

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

State of Arkansas  
93rd General Assembly  
Regular Session, 2021

# A Bill

SENATE BILL 130

By: Senator J. Sturch  
By: Representative L. Johnson

## For An Act To Be Entitled

AN ACT TO REPEAL THE ARKANSAS ACADEMIC CHALLENGE  
SCHOLARSHIP PROGRAM - PART 1; AND FOR OTHER PURPOSES.

### Subtitle

TO REPEAL THE ARKANSAS ACADEMIC  
CHALLENGE SCHOLARSHIP PROGRAM - PART 1.

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

SECTION 1. Arkansas Code Title 6, Chapter 85, Subchapter 1, is repealed.

~~Subchapter 1 — Arkansas Academic Challenge Scholarship Program — Part 1~~

~~6-85-101. Legislative findings and declarations of public necessity. The General Assembly hereby recognizes that taking the proper coursework in high school is essential for success in college. Arkansas high school students who complete the recommended precollegiate or technical preparation core curriculum score significantly higher on standardized preadmission tests and are more likely to be successful in college. Because the State of Arkansas also benefits from the academic success of well-prepared college students, there is hereby established the Arkansas Academic Challenge Scholarship Program, a college scholarship plan to promote academic achievement and encourage academically prepared Arkansas high school graduates to enroll in the state's colleges and universities and to encourage students to enter the field of teaching for the purpose of teaching in subject matter areas of critical teacher shortage or in geographical areas of~~



~~critical teacher shortage in the state.~~

~~6-85-102. Creation.~~

~~There is hereby created and established the Arkansas Academic Challenge Scholarship Program—Part 1.~~

~~6-85-103. Applicability—Expiration.~~

~~(a) This subchapter is applicable to students who:~~

~~(1) Applied for a scholarship under the Arkansas Academic Challenge Scholarship Program, § 6-82-1001 et seq. [repealed], and maintain eligibility under this subchapter; or~~

~~(2) Apply for a scholarship under this subchapter for the academic year 2009-2010, receive the scholarship, and maintain eligibility thereafter.~~

~~(b) Except to the extent of the award amount under § 6-85-107(b)(2), a recipient of a scholarship under this subchapter shall not receive an additional scholarship under the Arkansas Academic Challenge Scholarship Program—Part 2, § 6-85-201 et seq.~~

~~(c) This subchapter will expire on June 30, 2015.~~

~~6-85-104. Definitions.~~

~~As used in this subchapter:~~

~~(1) “Approved institution” means an institution of higher education approved by the Division of Higher Education to participate in the Arkansas Academic Challenge Scholarship Program that is:~~

~~(A) A state-supported institution of higher education;~~

~~(B) A private, nonprofit institution of higher education with its primary headquarters located in Arkansas that is eligible to receive Title IV federal student aid funds; or~~

~~(C) A nursing school with its primary headquarters located in Arkansas that is eligible to participate in Title IV federal student aid programs and has been;~~

~~(2) “Eligible student” means any student who:~~

~~(A) Meets the criteria set out by this subchapter; and~~

~~(B) Is deemed to be eligible by rules authorized by this subchapter and promulgated by the division;~~

~~(3) "Financial need" means the family income of program applicants as determined by the division through evaluation of program applications and supporting documentation;~~

~~(4)(A) "Full-time undergraduate student" means a resident of Arkansas who attends an approved institution and who is enrolled for at least twelve (12) credit hours the first semester and fifteen (15) credit hours thereafter or the equivalent, as defined by the division, in a program of study that leads to or is creditable toward a baccalaureate degree, an associate degree in nursing, or a nursing school diploma.~~

~~(B) A recipient receiving an Arkansas Academic Challenge Scholarship for the eighth semester shall not be required to be enrolled in fifteen (15) hours and shall be considered a "full-time undergraduate student" if the recipient is enrolled in the appropriate number of course credit hours to earn a degree or diploma at the end of that semester;~~

~~(5) "Recipient" means an applicant awarded a scholarship funded through the program;~~

~~(6) "Tuition" means charges levied for attendance at an approved institution, including mandatory fees charged to all full-time undergraduate students by an approved institution; and~~

