a grant for one (1) academic~~  
13 ~~year, renewable for up to a total cumulative award amount of four thousand~~  
14 ~~dollars (\$4,000) if the recipient meets continuing eligibility criteria~~  
15 ~~established by rule of the Department of Higher Education.~~

16 ~~(c) The amount of the annual grant awarded to each recipient shall be~~  
17 ~~one thousand dollars (\$1,000) for full-time students and five hundred dollars~~  
18 ~~(\$500) for part-time students.~~

19 ~~(d) No student's total financial aid package, including multiple~~  
20 ~~scholarships, shall exceed the recognized cost of attendance at an~~  
21 ~~institution of higher education.~~

22 ~~(e) Awards shall be applied only to a fall semester and a spring~~  
23 ~~semester.~~

24  
25 ~~6-82-1706. Rules.~~

26 ~~(a) The Department of Higher Education shall promulgate rules for the~~  
27 ~~administration of the Higher Education Opportunities Grant Program consistent~~  
28 ~~with the purposes and requirements of this subchapter.~~

29 ~~(b) The rules shall include:~~

30 ~~(1) Student eligibility criteria incorporating the requirements~~  
31 ~~of this subchapter;~~

32 ~~(2) A method for selecting grant recipients;~~

33 ~~(3) A method for determining continuing eligibility;~~

34 ~~(4) Procedures for making payment to recipients; and~~

35 ~~(5) Other administrative procedures necessary for the~~  
36 ~~implementation and operation of the program.~~

~~6-82-1707. Administrative costs.~~

~~The Department of Higher Education is authorized to expend each year up to two percent (2%) of the amount appropriated for the Higher Education Opportunities Grant Program for data processing and other administrative costs of the program.~~

~~6-82-1708. Informational materials.~~

~~The Department of Education and the Department of Higher Education shall develop appropriate informational materials on the Higher Education Opportunities Grant Program for distribution to all Arkansas students in grades seven through twelve (7-12) each year as part of the packet of materials on precollegiate preparation distributed by the Department of Education.~~

~~6-82-1709. Program evaluation.~~

~~The Director of the Department of Higher Education may review and evaluate the operation of the Higher Education Opportunities Grant Program with regard to eligibility criteria and size of the grant award to ensure that the program's operation meets the intent of this legislation.~~

~~6-82-1710. Scholarship hold.~~

~~The Department of Higher Education may approve a scholarship hold for a student for a period of twenty four (24) months or less for the following reasons without limitation:~~

~~(1) A medical condition of the student or of a member of the student's immediate family that, on the basis of a physician's good-faith judgment, necessitates that the student or the student's immediate family member be hospitalized or receive outpatient or home-based medical care or recuperate until released by the attending physician;~~

~~(2) A personal or family emergency that requires the student to:~~

~~(A) Attend the funeral of an immediate family member; or~~

~~(B) Visit a relative of the student if the relative has a medical condition in which death is possible or imminent;~~

~~(3) Military service under § 6-61-112; or~~

~~(4)(A) A commitment of twelve (12) to twenty four (24) months~~

~~for service in a national or international humanitarian project sponsored by a nonprofit corporation organized with a charitable or educational purpose.~~

~~(B) The student's commitment shall be expressed in a written agreement with the nonprofit organization, including the terms of completion for the student's service on the related project.~~

~~(C) The department shall release a scholarship hold if the department determines that the student did not complete the commitment under the written agreement.~~

SECTION 5. DO NOT CODIFY. An eligible student who is a Higher Education Opportunities Grant recipient as of the effective day of this act shall continue to receive the grant under § 6-82-1701 et seq., as it existed on January 1, 2017.

SECTION 6. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that the State of Arkansas is in need of a more educated and skilled workforce; that the Arkansas Future Grant Program created by this act will enable more Arkansas residents to obtain the necessary skills and training to drive this state's economy forward; and that this act is immediately necessary to ensure that the Arkansas Future Grant Program is in place for the 2017-2018 academic year. Therefore, an emergency is declared to exist, and this act being immediately necessary for the preservation of the public peace, health, and safety shall become effective on:

(1) The date of its approval by the Governor;

(2) If the bill is neither approved nor vetoed by the Governor, the expiration of the period of time during which the Governor may veto the bill; or

(3) If the bill is vetoed by the Governor and the veto is overridden, the date the last house overrides the veto.

