

State of Arkansas
92nd General Assembly
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A Bill

HOUSE BILL 1408

By: Representative Dotson

By: Senator J. Sturch

For An Act To Be Entitled

AN ACT CONCERNING LAWS RELATED TO HIGHER EDUCATION;
TO REQUIRE A FINANCIAL CONDITION REPORT BE SUBMITTED
BY THE DEPARTMENT OF HIGHER EDUCATION; TO REPEAL THE
LAW CREATING THE SOUTHWEST ARKANSAS HIGHER EDUCATION
CONSORTIUM; TO REPEAL THE PRODUCTIVITY ENHANCEMENT
FOR UNDERGRADUATE HIGHER EDUCATION ACT; TO REPEAL THE
REQUIREMENT THAT AN INSTITUTION OF HIGHER EDUCATION
REPORT TO THE LEGISLATIVE COUNCIL ITS FINDINGS
REGARDING A PERFORMANCE REVIEW OF THE SUSTAINABLE
ENERGY-EFFICIENT BUILDINGS PROGRAM; TO REPEAL THE
REQUIREMENT THAT AN INSTITUTION OF HIGHER EDUCATION
FILE WITH THE SECRETARY OF STATE ITS RULES AND
REGULATIONS REGARDING MOTOR VEHICLES ON INSTITUTIONAL
GROUNDS; AND FOR OTHER PURPOSES.

Subtitle

TO AMEND LAWS RELATED TO HIGHER
EDUCATION.

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

SECTION 1. Arkansas Code § 6-60-703(b)(2), concerning certain information included in the Comprehensive Arkansas Higher Education Annual Report submitted by the Department of Higher Education to certain legislative bodies and individuals, is amended to read as follows:

(2) Biennially, each even-numbered year:



~~(A) Changes to Productivity Enhancement for Undergraduate Higher Education Program plans, § 6-61-1311;~~

~~(B)(A) Uniform reporting standards~~ A financial condition report, § 6-61-222;

~~(C)(B) Changes to affirmative action program plans, § 6-63-103; and~~

~~(D)(C) Economic development goals and educational efforts, § 6-61-207; and~~

SECTION 2. Arkansas Code § 6-61-221(d)(3), concerning the Comprehensive Arkansas Higher Education Annual Report required for submission by the Department of Higher Education, is amended to read as follows:

(3) The report required under this subsection shall be separate from the ~~uniform reporting standards report~~ financial condition report required under § 6-61-222.

SECTION 3. Arkansas Code § 6-61-222 is amended to read as follows:

~~6-61-222. Uniform reporting standards~~ Financial condition report.

(a)(1) ~~The Arkansas Higher Education Coordinating Board is authorized and directed to establish uniform reporting standards to report biennially all current funds' revenues and expenditures associated with each academic department and, within each department, with the academic programs offered at each state-supported institution of higher education~~ Department of Higher Education shall prepare a financial condition report, which shall include without limitation the information required under subdivision (b)(1) of this section.

(2) ~~Such reports~~ The financial condition report prepared under subdivision (a)(1) of this section shall be subject to biennial review by the board Arkansas Higher Education Coordinating Board, and the House Committee on Education, and the Senate Committee on Education.

~~(3) The reports shall be predicated on the following definitions:~~

~~(A) "Academic department" means each organizational and budgetary unit associated with the delivery of instruction, research, and public service activities;~~

~~(B) "Academic program" means any program of study leading~~

~~to a degree or certificate and any other program as defined by the Department of Higher Education;~~

~~(C) “Academic department and program revenues” shall include tuition and fees, both undergraduate and graduate, endowments, gifts and grants, sponsored research, and all other revenues associated with each academic department and with specific academic programs;~~

~~(D)(i) “Academic department and program expenditures” shall include all direct and prorated indirect expenses.~~

~~(ii) Direct expenses include faculty salaries, staff salaries, fringe benefits, scholarships and fellowships, graduate stipends and graduate assistant tuition, student labor, materials and supplies, equipment, travel, and telephone.~~

~~(iii) Indirect expenses include central administrative management, institution-wide services, departmental administration, student services, research, indirect cost recovery, public services and information, financial aid, plant operations and maintenance, utilities, debt service, nonmandatory transfers, and all other indirect expenses.~~

~~(iv) Total academic department and program expenditures should equal the current funds’ expenditures as reported in the institution’s financial statement;~~

~~(E) “State subsidy” means that within each academic department, any difference between academic program revenues and academic program expenditures shall be determined to be the “state subsidy” of that academic program; and~~

~~(F) “Productivity by academic program” means the number of declared majors, the number of undergraduate and graduate student semester credit hours produced, and the number of degrees and certificates conferred in each program.~~