~~(7) "Unemancipated child" means a dependent child as defined by the United States Department of Education for student aid purposes.~~

~~6-85-105. Authority of Division of Higher Education.~~

~~(a) The Division of Higher Education is authorized by this subchapter to develop and promulgate rules for the administration of the Arkansas Academic Challenge Scholarship Program, consistent with the purposes and requirements of this subchapter.~~

~~(b) The rules shall include student eligibility criteria based on the provisions of this subchapter, the method for selecting scholarship recipients, rules for determining continuing eligibility, procedures for making payment to recipients, and other administrative procedures that may be necessary for the implementation and operation of the program.~~

~~(c) Until the end of fiscal year 2011, the Division of Higher Education is authorized to expend each year for data processing and other administrative costs of this program up to one and five tenths percent (1.5%) of the amount appropriated for the program.~~

~~(d) Applicants must certify that they are drug free and must pledge in writing on the application form to refrain from the use or abuse of illegal substances in order to maintain eligibility for this program.~~

~~(e)(1) The Division of Elementary and Secondary Education and the Division of Higher Education are directed to develop appropriate informational materials on the Arkansas Academic Challenge Scholarship Program and to ensure their distribution to Arkansas students in grades seven through twelve (7-12) each year as part of the packet of materials on precollegiate preparation distributed by the Division of Elementary and Secondary Education as mandated by § 6-61-217.~~

~~(2) The distribution of information shall be accomplished through the collaboration of school counselors and other appropriate school personnel.~~

~~(f) The Director of the Division of Higher Education is authorized to review and evaluate the operation of the program with regard to eligibility criteria and size of the scholarship award to ensure that the program's operation meets the intent of this subchapter.~~

~~(g) The Division of Higher Education is authorized to determine the necessary procedures for the awarding of scholarships should the number of eligible applicants exceed the funds available.~~

~~(h) The Division of Higher Education shall report to the General Assembly annually regarding the implementation of the provisions of this subchapter.~~

~~6-85-106. Eligibility.~~

~~(a) Eligibility for the Arkansas Academic Challenge Scholarship Program is based on the criteria under this section and rules promulgated under this subchapter by the Division of Higher Education.~~

~~(b) An applicant is eligible for an award from this program if the applicant meets all of these criteria:~~

~~(1) The applicant graduated from an Arkansas high school;~~

~~(2) The applicant has been a resident of the State of Arkansas for at least twelve (12) months before graduation from an Arkansas high school, and the applicant's parent or guardian has maintained Arkansas residency for the same period of time;~~

~~(3) The applicant is a citizen of the United States or is a~~

~~lawful permanent resident;~~

~~(4) The applicant is accepted for admission at an approved institution as a full time first time freshman as defined by the Division of Higher Education and enrolls in an approved institution within twelve (12) months of the applicant's high school graduation;~~

~~(5)(A)(i) Except as provided in subdivision (b)(5)(B) of this section, the applicant has successfully completed the core curriculum established by the State Board of Education and the Arkansas Higher Education Coordinating Board under § 6-61-217.~~

~~(ii) An applicant who graduates from an Arkansas high school on or before December 31, 2009, and who meets the provisions of subdivisions (b)(1)-(4) of this section but who has not completed the core curriculum defined in this subdivision (b)(5)(A) by the end of the senior year of high school due to the unavailability of the courses in the applicant's high school shall have a grace period of twelve (12) months from the date of high school graduation in which to make up any course deficiencies required for program eligibility.~~

~~(B) An applicant who graduates from an Arkansas high school after December 31, 2009, shall have:~~

~~(i) Successfully completed the Smart Core curriculum as established by the Division of Elementary and Secondary Education; and~~

~~(ii)(a) Demonstrated proficiency in the application of knowledge and skills in reading and writing literacy and mathematics by passing the end of course assessments developed by the Division of Elementary and Secondary Education.~~

~~(b) "End of course" assessments means those assessments defined in § 6-15-419 [repealed].~~

~~(C) All applicants shall have achieved:~~

~~(i) Either:~~

~~(a) A grade point average of 3.0 on a 4.0 scale in the set of core curriculum courses if enrolling at an approved four-year institution; or~~

