

ARKANSAS HEALTH EDUCATION GRANT PROGRAM

RULES AND REGULATIONS (REVISED)

AUTHORITY AND PURPOSE

These rules are promulgated by the Arkansas Department of Higher Education ("ADHE") under authority of Arkansas Code Annotated Sections 6-4-104—107, 6-81-1101, 6-81-1103 and 17-90-111 for the purpose of administering a grant program for Arkansas students and a forgivable loan program to assist Arkansas dental students attending specified out-of-state health and medical professional schools. This grant program shall be known as the "Arkansas Health Education Grant (ARHEG) Program."

PART I: SELECTION OF ELIGIBLE GRANT RECIPIENTS FOR GRANTS TO BE DISBURSED

- A) The Department will allocate, based upon funds available, the number of Eligible Grant Recipients to receive financial assistance at each Participating Institution for each Applicable Academic Period.
- B) Each Participating Institution will select Eligible Grant Recipients for each Applicable Academic Period. In the event the number of Eligible Students accepted for enrollment at such Participating Institution exceeds the number of Eligible Grant Recipients for which the Department has allocated funds, such Participating Institution shall have sole discretion in selecting, from all such Eligible Students, the Eligible Students to designate as Eligible Grant Recipients. In so selecting, the Participating Institution shall use the same criteria it uses in determining those students that will be accepted for enrollment at the Participating Institution.
- B) To remain eligible for continuing participation in the program, the Eligible Grant Recipient must be in good academic standing and must make Satisfactory Academic Progress toward timely completion of the Participating Institution's prescribed curriculum, as defined by the Participating Institution, for the Applicable Academic Period in question. The State shall not pay for repeated work. Payment of Grants for any Eligible Grant Recipient shall terminate the year the recipient would normally graduate if the recipient had not repeated a portion of the course, unless extra funds are available, and the Department approves an extraordinary subsidy.
- D) The Department shall make Grants according to the allocations made by the Department and selections made by the Participating Institutions in accordance with the following:
 - 1) The contract amount of the Grant per Eligible Grant Recipient for SREB Participating Institutions shall be the amount approved for such programs by the Board of Control.

- 2) For Non-SREB Participating Institutions that charge different annual tuition amounts for in-state students and out-of-state students, the contract amount of the Grant per Eligible Grant Recipient will be the difference between the annual resident tuition and the annual nonresident tuition; however, pursuant to Arkansas Code Section 6-81-1101(d), should the differential exceed the contract price approved for similar programs by the Board of Control in accordance with Arkansas' contracts with the Board, the lesser amount will be paid. (Note: Exceptions may be made for inconsequential differentials.)
 - 3) For Non-SREB Participating Institutions which charge the same amount of annual tuition for in-state and out-of-state students, or which charge a minimally different amount of annual tuition for in-state and out-of-state students, and such tuition is extraordinary as determined by the Department of Higher Education, the amount shall be not less than five thousand dollars (\$5,000) per student annually.
- E) The Participating Institution shall apply these sums to the tuition and fees of such students. The Institution agrees that the maximum amount charged each student, before credit for the above sum, shall not exceed the amount of tuition and fees charged other students for whom no such credit is given. The Department shall have no obligation to make any Grants except to the extent funds have been appropriated and funded for the Program.

**PART II: SELECTION OF ELIGIBLE BORROWERS
FOR LOANS; FUNDS TO BE DISBURSED**

- A) The Department will grant Loans, based upon funds available, until the funds are exhausted, to Eligible Borrowers according to information submitted on the Free Application for Federal Student Aid.
- B) (i). The amount of the Loan for recipients attending an approved dental program for the academic year may not exceed the amount of nonresident tuition paid by the Eligible Borrower to the Participating Institution which exceeds the sum of the resident tuition and the Regional Contract Program's fee-for-service for dentistry, as determined by the Board of Control.

(ii.)The amount of the Loan for recipients attending an approved optometry program the academic year may not exceed five thousand dollars (\$5,000) annually.
- C) The Loans shall be made on an annual basis.
- D) No Loans to the Eligible Borrower shall exceed the combined total of four (4) Loans for four (4) academic years.

- E) The Loans shall be in addition to Southern Regional Education grant funds.
- F) The Department shall have no obligation to make any Loans except to the extent funds are available for the Program.

PART III: LOANS FOR ELIGIBLE BORROWERS

- A) No Loan shall be made under the Program except to an Eligible Borrower.
- B) No Loan disbursement shall be made on behalf of an Eligible Borrower for an academic year until the Eligible Borrower has executed a Note.