~~(4)(3) The board is authorized to may promulgate any rules or regulations necessary for the implementation of this section and shall report to the House Committee on Education and the Senate Committee on Education the failure of an institution to comply with the provisions of this section.~~

~~(b)(1) By September 15 of each year, all On a date determined by the department, each state-supported ~~institutions~~ institution of higher education shall report academic department and program revenues, expenditures, and~~

~~productivity utilizing the uniform report established by the board.~~ submit annually the following information for inclusion in the financial condition report required under subdivision (a)(1) of this section:

(A) Expenditures per full-time equivalent student by function, which includes without limitation:

(i) Instruction;

(ii) Research;

(iii) Public service;

(iv) Academic support;

(v) Student services;

(vi) Institutional support;

(vii) Operating and maintenance of plant; and

(viii) Scholarships and fellowships;

(B) Operating margins and education and general revenue fund balances;

(C) Net tuition and fee income;

(D) Faculty salaries;

(E) Institutional scholarship expenditures;

(F) Deferred and critical maintenance needs as determined by the facilities audit program;

(G) Auxiliary enterprise expenditures;

(H) Intercollegiate athletics revenues and expenditures;

(I) Bonds and loans that are reviewed for economic feasibility;

(J) Gross tuition and fee income;

(K) Gross direct state income;

(L) Gross federal income; and

(M) Any other information requested by the department or board.

~~(2) The academic department and program report shall identify undergraduate and graduate programs that produce fewer graduates than are required to meet the degree productivity standards set by the board.~~

~~(3)~~(2) The board shall review the ~~institutional reports and submit them~~ financial condition report required under subdivision (a)(1) of this section and submit it to the House Committee on Education and the Senate Committee on Education by January 15 of each odd-numbered year.

(c) The board ~~is further authorized and directed to~~ may establish ~~uniform reporting~~ standards to report ~~any~~ other information that may be required to meet ~~any~~ other state or federal statutory or regulatory requirements.

~~(d) The report required under this section shall be separate from the cost of remediation reports required under § 6-61-221.~~

SECTION 4. Arkansas Code Title 6, Chapter 61, Subchapter 12, is repealed.

~~Subchapter 12 — Southwest Arkansas Higher Education Consortium~~

~~6-61-1201. Creation — Duties — Funding.~~

~~(a) There is created the Southwest Arkansas Higher Education Consortium, composed of Cossatot Community College of the University of Arkansas, National Park College, Henderson State University, College of The Ouachitas, Pulaski Technical College, Rich Mountain Community College, Southern Arkansas University, SAU-Tech, and South Arkansas Community College, to establish and utilize high bandwidth connectivity within the consortium.~~

~~(b) The consortium will provide a mixture of full-motion interactive video, compressed video, and ISDN video and data to member institutions.~~

~~(c) Funding will be allocated through the Henderson State University Fund and distributed by an executive council composed of one (1) representative per institution in the consortium.~~

SECTION 5. Arkansas Code Title 6, Chapter 61, Subchapter 13, is repealed.

~~Subchapter 13 — Productivity Enhancement for Undergraduate Higher Education Act~~

~~6-61-1301. Title.~~

~~This subchapter shall be known and may be cited as the “Productivity Enhancement for Undergraduate Higher Education Act”.~~

~~6-61-1302. Findings.~~

~~The General Assembly finds that:~~

~~(1) Higher education productivity is a state, national, and~~

~~international issue that impacts the ability of Arkansans to compete on the state, national, and global levels;~~

~~(2) Public institutions of higher education have a heightened duty for the efficient use and accountability for the expenditure of tax dollars;~~

~~(3) Incentive funding is often successful to encourage public institutions to improve efficiency, accountability, and outcomes;~~

~~(4) As applied to public institutions of higher education, incentive funding that encourages public institutions of higher education to maximize the efficiency of tax dollars and tuition receipts to improve outcomes for the students and the institution should improve the productivity of the public institutions; and~~

~~(5) A statewide coordinated plan that uses incentive funding to improve retention and graduation rates at public institutions of higher education is necessary to enhance productivity and empower Arkansans to compete in the global economy.~~

~~6-61-1303.—Definitions.~~

~~As used in this subchapter:~~

~~(1) “Certificate-seeking student” means a student who is:~~

~~(A) Enrolled in courses for credit; and~~

~~(B) Recognized by the institution as seeking a formal award in a vocational program or an occupational program;~~

~~(2) “Completion rate for technical certificates” means the ratio of the number of first-time, full-time students who complete a technical certificate program in no more than five (5) consecutive semesters at the institution compared to the total number of first-time, full-time students who were enrolled at the institution in a technical certificate program five (5) semesters earlier, expressed as a percentage value;~~

