



Division of Higher Education

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Johnny Key
Secretary

Maria Markham, Ph.D.
Director

January 31, 2022

Ms. Gina Seaton
Bureau of Legislative Research
One Capitol Mall, Fifth Floor
Little Rock, AR 72201

**Re: Division of Higher Education Rules Governing the Arkansas
Concurrent Challenge Scholarship Program**

Dear Ms. Seaton:

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

On August 26, 2021, the Arkansas Higher Education Coordinating Board approved the release of these rules for public comment pending the approval of the Governor's Office. On November 8, 2021, the Governor's Office approved them for public comment release. On January 28, 2022, the Arkansas Higher Education Coordinating Board gave its final approval of the rules.

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

Respectfully submitted,

/s/ Whitney James
Staff Attorney
Arkansas Department of Education

FINANCIAL IMPACT STATEMENT

PLEASE ANSWER ALL QUESTIONS COMPLETELY

DEPARTMENT Arkansas Department of Education

DIVISION Division of Higher Education

PERSON COMPLETING THIS STATEMENT Whitney James

TELEPHONE NO. (501) 683-1876 **FAX NO.** _____ **EMAIL:** Whitney.James@ade.arkansas.gov

To comply with Ark. Code Ann. § 25-15-204(e), please complete the following Financial Impact Statement and file two (2) copies with the Questionnaire and proposed rules.

SHORT TITLE OF THIS RULE Rules Governing Arkansas Concurrent Challenge Scholarship Program

1. Does this proposed, amended, or repealed rule have a financial impact? Yes No

2. Is the rule based on the best reasonably obtainable scientific, technical, economic, or other evidence and information available concerning the need for, consequences of, and alternatives to the rule?
Yes No

3. In consideration of the alternatives to this rule, was this rule determined by the agency to be the least costly rule considered? Yes No

If an agency is proposing a more costly rule, please state the following:

a) How the additional benefits of the more costly rule justify its additional cost;

b) The reason for adoption of the more costly rule;

c) Whether the more costly rule is based on the interests of public health, safety, or welfare, and if so, please explain; and

d) Whether the reason is within the scope of the agency's statutory authority, and if so, please explain.

4. If the purpose of this rule is to implement a federal rule or regulation, please state the following:

a) What is the cost to implement the federal rule or regulation?

Current Fiscal Year

Next Fiscal Year

General Revenue _____
 Federal Funds _____
 Cash Funds _____
 Special Revenue _____
 Other (Identify) _____
 Total \$ 0.00

General Revenue _____
 Federal Funds _____
 Cash Funds _____
 Special Revenue _____
 Other (Identify) _____
 Total \$ 0.00

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

Current Fiscal Year

Next Fiscal Year

General Revenue \$ 0.00
 Federal Funds \$ 0.00
 Cash Funds \$ 0.00
 Special Revenue \$ 0.00
 Other (Identify) \$ 0.00
 Total \$ 0.00

General Revenue \$ 0.00
 Federal Funds \$ 0.00
 Cash Funds \$ 0.00
 Special Revenue \$ 0.00
 Other (Identify) \$ 0.00
 Total \$ 0.00

5. What is the total estimated cost by fiscal year to any private individual, entity and business subject to the proposed, amended, or repealed rule? Identify the entity(ies) subject to the proposed rule and explain how they are affected.

Current Fiscal Year

Next Fiscal Year

\$ N/A

\$ N/A

6. What is the total estimated cost by fiscal year to state, county, and municipal government to implement this rule? Is this the cost of the program or grant? Please explain how the government is affected.

Current Fiscal Year

Next Fiscal Year

\$ N/A

\$ N/A

7. With respect to the agency's answers to Questions #5 and #6 above, is there a new or increased cost or obligation of at least one hundred thousand dollars (\$100,000) per year to a private individual, private entity, private business, state government, county government, municipal government, or to two (2) or more of those entities combined?
Yes No

If YES, the agency is required by Ark. Code Ann. § 25-15-204(e)(4) to file written findings at the time of filing the financial impact statement. The written findings shall be filed simultaneously with the financial impact statement and shall include, without limitation, the following:

- (1) a statement of the rule's basis and purpose;
- (2) the problem the agency seeks to address with the proposed rule, including a statement of whether a rule is required by statute;
- (3) a description of the factual evidence that:
 - (a) justifies the agency's need for the proposed rule; and
 - (b) describes how the benefits of the rule meet the relevant statutory objectives and justify the rule's costs;
- (4) a list of less costly alternatives to the proposed rule and the reasons why the alternatives do not adequately address the problem to be solved by the proposed rule;
- (5) a list of alternatives to the proposed rule that were suggested as a result of public comment and the reasons why the alternatives do not adequately address the problem to be solved by the proposed rule;
- (6) a statement of whether existing rules have created or contributed to the problem the agency seeks to address with the proposed rule and, if existing rules have created or contributed to the problem, an explanation of why amendment or repeal of the rule creating or contributing to the problem is not a sufficient response; and
- (7) an agency plan for review of the rule no less than every ten (10) years to determine whether, based upon the evidence, there remains a need for the rule including, without limitation, whether:
 - (a) the rule is achieving the statutory objectives;
 - (b) the benefits of the rule continue to justify its costs; and
 - (c) the rule can be amended or repealed to reduce costs while continuing to achieve the statutory objectives.