PART IV: LOAN FORGIVENESS FOR ELIGIBLE BORROWERS

- A) Loans made to an Eligible Borrower shall be partially or completely forgiven, as described in paragraph (B) below, in the event the Eligible Borrower shall have:
 - 1) a) Received a license or other permit within six (6) months following his or her graduation; or
 - b) Received a license or other permit within six (6) months following the end of any applicable period of Deferment; and
 - 2) Commenced, within six (6) months following his or her receipt of a license or other permit the practice of dentistry or optometry within the State; and
 - 3) Completed and submitted to the Department a Notice of Intent to Seek Loan Forgiveness on such form as provided by the Department.
- B) Subject to verification by the Department of an Eligible Borrower's eligibility for forgiveness under paragraph (A) above, the Eligible Borrower's Loan(s) shall be forgiven at a rate of one (1) academic year's Loan for one (1) uninterrupted Year of dental practice in the State of Arkansas.
- C) Any amount of any Loan (including interest accrued thereon) not completely forgiven under the provisions of these rules shall be due and payable by the Eligible Borrower under the terms and conditions of the Note and as described in Part V below.
- D) Each Eligible Borrower seeking forgiveness of a Loan, at the end of his or her first Year of dental or optometry practice in the State, and again at the end of each subsequent Year of practice, shall submit to the Department a completed Loan Forgiveness Voucher provided by the Department. Loans relating to a particular academic year shall be forgiven upon the Department's approval of a Loan Forgiveness Voucher relating to the corresponding Year of practice.

PART V: LOAN REPAYMENT FOR ELIGIBLE BORROWERS

- A) An Eligible Borrower shall become obligated to repay to the Department the full amount of each outstanding Loan, plus interest accrued thereon, according to the terms and conditions of the Note and as described in this paragraph, upon the occurrence of any of the following:
- 1) prior to graduation, the Eligible Borrower discontinues his or her course of study; or
 - 2) the Eligible Borrower becomes a legal resident of another state; or
 - 3) the Eligible Borrower does not obtain the license or other permit to practice in the state of Arkansas six (6) months following his or her graduation or the end of any applicable Deferment period as described in Part VI below; or
 - 4) the Eligible Borrower commences practice outside the State; or
 - 5) the Eligible Borrower does not commence practice of dentistry or optometry in the State within six (6) months following his or her receipt of the license or other permit or
 - 6) the Eligible Borrower fails to complete all requirements necessary to discharge the Loan completely under the terms and conditions of the Note and as described in Part IV above.
- B) The Eligible Borrower shall repay to the Department the outstanding Loan amount, plus interest accrued thereon, within five (5) Years of the date the Eligible Borrower enters repayment status.
- C) Interest, not to exceed four percent (4%) per annum, will begin to accrue on the outstanding Loan amount, on the date of Loan repayment.
- D) All interest will be calculated as a simple, per annum interest charge on the outstanding balance.
- E) Upon commencement of repayment, the Eligible Borrower shall make equal monthly payments sufficient in amount to retire the entire outstanding balance of the Loan, plus interest, within the five (5) Year period allowed for repayment. However, in no case shall the minimum monthly payment amount be less than \$100.00.
- F) There shall be no penalty for prepayment of any amount of outstanding principal plus accrued interest.

PART VI: DEFERMENT OF LOANS FOR ELIGIBLE BORROWERS

- A) Upon the completion and submission to the Department of a Loan Deferment Request, on such form as provided by the Department, and signed by the Eligible Borrower and the administrator of a Qualified Service, repayment of a Loan shall be deferred for periods the Department deems appropriate.
- B) With sufficient justification, the Department may determine that extraordinary circumstances exist which interfere with the Eligible Borrower's ability to meet Loan repayment, in which case the Department may authorize a period of Loan Deferment.
- C) In no case shall the Loan repayment be deferred longer than five (5) Years.
- D) Upon cessation of a period of Deferment, the Eligible Borrower must either seek forgiveness of the Loan(s) or commence repayment.

PART VII: LOAN CANCELLATION FOR ELIGIBLE BORROWERS

- A) In the event of an Eligible Borrower's death, the Department shall cancel the then outstanding balance of all of his or her Loans, including any accrued interest thereon, without further obligation to the Eligible Borrower's estate.
- B) In the event of an Eligible Borrower's total and permanent disability, the outstanding balance of all of his or her Loans, including any accrued interest thereon, shall be canceled by the Department without any further obligation by the Eligible Borrower upon receipt of a written statement as to the nature and effect of the total and permanent disability. The Department shall grant the Loan Cancellation following verification by the Department with the Eligible Borrower's attending physician(s) of the total and permanent disability. The Department reserves the right to require a second opinion by a Department-approved physician.

