

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.

Act 323 of the Regular Session

1 State of Arkansas
2 87th General Assembly
3 Regular Session, 2009
4

As Engrossed: S2/10/09

A Bill

SENATE BILL 316

5 By: Senator G. Baker
6 By: Representatives Abernathy, J. Roebuck
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9 **For An Act To Be Entitled**

10 AN ACT TO LIMIT THE AMOUNT OF UNRESTRICTED
11 EDUCATIONAL AND GENERAL TUITION AND FEE INCOME AN
12 INSTITUTION OF HIGHER EDUCATION CAN SPEND ON
13 ACADEMIC AND PERFORMANCE SCHOLARSHIPS; AND FOR
14 OTHER PURPOSES.

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16 **Subtitle**

17 TO LIMIT THE AMOUNT OF UNRESTRICTED
18 EDUCATIONAL AND GENERAL TUITION AND FEE
19 INCOME AN INSTITUTION OF HIGHER
20 EDUCATION CAN SPEND ON ACADEMIC AND
21 PERFORMANCE SCHOLARSHIPS.
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24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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26 *SECTION 1. Arkansas Code § 6-80-106(a)(1)(B) concerning academic*
27 *scholarships is amended to read as follows:*
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29 *(B) "Academic scholarships" does not include:*

30 *(i) Graduate assistantships or fellowships;*

31 *(ii) Tuition waivers based on age, military service,*
32 *or occupation and out-of-state tuition waivers for graduate students or*
33 *students from contiguous states in close proximity to a college or*
34 *university; ~~and~~*

35 *(iii) Scholarships for transfers from two-year*



1 *institutions; and*

2 *(iv) Scholarships made to a student who qualifies*
3 *for a maximum Pell grant; and*

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5 SECTION 2. Arkansas Code § 6-80-106(a)(2) concerning performance
6 scholarships is amended to read as follows:

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8 *(2)(A) "Performance scholarships" means scholarships for band,*
9 *musical performing groups, arts, theater, forensics, and similar activities*
10 *that are not awarded on the basis of entrance exam scores or high school*
11 *academic achievement.*

12 *(B) "Performance scholarships" does not include*
13 *scholarships made to a student who qualifies for a maximum Pell grant.*

(B)

15 SECTION 3. Arkansas Code § 6-80-106(b), concerning limitations on
16 unrestricted educational and general tuition and fee income on academic and
17 performance scholarships, is amended to add an additional subsection to read
18 as follows:

19 ~~*(b)(1) Beginning with the 2006-2007 fiscal year, each public college*~~
20 ~~*and public university*~~ *A state-supported institution of higher education* shall
21 not exceed its *unrestricted* educational and general *tuition and mandatory fee*
22 *income* spending for academic and performance scholarships by more than:

23 *(A) Thirty percent (30%);*

24 *(B) Twenty-five percent (25%) beginning in the 2012-2013*
25 *fiscal year; and*

26 *(C) Twenty percent (20%) beginning in the 2013-2014 fiscal*
27 *year.*

28 *(2) All scholarship expenditures or tuition discounts not*
29 *specifically excluded in subsection (a) of this section shall be counted*
30 *toward the percentage of expenditures for academic and performance*
31 *scholarships.*

32 *(c) Beginning in the 2013-2014 fiscal year all expenditures for*
33 *academic and performance scholarships exceeding twenty percent (20%) of*
34 *unrestricted educational and general tuition and mandatory fee income in a*
35 *fiscal year shall be deducted from the state funding recommendations as*
36 *determined by the appropriate funding formula model for the fiscal year in*

1 the following biennium.

2 (d) A state-supported institution of higher education shall report the
3 percentage of unrestricted educational and general tuition and mandatory fee
4 income spent on academic and performance scholarships during the previous
5 fiscal year to the Higher Education Coordinating Board no later than June 1
6 each year.

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/s/ G. Baker

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APPROVED: 3/06/2009

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