1   State of Arkansas   *As Engrossed: S3/23/11*
2   88th General Assembly   A Bill
3   Regular Session, 2011   SENATE BILL 888
4
5   By: Senator D. Johnson
6
7   **For An Act To Be Entitled**
8   AN ACT TO AUTHORIZE THE DEPARTMENT OF HIGHER
9   EDUCATION TO ESTABLISH A FORMULA FOR DETERMINING
10   SCHOLARSHIP AWARD AMOUNTS UNDER THE ARKANSAS ACADEMIC
11   CHALLENGE SCHOLARSHIP PROGRAM -- PART 2; AND FOR
12   OTHER PURPOSES.
13
14
15   **Subtitle**
16   ARKANSAS ACADEMIC CHALLENGE SCHOLARSHIP
17   REVENUE STABILIZATION ACT.
18
19
20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
21
22   SECTION 1. Arkansas Code § 6-85-212(e)(1), concerning scholarship
23 awards for the Arkansas Academic Challenge Scholarship Program - Part 2, is
24 amended to read as follows:
25   (e)(1)(A) The scholarship award amount under this subchapter for an
26 academic year for a full-time recipient enrolled in a four-year approved
27 institution of higher education ~~is five thousand dollars ($5,000)~~ shall be
28 calculated by the Department of Higher Education using the formula under § 6-
29 85-221.
30   (B)~~(i) The Department of Higher Education shall award an~~
31 ~~aggregate amount of scholarship awards to current achiever students beginning~~
32 ~~with the 2010-2011 academic year of up to forty-one million five hundred~~
33 ~~thousand dollars ($41,500,000).~~
34   ~~(ii)~~ The department shall not accept new
35 applications from current achiever students for scholarships ~~under this~~
36 ~~subdivision (e)(1)(B)~~ after June 1, 2012.

1   ~~(C) After deducting the amount committed for current~~
2   ~~achiever student scholarships from the amount available under subdivision~~
3   ~~(e)(1)(B) of this section, the department shall use the balance to fund~~
4   ~~scholarships to nontraditional students under this subchapter.~~
5
6   *SECTION 2. Arkansas Title 6, Chapter 85, Subchapter 2, is amended to*
7   *add an additional section to read as follows:*
8   *6-85-221. Formula for determining scholarship award amounts.*
9   *(a) Annually by May 31, the Department of Higher Education shall*
10 *determine the scholarship award amount for full-time scholarship recipients*
11 *attending a four-year approved institution of higher education under this*
12 *subchapter calculated using the assumptions and formula under this section.*
13   *(b)(1) The Department of Higher Education shall use the following*
14 *method to project the number of eligible traditional student applicants:*
15   *(A) The Department of Higher Education shall obtain from*
16 *the Department of Education the number of high school students who are*
17 *anticipated to graduate high school with the requirements of § 6-85-207;*
18   *(B) The projected number of traditional students under*
19 *subdivision (b)(1)(A) shall be multiplied by the percentage of traditional*
20 *students who received the scholarship in the previous academic year and*
21 *attended a four-year approved institution of higher education;*
22   *(C) The projected number of traditional students under*
23 *subdivision (b)(1)(A) shall be multiplied by the percentage of traditional*
24 *students who received the scholarship in the previous academic year and*
25 *attended a two-year approved institution of higher education.*
26   *(D) The number of nursing students shall be projected as*
27 *the same number receiving a scholarship under this subchapter for the*
28 *previous year.*
29   *(E) The sum of the number of students under subdivisions*
30 *(b)(1)(B) - (D) of this section shall be increased by an annual growth factor*
31 *of one percent (1%).*
32   *(F) A dropout rate shall be applied to the number of*
33 *students under subdivision (b)(1)(E) of this section as follows:*
34   *(i) Thirty-five percent (35%) of students who*
35 *received the scholarship for the previous academic year;*
36   *(ii) Ten percent (10%) of students who have received*

1 *the scholarship for two (2) previous years; and*

2 *(iii) Ten percent (10%) of students have received*

3 *the scholarship for the previous three (3) academic years.*

4 *(2) The number of current achiever students shall be projected*

5 *at the number of current achiever students receiving the scholarship for the*

6 *previous academic year, less those who are no longer eligible for the*

7 *scholarship.*

8 *(3) The number of nontraditional students is not calculated as*

9 *long as the aggregate award amount is an amount set by statute.*

10 *(5) The number of students receiving a scholarship award under*

11 *the Arkansas Academic Challenge Scholarship Program - Part 1, § 6-85-101 et*

12 *seq., shall be projected at the number of current recipients for the previous*

13 *academic year, less those who are no longer eligible for the scholarship.*

14 *(c) The Department of Higher Education shall calculate the amount of*

15 *funding available for scholarship awards for one (1) academic year as:*

16 *(1) The sum of net proceeds from the lottery for the twelve (12)*

17 *months beginning May 1 of the immediately preceding calendar year through*

18 *April 30 of the current calendar year;*

19 *(2) The amount of any balance of net proceeds from the lottery*

20 *carried forward from the previous year; plus*

21 *(3) The amount of nonlottery educational resources allocated to*

22 *the Arkansas Academic Challenge Scholarship Program - Parts 1 and 2.*

23 *(d) The scholarship award amount for a traditional student attending a*

24 *four-year approved institution of higher education shall be an amount equal*

25 *to:*

26 *(A) The sum of:*

27 *(i) The total amount of available funding calculated*

28 *under subsection (c) of this section; less*

29 *(ii) The amount of funding under § 6-85-212 for*

30 *nontraditional students; less*

31 *(iii) The amount of scholarship awards under the*

32 *Arkansas Academic Challenge Scholarship Program - Part 1 multiplied by the*

33 *number of projected recipients calculated under subdivision (b)(4) of this*

34 *section; less*

35 *(iv) The amount of twenty million dollars*

36 *($20,000,000) to be maintained as a balance; divided by*

1   (B) The total number of students calculated under
2   subdivisions (b)(1)-(3) of this section.
3   (e)(1) The Department of Higher Education may annually adjust the
4   assumptions for annual growth rate under subdivision (b)(1)(D) of this
5   section and dropout rate under subdivision (b)(1)(E) of this section based on
6   actual updated data.
7   (2) The Department of Higher Education shall provide a thirty-
8   day notice to the Arkansas Lottery Commission Legislative Oversight Committee
9   before making any adjustments to the dropout rate or other assumptions under
10   this formula.
11   (3) Annually by May 1, the Department of Higher Education shall
12   provide to the committee all of the underlying assumptions the Department of
13   Higher Education will use to make the calculations under this section.
14   (f)(1) Annually by June 1, the Department of Higher Education shall:
15   (A) Publish a notice of the scholarship award amount on
16   its website in a manner easily accessible to the public; and
17   (B) Provide notice to the committee of the scholarship
18   award amount and a detailed calculation of the anticipated scholarship award
19   amounts for:
20   (i) Traditional students, current achiever students,
21   nontraditional students, and nursing students receiving scholarships under
22   the Arkansas Academic Challenge Scholarship Program - Part 2; and
23   (ii) Students receiving scholarships under the
24   Arkansas Academic Challenge Scholarship Program - Part 1.
25   (2) Annually by October 31 and March 31, the Department of
26   Higher Education shall provide a written report to the committee on the
27   aggregate scholarship awards to each institution of higher education for the
28   applicable term.
29
30   /s/D. Johnson
31
32
33
34
35
36