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SEP 9 2024**

**BLR DIVISION OF HIGHER EDUCATION RULES GOVERNING THE  
ARKANSAS WORKFORCE CHALLENGE SCHOLARSHIP PROGRAM  
Effective Date:**

**POLICY STATEMENT**

These rules shall be known as the Division of Higher Education Rules Governing the Arkansas Workforce 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**

Ark. Code Ann. § 6-85-302 et seq.

**APPLICABILITY**

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

**1.00 DEFINITIONS**

1.01 “Academic year” means a measure of the academic work to be accomplished by the recipient.

1.01.1 The academic year is defined as fall, spring, and summer semesters, in that order.

1.02 ~~1~~ “Approved Institution of higher education” means an institution of higher education that is approved by the Division of Higher Education to participate in the Arkansas Workforce Challenge Scholarship Program and that is:

1.02.1 ~~(A)~~ A state-supported two-year or four-year college or university; ~~or~~

1.02.2 ~~(B)~~ A private, nonprofit two-year or four-year college or university with its primary headquarters located in Arkansas and that is eligible to receive Title IV federal student aid funds; or

1.03 ~~(2)(A)~~ “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, including without limitation a program operated or sponsored by a third party.

1.03.1 ~~(B)~~ The credit hours or contact hours awarded for a certificate program may include credit hours or contact hours that are not creditable toward an associate or a baccalaureate degree.

## **2.00 FUNDING**

2.01 ~~(1)~~ For an academic year, the following shall be used to fund Arkansas Workforce Challenge Scholarships under these rules:

2.01.1 ~~(A)~~ Excess funding returned to the Office of the Arkansas Lottery under Ark. Code Ann. § 6-85-212(d)(2)(B)(i) from the previous academic year; and

2.01.2 ~~(B)~~ Net proceeds remaining from the previous academic year after the Office of the Arkansas Lottery:

2.01.2.1 ~~(i)~~ Transfers the funds requested by the Division of Higher Education under Ark. Code Ann. § 23-115-801(c)(2); and

2.01.2.2 ~~(ii)~~ Deposits the amount necessary to maintain the Scholarship Shortfall Reserve Trust Account under Ark. Code Ann. § 23-115-802 in an amount equal to twenty million dollars (\$20,000,000).

2.02 ~~(2)~~ A scholarship under these rules shall not be awarded for an academic year if:

2.02.1 ~~(A)~~ Less than two hundred fifty thousand dollars (\$250,000) is available under ~~subsection (1)~~ 2.01 of this section; or

2.02.2 ~~(B)~~ The ~~Division of Higher Education~~ division received a loan from the Scholarship Shortfall Reserve Trust Account under Ark. Code Ann. § 23-115-802 for the Arkansas Academic Challenge Scholarship Program -- Part 2, Ark. Code Ann. § 6-85-201 et seq., for the previous academic year.

2.03 ~~(3)~~ Any funds under ~~subsection (1)~~ 2.01 of this section that are not disbursed for scholarships under these rules shall be carried over to the next academic year to be used for scholarships under these rules.

## **Procedures**

## **3.00 ELIGIBILITY REQUIREMENTS**

3.01 ~~(1)~~ A student is eligible to receive an Arkansas Workforce Challenge Scholarship for an academic year if the student applies to the Division of Higher Education by a date determined by the division ~~Division of Higher Education~~ preceding the academic year and:

3.01.1 ~~(A)~~ Is an Arkansas resident or, if the student is less than twenty-one (21) years of age, either a parent of the student or the student is an Arkansas resident;

3.01.2 ~~(B)~~ Meets either of the following requirements:

3.01.2.1 ~~(i)~~ Graduated from a:

3.01.2.1.1 ~~(a)~~ Public high school in Arkansas or another state;

3.01.2.1.2 ~~(b)~~ Private high school in Arkansas or another state; or

3.01.2.1.3 ~~(c)~~ Home school as recognized under Ark. Code Ann. § 6-15-501 et seq. or recognized by another state; or