~~(3) “Degree-seeking student” means a student who is:~~

~~(A) Enrolled in courses for credit; and~~

~~(B) Recognized by the institution as seeking a degree;~~

~~(4) “Full-time student” means an individual who:~~

~~(A) Is a student at a public institution of higher education;~~

~~(B) Is enrolled in a course of study leading to an~~

~~associate's or bachelor's degree or completion of a technical certificate;~~
and

~~(C) Is enrolled in at least twelve (12) semester hours or some other reasonable academic equivalent as defined by the Department of Higher Education;~~

~~(5) "Graduation rate for the two-year college" means the ratio of the number of first-time, full-time degree-seeking students who complete an associate degree in no more than three (3) years at the institution compared to the total number of first-time, full-time degree-seeking students who began at the two-year college as first-time, full-time degree-seeking students three (3) years earlier, expressed as a percentage value;~~

~~(6) "Graduation rate for the university" means the ratio of the number of first-time, full-time degree-seeking students who complete a baccalaureate degree at the institution in no more than six (6) years compared to the total number of first-time, full-time degree-seeking students who began at the university as first-time, full-time degree-seeking students six (6) years earlier, expressed as a percentage value;~~

~~(7)(A) "Institution" means a public institution of higher education.~~

~~(B) "Institution" includes universities and two-year colleges;~~

~~(8) "Institutional baseline" means the institution's average rate for the previous three (3) years in a category established under this subchapter that is eligible for incentive funding, expressed as a percentage value;~~

~~(9) "Retention rate for the two-year college" means the ratio of the number of first-time, full-time degree-seeking or certificate-seeking students who remain at the institution for the following semester compared to the total number of full-time degree-seeking or certificate-seeking students at the institution during the previous semester, expressed as a percentage value; and~~

~~(10) "Retention rate for the university" means the ratio of the number of first-time, full-time, degree-seeking students who continue from their freshman year at the institution to their second year at the institution compared to the total number of first-time, full-time, degree-seeking students who began at the institution as freshmen during the previous~~

~~year, expressed as a percentage value.~~

~~6-61-1304.—Creation—Purpose.~~

~~(a)—There is created the Productivity Enhancement for Undergraduate Higher Education Program to be administered by the Arkansas Higher Education Coordinating Board.~~

~~(b)—The purpose of this program is to improve undergraduate education at public institutions of higher education by improving:~~

~~(1)—The retention rates of first-year to second-year students;~~
and

~~(2)—The graduation rates.~~

~~6-61-1305.—Base funding not impacted.~~

~~Nothing in this subchapter shall impact the base funding of an institution.~~

~~6-61-1306.—Retention rate improvement incentives for two-year colleges.~~

~~A two-year college is eligible for incentive funding under this section if the retention rate for the two-year college is three percent (3%) more than the institutional baseline.~~

~~6-61-1307.—Associate degree graduation rate improvement incentives for two-year colleges.~~

~~A two-year college is eligible for incentive funding under this section if the graduation rate for the two-year college is three percent (3%) or more than the institutional baseline.~~

~~6-61-1308.—Technical certificate completion rate improvement incentives for two-year colleges.~~

~~A two-year college is eligible for incentive funding under this section if the completion rate for technical certificates is three percent (3%) or more than the institutional baseline.~~

~~6-61-1309.—Retention rate improvement incentives for universities.~~

~~A university is eligible for incentive funding under this section if~~

~~the retention rate for the university is three percent (3%) more than the institutional baseline.~~

~~6-61-1310.— Graduation rate improvement incentives for universities.~~

~~A university is eligible for incentive funding under this section if the graduation rate for the university is three percent (3%) more than the institutional baseline.~~

~~6-61-1311.— Duties of the Arkansas Higher Education Coordinating Board.~~

~~The Arkansas Higher Education Coordinating Board shall:~~

~~(1) Develop, implement, and administer the program as provided under this subchapter;~~

~~(2) Allocate any and all incentive funding that is appropriated for the program to each institution that qualifies in each category under this subchapter;~~

~~(3) Promulgate rules for the administration of this subchapter;~~
and

~~(4) Report on the status of the program, including recommendations for any changes to the program, to the Legislative Council, the House Committee on Education, and the Senate Committee on Education no later than December 1 of each even-numbered year, beginning on December 1, 2008.~~

~~6-61-1312.— Implementation Date.~~

~~This program shall be implemented on July 1, 2009.~~

SECTION 6. Arkansas Code § 6-64-305(f)(18), concerning the exemption of the eVersity of the University of Arkansas system from certain statutes, is repealed.