PART VIII: DELINQUENCY AND DEFAULT OF LOANS TO ELIGIBLE BORROWERS

- A) An Eligible Borrower's Loan shall be considered to be delinquent at any time when any Loan payment due under the terms and conditions of the Note and these rules becomes more than thirty (30) days past due. Upon a determination by the Department that an Eligible Borrower's Loan has become delinquent, the Department shall engage in reasonable due diligence in the collection of past due amounts, including past due interest.
- B) An Eligible Borrower's Loan shall be considered by the Department to be in default at any time when any Loan payment due under the terms and conditions of the Note and these rules become more than one hundred twenty (120) days past due. Upon a determination by the Department that an Eligible Borrower's

Loan has entered default status, the entire outstanding principal amount of such Loan, together with interest accrued thereon, shall immediately become due and payable, and the Department shall engage in reasonable collection techniques for the payment of the amount then outstanding, including all interest due thereon, on the Eligible Borrower's Loan. Such collection methods may include, but shall not necessarily be limited to, correspondence with the Eligible Borrower, credit bureau reporting of the default, collection agency assistance, Arkansas income tax refund offset, use of skiptracing, and suit for judgment against the Eligible Borrower for the Loan amount then outstanding, including all interest due thereon plus that accruing from the date of judgment against the Eligible Borrower. The Department may also charge to the Eligible Borrower's account all costs of collection, including reasonable attorney's fees.

PART IX: COMBINATION OF LOANS TO ELIGIBLE BORROWERS

- A) Upon the date of an Eligible Borrower's graduation or discontinuance of his or her course of study in ~~dentistry~~ for more than six (6) months, all Loan amounts then outstanding for Loans received by Participating Institution(s) on behalf of such Eligible Borrower shall be combined into one Loan amount for accounting purposes.
- B) The entire Loan amount as described in paragraph (A) above shall be the amount to be repaid by the Eligible Borrower (after any applicable periods of Deferment) or forgiven under the terms and conditions of the Note and these rules.

PART X: NOTICE OF CHANGE IN CIRCUMSTANCES

- A) Each Eligible Grant Recipient shall notify the Department within thirty (30) days, in writing, of any changes to:
 - 1) Name;
 - 2) Address;
 - 3) Social security number;
 - 4) Enrollment status; or
 - 5) Participating Institution of enrollment.
- B) In addition, each Eligible Borrower shall notify the Department within thirty (30) days, in writing, of any changes in professional practice.

Failure to notify the Department of a change in status may affect future eligibility or collection status.

- C) Each Participating Institution shall notify the Department within thirty (30) days, in writing, with respect to an Eligible Grant Recipient attending such Participating Institution, of any changes in enrollment status or failure to make Satisfactory Academic Progress.

- D) The Department will monitor the progress of each Eligible Borrower, by academic year, using the resources of the Regional Contract Program or through direct contact with the Participating Institution including, but not limited to, changes in enrollment status and academic progress.

PART XI: Withdrawal Policy

The Arkansas Department of Higher Education shall allow a student to withdraw from the Arkansas Health Education Grant Program for no more than one year. The recipient must submit a written petition for withdrawal. The petition shall give the reason for withdrawal and be supported by documentation, if requested. In the absence of extraordinary circumstances, the award will be revoked if the recipient fails to enroll full-time in the participating institution, and the Arkansas Department of Higher Education receives neither written notification of transfer to another eligible institution, nor a petition for withdrawal by the recipient by October 1 for the fall term and February 1 for the winter and/or spring terms, and June 1 for the summer terms. At the discretion of the Department of Higher Education, the award will not be revoked if it is determined by ADHE that extraordinary circumstances prevented the student from notifying ADHE by the required dates.

PART XII: POST-GRADUATION REPORTING REQUIREMENT

The Department is required to compile information, if available, on the location and occupation of each Eligible Grant Recipient who has completed the course of study. Such information is to be reported to the Arkansas Legislative Council. Therefore, each Eligible Grant Recipient who completes a course of study (or following graduation of his or her entering class, whichever shall come first) must report to the Department (Attention: ARHEG Coordinator) by September 15th for four years following graduation, the following information:

- 1) Name (and name at time of enrollment if different);
- 2) Address;
- 3) Social security number;
- 4) Participating Institution of enrollment;
- 5) Year of completion;
- 6) Occupation;
- 7) Employer; and
- 8) Employer's address.