3.01.2.2 ~~(ii)~~ Received a high school equivalency diploma approved by the Arkansas Division of Workforce Services or another state;

3.01.2.3 ~~(C)~~ Is not receiving a scholarship under the Arkansas Academic Challenge Scholarship Program -- Part 2, Ark. Code Ann. § 6-85-201 et seq.;

3.01.2.4 ~~(D)~~ Is accepted for admission in a program of study at an approved institution of higher education that leads to an associate degree or a certificate program in one (1) of the following high-demand fields:

3.01.2.4.1 ~~(i)~~ Industry;

3.01.2.4.2 ~~(ii)~~ Health care; and

3.01.2.4.3 ~~(iii)~~ Information technology; and

3.01.2.5 ~~(E)(i)~~ Whose program of study or certificate program will result in the student's being qualified to work in an occupation identified by the Arkansas Division of Workforce Services under 3.01.2.5.1 ~~subdivision (1)(E)(ii)(a)~~ of this section.

3.01.2.5.1 ~~(ii)(a)~~ The Division of Workforce Services shall provide annually to the Division of Higher Education by March 1 a list that identifies the five (5) most in-demand occupations in this state in each high-demand field under ~~subdivision (1)(D)~~ 3.01.2.4 of this section that require the completion of a program of study that leads to an associate degree or a certificate program.

3.01.2.5.2 ~~(b)~~ The Division of Workforce Services shall publish on its website the list under 3.01.2.5.1 ~~subdivision (1)(E)(ii)(a)~~ of this section and data supporting the list.

3.02 ~~(2)~~ A student who received a scholarship under these rules and successfully completed a program of study or certificate program that meets the requirements under ~~subdivision (1)(D)~~ 3.01.2.4 ~~of this section~~ is eligible to reapply for a scholarship under these rules if the student is accepted for admission in a different program of study or certificate program that meets the requirements under 3.01.2.4 ~~subdivision (1)(D)~~ ~~of this section~~.

3.03 ~~(3)~~ A student who received a scholarship under these rules and does not successfully complete the program of study or certificate program is eligible to reapply for and receive a scholarship one (1) time only.

#### **4.00 DISTRIBUTION – AWARD AMOUNTS**

4.01 ~~(1)~~ If funds are available, the Division of Higher Education (“Division”) shall distribute Arkansas Workforce Challenge Scholarships to all students who meet the eligibility requirements.

4.02 ~~(2)(A)~~ The Division shall distribute scholarships from the funds available in an equal amount to every student eligible to receive a scholarship.

4.02.1 ~~(B)~~ Except as provided in 4.03 ~~subsection (3)~~ of this section, the maximum scholarship award a student may receive in an academic year shall be the lesser of:

4.02.1.1 ~~(i)~~ Eight hundred dollars (\$800); or

4.02.1.2 ~~(ii)(a)~~ The cost of the certificate program or program of study.

4.02.1.3 ~~(b)~~ The cost of a certificate program or program of study shall be limited to:

4.02.1.3.1 ~~1)~~ Tuition, fees, or other charges;

4.02.1.3.2 ~~2)~~ Textbooks or other course materials; and

4.02.1.3.3 ~~3)~~ Equipment needed for a course.

4.02.2 ~~(C)~~ The scholarship awards may be used for expenses included in the cost of the certificate program or program of study.

4.02.3 ~~(D)~~ A scholarship under this section shall be only for the academic year for which it is awarded, which includes the fall, spring, and summer semesters.

4.03 ~~(3)(A)~~ If the division has funds remaining after making the distributions under 4.02 subsection (2) of this section, the division shall distribute scholarships to students for the summer term of the academic year.

4.03.1 ~~(B)~~ If funds are available under 4.03 subdivision (3)(A) of this section, a student shall apply for a scholarship for a summer term by a date determined by the division preceding the summer term.

4.03.2 ~~(C)(i)~~ The division shall distribute scholarships for a summer term in the same manner as under 4.02 subsection (2) of this section.

