

**STATE TEACHER ASSISTANCE RESOURCE (STAR)
PROGRAM
RULES AND REGULATIONS**

RULE 1 – ORGANIZATION AND STRUCTURE

- I. The Arkansas Department of Higher Education (ADHE) shall administer the State Teacher Assistance Resource (STAR) Program, hereafter known as STAR, 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/her designee.

- II. State Teacher Assistance Resource (STAR) Program Commission
 - A. The 11-member STAR Program Commission shall consist of the following:
 1. The Lieutenant Governor, or his or her designee;
 2. The chairperson of the State Board of Education, or his or her designee;
 3. Three (3) persons appointed by the Governor;
 4. Three (3) persons appointed by the President Pro Tempore of the Senate; and
 5. Three (3) persons appointed by the Speaker of the House of Representatives.

 - B. The appointed commission members shall be:
 1. Individuals who have demonstrated a commitment to education; and
 2. Residents of the State of Arkansas at the time of appointment and throughout his or her term.

 - C. In 2003, three (3) members shall be appointed by the Speaker of the House of Representatives as follows:
 1. One (1) for a term to expire June 30, 2005;
 2. One (1) for a term to expire June 30, 2006; and
 3. One (1) for a term to expire June 30, 2007.

- D. In 2003, three (3) members shall be appointed by the President Pro Tempore of the Senate as follows:
 - 1. One (1) for a term to expire June 30, 2005;
 - 2. One (1) for a term to expire June 30, 2006; and
 - 3. One (1) for a term to expire June 30, 2007.

 - E. In 2003, three (3) members shall be appointed by the Governor as follows:
 - 1. One (1) for a term to expire June 30, 2005;
 - 2. One (1) for a term to expire June 30, 2006; and
 - 3. One (1) for a term to expire June 30, 2007.

 - F. Subsequent appointments are for a term of four (4) years. If a vacancy occurs in an appointed position, for any reason, the vacancy shall be filled by appointment by the official that made the appointment. The new appointee shall serve for the remainder of the unexpired term.

 - G. The Lieutenant Governor or his or her designee shall serve as the chairperson.

 - H. The commission shall meet at times and places the chairperson deems necessary, but no meetings shall be held outside of the State of Arkansas. A majority of the members of the commission shall constitute a quorum for the purpose of transacting business. All actions of the commission shall be by a majority vote of the full membership of the commission. The commission shall promote the STAR Program, encourage participation by high school students, and select the recipients for the STAR forgivable loans.
- III. The Arkansas Department of Higher Education shall provide staff and office space to the commission.
- IV. When functioning under Act 1804 of 2003, and any subsequent legislation, ADHE shall follow provisions of the Administrative Procedures Act.

RULE 2 - LOAN ELIGIBILITY CRITERIA

- I. Eligibility Criteria

- A. Applicants must be bona fide Arkansas residents, as defined by the Arkansas Department of Higher Education, for at least six months prior to the application deadline.
 - B. Applicants must be a citizen of the United States or a permanent resident alien.
 - C. Applicants must be admitted to an approved program in an approved Arkansas institution resulting in teacher licensure and:
 - 1. enrolled full-time; and
 - 2. entering his or her sophomore or subsequent year.
 - D. Applicants must have a minimum 2.75 cumulative grade point average on a 4.0 scale.
 - E. Any recipient of an Emergency Secondary Education Loan (ESEL) may qualify for a forgivable loan under State Teacher Assistance Resource Program, and shall continue to fulfill any existing obligation under the terms of any loans received under the ESEL Program.
- II. Continued Eligibility

The Arkansas Department of Higher Education will renew awards for a subsequent academic year to recipients who meet the criteria set forth in Rule 2, Paragraphs I, A-E; and who have completed at least 24 semester credit hours per academic year. Students enrolled in a graduate program must complete a minimum of 18 credit hours per academic year.