SUMMARY OF AMENDMENTS

DIVISION OF HIGHER EDUCATION RULES GOVERNING THE ARKANSAS CONCURRENT CHALLENGE SCHOLARSHIP PROGRAM

Act 82 of 2021 made some minor changes to the continuing eligibility requirements of the Arkansas Concurrent Challenge Program. These changes include removing the language “letter grade of C or the equivalent” and replacing it with “grade point average of 2.5.” The rules were amended to maintain consistency with Act 82.

Paragraph 2 under the heading “Continuing Eligibility” was also amended to reflect that students with a minimum grade point average of 2.5 shall, rather than “may” as the previous version of the rules stated, retain eligibility. This is consistent with Ark. Code Ann. § 6-85-403.

The previous version of the rules referred to the “Department of Higher Education” rather than the “Division of Higher Education.” The rules have been amended to replace “Department of Higher Education” with “Division of Higher Education.”

~~Financial Aid~~

Arkansas Division of Higher Education
Rules Governing The Arkansas Concurrent Challenge
Scholarship Program

Policy Statement

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

Applicable Arkansas Code

Act 456 of 2019

Applicability

This rule is applicable to students who are eligible for a scholarship under the Arkansas Concurrent Challenge Scholarship Program.

Definitions

- 1) “Approved institution of higher education” an institution of higher education that:
 - a. Is approved by the Division of Higher Education to participate in the Arkansas Concurrent Challenge Scholarship Program;
 - b. Offers at least a fifty percent (50%) discount on the tuition and mandatory fees of an endorsed concurrent enrollment course or certificate program to a student who is enrolled in an endorsed concurrent enrollment course or certificate program, unless other opportunities are provided that lower the tuition and mandatory fees below fifty percent (50%); and
 - c. Is a:
 - i. State-supported two-year or four-year college or university; or
 - ii. Private, nonprofit two-year or four-year college or university that has its primary headquarters located in Arkansas and that is eligible to receive Title IV federal student aid funds
- 2) “Eligible course” means any endorsed concurrent enrollment course or certificate program.
- 3) “Certificate program” means a program that is offered or made available to a student by

an approved institution of higher education that leads to the obtainment of a certification or license. This definition does not include a program operated or sponsored by a third party.

- 4) "Endorsed concurrent enrollment course" means a college-level course offered by an approved institution of higher education in Arkansas that upon completion would qualify for academic credit in both the approved institution of higher education and a public high school that;
 - a. Is in one (1) of the four (4) core areas of math, English, science, and social studies;
 - b. Meets the requirements of § 6-16-1204(b); and
 - c. Is listed in the Arkansas Course Transfer System of the Division of Higher Education; This definition does not include programs operated or sponsored by a third party;
- 5) "Student" means a person who has junior or senior status and who is enrolled at a:
 - a. Public high school in Arkansas;
 - b. Private high school in Arkansas; or
 - c. Home school, as defined in § 6-15-501 et seq.;
- 6) "Student success plan" means a plan developed by school personnel in collaboration with parents and the student that is reviewed annually. The plan shall, at a minimum:
 - a. Guide the student along pathways to graduation;
 - b. Address accelerated learning opportunities;
 - c. Address academic deficits and interventions; and
 - d. Include college and career planning components;
- 7) "Third party" means a person or entity that does not receive disbursement directly from the Division for this program, including a subcontractor of the institution.

Eligibility

- 1) A student is eligible to receive an Arkansas Concurrent Challenge Scholarship for an academic semester or academic year during which the student is enrolled in an endorsed concurrent enrollment course or certificate program if the student:
 - a. Is an Arkansas resident or, if the student is less than twenty-one (21) years of age, either the student or one (1) parent of the student is an Arkansas resident; and
 - b. Provides proof that a completed student success plan has been submitted to the student's high school or home school.
- 2) The student success plan for a student who is enrolled in an endorsed concurrent enrollment course or certificate program shall:
 - a. Be prepared in consultation with school personnel, the student, and the student's parent or legal guardian or a college advisor.
 - b. Include an endorsed concurrent enrollment course or certificate program that is relevant to the student's success plan and include measures that ensure the successful completion of the endorsed concurrent enrollment course or certificate program in

- which the student is enrolled.
- c. A student whose enrollment in a vocational center is reimbursable under § 6-51-305 is not eligible for a scholarship under this program.
 - d. Students must meet all established requirements for endorsed concurrent enrollment courses set by the Division of Higher Education.