4.03.2.1 ~~(ii)~~ Scholarships for a summer term may be used in the same manner as under 4.02 subsection (2) of this section.

4.03.3 ~~(D)~~ A student who received a scholarship under 4.02 subsection (2) of this section may also receive a scholarship for a summer term

4.04 ~~(4)~~ The division shall disburse scholarship awards on behalf of an eligible student directly to the approved institution of higher education.

## **5.00 INSTITUTIONAL RESPONSIBILITIES**

~~(4)~~ College and University Responsibilities.

5.01 ~~(A)~~ Administrative agreement.

5.01.1 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 Workforce Challenge Scholarship and to receive all communications, forms, etc.

5.01.1.1 This representative is responsible for verification, data and compliance with all program rules and regulations.

5.01.2 The institution must comply with all rules and regulations in order to maintain continued eligibility status.

5.02 ~~(B)~~ Disbursement records.

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

5.03 (C) Institutional Verification.

5.03.1 The institution shall provide certification of enrollment in an 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.

5.03.1.1 The Verification Roster is an alphabetical listing by institution of all persons receiving the award for a given academic term.

5.03.1.2 The certifying official is responsible for completing the verification rosters each semester or trimester.

5.03.2 The ~~Arkansas~~ Division of Higher Education shall provide electronic Verification Rosters to the Financial Aid Administrator for each semester or trimester as needed.

5.03.2.1 The electronic Verification Rosters shall be returned to the ~~division~~ Arkansas Division of Higher Education by November 1 for the fall term and by March 15 for the spring term.

5.03.3 The ~~Arkansas Division of Higher Education~~ division shall also provide electronic continuing eligibility rosters to the Financial Aid Administrator before the end of the fall and spring term.

5.03.3.1 The continuing eligibility rosters shall be returned to the ~~division~~ Arkansas Division 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.

5.04 (D) Deadlines for disbursement of funds.

5.04.1 The deadline for disbursement of funds by the eligible institution is no later than ten (10) days after receipt of funds.

5.04.1.1 Any outstanding funds not disbursed by these dates must be returned to the ~~division~~ Arkansas Division of Higher Education.

5.04.1.2 For those students whose applications are received by the ~~division~~ ADHE too late to allow disbursement by these dates, disbursement will be made within ten (10) working days of receipt of the verification roster and electronic transfer of funds.

5.05 ~~5)~~ Due diligence.

5.05.1 The institution will exercise due diligence in providing complete, accurate, and timely information as requested by the ~~division~~ Arkansas Division of Higher Education on any Arkansas Workforce Challenge Scholarship recipient or former recipient.

5.05.2 In addition, the institution will exercise due diligence in complying with all the rules and regulations of the Arkansas Workforce Challenge Scholarship.

5.05.3 The ~~division~~ Arkansas Division 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.

5.06 ~~(F)~~ Agreements Between Institutions.

5.06.1 An approved institution of higher education may enter into agreements with other institutions of higher education, including without limitation technical institutes, to allow students enrolled in the approved institution of higher education under these rules to take courses at the other institutions of higher education.

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

As Engrossed: H2/14/23

# A Bill

HOUSE BILL 1412

5 By: Representative J. Mayberry  
6 By: Senator J. English  
7

## For An Act To Be Entitled

9 AN ACT CONCERNING RULES PROMULGATED BY THE DIVISION  
10 OF HIGHER EDUCATION; TO REQUIRE THE DIVISION OF  
11 HIGHER EDUCATION TO PROMULGATE CERTAIN RULES  
12 CONCERNING THE ADMINISTRATION OF SCHOLARSHIPS FUNDED  
13 WITH STATE FUNDS AND LOTTERY PROCEEDS; TO DECLARE AN  
14 EMERGENCY; AND FOR OTHER PURPOSES.  
15  
16

## Subtitle

18 TO REQUIRE THE DIVISION OF HIGHER  
19 EDUCATION TO PROMULGATE CERTAIN RULES  
20 CONCERNING THE ADMINISTRATION OF  
21 SCHOLARSHIPS FUNDED WITH STATE FUNDS AND  
22 LOTTERY PROCEEDS; AND TO DECLARE AN  
23 EMERGENCY.  
24  
25

26 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
27

28 SECTION 1. Arkansas Code Title 6, Chapter 80, Subchapter 1, is amended  
29 to add an additional section to read as follows:

30 6-80-109. Division of Higher Education – Rules.

