

1 **State of Arkansas**
2 **80th General Assembly**
3 **Regular Session, 1995**
4 **By: Senators Malone and Russ**

A Bill

ACT 261 OF 1995
SENATE BILL 138

For An Act To Be Entitled

8 "AN ACT REQUIRING THE STATE BOARD OF HIGHER EDUCATION TO
9 DEVELOP RULES AND REGULATIONS TO IMPLEMENT CERTAIN
10 SECTIONS OF THE FEDERAL HIGHER EDUCATION ACT OF 1965, AS
11 AMENDED BY THE OMNIBUS BUDGET RECONCILIATION ACT OF 1993;
12 AND FOR OTHER PURPOSES."

Subtitle

15 "REQUIRING THE STATE BOARD OF HIGHER
16 EDUCATION TO IMPLEMENT CERTAIN SECTIONS
17 OF THE 1965 FEDERAL HIGHER EDUCATION
18 ACT, AS AMENDED."

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

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22 SECTION 1. (a) The State Board of Higher Education shall develop and
23 adopt rules and regulations, in accordance with the Arkansas Administrative
24 Procedure Act, § 25-15-201 et seq., to require each institution of higher
25 education that participates in the federal Family Education Loan Program or
26 the federal Direct Student Loan Program, under Title IV of the Higher
27 Education Act of 1965, as amended, to reimburse the State for its
28 proportionate share of any default cost fee charged to the State by the United
29 States Secretary of Education under the Higher Education Act.

30 (b) These rules and regulations, subject to approval by the Secretary
31 of Education, shall provide a fee structure for determining the amount of the
32 reimbursement for each such institution. The fee charged any institution
33 shall be based on the institution's cohort default rate and the State's risk
34 of loss as provided by Section 4201 of the federal Omnibus Budget
35 Reconciliation Act of 1993.

36 (c) Notwithstanding any other provisions of law, these rules and

1 regulations may provide for an exemption from such fees for an institution or
2 the board may adjust an institution's fees if such institution demonstrates
3 that exceptional mitigating circumstances contributed to its high cohort
4 default rate.

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6 SECTION 2. All provisions of this act of a general and permanent nature
7 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
8 Revision Commission shall incorporate the same in the Code.

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10 SECTION 3. If any provision of this act or the application thereof to
11 any person or circumstance is held invalid, such invalidity shall not affect
12 other provisions or applications of the act which can be given effect without
13 the invalid provision or application, and to this end the provisions of this
14 act are declared to be severable.

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16 SECTION 4. All laws and parts of laws in conflict with this act are
17 hereby repealed.

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19 APPROVED: 2-10-95

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