

State of Arkansas
92nd General Assembly
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As Engrossed: H3/13/19 H3/20/19
A Bill

HOUSE BILL 1509

By: Representative A. Davis

By: Senator J. Sturch

For An Act To Be Entitled

AN ACT TO AMEND THE LAW CONCERNING USE OF HIGHER
EDUCATION FUNDS; TO AMEND THE LAW CONCERNING PRIVATE
RESIDENT AND CORRESPONDENCE SCHOOLS; TO AMEND THE
ARKANSAS ACADEMIC CHALLENGE SCHOLARSHIP ELIGIBILITY
REQUIREMENTS; AND FOR OTHER PURPOSES.

Subtitle

TO AMEND THE LAW CONCERNING USE OF HIGHER
EDUCATION FUNDS; TO AMEND THE LAW
CONCERNING PRIVATE RESIDENT AND
CORRESPONDENCE SCHOOLS; AND TO AMEND THE
ARKANSAS ACADEMIC CHALLENGE SCHOLARSHIP
ELIGIBILITY REQUIREMENTS.

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

SECTION 1. Arkansas Code § 6-51-603, concerning programs and entities that are exempt from the statute concerning private resident and correspondence schools, is amended to add an additional subdivision to read as follows:

- (14) Schools located outside the state that:
(A) Offer education or training outside the state; and
(B) Do not participate in distance education.

SECTION 2. Arkansas Code § 6-51-605(1), concerning the requirement of the State Board of Private Career Education to employ a director, is



repealed.

~~(1) The board shall employ a director who reports to the board.~~

SECTION 3. Arkansas Code § 6-51-607(c), concerning the Private Career School Student Protection Trust Fund, is amended to read as follows:

~~(c)(1) The fee will not be levied if, on May 30 of any year, the balance of the Private Career School Student Protection Trust Fund exceeds five hundred thousand dollars (\$500,000).~~

~~(2)(A) However, regardless~~ Regardless of the balance in the Private Career School Student Protection Trust Fund, a fee, as set by the department, will be assessed newly licensed schools.

~~(B)(2)~~ (2) Newly licensed schools shall pay for a number of years equal to the number of years paid by schools licensed on September 1, 1989.

SECTION 4. Arkansas Code § 6-51-607(f), concerning the Private Career School Student Protection Trust Fund, is amended to read as follows:

(f) Any amounts in the Private Career School Student Protection Trust Fund above ~~the required five hundred thousand dollars (\$500,000)~~ two hundred thousand dollars (\$200,000) may be used with the approval of the Director of the Department of Higher Education to:

(1) Fund educational seminars and other forms of educational projects for the use and benefit of licensed school administrators, faculty, staff, or admissions representatives;

(2) Provide for travel expenses and registration fees to send staff or board members to accrediting meetings, seminars, or meetings relating to the school sector; ~~or~~

(3) Provide staff assistance; or

(4)(A) Fund student scholarships as provided for by the Higher Education Grants Fund Account.

(B) Priority of funding scholarships under subdivision (f)(4)(A) of this section shall be given to the funding of veterinary medicine student loans at Mississippi State University College of Medicine.

SECTION 5. Arkansas Code § 6-51-609(a), concerning the requirement that certain admissions representatives secure a license to solicit or sell

programs of study in Arkansas, is amended to read as follows:

~~(a)(1) A person representing a resident, distance education, or combination school shall not solicit or sell in Arkansas any program of study for consideration or remuneration unless the admissions representative first secures a license from the Department of Higher Education~~ An admissions representative that solicits or sells a program of study for consideration or remuneration shall first obtain a license from the Department of Higher Education to solicit or sell the program of study.

(2) However, subdivision (a)(1) shall not apply to an out-of-state school that provides educational training outside the state.

SECTION 6. Arkansas Code § 6-51-620(a)(5), concerning the requirement that a private resident or correspondence obtain and maintain a surety bond during its licensure, is amended to read as follows:

~~(5)(A)~~ The bond shall be based on gross tuition, meaning the total amount collected by a school during the most recently completed twelve-month fiscal year, reduced only by the amount of refunds paid during the fiscal year, for tuition, application fees, registration fees, and those other fees deemed appropriate by rule of the department;

~~(B) For a school located outside of this state which is authorized to recruit in this state, "gross tuition" means only the amount of such tuition and fees collected from residents of this state.~~

SECTION 7. Arkansas Code § 6-85-106(d), concerning eligibility for receiving an Arkansas Academic Challenge Scholarship, *is amended to read as follows:*

(d) Recipients of Arkansas Governor's Distinguished Scholarships ~~are prohibited from receiving~~ may receive Arkansas Academic Challenge Scholarships, but shall not receive more than the maximum scholarship amount for Arkansas Governor's Distinguished Scholarships under § 6-82-312.

SECTION 8. Arkansas Code § 19-5-302(11)(B), concerning the Higher Education Grants Fund Account, is amended to read as follows:

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

provided by law;

/s/A. Davis

APPROVED: 4/5/19