RULE 3 – SELECTION PROCESS

- I. Applications
 - A. Solicitation of Applicants
 - 1. Program information and applications are mailed to the following:
 - a. Colleges/Schools/Departments of Education

- b. Deans/Chairpersons of the Colleges/Schools/Departments of Education
 - c. Financial Aid Directors/Officers
 - d. Teacher Certifying Officials
 - e. Other campus personnel, such as advisors, etc. who express an interest in disseminating applications to prospective students.
 - f. Applications are also available upon request from the Arkansas Department of Higher Education.
2. The Arkansas Department of Higher Education staff will disseminate program information through workshops, meetings, press releases, the Departmental newsletter, and other means deemed appropriate.
- B. The application deadline shall be stated on the application form each year. The ADHE shall have the authority to extend the deadline as needed to ensure a quality applicant pool so long as sufficient public notice is provided.
- C. Upon receipt by ADHE, applications are reviewed to ensure that all pertinent data is included. A letter is mailed to each applicant confirming the receipt and completeness of the application. For those whose application is either incomplete or ineligible, a notice will be sent identifying the reason for incompleteness or ineligibility. The applicant will then have the opportunity to provide the missing information or correct any inaccurate information. Before an applicant can be considered for an award, the corrected/missing information must be received by the ADHE by the deadline indicated in the Incomplete/Ineligible Notice.

II. Ranking of Applicants

Applications are ranked according to a combination of components including, but not limited to:

- A. Cumulative grade point average,
- B. Major grade point average,
- C. Subject area of teacher licensure being sought;
- D. Geographical area of the state the applicant plans to teach; and
- E. The applicant is a prior recipient. If a prior recipient remains qualified, he/she will be given priority for any future awards.

- F. Graduates of AAT programs who pass the Praxis I, or students in a two-year teacher education program; or
- G. Students who are enrolled in a Master of Arts in Teaching Program.

III. Selection and Notification of Loan Recipients

- A. The STAR Program Commission shall review ranked applicants and select recipients for the STAR Program forgivable loans.
- B. Selected forgivable loan recipients will be mailed award notices stating their eligibility for the program and the conditions for continued eligibility. This award, when combined with the recipient's other sources of financial aid, may not exceed the total cost of attendance.
- C. Prior to the disbursement of funds, loan recipients will receive a promissory note for the purpose of entering into a loan agreement with ADHE. The terms of the loan agreement will include the general purpose, repayment and deferment procedures, interest calculations, and a schedule of advances. The promissory note shall be signed by the loan recipient and by a co-maker of eligible age. Modifications to any award amounts will be confirmed through the issuance of a new promissory note.

IV. Disbursement of Forgivable Loan

The forgivable loan will be disbursed equally for the Fall and Spring terms. Funds will be sent to the institution indicated by the student. After verification of full-time enrollment for the loan recipient, funds will be disbursed in accordance with the institution's disbursement policy.

RULE 4 - LIMITATIONS OF LOAN AWARDS

- I. The State Teacher Assistance Resource (STAR) Program shall be used to provide:
 - A. A two-year forgivable loan if the recipient is in a four-year teacher education program, or a three-year forgivable loan if the recipient is in a five-year teacher education program, in the amount of three thousand dollars (\$3,000) per year for a junior or senior admitted to a teacher education program who commits to teach in a public school located in a geographical area of the state designated as having a critical shortage of teachers OR in a subject matter area designated as having a critical shortage of teachers.
 - B. A two-year forgivable loan if the recipient is in a four-year teacher education program, or a three-year forgivable loan if the recipient is

in a five-year teacher education program, in the amount of six thousand dollars (\$6,000) per year for a junior or senior admitted to a teacher education program who commits to teach in a public school located in a geographical area of the state designated as having a critical shortage of teachers AND in a subject matter area designated as having a critical shortage of teachers.

- C. A loan repayment for federal student loans in the amount of three thousand dollars (\$3,000) per year for each year a certified teacher, who graduated from a teacher education program after April 2004, teaches in a public school located in a geographical area of the state designated as having a critical shortage of teachers or in a subject matter area designated as having a critical shortage of teachers. Total term of federal student loan repayment shall not exceed three years.
- D. A loan repayment for federal student loans in the amount of six thousand dollars (\$6,000) per year for each year a certified teacher, who graduated from a teacher education program after April 2004, teaches in a public school located in a geographical area of the state designated as having a critical shortage of teachers AND in a subject matter designated as having a critical shortage of teachers. Total term of federal student loan repayment shall not exceed three years.
- E. A student may receive the STAR and Academic Challenge or Governor's Distinguished Scholarships, to the extent the receipt of both awards would not violate the provisions of § 6-80-105.
- F. No student may participate in more than one (1) forgivable loan program supported with state money.

