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As Engrossed: S2/20/19 S2/26/19
A Bill

SENATE BILL 343

By: Senator J. Sturch

For An Act To Be Entitled

AN ACT TO CREATE THE ARKANSAS CONCURRENT CHALLENGE SCHOLARSHIP; TO PROVIDE FOR AN ADDITIONAL USE OF EXCESS LOTTERY PROCEEDS TO FUND SCHOLARSHIPS FOR CERTAIN STUDENTS WHO ARE ENROLLED IN ENDORSED CONCURRENT ENROLLMENT COURSES OR CERTIFICATE PROGRAMS; AND FOR OTHER PURPOSES.

Subtitle

TO CREATE THE ARKANSAS CONCURRENT CHALLENGE SCHOLARSHIP.

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

SECTION 1. Arkansas Code Title 6, Chapter 85, is amended to add an additional subchapter to read as follows:

Subchapter 4 – Arkansas Concurrent Challenge Scholarship Program

6-85-401. Creation.

There is created the Arkansas Concurrent Challenge Scholarship Program.

6-85-402. Definitions.

As used in this subchapter:

(1) “Approved institution of higher education” means an institution of higher education that:

(A) Is approved by the Department 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)(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.

(B) "Certificate program" does not include a program that is operated or sponsored by a third party;

(3)(A) "Endorsed concurrent enrollment course" means the same as defined in § 6-16-1202(2).

(B) "Endorsed concurrent enrollment course" does not include a program that is operated or sponsored by a third party; and

(4) "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.

6-85-403. Eligibility.

(a) A student is eligible to receive an Arkansas Concurrent Challenge Scholarship under this subchapter 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:

(1) 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

(2)(A) Submits a student success plan as described under § 6-15-2911(b).

(B) The student success plan required under subdivision (a)(3)(A) of this section for a student who is enrolled in an endorsed concurrent enrollment course or certificate program shall:

(i) Be prepared in consultation with:

(a) School personnel, the student, and the student's parent or legal guardian; or

(b) A college advisor; and

(ii) Include:

(a) An endorsed concurrent enrollment course or certificate program that is relevant to the student's success plan; and

(b) Measures that ensure the successful completion of the endorsed concurrent enrollment course or certificate program in which the student is enrolled.

(b)(1) A student successfully completes an endorsed concurrent enrollment course or a course taken towards the completion of a certificate program under this subchapter if he or she completes the course or program and receives a minimum letter grade of "C" or the equivalent.

(2)(A) A student who fails to successfully complete an endorsed concurrent enrollment course or a course taken towards the completion of a certificate program under this subchapter shall:

(i) Retain eligibility for a scholarship under this subchapter; and

(ii) Enroll in only one (1) endorsed concurrent enrollment course or course required for the completion of a certificate program for the semester immediately following the semester in which the student failed to successfully complete an endorsed concurrent enrollment course or course taken towards the completion of a certificate program.

(B) However, if a student fails an endorsed concurrent enrollment course or a course taken towards the completion of a certificate program under this subchapter a second time, the student shall be ineligible to reapply for a scholarship under this subchapter.

(c) A student whose enrollment in a vocational center is reimbursable under § 6-51-305 is not eligible for a scholarship under this subchapter.

6-85-404. Funding.

(a) For an academic year, Arkansas Concurrent Challenge Scholarships

under this subchapter shall be funded with any funds remaining after the Department of Higher Education allocates sufficient funding to award Arkansas Workforce Challenge Scholarships under § 6-85-301 et seq., at a level equivalent to the awards made in the previous academic year.

(b)(1) A scholarship under this subchapter shall not be awarded for an academic year if:

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

(B) The department received a loan from the Scholarship Shortfall Reserve Trust Account under § 23-115-802 for the Arkansas Academic Challenge Scholarship Program – Part 2, § 6-85-201 et seq., for the previous academic year.

