

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

State of Arkansas *As Engrossed: H2/13/25 H2/20/25 H2/25/25*
95th General Assembly **A Bill**
Regular Session, 2025

HOUSE BILL 1446

By: Representative Lundstrum

By: Senator J. English

For An Act To Be Entitled

AN ACT TO AMEND THE ARKANSAS WORKFORCE CHALLENGE SCHOLARSHIP PROGRAM; TO AMEND THE DEFINITION OF "APPROVED INSTITUTION OF HIGHER EDUCATION" TO INCLUDE CERTAIN PUBLIC OR PRIVATE VOCATIONAL-TECHNICAL SCHOOLS AND TECHNICAL INSTITUTES; TO INCREASE THE AWARD AMOUNTS; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

Subtitle

TO AMEND THE ARKANSAS WORKFORCE CHALLENGE SCHOLARSHIP PROGRAM; AND TO DECLARE AN EMERGENCY.

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

SECTION 1. Arkansas Code § 6-85-302 is amended to read as follows:

6-85-302. Definitions.

As used in this subchapter:

(1) "Approved institution of higher education" means an institution of higher education approved by the Division of Higher Education to participate in the Arkansas Workforce Challenge Scholarship Program and that is:

(A) A state-supported two-year or four-year college or university; ~~or~~

(B) A private, nonprofit two-year or four-year college or university with its primary headquarters located in Arkansas that is eligible to receive Title IV federal student aid funds;



(C) A public or private vocational-technical school that is:

(i) Eligible to receive Title IV federal student aid funds;

(ii) Included on the Workforce Innovation and Opportunity Act eligible training provider list;

(iii) Qualified to receive approval for veteran's education benefits from the United States Department of Veterans Affairs; or

(iv) Included on the State Board of Private Career Education list; or

(D) A public or private technical institute that is:

(i) Eligible to receive Title IV federal student aid funds;

(ii) Included on the Workforce Innovation and Opportunity Act eligible training provider list;

(iii) Qualified to receive approval for veteran's education benefits from the United States Department of Veterans Affairs; or

(iv) Included on the State Board of Private Career Education list; and

(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, including without limitation a program operated or sponsored by a third party.

(B) The credit hours or contact hours awarded for a certificate program may include credit hours or contact hours that are not creditable toward an associate or a baccalaureate degree.

SECTION 2. Arkansas Code § 6-85-304 is amended to read as follows:
6-85-304. Eligibility.

(a) A student is eligible to receive an Arkansas Workforce Challenge Scholarship for an academic year if the student applies to the Division of Higher Education by a date determined by the Division of Higher Education preceding the academic year and:

(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;

(2) Is a citizen of the United States or is a lawful permanent resident;

(3) Meets either of the following requirements:

(A) Graduated from a:

(i) Public high school in Arkansas or another state;

(ii) Private high school in Arkansas or another

state; or

(iii) Home school under § 6-15-501 et seq. or

recognized by another state; or

(B) Received a high school equivalency diploma approved by the Adult Education Section or another state;

~~(3)~~(4) Is not receiving a scholarship under the Arkansas Academic Challenge Scholarship Program, § 6-85-201 et seq.;

~~(4)~~(5) Is accepted for admission in a program of study at an approved institution of higher education or a private trade school licensed to do business in Arkansas that leads to an associate degree or a certificate program that results in a portable license or certificate in one (1) of the following high-demand fields:

(A) Industry Manufacturing;

(B) Health care trades or professions not eligible for a scholarship award under the Arkansas Academic Challenge Scholarship Program, § 6-85-201 et seq.; and

(C) Information technology; and

(D) Construction trades; and

(E) Logistics and distribution; and

~~(5)(A)~~(6) Whose program of study or certificate program will result in the student's being qualified to work in an occupation identified by the Division of Higher Education, in consultation with the Division of Workforce Services ~~under subdivision (a)(5)(B)(i) of this section.~~

~~(B)(i) The Division of Workforce Services shall provide annually to the Division of Higher Education by March 1 a list that identifies the five (5) most in-demand occupations in this state in each high-demand field under subdivision (a)(4) of this section that require the completion of a program of study that leads to an associate degree or a certificate program.~~

