

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas *As Engrossed: S1/27/15 S3/3/15 H3/25/15*
90th General Assembly **A Bill**
Regular Session, 2015

SENATE BILL 5

By: Senator Hickey

By: Representative C. Douglas

For An Act To Be Entitled

AN ACT TO MODIFY THE ELIGIBILITY REQUIREMENTS FOR THE
ACADEMIC CHALLENGE SCHOLARSHIP PROGRAM - PART 2; TO
CLARIFY FUNDING AMOUNTS AND PROVISIONS; AND FOR OTHER
PURPOSES.

Subtitle

TO MODIFY THE ELIGIBILITY REQUIREMENTS
FOR THE ACADEMIC CHALLENGE SCHOLARSHIP
PROGRAM - PART 2; AND TO CLARIFY FUNDING
AMOUNTS AND PROVISIONS.

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

SECTION 1. Arkansas Code § 6-85-201 is amended to read as follows:
6-85-201. Findings.

The General Assembly finds that:

(1) In approving Arkansas Constitution, Amendment 87, the
citizens of this state provided an opportunity to increase the resources
provided for higher education scholarships and grants through a state
lottery; ~~and~~

(2) The net proceeds from the state lottery, in addition to
existing nonlottery state educational resources for scholarships and grants,
will:

(A) Encourage associate degree, certificate of proficiency
program, and technical certificate program recipients and university juniors
to complete a baccalaureate degree;



(B) Provide opportunities for students more than one (1) year out of high school to enter or reenter higher education;

(C) Provide an improved system of communication to students and parents about opportunities for higher education scholarships and grants in Arkansas; and

(D) Provide an evaluation and analysis of all state funding for scholarships and grants and how the funding advances the state's goals for higher education; and

(3) Changes to the Arkansas Academic Challenge Scholarship Program – Part 2 may be necessary from time to time to ensure the solvency of the program by spreading the program liabilities over a period of time while ensuring that there are scholarship dollars available for students who successfully complete their courses.

SECTION 2. Arkansas Code § 6-85-207(1) and (2), concerning the eligibility requirements for traditional students, are amended to read as follows:

"(1)~~(A)~~ Graduated from an Arkansas public high school and has~~+~~

~~(i) Successfully completed the Smart Core curriculum established by the Department of Education; and~~

~~(ii) Either:~~

~~(a) Achieved a high school grade point average of at least 2.5; or~~

~~(b) Had a minimum composite score of nineteen (19) on the ACT or the equivalent score on an ACT equivalent.~~

~~(B) Graduated from an Arkansas public high school before the 2013-2014 school year, but did not complete the Smart Core curriculum, he or she shall have achieved a high school grade point average of at least 2.5 and either:~~

~~(i) Have a minimum composite score of nineteen (19) on the ACT or the equivalent score on an ACT equivalent; or~~

~~(ii) Scored proficient or higher on all state-mandated end-of-course assessments, including without limitation end-of-course assessments on:~~

~~(a) Algebra I;~~

~~(b) Geometry; and~~

~~(e) Biology;~~

(2) Has a disability identified under the Individuals with Disabilities Education Act, 20 U.S.C. § 1400 et seq., as it existed on July 1, 2009, and graduated from an Arkansas public high school ~~but did not complete the Smart Core curriculum because the applicant's individualized education program under § 6-41-217 did not require it, achieved a high school grade point average of at least 2.5,~~ and either:

(A) Had a minimum composite score of nineteen (19) on the ACT or the equivalent score on an ACT equivalent; or

(B) Scored proficient or higher on all state-mandated end-of-course assessments, including without limitation end-of-course assessments on:

(i) Algebra I;

(ii) Geometry;

(iii) Biology; and

(iv) ~~Beginning with the 2013-2014 school year,~~ Literacy Literacy; or

SECTION 3. Arkansas Code § 6-85-212(e)(1), concerning scholarship award amounts, is amended to read as follows:

(e)(1)(A) Beginning with the ~~2013-2014~~ 2016-2017 academic year, the scholarship award amount under this subchapter for an academic year for a full-time recipient enrolled in a four-year approved institution of higher education is:

(i) ~~Two thousand dollars (\$2,000)~~ One thousand dollars (\$1,000) for a recipient in his or her freshman year;

(ii) ~~Three thousand dollars (\$3,000)~~ Four thousand dollars (\$4,000) for a recipient in his or her sophomore year;

(iii) Four thousand dollars (\$4,000) for a recipient in his or her junior year; and

(iv) Five thousand dollars (\$5,000) for a recipient in his or her senior year.

(B) The Department of Higher Education shall not accept new applications for scholarships for current achiever students under § 6-85-209 after June 1, 2012.

SECTION 4. Arkansas Code § 6-85-212(e)(2)(A)(ii), concerning scholarship award amounts, is amended to read as follows:

(ii) Beginning with the 2014-2015 academic year, the department shall award an aggregate amount of scholarship awards to nontraditional students of up to sixteen million dollars (\$16,000,000).