(2) Any funds under subsection (a) of this section that are not disbursed for scholarships under this subchapter shall be carried over to the next academic year to be used for scholarships under this subchapter.

6-85-405. Distribution – Award amounts.

(a) If funds are available, the Department of Higher Education shall award Arkansas Concurrent Challenge Scholarships to all students who meet the requirements under this subchapter.

(b)(1) The department 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 a scholarship under this subchapter.

(2) The maximum scholarship award a student may receive in an academic year shall be the lesser of:

(A)(i) Five hundred dollars (\$500).

(ii) A scholarship awarded to a student who is eligible under § 6-85-403 shall be awarded in the amount of one hundred and twenty-five dollars (\$125) for each endorsed concurrent enrollment credit course or certificate program in which the eligible student is enrolled, up to two (2) endorsed concurrent enrollment credit courses or certificate programs per semester.

(B) The tuition and mandatory fees of the endorsed concurrent credit course or certificate program.

(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 enrollment course or certificate program, 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 enrollment course or certificate program.

6-85-406. Rules.

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

SECTION 2. Arkansas Code § 23-115-801(b)(1), concerning the deposit of lottery proceeds into the Arkansas Workforce Challenge Scholarship Program, is amended to read as follows:

(b)(1)(A) On or before the fifteenth day of each month, the office shall deposit the net proceeds from the lottery into one (1) or more trust accounts at one (1) or more financial institutions.

(B)(i) The office shall establish ~~a trust account~~ accounts for both the Arkansas Workforce Challenge Scholarship Program, § 6-85-301 et seq., and the Arkansas Concurrent Challenge Scholarship Program, § 6-85-401 et seq., in a financial institution into which the office shall transfer:

(a) Excess funding returned to the office under § 6-85-212(e)(2)(B)(i) from the previous academic year; and

(b) Net proceeds remaining from the previous academic year after the office:

(1) Transfers under subdivision (c)(2) of this section the funds requested by the Department of Higher Education; and

(2) Deposits the amount necessary into the Scholarship Shortfall Reserve Trust Account under § 23-115-802 to maintain an amount equal to twenty million dollars (\$20,000,000).

(ii) The funds transferred by the office into ~~the~~ trust ~~account~~ accounts for the Arkansas Workforce Challenge Scholarship

Program, § 6-85-301 et seq., and the Arkansas Concurrent Challenge Scholarship Program, § 6-85-401 et seq., established under subdivision (b)(1)(B)(i) of this section shall be used for:

(a) Arkansas Workforce Challenge Scholarships;
and

(b) Any management fees charged by the financial institution to manage the trust ~~account~~ accounts for scholarship award supplements; and

(c) Arkansas Concurrent Challenge Scholarships.

(iii) Annually, the office shall transfer to the Department of Higher Education the funds from the previous academic year, if any, that were transferred by the office into the trust ~~account~~ accounts for the Arkansas Workforce Challenge Scholarship Program, § 6-85-301 et seq., and the Arkansas Concurrent Challenge Scholarship Program, § 6-85-401 et seq., under subdivision (b)(1)(B)(i) of this section for distribution of Arkansas Workforce Challenge Scholarships and the Arkansas Concurrent Challenge Scholarships.

SECTION 3. Arkansas Code § 23-115-802(c), concerning the use of funds in the Scholarship Shortfall Reserve Trust Account, is amended to read as follows:

(c)(1) Except as provided in subdivision (c)(2) of this section, if net proceeds in any year are not sufficient to meet the amount allocated for higher education scholarships, the account may be drawn upon to meet the deficiency.

(2) The account shall not be drawn upon to fund Arkansas Workforce Challenge Scholarships under the Arkansas Workforce Challenge Scholarship Program, § 6-85-301 et seq., or Arkansas Concurrent Challenge Scholarships under the Arkansas Concurrent Challenge Scholarship Program, § 6-85-401 et seq.

/s/J. Sturch

APPROVED: 3/13/19