

1 **State of Arkansas**  
2 **79th General Assembly**  
3 **Regular Session, 1993**  
4 **By: Representative Thicksten**

# A Bill

**HOUSE BILL**

## For An Act To Be Entitled

8 "AN ACT TO AUTHORIZE THE STATE BOARD OF HIGHER EDUCATION  
9 TO CONSOLIDATE ARKANSAS STUDENT LOAN AND SCHOLARSHIP  
10 PROGRAMS AND ALLOCATE STATE RESOURCES TO MEET SPECIAL OR  
11 STRATEGIC NEEDS OF THE STATE OF ARKANSAS; TO AUTHORIZE THE  
12 STATE BOARD OF HIGHER EDUCATION TO ESTABLISH A MODEL  
13 ARKANSAS SERVICE TRUST FUND; AND FOR OTHER PURPOSES."

## Subtitle

16 "TO AUTHORIZE THE CONSOLIDATION OF STUDENT LOAN AND  
17 SCHOLARSHIP PROGRAMS TO MEET THE SPECIAL OR STRATEGIC  
18 NEEDS OF THE STATE OF ARKANSAS."

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

22 SECTION 1. Legislative Findings and Purpose. (a) The General Assembly  
23 hereby finds that postsecondary education for residents of Arkansas who desire  
24 such an education and are properly qualified therefor is important to the  
25 welfare and security of this state and the nation.

26 (b) The General Assembly further finds that there is a need to create,  
27 within the State Board of Higher Education, authority to consolidate student  
28 loan and grant programs, to allocate state resources to meet special or  
29 strategic needs of the state, and to establish by rule or regulation a model  
30 service trust fund to obtain the most efficient use of state funds.

31 (c) It is the purpose of this act to make a concerted effort to recruit  
32 and graduate Arkansas students who can fill critical state needs and to  
33 provide for the efficient administration of state scholarship and loan  
34 programs.

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1 SECTION 2. The State Board of Higher Education is hereby authorized to  
2 consolidate the following financial assistance programs established under the  
3 Arkansas Code Annotated of 1987 and all appropriations made for such programs:

4 (1) The Academic Challenge Scholarship Program established under §6-82-  
5 1001, et seq.;

6 (2) The State Scholarship Program established under §6-82-801, et seq.;

7 (3) The Arkansas Governor\_s Scholars Program established under §6-82-  
8 301, et seq.;

9 (4) The Emergency Secondary Education Loan Program established under  
10 §6-81-501, et seq.;

11 (5) The Teacher and Administrator Enhancement and Retraining Loan  
12 Program established under §6-81-601, et seq.;

13 (6) The Children of Law Enforcement Officers Program established under  
14 §6-82-501, et seq.;

15 (7) The Children of Veterans and Prisoners of War Program established  
16 under §6-82-601, et seq.;

17 (8) The Second Effort Scholarship Program established under §6-82-1101,  
18 et seq.;

19 (9) The Faculty Administrator Development Fellows Program established  
20 under §6-63-401, et seq.;

21 (10) The Minority Teacher Recruitment and Training Program established  
22 under §6-17-1801, et seq.;

23 (11) The Minority Teacher Education Loan Program established under §6-  
24 81-801, et seq.;

25 (12) The Freshman/Sophomore Minority Prospective Teacher Education Loan  
26 Program established under §6-81-901, et seq.;

27 (13) The Arkansas Literacy Corps established under §6-82-701, et seq.;

28 (14) The Arkansas Opportunity Scholarships established under §6-82-901,  
29 et seq.;

30 (15) Programs that provide for the education of Arkansas citizens at  
31 out-of-state institutions of higher learning in the fields of dental medicine,  
32 optometry, osteopathy, veterinary medicine, chiropractic education, and  
33 podiatry education as authorized under §6-4-101, et seq., §6-4-201, et seq.,  
34 §6-60-301, et seq.; and

35 (16) All other scholarship and loan programs now or subsequently

1 administered by the Department of Higher Education.

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3       SECTION 3. The State Board of Higher Education shall seek comments and  
4 advice from the education, business, and financial communities, and from the  
5 general public, through public hearings and otherwise, concerning the  
6 strategic needs of Arkansas for graduates of college and postgraduate  
7 programs. The State Board of Higher Education shall then determine those  
8 areas of critical and strategic needs for graduates in specific courses of  
9 study and for racial and gender diversity and shall establish priorities and  
10 determine methods to meet those needs.

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12       SECTION 4. The State Board of Higher Education is hereby authorized to  
13 establish by rule and regulation a financial assistance program that  
14 reorganizes the programs consolidated under this act into a system of grants  
15 and forgivable loans designed to meet state needs and to allocate a portion of  
16 the funds from the Higher Education Grants Fund Account in such amounts as are  
17 necessary to meet the needs and priorities established by the State Board.

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19       SECTION 5. The State Board of Higher Education is hereby authorized to  
20 establish a Model Arkansas Service Trust Fund that provides for scholarships  
21 to students in return for their contractual obligation to perform services  
22 under a variety of requirements of location, duration, manner and mode of  
23 service, and institutions in which the services are performed. Such loan or  
24 scholarship programs shall provide that the scholarship will be converted to a  
25 loan which must be repaid at market rates of interest in the event that the  
26 recipient\_s contract is not fulfilled.

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28       SECTION 6. Proceeds derived from the repayment of loans under this act  
29 shall be deposited into the State Treasury as "Refunds to Expenditures."

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31       SECTION 7. The Department of Higher Education shall administer the  
32 financial assistance programs of loans and grants and the State Board of  
33 Higher Education shall have authority to adopt such rules and regulations as  
34 are necessary to carry out the purposes of this act.

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

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5           SECTION 9. If any provision of this act or the application thereof to  
6 any person or circumstance is held invalid, such invalidity shall not affect  
7 other provisions or applications of the act which can be given effect without  
8 the invalid provision or application, and to this end the provisions of this  
9 act are declared to be severable.

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11           SECTION 10. All laws and parts of laws in conflict with this act are  
12 hereby repealed.

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