

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 84th General Assembly
3 Regular Session, 2003
4

As Engrossed: H4/1/03
A Bill

HOUSE BILL 2895

5 By: Representative Haak
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8 **For An Act To Be Entitled**

9 AN ACT TO REQUIRE STUDENTS RECEIVING STATE
10 SUPPORTED SCHOLARSHIPS TO COMPLETE A DEGREE
11 PROGRAM WITHIN SIX (6) YEARS; AND FOR OTHER
12 PURPOSES.
13

14 **Subtitle**

15 AN ACT TO REQUIRE STUDENTS RECEIVING
16 STATE SUPPORTED SCHOLARSHIPS TO COMPLETE
17 A DEGREE PROGRAM WITHIN SIX (6) YEARS.
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20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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22 *SECTION 1. Arkansas Code Title 6, Chapter 82, Subchapter 10 is amended*
23 *to add an additional section to read as follows:*

24 *6-82-1008. Repayment obligation in certain cases.*

25 *(a)(1) It shall be a condition of the receipt of an Arkansas Academic*
26 *Challenge Scholarship that a recipient complete graduation requirements from*
27 *an approved institution or a nursing institution as set forth in § 6-82-1007,*
28 *and comply with all of the other provisions of this act and the scholarship.*

29 *(2) If, on a date which is six (6) years from the date any*
30 *recipient first received any funds under this scholarship, the person fails*
31 *to complete all requirements of the approved institution or nursing program*
32 *for graduation, then the recipient shall be obligated to repay to the State*
33 *of Arkansas all funds received by the recipient, or paid by the State of*
34 *Arkansas to any person, entity or institution for or on behalf of the*
35 *recipient under this scholarship program.*

36 *(b)(1) The repayment of funds under the foregoing provision shall*



1 commence on a date that is not more than ninety (90) days after the end of
2 the six-year period. All sums shall be repaid to the State of Arkansas by
3 the person over a period of five (5) years with interest, as determined by
4 the Arkansas Student Loan Authority at the time of loan approval.

5 (2) Any repayment shall cease in the event of the death of the
6 recipient.

7 (c) From and after the date of this act, the Arkansas Student Loan
8 Authority shall do the following:

9 (1) Compile and maintain a current list of all recipients who
10 receive Arkansas Academic Challenge Scholarships who are subject to the
11 provisions of this act;

12 (2) Maintain all permanent records from the scholarship program
13 for each recipient, including distributing and obtaining from the recipient
14 or the recipient's parents or guardian the disclosure under subsection (e)(1)
15 of this section, the promissory note, as well as any notes evidencing
16 repayment, and all correspondence to or from each recipient;

17 (3) Maintain a current balance of all amounts paid to, or on
18 behalf of, the recipient;

19 (4) Monitor the funds paid under the program; and

20 (5) Present to the Legislative Council not later than July 1 of
21 each year, a report of the program and all funds repaid for the prior
22 academic year.

23 (d) Any funds repaid under the provisions of this act shall be
24 deposited by the Arkansas Student Loan Authority into the Higher Education
25 Grants Fund to be used to provide additional scholarships under this program.

26 (e) The Department of Higher Education shall develop rules and
27 regulations to implement the foregoing provisions. These regulations shall
28 include, but not be limited to, the following:

29 (1) A disclosure to the scholarship recipient, and if applicable
30 the recipient's parents or guardians, of the provisions of this act
31 concerning repayment and the six-year period from the first receipt of the
32 funds to graduation;

33 (2) The forms and other materials necessary and required to
34 administer the repayment of the scholarship funds, including any promissory
35 notes or other obligations; and

36 (3) Circumstances in which the six-year period may be extended

1 or waived, that shall include matters such as family emergencies, physical or
2 mental disability, or military service.

3 /s/ Haak

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