~~(18) Productivity Enhancement for Undergraduate Higher Education Act, § 6-61-1301 et seq.;~~

SECTION 7. Arkansas Code § 22-3-2010(b), concerning the reporting of a performance review of the Sustainable Energy-Efficient Buildings Program, is amended to read as follows:

(b) No later than December 1, 2010, and each year thereafter, the

Arkansas Energy Office ~~and each institution of higher education~~ shall report to the cochairs of the Legislative Council its:

- (1) Findings under subsection (a) of this section; and
- (2) Recommended changes, if any.

SECTION 8. Arkansas Code § 25-17-307 is amended to read as follows:

25-17-307. ~~Rules and regulations~~ Policies for motor vehicles on institutional grounds.

(a) Each of the institutions described in § 25-17-301 ~~is authorized to may adopt promulgate rules and regulations policies and to amend or change them policies from time to time as its governing board shall deem necessary, providing that provide~~ for the operation and parking of motor vehicles upon the grounds, streets, drives, and alleys under its control, including, ~~but not limited to, the following regulations~~ without limitation:

- (1) Limiting the rate of speed;
- (2)(A) Assigning parking spaces, ~~and~~ designating parking areas and their uses, ~~and~~ collecting charges or fees as rent for those parking spaces.

(B) The charges or fees collected under subdivision (a)(2)(A) of this section, other than fees for parking or parking passes for athletic events or other special events, ~~shall not be considered as~~ do not constitute payment for the providing of any service ~~of any nature~~ to the person paying the charges or fees as rent and ~~shall be~~ are exempt from the tax levied ~~by~~ under § 26-52-301(3);

- (3) Prohibiting parking ~~as it deems necessary~~;

(4) Removing vehicles parked in violation of institutional ~~rules and regulations~~ policies or city ordinances, at the expense of the violator, who shall pay the expense before the vehicle is released;

(5) Instituting a system of motor vehicle registration for the identification and regulation of vehicles regularly using institutional premises, including without limitation a reasonable charge to defray the cost ~~thereof~~ of the system; and

(6)(A) Collecting, ~~under an established system,~~ administrative charges for violations of institutional ~~rules and regulations~~ policies governing motor vehicles, ~~their~~ the operation of motor vehicles, and the parking of motor vehicles.

(B) However, an administrative finding of a violation of policies under this section may be appealed to the appropriate district court where the matter shall be heard de novo.

(b) ~~Rules and regulations~~ Policies, together with any amendments thereto, ~~which that~~ that may ~~from time to time~~ be adopted by a state institution ~~for the regulation of~~ to regulate the operation and parking of motor vehicles ~~shall be recorded in the official minutes of the governing board having supervision of the institution, shall be filed with the Secretary of State,~~ and shall be posted online or printed, with copies available at convenient locations at the institution ~~or at any separate portion thereof.~~

(c) Speed limits shall be posted at reasonable intervals, and traffic and parking directions and prohibitions shall be indicated by signs.

(d)(1) ~~From and after the promulgation of the rules and regulations~~ Upon the adoption of policies under this section, it shall be unlawful for ~~any a~~ a person to operate or to park a motor vehicle in violation ~~thereof of~~ policies adopted under this section. ~~Any person violating or refusing~~

(2) ~~A person who violates or refuses to comply with the rules and regulations~~ policies adopted under this section, if not otherwise ~~provided for~~ regulated by city ordinance, shall be subjected to a reasonable administrative charge ~~stated in the promulgated rules and regulations~~ provided in the policies adopted under this section.

(e)(1)(A) ~~Persons violating institutional rules and regulations promulgated~~ A person who violates policies adopted under this section while using a motor vehicle registered with the institution, at the option of the institutional law enforcement officer, shall be charged under the institution's system of charges or summoned to appear before ~~any a~~ a court of competent jurisdiction, ~~to be dealt with according to law.~~

(B) A person adversely affected by ~~any an~~ an administrative determination of an institution as described under subdivision (e)(1)(A) of this section ~~shall have a right to~~ may appeal ~~therefrom~~ the administrative determination to the appropriate district court where the matter shall be heard de novo.

(2)(A) ~~Persons violating institutional rules and regulations~~ A person who violates policies adopted under this section while using a motor vehicle not registered with the institution or ~~persons violating~~ a person who violates city ordinances shall be summoned to appear before ~~the a~~ a court of

competent jurisdiction.

(B) Notice placed on the vehicle ~~shall be~~ is sufficient as a summons for the purposes of ~~this section~~ subdivision (e)(2)(A) of this section.