~~(b) A grade point average of 2.75 on a 4.0 scale in the set of core curriculum courses if enrolling at an approved two-year institution; and~~

~~(ii) A minimum composite score of nineteen (19) or~~

~~higher on the ACT or the equivalent as defined by the Division of Higher Education.~~

~~(D)(i) The grade point average requirements of subdivision (b)(5)(C) of this section may be reduced to no lower than a 2.5 on a 4.0 scale by a rules change by the Division of Higher Education if it is determined by the Division of Higher Education, based on the most recent evaluation of the program's operation, that the change to a 3.0 or 2.75 grade point average on a 4.0 scale would unduly reduce the number of low-income or disadvantaged students who would otherwise be eligible for the program.~~

~~(ii) At the Division of Higher Education's discretion, the Division of Higher Education may make the reduction for admissions to institutions with a high percentage of students receiving full Pell Grants upon petition to the Division of Higher Education by the institution.~~

~~(E)(i) The Division of Higher Education may develop selection criteria through program rules that combine an applicant's ACT or equivalent score and grade point average in the core curriculum into a selection index.~~

~~(ii) Notwithstanding the provisions of subdivision (b)(5)(D) of this section, this selection index shall be employed as an alternative selection process for applicants who achieve a grade point average higher than 2.75 if attending an approved two-year institution or 3.0 if attending a four-year institution on a 4.0 scale in the set of core curriculum courses defined in subdivision (b)(5)(A) of this section or for applicants who have an ACT composite or equivalent score greater than nineteen (19);~~

~~(6)(A) An applicant shall demonstrate financial need as defined by the Division of Higher Education.~~

~~(B) The Division of Higher Education shall use the following criteria in calculating financial need for applicants who graduated from an Arkansas high school after December 31, 2000, but before December 31, 2004;~~

~~(i) An applicant whose family includes one (1) unemancipated child shall have average family adjusted gross income over the previous two (2) years not exceeding fifty thousand dollars (\$50,000) per year at the time of application to the program;~~

~~(ii) An applicant whose family includes two (2) unemancipated children shall have average family adjusted gross income over the previous two (2) years not exceeding fifty five thousand dollars (\$55,000) per year at the time of application to the program;~~

~~(iii) An applicant whose family includes three (3) or more unemancipated children shall have average family adjusted gross income over the previous two (2) years not exceeding sixty thousand dollars (\$60,000) per year at the time of application to the program, plus for families with more than three (3) unemancipated children, an additional five thousand dollars (\$5,000) per year for each additional child; and~~

~~(iv) Any applicant whose family includes more than one (1) unemancipated child enrolled full time at an approved institution shall be entitled to an additional ten thousand dollars (\$10,000) of adjusted gross income for each additional unemancipated child enrolled full time at an approved institution when the Division of Higher Education calculates financial need.~~

~~(C) In calculating financial need for applicants who graduate from an Arkansas high school after December 31, 2006, a Free Application for Federal Student Aid (FAFSA) or a subsequent application required by the United States Department of Education for federal financial aid shall be filed by the applicant or other proof of family income as defined by the Division of Higher Education. The following criteria shall be used:~~

~~(i) An applicant whose family includes one (1) unemancipated child shall have an average family adjusted gross income over the previous two (2) years not exceeding sixty five thousand dollars (\$65,000) per year at the time of application to the program;~~

~~(ii) An applicant whose family includes two (2) unemancipated children shall have an average family adjusted gross income over the previous two (2) years not exceeding seventy thousand dollars (\$70,000) per year at the time of application to the program;~~

~~(iii) An applicant whose family includes three (3) or more unemancipated children shall have an average family adjusted gross income over the previous two (2) years not exceeding seventy five thousand dollars (\$75,000) per year at the time of application to the program, plus for families with more than three (3) unemancipated children, an additional~~

~~five thousand dollars (\$5,000) per year for each additional child; and~~

~~(iv) Any applicant whose family includes more than one (1) unemancipated child enrolled full time at an approved institution of higher education shall be entitled to an additional ten thousand dollars (\$10,000) of adjusted gross income for each additional unemancipated child enrolled full time at an approved institution of higher education when the Division of Higher Education calculates financial need.~~