Continuing Eligibility

- 1) A student is eligible to continue to receive the Arkansas Concurrent Challenge Scholarship if the student successfully completes an endorsed concurrent credit course or certificate program course and receives a minimum letter grade of "C" or the equivalent grade point average of 2.5.
- 2) A student who fails to complete an endorsed concurrent credit course or certificate program course with a minimum letter grade of "C" or the equivalent grade point average of 2.5 may shall retain eligibility and enroll in only no more than one (1) endorsed concurrent credit course or certificate program course for the first semester ~~immediately~~ following the semester in which the student failed to successfully complete an endorsed concurrent credit course or certificate program course.
 - a. If a student fails to complete an endorsed concurrent credit course or certificate program course a second time, the student shall be ineligible to reapply or receive the scholarship again. This also applies to a student that drops out of an endorsed concurrent credit course or certificate program course before the end of the semester.

Amount of Awards

- 1) If funds are available, the Division of Higher Education shall award Arkansas Concurrent Challenge Scholarships to all students eligible for the scholarship for the fall and spring terms.
- 2) The maximum scholarship award a student may receive in an academic year shall be the lesser of:
 - a. Five hundred dollars (\$500)
 - i. Eligible students shall be awarded one-hundred and twenty-five dollars (\$125) for each eligible course the student is enrolled, up to two (2) eligible courses per semester; or
 - b. The actual tuition and mandatory fees cost to the student for up to two (2) eligible courses per semester.
- 3) A scholarship granted under this section may be awarded in addition to any funds received for the enrollment in an endorsed concurrent enrollment course under § 6-16-1204(e)(3).
- 4) Unless a student's high school or community-based program provides financial assistance for the cost of tuition and mandatory fees for an endorsed concurrent credit course or certificate program course, the remaining cost of tuition and mandatory fees for an endorsed concurrent enrollment course or certificate program is the responsibility of the

eligible student who is enrolled in the endorsed concurrent credit course or certificate program course.

- 5) The division shall distribute scholarships from the funds available in an equal amount to every approved institution of higher education that has enrolled a student eligible to receive this scholarship.

Institutional Responsibilities.

Approved institution of higher education responsibilities.

- 1) Administrative agreement.

The chief executive officer of the approved institution of higher education is responsible for appointing one (1) representative from the financial aid office to act as administrator of the Arkansas Concurrent Challenge Scholarship Program and to receive all communications, forms, etc. This representative is responsible for verification, data, and compliance with these rules. The approved institution of higher education shall comply with all rules order to maintain the status of an approved institution of higher education.

- 2) Disbursement records.

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

- 3) Verification.

The approved institution of higher education shall provide certification of 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 an approved institution of higher education of all students receiving the award for a given academic term. The certifying official is responsible for completing the verification rosters each semester.

- 4) Deadlines for disbursement of funds.

The deadline for disbursement of funds is no later than ten (10) days after receipt of funds. Any outstanding funds not disbursed by this date must be returned to the division. For those students whose applications are received by the division too late to allow disbursement by this ~~dates~~ date, disbursement will be made within ten (10) working days of receipt of the verification roster and electronic transfer of funds to the approved institution of higher education.

- 5) Due diligence.

The approved institution of higher education will exercise due diligence in providing

complete, accurate, and timely information as requested by the division on any scholarship recipient or former scholarship recipient. In addition, the approved institution of higher education will exercise due diligence in complying with these rules. The division may periodically review the approved institution of higher education's records concerning this scholarship program to ensure the ~~comply~~ **compliance** with due diligence requirements.

6) Course eligibility.

The approved institution of higher education is responsible for verifying that the endorsed concurrent credit courses and certificate program courses meet the requirements set in Arkansas Code § 6-16-1202 and policies of the division.

High School and Home School Responsibilities

- 1) The high school or home school shall provide certification of eligibility for a student to enroll in an endorsed concurrent enrollment course or certificate program. A high school or home school shall verify the completion of the student's student success plan before certifying that a student is eligible for the scholarship.

~~Amended: Agenda Item No. 3~~
~~April 24, 2020~~

**ADHE RULES GOVERNING THE ARKANSAS CONCURRENT CHALLENGE
SCHOLARSHIP PROGRAM**

Public Comments and Responses of the Division of Higher Education

Commenter Name: Lucas Harder, Arkansas School Boards Association (11/17/21)

Comment (1): Institutional Responsibilities, Subsection 5 - I believe that the “comply” in “The division may periodically review the approved institution of higher education’s records concerning this scholarship program to ensure the comply with due diligence requirements” should be “compliance.”

Division Response: Comment considered. **Non-substantive change made.**