SECTION 5. Arkansas Code § 6-85-212(e)(3)-(6), concerning scholarship award amounts, is amended to add an additional subdivision to read as follows:

(3) The scholarship award for an academic year for a full-time student enrolled in one (1) of the following institutions of higher education *is two thousand dollars (\$2,000) one thousand dollars (\$1,000) for the first year and three thousand dollars (\$3,000) for the second year:*

- (A) A two-year approved institution of higher education;
- (B) A branch campus of a four-year approved institution of higher education; or
- (C) An approved nursing school.

(4) The scholarship award amount for a part-time student recipient shall be:

- (A) One-half ($\frac{1}{2}$) of the award amount for a full-time student recipient, if the recipient is enrolled in at least six (6) semester hours but less than nine (9) semester hours; or
- (B) Three-quarters ($\frac{3}{4}$) of the award amount for a full-time student recipient, if the recipient is enrolled in at least nine (9) semester hours but less than the number of hours required for a full-time student recipient.

(5) A current recipient who maintains eligibility for the scholarship under this subchapter shall continue to receive the scholarship award amount first awarded to the recipient.

(6) The department shall give priority for a scholarship award to a full-time or part-time student:

(A) Who meets the eligibility requirements under this subchapter; and

(B) Whose parent, by birth or legal adoption:

(i) Was a resident of the State of Arkansas at the time that person entered the service of the United States Armed Forces or

whose official residence is in Arkansas; and

(ii) Was a member of the United States Armed Forces who was killed while performing military duty:

(a) In a status identified under 32 U.S.C. § 101 et seq. or 10 U.S.C. § 101 et seq. as they existed on January 1, 2011; or

(b) In state active duty status.

SECTION 6. Arkansas Code § 6-85-212(i), concerning scholarship award amounts, is amended to read as follows:

(i)(1) If the department has less than a sufficient amount from net proceeds from the state lottery to provide for the scholarship commitments under this subchapter, the department shall give priority for continued financial support under this subchapter to a ~~recipient who has~~ student with continuing eligibility superior to first-time applicants.

(2) If the funding is ~~still~~ insufficient to fully fund the scholarships for students with continuing eligibility created under this subchapter, the department shall award scholarships ~~after considering applicants based upon the following criteria to students with continuing eligibility as follows:~~

(A) ~~With~~ First, to students who have the highest level of progress toward completion of a certificate, an associate degree, or a baccalaureate degree and who are enrolled in a program of study that is:

(i) In an area of critical workforce need as determined by the department; or

(ii) In a science, technology, engineering, or mathematics field;

(B) Second, to students who have the highest level of progress toward completion of a certificate, an associate degree, or a baccalaureate degree and who are enrolled in a program of study other than those listed in subdivision (i)(2)(A) of this section; and

(C) ~~With~~ Last, in the event funding is insufficient to fully fund students under subdivision (i)(2)(A) or (B) of this section, to students who have the highest ~~high school or~~ postsecondary grade point average, as applicable to the applicant; and

~~(C) Who are enrolled in or intend to enroll in a program of study that is:~~

~~(i) In an area of critical workforce need as determined by the department; or~~

~~(ii) In a science, technology, engineering, or mathematics field.~~

(3)(A) If after funding all students with continuing eligibility under this section funding is insufficient to fund all qualified first-time applicants, the department shall award scholarships to first-time applicants in order of priority based upon the applicants' highest ACT or ACT equivalent scores.

(B) If after prioritizing first-time applicants based upon the applicants' ACT or ACT equivalent scores funding is insufficient to fund all applicants with like ACT or ACT equivalent scores, the department shall determine who receives an award by random drawing.

SECTION 7. Arkansas Code § 23-115-802(b)(2), concerning the Scholarship Shortfall Reserve Trust Account, is amended to read as follows:

~~(2)(A)~~ Thereafter, only an amount necessary to maintain the account in an amount equal to twenty million dollars (\$20,000,000) shall be deposited into the account after the repayment of any loan made from the Executive "set-aside" section of the General Improvement Funding Law before June 30, 2016 to the Department of Higher Education for the Arkansas Academic Challenge Scholarship Program – Part 2 have been satisfied.

(B) A loan made from the Executive "set-aside" section of the General Improvement Funding Law to the Department of Higher Education for the Arkansas Academic Challenge Scholarship Program – Part 2 shall not exceed one million five hundred thousand dollars (\$1,500,000).

SECTION 8. Sections 1 through 5 of this act are effective on July 1, 2016.

SECTION 9. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that the Arkansas Scholarship Lottery is undergoing dramatic change; that the financial stability of the Arkansas Scholarship Lottery is in question; and that this act is immediately necessary to ensure that there are appropriate mechanisms in place to fund scholarship recipients should there be a shortfall in lottery proceeds.

Therefore, an emergency is declared to exist, and Sections 6 and 7 of this act being immediately necessary for the preservation of the public peace, health, and safety shall become effective on:

(1) The date of its approval by the Governor;

(2) If the bill is neither approved nor vetoed by the Governor, the expiration of the period of time during which the Governor may veto the bill; or

(3) If the bill is vetoed by the Governor and the veto is overridden, the date the last house overrides the veto.

/s/Hickey