~~(c)(1) The Arkansas Higher Education Coordinating Board shall have the authority to increase these financial need family income limitations if sufficient additional funds become available.~~

~~(2) Financial need criteria necessary for the selection of recipients, including those defined as emancipated or independent by federal student aid regulations, shall be established through rules issued by the Division of Higher Education.~~

~~(d) Recipients of Arkansas Governor's Distinguished Scholarships 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.~~

~~(e) As an additional component to the Arkansas Academic Challenge Scholarship Program:~~

~~(1) Each applicant for the scholarship shall agree that for each year the scholarship is awarded he or she may volunteer to serve as a literacy tutor for a minimum of twenty (20) clock hours each semester in a public school or a faith based educational institution serving students in prekindergarten through grade six (preK-6);~~

~~(2) A recipient who agrees to volunteer as a literacy tutor:~~

~~(A) Shall complete the prerequisite training in literacy and college readiness skills provided under § 6-85-211 before he or she begins tutoring;~~

~~(B) May receive college credit for the tutoring as determined by the institution of higher education where the recipient is enrolled; and~~

~~(C) Shall receive the prerequisite training in literacy and college readiness from an accredited Arkansas institution of higher education based on training modules developed by the Division of Elementary and Secondary Education; and~~

~~(3) An enrolled college student who participates in the tutorial program and fails to meet the Arkansas Academic Challenge Scholarship Program academic eligibility requirement for the fall or spring semester shall be given the probationary opportunity during the subsequent spring or summer term to continue his or her education and improve academic performance prior to losing scholarship funding in the subsequent semester.~~

~~6-85-107. Duration—Amount.~~

~~(a) A recipient who graduated from high school after December 31, 2000, shall receive a scholarship for one (1) academic year renewable for up to three (3) additional academic years if the recipient meets the following continuing eligibility criteria:~~

~~(1) The recipient earns a cumulative grade point average of 2.75 or higher based on a 4.0 scale at an approved institution;~~

~~(2) The recipient has completed a total of at least twenty-seven (27) hours during the first full academic year and a total of at least thirty (30) hours per academic year thereafter; and~~

~~(3) The recipient meets any other continuing eligibility criteria established by the Division of Higher Education.~~

~~(b)(1) Beginning with awards made for the 2005-2006 academic year and thereafter for recipients who graduated from high school after December 31, 2001, the amount of the annual scholarship awarded to each recipient shall be graduated as follows:~~

~~(A) A recipient in his or her freshman year shall be awarded an amount not to exceed two thousand five hundred dollars (\$2,500);~~

~~(B) A recipient in his or her sophomore year shall be awarded an amount not to exceed two thousand seven hundred fifty dollars (\$2,750);~~

~~(C) A recipient in his or her junior year shall be awarded an amount not to exceed three thousand dollars (\$3,000); and~~

~~(D) A recipient in his or her senior year shall be awarded an amount not to exceed three thousand five hundred dollars (\$3,500).~~

~~(2) A recipient under this subchapter shall receive the greater of the award under subdivision (b)(1) of this section or the award amount for the same academic year for a full-time recipient under the Arkansas Academic Challenge Scholarship Program—Part 2, § 6-85-201 et seq.~~

~~6-85-108. Nursing school eligibility.~~

~~(a)(1) The General Assembly recognizes that the State of Arkansas is experiencing a critical shortage of nurses.~~

~~(2) It is the intent of this section to allow the Division of Higher Education the opportunity to include associate degree granting and diploma schools of nursing in the Arkansas Academic Challenge Scholarship Program under specific circumstances.~~

~~(b) The division shall make awards to applicants attending either an associate degree or diploma school preparing registered nurses that is approved by the Arkansas State Board of Nursing and which would not otherwise be an approved institution if:~~

~~(1) The nursing school is specifically recognized by the division as a school of nursing eligible to participate in the Arkansas Academic Challenge Scholarship Program; and~~

~~(2) The recipient meets continuing eligibility requirements in § 6-85-106.~~

~~(c) The scholarships awarded to recipients under this section shall be subject to § 6-85-105(g).~~

~~(d) The Arkansas Higher Education Coordinating Board and the division shall promulgate rules necessary for the implementation of this section.~~