RULE 5 - REPAYMENT OF LOAN

- I. Terms of Repayment
 - A. The ADHE shall forgive one (1) year of the loan for each consecutive year the recipient teaches full-time in a shortage area in accordance with the terms of the recipient's initial commitment commencing no later than nine (9) months from the date of graduation.
 - B. The forgivable loan may be terminated if the recipient withdraws from school or does not meet the standards set by the ADHE.
 - C. Verification of the loan recipient's employment will be conducted once a year, in June, through the school superintendent's office in

the recipient's employment district or through records on file with the Arkansas Department of Education.

- D. Loan recipients who do not teach full-time in a public school located in geographical area of the state designated as having a critical shortage of teachers or in a subject matter designated as having a critical shortage of teachers shall begin repayment in nine (9) months of completion of the teacher education program. The loan(s) shall be repaid within a maximum of five (5) years, plus accrued interest according to an interest and repayment schedule.
- II. Interest on Loan
 - A. Interest will begin accruing on September 1 after completion of the program, or immediately after termination of the forgivable loan, whichever is earlier.
 - B. Interest will not accrue and installments need not be paid when an official deferment has been approved by the Arkansas Department of Higher Education. Any recipient who wishes a deferment must submit an application for deferment to ADHE for approval.
- III. Deferment of Loan
 - A. At the discretion of ADHE scheduled loan repayments may be deferred if it is determined by ADHE that extraordinary circumstances prevent the recipient from making such repayments. Deferments may be granted for the following conditions:
 - 1. The recipient is engaged in a full-time graduate or doctoral program after completion of a four-year or five-year teacher education program. This must be verified by the Registrar's Office.
 - 2. The recipient is seeking and unable to find employment as a teacher in an approved shortage field for a single period not to exceed twelve (12) months. The loan recipient must submit a list of schools contacted for employment. ADHE will verify this information with the superintendent's office in that school district.
 - 3. The recipient is temporarily totally disabled, for a period not to exceed three years, as established by sworn affidavit from a licensed physician. ADHE reserves the right to require a second opinion by an ADHE approved physician.
 - 4. The recipient is unable to secure employment for a period not to exceed twelve (12) months by reason of the care of a

spouse who is disabled, as established by the signature of a licensed physician. ADHE reserves the right to require a second opinion by an ADHE approved physician.

5. The recipient is engaged in active duty as a member of a uniformed service. The recipient must provide their Uniformed Service Serial Number, Branch of Service and a copy of their military orders.
 6. Other extraordinary circumstances that would prevent the recipient from repaying the debt within the contractual obligations of the note may be considered.
- B. To qualify for a deferment, a recipient must notify ADHE of their claim for the deferment and provide supporting documentation on a Request for Deferment form that will be supplied by ADHE upon request. The Request for Deferment form must be completed and returned to ADHE by the recipient. The recipient will be notified within ten (10) days of approval or disapproval of any application for a deferment.

IV. Cancellation of Loan

ADHE will cancel a recipient's repayment obligations if it determines:

- A. On the basis of a sworn affidavit of a licensed physician, that the recipient is unable to teach on a full-time basis because of an impairment that is expected to continue indefinitely or result in death. ADHE reserves the right to require a second opinion by an ADHE approved physician; or
- B. On the basis of a death certificate or other evidence of death, that is conclusive under state law, the recipient has died.

V. Prepayment of Loan

There shall be no penalty for prepayment or repayment of all or any portion of the principal and all interest accrued thereon.

VI. Grace Period

There will exist a nine-month grace period following completion of the teacher education program graduation before the recipient must begin teaching in a public school in the state in accordance with the student's

initial commitment or shall begin repayment of the loan in accordance with the terms of the note executed.

VII. Failure to Repay

Loan recipients required to repay their loan(s) who fail to meet their repayment obligations may have added to their total obligation any costs for collection of the debt and shall have their teaching license in Arkansas revoked by the State Board of Education.

RULE 6 - INSTITUTIONAL RESPONSIBILITIES

I. College/University Responsibilities

A. 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 State Teacher Assistance Resource Program and to receive all communications, forms, etc. This representative is responsible for program disbursement, completing all forms, verification data, and complying with all program rules and regulations. The institution must comply with these responsibilities in order to maintain continued eligibility status.