PART XIII: APPEAL

An Eligible Grant Recipient or Eligible Borrower shall have the right to appeal any determination made by the Department under these rules:

- 1) first to the Manager of Financial Aid at the Department;
- 2) second to the Director of the Department;
- 3) third to the Arkansas Higher Education Coordinating Board; and
- 4) fourth to a court of law or equity of appropriate jurisdiction.

PART XIV: DEFINITIONS

As used in these rules, the following terms shall have the meanings set forth below:

"Applicable Academic Period" means the academic term (grading period) during which an Eligible Grant Recipient, as applicable, will pursue a course of instruction in an Eligible Profession at a Participating Institution, and for which a Grant disbursement is made.

"Applicable Licensing Board" means:

- a) with respect to dentistry, the Arkansas State Board of Dental Examiners;
- b) with respect to optometry, the State Board of Optometry;
- c) with respect to osteopathic medicine, the Arkansas State Medical Board;
- d) with respect to veterinary medicine, the Veterinary Medical Examining Board;
- e) with respect to chiropractic medicine, the Arkansas State Board of Chiropractic Examiners; and
- f) with respect to podiatric medicine, the Arkansas State Podiatry Examining Board.

"Applicable Professional License" means, with respect to an Eligible Profession, the license or other permit granted by the Applicable Licensing Board and required by law in order for an individual to practice the Eligible Profession in the State.

"Board of Control" means the Board of Control for Southern Regional Education.

"Cancellation" means the cancellation of a Loan by the Department by reason of the death or total and permanent disability of an Eligible Borrower pursuant to Part VII hereof.

"Deferment" means a period of time for which otherwise required payments on a Loan are deferred, pursuant to Part VI hereof.

"Department" means either or both of the Arkansas Higher Education Coordinating Board and the Arkansas Department of Higher Education.

"Eligible Borrower" is an Eligible Grant Recipient who pays to a dental school at a Participating Institution nonresident tuition that exceeds the sum of the resident tuition and the Regional Contract Program slot fee paid by the State to the Board of Control for the Eligible Grant Recipient's professional studies in dentistry OR an Eligible Grant Recipient who is enrolled in an optometry professional program outside the state and for whom any part of the out-of-state tuition is paid by the State of Arkansas through the Southern Regional Education Board grant funds.

"Eligible Grant Recipient" means an Eligible Student who has been selected or accepted by a Participating Institution to receive financial assistance through this

program and who has been certified by the Department as a Resident.

"Eligible Profession" means dentistry, veterinary medicine, optometry, osteopathic medicine, podiatric medicine or chiropractic medicine.

"Eligible Student" means an individual who:

- a) is a citizen or permanent resident alien of the United States;
- b) is a Resident; and
- c) has been accepted for enrollment for the Applicable Academic Period for a full-time course of instruction in an Eligible Profession at a Participating Institution or is continuing to make Satisfactory Academic Progress, according to the Participating Institution, in a full-time course of instruction in the Eligible Profession at a Participating Institution.

"Grant" means a disbursement made on behalf of an Eligible Grant Recipient for payment of tuition to attend a Participating Institution and which is not subject to repayment by the Eligible Grant Recipient in accordance with Arkansas Code Annotated Sections 6-4-104—107, 6-81-1101, and 6-81-1103 of the General Assembly of the State of Arkansas, and any subsequent legislation,

"Loan" means a disbursement evidenced by a Note and subject to repayment by an Eligible Borrower in accordance with Arkansas Code Annotated Sections 6-4-104—107, 6-81-1101, 6-81-1103 of the General Assembly of the State of Arkansas, and any subsequent legislation.

"Non-SREB Participating Institution" means a Participating Institution that is a party to a currently effective written agreement with the Department.

"Note" means a Promissory Note, which is a legal document obligating the Eligible Grant Recipient to repay a Loan if he or she does not practice dentistry in the State. The Eligible Grant Recipient's rights and responsibilities will be stated on the Promissory Note.

"Participating Institution" means a professional or graduate school that:

- a) is located outside the State but within the United States; and
- b) offers a full-time course of instruction in at least one Eligible Profession; and
- c) is accredited by an accrediting entity acceptable to the Applicable Licensing Board of the profession; and
- d) grants, after completion of such course of instruction, a degree acceptable to the Applicable Licensing Board as the sole requirement, or as one requirement, for the Applicable Licensing Board's granting of the Applicable Professional License; and
- e) is a party to a currently effective written agreement with the Department or the Board of Control, which agreement sets forth the terms and conditions under which, and the number of Eligible Students for which, Grant disbursements will

be made, and the amount of the Grant disbursements to be made with respect to each Eligible Student by the Department to the Participating Institution or to the Board of Control for the benefit of a Participating Institution.