*/s/Della Rosa*

**APPROVED: 03/02/2017**

# ~~ARKANSAS WORKFORCE IMPROVEMENT GRANT PROGRAM~~

## ~~RULES AND REGULATIONS~~

BUREAU OF  
LEGISLATIVE RESEARCH

### ~~RULE 1 - ORGANIZATION AND STRUCTURE~~

- ~~I. The Arkansas Department of Higher Education shall administer the Arkansas Workforce Improvement Grant 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 Department of Higher Education or his designee. The Arkansas Workforce Improvement Grant Advisory Council shall provide advice to the Department of Higher Education related to administration of the program.~~
- ~~II. Workforce Improvement Grant Council~~
  - ~~A. The Arkansas Workforce Improvement Grant Advisory Council shall consist of eight members appointed for staggered three-year terms by the Director of the Arkansas Department of Higher Education. The members shall be appointed in the following numbers: four-year public or private institutions (three representatives); two-year public or private institutions (three representatives); the Executive Director of the Arkansas Association of Two-Year Colleges; and the President of the Arkansas Association of Student Financial Aid Administrators, who will serve a one-year term. The committee members shall initially be appointed for staggered terms so that one member from a four-year institution and one member from a two-year institution shall be replaced each year.~~
  - ~~B. The Workforce Improvement Grant Advisory Council shall advise the Arkansas Department of Higher Education in the determination of guidelines and regulations for the administration of this program.~~
  - ~~C. The elected chairperson shall serve as presiding officer of the Workforce Improvement Grant Advisory Council. The Director of the Arkansas Department of Higher Education shall ensure that staff services for the Council are provided.~~
- ~~III. The final responsibility for setting selection criteria shall rest with the Director of the Arkansas Department of Higher Education or designees pursuant to the provisions of Act 1796 of 2003, Act 2129 of 2005 and~~

subsequent legislation.

- IV. ~~When functioning under the acts listed above, the Arkansas Department of Higher Education shall follow the provisions of the Administrative Procedures Act.~~

## **RULE 2 - GRANT ELIGIBILITY CRITERIA**

### **I. Eligibility Criteria**

~~To be eligible to receive the Arkansas Workforce Improvement Grant (WIG), a student must meet the following requirements:~~

- ~~A. The student must be a citizen of the United States or a permanent resident alien.~~
- ~~B. The student must be a bona fide resident of the State of Arkansas, as defined by the Arkansas Department of Higher Education, six months prior to the date on which the student applies.~~
- ~~C. The student must be enrolled in a minimum of three (3) credit hours or the equivalent, as of the eleventh day of class, at an approved institution which has been determined eligible to participate in the Workforce Improvement Grant Program.~~
- ~~D. The student must not have earned a first baccalaureate degree.~~
- ~~E. All students must meet the satisfactory academic progress standards required to receive other federal financial aid (i.e., Pell Grant, College Work Study, Stafford Loan, SEOG, etc.) at the institution to be attended.~~
- ~~F. The student must demonstrate financial need, as determined by the program rules and regulations, by completing the Free Application for Federal Student Aid (FAFSA).~~
- ~~G. The student must not owe a refund on a Pell Grant, SEOG, or SSIG award or be in default on a National Defense/Direct Student Loan, Perkins Loan, Stafford Student Loan, Supplemental Loan for Students, PLUS Loan, Income Contingent Loan, William D. Ford Federal Direct Loan, or Consolidated Loan programs. The student must not have borrowed, as determined by the institution to be attended, in excess of the annual loan limits under the Federal Family Education Loan Program, William D. Ford Federal Direct Loan Program, Income Contingent Loan, Stafford Student Loan,~~



~~PLUS Loan, or Supplemental Loan for Students in the same academic year for which the student has applied for assistance under the Workforce Improvement Grant Program, and must not have borrowed in excess of the aggregate maximum loan limits under the above loan programs.~~

- ~~H. — The person is twenty-four (24) years of age or older on or before the first day of the semester or summer session in which the Workforce Improvement Grant has been awarded and has been declared an independent student for federal financial aid purposes.~~
- ~~I. — The person is accepted for admission at an approved institution to pursue a baccalaureate degree, an associate degree, or a credit certificate.~~
- ~~J. — The person graduated from high school or passed the General Educational Development Test, or meets the ability to benefit criteria as defined by federal regulations in existence on January 1, 2003.~~

## **RULE 3 - APPLICATION PROCESS**

### ~~I. — Application~~

~~Application for the Arkansas Workforce Improvement Grant Program originates through the student's individual initiative. To apply for the Workforce Improvement Grant Program, the student must file the Free Application for Federal Student Aid (FAFSA). Eligible institutions may establish a deadline as needed to administer the program.~~

### ~~II. — Minimum Academic Standards~~

~~An initial first year student must meet the satisfactory academic progress standards required to receive other Federal financial aid (i.e., Pell Grant, College Work Study, SEOG, loans, etc.) at the institution to be attended. Continuing students must meet the satisfactory academic progress standards of the institution attended.~~

### ~~III. — Submission of Applications~~

~~All students who are classified as Arkansas residents and who plan to enroll in an approved institution may apply.~~