B. Disbursement Records

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

C. Institutional Verification

The institution shall provide certification to ADHE each semester after registration, giving the names of the program loan recipients who are officially enrolled as full-time students. This information is reported on a verification roster. The certifying official is responsible for completing the verification roster two times a year. The verification roster will be mailed to the financial aid director at the time of registration for each term. The signed STAR verification roster should be returned to ADHE by November 1 for the Fall term and May 1 the Spring term. The verification roster is an alphabetical listing by institution of all persons receiving STAR loans for a given academic semester. Students who are not enrolled full-time in the current term shall not receive loan benefits in that term.

D. Deadlines for Check Disbursement of Funds

The deadline for disbursement of funds is no later than 10 days after written receipt of funds. Any outstanding warrants or electronic funds transfers not disbursed must be returned to the Arkansas Department of Higher Education.

E. Refund Policy

It is the institution's responsibility to notify ADHE of the names of any persons owing a refund, the date of the withdrawal, and the refund amount. This information should be placed on the institution's verification roster before returning it to ADHE.

F. Due Diligence

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

RULE 7 - LOAN RECIPIENT'S RESPONSIBILITY

I. Recipient's Responsibility

It is the recipient's responsibility to notify the Arkansas Department of Higher Education of any change in status within 21 days. This will include:

Change in name;

Change in residence;

Change in institution;

Change in full-time status;

Change in course of study; and/or

Change in employment.

Failure to notify the Arkansas Department of Higher Education of a change in status will affect future eligibility or collection status.

RULE 8 - COLLECTION OF LOAN

I. Collection of Loan

Accounts will be retained by ADHE in the Financial Aid Division until the individual is no longer eligible for forgiveness or 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 ADHE to be 120 days delinquent will be mailed their first letter of notification ten (10) days after the installment payment is due. The co-signer will be notified at the same time. 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 and the co-signer 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 and co-signer informing them that the account will officially be in default if outstanding payments are not made within 30 days.

II. Skip Tracing Mechanisms

ADHE will use these steps to locate recipients and/or co-signers 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 and/or co-signer'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.

III. Credit Reporting Agencies

Defaulted recipients and/or co-signers 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

Forms for reporting defaulted loan recipients and/or co-signers are located in the collections file. ADHE will also respond promptly to any inquiries it receives from credit reporting agencies concerning delinquent or defaulted loan recipients and/or co-signers.

IV. State Income Tax Set Off

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.

V. Litigation

No sooner than 30 days after sending the third letter of notification, ADHE shall institute a civil suit against the recipient and co-signer 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, ADHE must use Circuit Court. If the account is \$3,000.01 or above, ADHE may choose to use Small Claims Courts and waive the difference because of the expense involved in going to Circuit Court. If ADHE chooses to waive the difference, it cannot later try to collect the difference. Forms to take the recipient and/or co-signer to Small Claims Courts are requested from the recipient's and/or co-signer's county of residence.

VI. Write-Offs

State Teacher Assistance Resource loans may be written off as uncollectible if ADHE 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 and/or co-signer do not have the means to satisfy a judgment on the debt, or a substantial portion thereof.

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 STAR accounts may be written off.

VII. 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.
- B. Loan recipients who fail to meet their repayment obligations shall have their teaching license in Arkansas revoked by the State Board of Education.

RULE 9 - PROGRAM DEFINITIONS

The following definitions are used in the State Teacher Assistance Resource Program:

Academic Year	A measure of the academic work to be accomplished by the recipient. The academic year is defined as fall and spring semesters.
Approved Institution	An Arkansas postsecondary public or private college or university school that is currently accredited by a nationally recognized accrediting agency or association that has a teacher licensure program where those courses are directly creditable toward teacher licensure in a baccalaureate institution. The institution must not discriminate against

applicants, or employees on the basis of race, color, religion, sex, age, handicap, or national origin, consistent with the provisions of applicable state and federal laws.

Award Year

The award year begins on July 1 of one calendar year, and extends to June 30 of the next calendar year.

Cancellation

ADHE shall cancel a recipient's repayment obligation if it determines: on the basis of a sworn affidavit of a licensed physician, that the recipient is unable to teach on a full-time basis because of an impairment that is expected to continue indefinitely or result in death. ADHE reserves the right to require a second opinion by an ADHE approved physician; or on the basis of a death certificate or other evidence of death, that is conclusive under State law, that the scholar has died.

Cost of Attendance

The student's cost of attendance as defined by statute. It includes tuition and fees, books and supplies, room and board and other student's living expenses while attending school.

