

1 State of Arkansas As Engrossed: H3/13/19 H3/20/19

2 92nd General Assembly

A Bill

3 Regular Session, 2019

HOUSE BILL 1509

4

5 By: Representative A. Davis

6 By: Senator J. Sturch

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For An Act To Be Entitled

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

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Subtitle

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

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

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

31

(14) Schools located outside the state that:

32

(A) Offer education or training outside the state; and

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(B) Do not participate in distance education.

34

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



1 repealed.

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

3

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

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

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

12 ~~(B)(2)~~ Newly licensed schools shall pay for a number of
13 years equal to the number of years paid by schools licensed on September 1,
14 1989.

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

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

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

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

28 (3) Provide staff assistance; or

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

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

34

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

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

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

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

11

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

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

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

23

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

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

31

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

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

1 provided by law;

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/s/A. Davis

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APPROVED: 4/5/19

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