~~6-85-109. Priority for teaching commitment.~~

~~(a) During times of funding shortages under the Arkansas Academic Challenge Scholarship Program, the Division of Higher Education shall give a priority to awards to applicants meeting all eligibility requirements under the program who agree to accept a forgivable loan, as set forth in this section, in lieu of a scholarship and who agree to teach, as required under § 6-85-110, in a:~~

~~(1) Subject matter area designated by the Division of Elementary and Secondary Education as having a critical shortage of teachers; or~~

~~(2) Geographical area of the state designated by the Division of Elementary and Secondary Education as having a critical shortage of teachers.~~

~~(b) The Division of Higher Education shall make awards under this subchapter as follows:~~

~~(1) First, to applicants who agree to the provisions of this~~

section; and

~~(2) Then to applicants eligible under § 6-85-106(b).~~

~~(c) Forgivable loans awarded under this section shall be paid from appropriations to the program.~~

~~6-85-110. Teaching requirements.~~

~~(a)(1) At the beginning of the first school year in which a recipient of a forgivable loan under § 6-85-109 is eligible for employment as a licensed teacher, that recipient shall begin to render service as a licensed teacher in a public school district in the state.~~

~~(A) In a subject matter area designated by the Division of Elementary and Secondary Education as having a critical shortage of teachers if the recipient's award was made under § 6-85-109(a)(1); or~~

~~(B) In a geographical area of the state designated by the Division of Elementary and Secondary Education as having a critical shortage of teachers if the recipient's award was made under § 6-85-109(a)(2).~~

~~(2)(A) Any recipient receiving a forgivable loan under § 6-85-109 who received four (4) annual awards or the equivalent of four (4) annual awards shall render four (4) years' service as a licensed teacher.~~

~~(B) Any person who received a forgivable loan under § 6-85-109 in an amount less than four (4) annual awards or the equivalent of four (4) annual awards shall render one (1) year's service as a licensed teacher for each year that the person received a full-time student forgivable loan or for the number of academic hours equivalent to one (1) school year, as determined by the Division of Higher Education, for which a part-time student received a forgivable loan.~~

~~(b) Any person receiving a forgivable loan shall execute a note made payable to the Division of Higher Education for an amount equal to the scholarship award each semester that shall bear interest at a rate to be determined by the Division of Higher Education and set forth in the note after completion of the program or immediately after termination of the forgivable loan, whichever is earlier.~~

~~(c) Any person failing to complete a program of study that will enable the person to become a licensed teacher shall begin repaying the note according to the terms of the note for the sum of all forgivable loan awards made to that person less the corresponding amount of any awards for which~~

~~service has been rendered.~~

~~(d)(1) Except as provided in subdivision (d)(2) of this section, any person failing to complete the teaching obligation as required by this subchapter shall become immediately liable to the Division of Higher Education for the sum of all forgivable loan awards made to that person less the corresponding amount of any awards for which service has been rendered according to the note's terms.~~

~~(2) The Division of Higher Education may defer payment on the note if an employment position is not immediately available upon a teacher's completion of licensure requirements or for other just cause as determined by the Division of Elementary and Secondary Education.~~

~~(3) After the period of deferral, the person shall begin or resume teaching duties as required under this section or shall become liable to the Division of Higher Education under this section.~~

~~(e) If a claim for payment under this section is placed in the hands of an attorney for collection, the obligor shall be liable for an additional amount equal to a reasonable attorney's fee.~~

~~(f) The obligations made by the recipient of a forgivable loan under § 6-85-109 and this section shall not be voidable by reason of the age of the student at the time of receiving the forgivable loan award.~~

~~6-85-111. End of course assessment requirements.~~

~~The Division of Higher Education may recognize a sub score of nineteen (19) or higher in the applicable subject area on the ACT as meeting the requirements for passing end of course assessments under the Arkansas Academic Challenge Scholarship Program and the Arkansas Governor's Scholars Program for a student who:~~

- ~~(1) Has not had an opportunity to take an end of course assessment;~~
- ~~(2) Has not passed the end of course assessment; or~~
- ~~(3) Is attending a private school or home school.~~