Default

Failure to repay the STAR in accordance with the terms of the Promissory Note provided that this failure persists for 180 days for monthly payments.

Deferment

This is a postponement of repayments and interest does not accrue while in this status. ADHE shall not consider that the recipient has violated the repayment schedule if he or she does not meet the payments during the time he or she is in deferment status.

Due Diligence

This process refers to those steps ADHE takes to collect STAR funds when a recipient enters repayment status. It includes: billing

the scholar, sending overdue notices, conducting address searches if the recipient cannot be located, reporting the account to credit bureaus, collection, and litigation. Due diligence also includes keeping the recipient informed of all changes in the STAR Program that affect his or her rights and responsibilities and responding promptly to the recipient's inquiries.

Five-year Teacher Education Program

A program within a regionally accredited institution of higher education in Arkansas that will lead to obtaining a teacher certification and designated for completion in five (5) years with an award of a master's degree in education.

Four-year Teacher Education Program

A program within a regionally accredited institution of higher education in Arkansas that will lead to obtaining a teacher certification and designated for completion in four (4) years with an award of a baccalaureate degree in education.

Full-time Student

A student enrolled in an approved Arkansas institution who is enrolled for a minimum of 12 semester credit hours in each semester. Students must complete at least 24 semester credit hours per academic year to remain eligible for the STAR Program. Students enrolled in a graduate program must enroll in a minimum of 9 credit hours each term.

Geographical Areas of the State Designated as Having Critical Shortages of Teachers

Any Arkansas school districts designated by the Arkansas Department of Education as as having critical teacher shortages.

Grace Period

A nine-month period of time following the graduation of a recipient before the recipient must either take employment in a public school located in a geographical area of the state designated as having a critical shortage of teachers and/or in a subject matter designated as having a critical shortage of teachers or begin repayment of the loan.

Master of Arts in Teaching A program within a regionally accredited institution of higher education in Arkansas that will allow graduate students to teach in a middle or secondary school while obtaining licensure. The Master of Arts in Teaching Program shall also be defined to include persons who are pursuing licensure in Arkansas through a program of nontraditional licensure.

Permanent Resident Alien An individual who can provide documentation from the Immigration and Naturalization Service (INS) that he or she is in the U.S. for other than a temporary purpose with the intention of becoming a citizen or permanent resident. Valid documentation is an I-551, I-151, I-181, I-94, or passport stamped with the notation "Processed for I-551, Temporary Evidence of Lawful Admission for Permanent Residence". A completed Form G-641 can also be used to document permanent resident status.

Promissory Note The Promissory Note is a legal document obligating the recipient to repay the loan if he or she does not teach in a public school located in a geographical area of the state designated as having a critical shortage of teachers and/or in a subject matter designated as having a critical shortage of teachers one year for each year the student receives the STAR. The recipient's rights and responsibilities will be stated on the promissory note.

Satisfactory Academic Progress To be maintaining satisfactory academic progress the recipient must maintain a minimum 2.75 cumulative grade point average on a 4.0 scale. Students must complete at least 24 semester credit hours per academic year to remain eligible for the STAR Program. Students enrolled in a graduate program must enroll in a minimum of 9 credit hours each term.

Skip Tracing A process for locating a recipient who is in repayment status. ADHE's efforts may include contacting relatives, friends,

references, and other individuals or entities in the recipient's file.

Subject Matter Designated as Critical Needs in the State of Arkansas

Annually the Arkansas Department of Education certifies subject matter areas based upon the results of surveys obtained from school districts in the state of Arkansas. This information is submitted to the U. S. Department of Education; hence, subject shortage areas are certified for the state of Arkansas for purposes of forgiveness of student loans, etc. The STAR Commission will accept these subject matter areas for the STAR Program.

Teach on a Full-time Basis

Teach the same number of hours required of teachers who have full-time contracts, as determined by the institution or agency in which an individual is teaching, for a minimum of one academic term, as defined by the institution or agency in which an individual is teaching.

Two-Year Teacher Education Program

A program within a regionally accredited institution of higher education in Arkansas that will introduce students to the profession of teaching.

U.S. Citizen or National

The term "U.S. citizen" includes persons born or who have become naturalized citizens of the 50 States, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, the Northern Mariana Islands, and Trust Territory-Palau. The term "national" includes citizens of American Samoa or Swain's Island.