~~(ii) The Division of Workforce Services shall publish~~

~~on its website the list under subdivision (a)(5)(B)(i) of this section and data supporting the list.~~

~~(b)(1) A student who received a scholarship under this subchapter and successfully completed a program of study or certificate program that meets the requirements under subdivision (a)(4) of this section is eligible to reapply for a scholarship under this subchapter if the student is accepted for admission in a different program of study or certificate program that meets the requirements under subdivision (a)(4) of this section.~~

~~(2) A student who received a scholarship under this subchapter and does not successfully complete the program of study or certificate program is eligible to reapply for and receive a scholarship one (1) time only.~~

(b) An instructor of the program of study or certificate program under subdivision (a)(6) of this section is required to be licensed or certified in the subject he or she teaches.

SECTION 3. Arkansas Code § 6-85-305(b), concerning the award amounts distributed under the Arkansas Workforce Challenge Scholarship Program, is amended to read as follows:

(b)(1) The division shall distribute scholarships from the funds available in an equal amount to every student eligible to receive a scholarship under this *subchapter* not to exceed ten million dollars (\$10,000,000) in total awards.

(2) Except as provided in subsection (c) of this section, the maximum scholarship award a student may receive in an academic year shall be the lesser of:

(A) ~~Eight hundred dollars (\$800)~~ Two thousand five hundred dollars (\$2,500); or

(B)(i) The cost of the certificate program or program of study.

(ii) The cost of a certificate program or program of study shall include:

- (a) Tuition, fees, or other charges;
- (b) Textbooks or other course materials; and
- (c) Equipment needed for a course.

(3) The scholarship awards may be used for expenses included in

the cost of the certificate program or program of study.

(4) A scholarship under this section shall be only for the academic year for which it is awarded.

(5) If the program of study or certificate program extends beyond an academic year, a student who is making sufficient progress may carry over any unspent portion of the scholarship.

SECTION 4. Arkansas Code § 6-85-307 is amended to read as follows:
6-85-307. Rules.

The Division of Higher Education, in consultation with the Division of Workforce Services, shall promulgate rules to implement this subchapter.

SECTION 5. Arkansas Code Title 6, Chapter 85, Subchapter 3, is amended to add an additional section to read as follows:

6-85-308. Reporting.

(a) An approved institution of higher education or certificate program accepting funds under this subchapter shall submit an annual report to the Division of Higher Education that includes without limitation the following:

- (1) The number of students who graduate with a degree, license, or certification from the approved institution of higher education;
- (2) A comparison of the enrollment data and graduation data;
- (3) Job placement statistics;
- (4) Starting salaries of graduates; and
- (5) Student information required to be provided to the division under § 6-85-216.

(b) The division shall submit the annual report required under subsection (a) of this section to the:

- (1) House Committee on Education;
- (2) Senate Committee on Education; and
- (3) Lottery Oversight Subcommittee of the Legislative Council.

SECTION 6. DO NOT CODIFY. Rules.

(a) When adopting the initial rules required under this act, the Division of Higher Education shall file the final rules with the Secretary of State for adoption under § 25-15-204(f):

- (1) On or before ninety (90) days from the effective date of

this act; or

(2) If approval under § 10-3-309 has not occurred by ninety (90) days from the effective date of this act, as soon as practicable after approval under § 10-3-309.

(b) The division shall file the proposed rules with the Legislative Council under § 10-3-309(c) sufficiently in advance of ninety (90) days from the effective date of this act, so that the Legislative Council may consider the rules for approval before ninety (90) days from the effective date of this act.

SECTION 7. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that the Arkansas Constitution, Article 19, § 14 was amended by Issue 1 of 2024 to allow state lottery proceeds to fund vocational or technical school scholarships for Arkansans; that there are workforce needs within the state, and the current law needs to be amended immediately in order to effectuate this change voted for by the people that would allow Arkansans to benefit from this change in the use of lottery proceeds; and that this act is immediately necessary because the process and procedures to distribute these scholarships need to be updated as quickly as possible in order to provide scholarship funding for Arkansans that would allow them to receive training and join the workforce of the state. Therefore, an emergency is declared to exist, and 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/Lundstrum