"Program" means the Arkansas Health Education Grant Program administered by the Department.

"Qualified Service" means any one of the following:

- a) a branch of the Uniformed Military Service; or
- b) an accredited medical residency program; or
- c) an advanced dental education program that prepares a dental student for specialty practice and satisfies the requirements of the respective specialty board.

"Regional Contract Program" is a program that is available to Eligible Students through the Southern Regional Education Compact and the Board of Control's currently written effective agreements with Participating Institutions on behalf of the State.

"Resident" means an individual who is determined by the Department to be a bona fide resident of the State on the date of his or her application for a Grant and on the date that was six (6) months prior to the date of such application, and at all times between such dates, under the guidelines set forth in Appendix A to these rules. Such determination shall be made by the Department on the basis of information provided by the individual in an affidavit made under oath on a form provided by the Department or through any additional information requested by the Department.

"Satisfactory Academic Progress" means satisfactory academic progress toward timely completion of the Participating Institution's prescribed curriculum, as defined by the Participating Institution, for the Applicable Academic Period in question.

"SREB Participating Institution" means a Participating Institution that is a party to a currently effective written agreement with the Board of Control for Southern Regional Education in accordance with the State of Arkansas' contracts with such Board

"State" means the State of Arkansas.

"Year" means any period of 365 consecutive days.

**APPENDIX A TO
ARKANSAS HEALTH EDUCATION GRANT PROGRAM
RULES AND REGULATIONS**

GUIDELINES FOR DETERMINING ARKANSAS RESIDENCY
FOR PURPOSES OF ELIGIBILITY FOR THE
ARKANSAS HEALTH EDUCATION GRANT PROGRAM
UNDER AUTHORITY OF ARKANSAS CODE ANNOTATED
SECTIONS 6-4-104—107, 6-81-1101, AND 6-81-1103

I. PURPOSE

The purpose of this Appendix is to provide guidance to the Arkansas Department of Higher Education (the “Department”) in determining whether individuals applying to receive financial assistance under the Arkansas Health Education Grant Program (the “Program”) are residents of the State of Arkansas.

Unless otherwise indicated, all capitalized terms used herein shall have the same meanings ascribed thereto in the Rules and Regulations to which this Appendix is attached.

II. RESIDENCY GUIDELINES

a. A person should be classified as a state resident for Program purposes only if his or her legal residence is located in Arkansas. This means that Arkansas is the legal place of residence of the person for all purposes and that the person demonstrates by good faith acts the intent to make Arkansas his or her permanent home. Legal residence in Arkansas is required for at least six continuous months prior to application in order to be classified as a resident for Program purposes. Mere physical presence in Arkansas is not sufficient to establish residency or demonstrate future intent.

b. A bona fide residence is a home of apparent true, fixed and permanent nature, a place of actual residing for all purposes of living that may be distinguished from a temporary sojourn in this or another state as a student. The person claiming residence in Arkansas must provide evidence of permanent connection with the State of Arkansas and demonstrate the expectation of returning to this state and remaining a resident of this state.

c. The legal residence of a person less than 18 years of age and unmarried without dependents, or an unmarried dependent without dependents who has not yet attained the age of 24 is legally that of (a) the parent(s); or (b) the parent to whom custody has been awarded by judicial decree; or (c) the parent with whom the person resides if there has been a separation without a judicial decree; or (d) the legal adoptive parent(s); or (e) the natural or legal guardian with whom the person resides.

d. The legal residence of a person 18 years of age or older, or under 18 years of age and married or with dependents, or between 18 and 24 years of age and married or with dependents shall be determined on the basis of his or her own residence.

e. To acquire a legal residence in Arkansas, a person must have established a legal home of permanent character, resided in Arkansas for six continuous months and have no present intention of changing residence to a location outside of Arkansas.

f. Persons who are otherwise not residents of Arkansas may not establish legal residence in Arkansas by the mere fact of receiving mail at an Arkansas address or postal box.

g. Members of the armed forces who are stationed in Arkansas pursuant to military orders, along with their unemancipated minors or unmarried dependents without dependents who have not yet attained the age of 24, are entitled to classification as in-state residents for Program purposes.

h. Determination of legal residence for Program purposes shall be based on review by the Department of all relevant circumstances which together may reasonably demonstrate legal residence and state of mind regarding residency intent. In making such a determination, the Department shall utilize the information provided by an individual in an affidavit made under oath on a form provided by the Department or through any additional information requested by the Department.