## **~~RULE 4 – AWARD PROCESS~~**

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- I. ~~Arkansas institutions of higher education will award the Arkansas Workforce Improvement Grant to eligible students based on the criteria below.~~
- A. ~~Awards will be made based on the information eligible applicants provide on the Free Application for Federal Student Aid (FAFSA). Awards will be made to eligible applicants who demonstrate the greatest unmet need (excluding student loans); total aid not to exceed the institution's cost of attendance, until funds have been exhausted. Eligible institutions may establish a deadline as needed to administer the program.~~
- B. ~~The maximum annual award is tuition and mandatory fees, up to \$2,000 per year. The amount of the Pell Grant award received by the recipient will be taken into account in the award amount. The award formula shall be:  $\text{WORKFORCE IMPROVEMENT GRANT Award} = (\text{Max. award amount} - \text{Pell Award})$ . The maximum amount of the annual grant for part-time students shall be pro-rated on the basis of the number of credit hours enrolled each term and shall never be more than the cost of tuition and fees. The total award amount to any one student shall never exceed \$8,000 and the student may not be awarded more than the full-time equivalent of four years.~~
- C. ~~The Workforce Improvement Grant must be reduced or eliminated to prevent an overaward in accordance with state and federal laws.~~
- D. ~~Eligible institutions will send a notice to each applicant who is awarded a Workforce Improvement Grant informing them of the award and the conditions of that award.~~

## **~~RULE 5 – GRANT PAYMENT POLICIES~~**

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- I. ~~Institutions will be notified by May 15 of their grant allocation for the following academic year.~~
- II. ~~Students who withdraw from school may owe a refund to the program. It is the institution's responsibility to collect the refund from the student. Institutions shall continue to award students until all funds are spent.~~
- III. ~~Workforce Improvement Grants are not automatically renewable.~~

~~Students must apply each year and awards will be made based on the amount of funds available and the need of the eligible applicants. The maximum award amount to any one student shall never exceed \$8,000.~~

- ~~IV. ADHE will send the required funds to each institution by electronic funds transfer or state warrant. Each institution will disburse these funds in accordance with its disbursement procedures.~~
- ~~V. Institutions shall not be allowed to use the Workforce Improvement Grant award to reduce any institutional financial aid funds awarded to eligible students.~~

## **RULE 6 - INSTITUTIONAL RESPONSIBILITIES**

### ~~I. Administrative Agreement~~

~~The chief executive officer of the eligible institution is responsible for appointing one representative from the financial aid office to act as administrator of the Workforce Improvement Grant Program and to receive all communications, forms, etc. This representative is responsible for verification, data and compliance with all program rules and regulations. The institution must comply with all rules and regulations in order to maintain continued eligibility status.~~

### ~~II. Disbursement Records~~

~~The institution shall maintain information on the student indicating the awarding and disbursement of these funds.~~

### ~~III. Institutional Verification~~

~~The institution shall provide certification of enrollment status and award amount, as of the completion of the eleventh day of classes, by means of an electronic verification roster. The roster will report each student awarded the grant, the amount of the award and the student's enrollment status. The specific format and required data elements will be determined by ADHE in conjunction with the institutions. The rosters shall be returned to the Arkansas Department of Higher Education by November 1 for the fall term and by April 1 for the spring term.~~

### ~~IV. Deadlines for Disbursement of Funds~~

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

### ~~V. Due Diligence~~

~~The institution will exercise due diligence in providing complete, accurate, and timely information as requested by the Arkansas Department of Higher Education on Workforce Improvement Grant recipients. In addition, the institution will exercise due diligence in complying with all the rules and regulations of the Workforce Improvement Grant Program.~~

~~The Arkansas Department of Higher Education will periodically review the institution records concerning the Workforce Improvement Grant program to exercise its due diligence requirements as the steward of state and federal funds.~~

## **RULE 7 – PROGRAM DEFINITIONS**

~~Unless defined below, all terms applicable to the Workforce Improvement Grant Program are as defined for federal student financial aid programs.~~

~~*Eligible Applicant* — An Arkansas resident over the age of 24 who filed the Free Application for Federal Student Aid (FAFSA) by the deadline established by the eligible institution of the current academic year, has unmet need, is enrolled in a minimum of three (3) semester credit hours at an eligible institution, and is declared an independent student for federal financial aid.~~

~~*ELIGIBLE INSTITUTION* — a public or private not for profit postsecondary institution with primary headquarters located in Arkansas and that is eligible to receive Title IV Federal student aid funds~~

~~OR~~

~~only under conditions set forth in A.C.A. 6-82-1007, a public or private nursing school located in Arkansas that is approved by the State Board of Nursing and which does not discriminate against employees on the basis of race, color, religion, sex, age, handicap or national origin, consistent with the provisions of applicable state and federal law.~~

~~*Mandatory Fees* — Those fees charged to all students and those fees associated with academic courses.~~

~~*Overaward* — A situation that exists when the student's total financial aid package exceeds the student's need.~~

*Unmet Need* ——— The Cost of Attendance as calculated using federal regulations and guidelines less the Expected Family Contribution as calculated using Federal Methodology less all other grants, scholarships and financial assistance (not including loans) awarded