31 (a) The Division of Higher Education shall promulgate or update  
32 existing division rules to allow a student who is a recipient of a  
33 scholarship to utilize scholarship funds to enroll in and attend courses  
34 offered during a summer term at the postsecondary institution in which the  
35 student is enrolled.

36 (b) Rules promulgated under this section shall include without





1 limitation requirements concerning:

2 (1) Student eligibility; and

3 (2) The disbursement and administration of scholarship funds  
4 utilized by a student to enroll in and attend courses offered during a summer  
5 term.

6 (c) As used in this section, "scholarship" shall include a scholarship  
7 program that is:

8 (1) Funded with state funds or lottery proceeds; and

9 (2) Administered by the division.

10  
11 SECTION 2. Arkansas Code § 6-85-204(14), concerning the definition of  
12 "semester" under the Arkansas Academic Challenge Scholarship Program, is  
13 amended to read as follows:

14 (14)(A) "Semester" means one-half ( $\frac{1}{2}$ ) of a traditional academic  
15 year at an institution of higher education, or an equivalent approved by the  
16 division, in which a student enrolls for not less than:

17 ~~(A)(i)~~ Fifteen (15) credit hours as a full-time student,  
18 except that in the first semester as a first-time full-time freshman, a  
19 traditional student shall enroll in not less than twelve (12) credit hours;  
20 or

21 ~~(B)(ii)~~ Six (6) credit hours as a part-time student.

22 (B) For purposes of summer courses at an institution of  
23 higher education, a "semester" shall mean the same as is defined by the  
24 division, as required by § 6-80-109;

25  
26 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the  
27 General Assembly of the State of Arkansas that the Division of Higher  
28 Education must make certain arrangements to facilitate the use of Arkansas  
29 Academic Challenge Scholarship funds for upcoming summer courses; and that  
30 many of these arrangements must occur in time for the 2023-2024 school year.  
31 Therefore, an emergency is declared to exist, and this act being necessary  
32 for the preservation of the public peace, health, and safety shall become  
33 effective on July 1, 2023.

34  
35 /s/J. Mayberry

36 **APPROVED: 3/30/23**

1 State of Arkansas *As Engrossed: H2/20/23 H4/5/23*

2 94th General Assembly

# A Bill

3 Regular Session, 2023

HOUSE BILL 1417

4

5 By: Representative Lundstrum

6 *By: Senator J. English*

7

8

## For An Act To Be Entitled

9

*AN ACT TO AMEND THE ARKANSAS ACADEMIC CHALLENGE*

10

*SCHOLARSHIP PROGRAM TO INCLUDE VOCATIONAL-TECHNICAL*

11

*SCHOOLS AND TECHNICAL INSTITUTES AS APPROVED*

12

*INSTITUTIONS OF HIGHER EDUCATION; TO ENSURE THAT*

13

*CERTAIN FUNDS FROM THE HIGHER EDUCATION GRANTS FUND*

14

*ACCOUNT ARE EXPENDED ON STUDENTS ENROLLED IN A*

15

*TECHNICAL INSTITUTE OR A VOCATIONAL-TECHNICAL SCHOOL;*

16

*AND FOR OTHER PURPOSES.*

17

18

19

## Subtitle

20

*TO AMEND THE ARKANSAS ACADEMIC CHALLENGE*

21

*SCHOLARSHIP PROGRAM CONCERNING APPROVED*

22

*INSTITUTIONS OF HIGHER EDUCATION; AND*

23

*CONCERNING THE HIGHER EDUCATION GRANTS*

24

*FUND ACCOUNT.*

25

26

27 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

28

29 *SECTION 1. Arkansas Code § 6-85-204(3), concerning the definition of*  
30 *an "approved institution of higher education" under the Arkansas Academic*  
31 *Challenge Scholarship Program, is amended to read as follows:*

32 *(3)(A) "Approved institution of higher education" means an*  
33 *institution of higher education approved by the division to participate in*  
34 *the Arkansas Academic Challenge Scholarship Program and that is:*

35 *~~(A)(i)~~ A state-supported two-year or four-year*  
36 *college or university;*



1 ~~(B)(ii)~~ A private, nonprofit two-year or four-year  
2 college or university with its primary headquarters located in Arkansas that  
3 is eligible to receive Title IV federal student aid funds; ~~or~~

4 ~~(C)(iii)~~ An approved school of nursing, subject to  
5 the provisions of § 6-85-213(c);

6 (iv)(a) A public or private vocational-technical  
7 school.

8 (b) A public or private vocational-technical  
9 school shall be bonded and insured; or

10 (v)(a) A public or private technical institute.

11 (b) A public or private technical institute  
12 shall be bonded and insured.

13 (B) An approved institution of higher education that is a  
14 private, nonprofit two-year or four-year college or university shall be  
15 eligible to receive Title IV federal student aid funds;

16  
17 SECTION 2. Arkansas Code Title 6, Chapter 85, Subchapter 2, is amended  
18 to add an additional section to read as follows:

19 6-85-222. Vocational-technical school and technical institute  
20 eligibility.

21 (a) An applicant for a scholarship under this subchapter who has  
22 applied to or is currently enrolled in a public or private vocational-  
23 technical school or a public or private technical institute shall, in  
24 addition to the relevant eligibility requirements under this subchapter, be  
25 accepted for admission in a program of study that leads to an associate  
26 degree or a certificate program in one (1) of the following high-demand  
27 fields:

28 (1) Industry;

29 (2) Health care; or

30 (3) Information technology.

31 (b) The Division of Higher Education shall file annually by November 1  
32 a report to the Legislative Council in the manner and format that the  
33 Legislative Council requires regarding:

34 (1) All state-supported student financial assistance awarded by  
35 the division under this subchapter to students enrolled in vocational-  
36 technical schools and technical institutes; and

1 (2) The permissible high-demand fields under subsection (a) of  
2 this section, including without limitation recommendations for adding or  
3 removing a high-demand field that is considered eligible for scholarship  
4 purposes under subsection (a) of this section.

5  
6 SECTION 3. Arkansas Code § 19-5-302(11), concerning the Higher  
7 Education Grants Fund Account of the State General Government Fund, is  
8 amended to read as follows:

9 (11) HIGHER EDUCATION GRANTS FUND ACCOUNT.

10 (A) The Higher Education Grants Fund Account shall be used for  
11 the:

12 (i) State’s contribution for tuition support for Arkansas  
13 students attending out-of-state schools in dentistry, optometry, veterinary,  
14 podiatry, osteopathy, and chiropractic; and

15 (ii)(a) Disbursement of funds for the Arkansas Academic  
16 Challenge Scholarship Program, and other various scholarship, loan, and grant  
17 programs as authorized by law and administered by the Division of Higher  
18 Education or other state agencies made disbursing agents by the General  
19 Assembly from the Higher Education Grants Fund Account.

20 (b) Disbursement of additional funds allocated for  
21 the Arkansas Academic Challenge Scholarship Program under this subdivision  
22 (11)(A)(ii) shall account for the distribution of up to two million dollars  
23 (\$2,000,000) by the Division of Higher Education on behalf of students who  
24 are enrolled in a technical institute or a vocational-technical institute.

25 (B) The Higher Education Grants Fund Account shall consist of  
26 transfers from the Private Career School Student Protection Trust Fund under  
27 § 6-51-607 and those general revenues and any other funds as may be provided  
28 by law;

29  
30 /s/Lundstrum

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33 APPROVED: 4/11/23  
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