

Stricken language would be deleted from and underlined language would be added to law as it existed prior to the 82nd General Assembly.

1 State of Arkansas
2 82nd General Assembly
3 Regular Session, 1999
4

As Engrossed: S3/18/99

A Bill

Act 1218 of 1999
SENATE BILL 834

5 By: Senator Mahony
6
7

For An Act To Be Entitled

9 "AN ACT TO MOVE ADMINISTRATION OF THE HEALTH EDUCATION
10 GRANT PROGRAM FROM THE ARKANSAS STUDENT LOAN AUTHORITY
11 TO THE DEPARTMENT OF HIGHER EDUCATION; AND FOR OTHER
12 PURPOSES. "

Subtitle

15 "AN ACT TO MOVE ADMINISTRATION OF THE
16 HEALTH EDUCATION GRANT PROGRAM FROM THE
17 ARKANSAS STUDENT LOAN AUTHORITY TO THE
18 DEPARTMENT OF HIGHER EDUCATION. "

19
20
21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

22
23 SECTION 1. Arkansas Code 6-4-104 is amended to read as follows:

24 "6-4-104. Agent for out-of-state education.

25 ~~The State Board of Higher Education~~ Arkansas Higher Education Coordinating
26 Board is designated agent for the State of Arkansas for the purpose of
27 entering into a program of out-of-state training and education for residents
28 of Arkansas through the cooperation of the Board of Control for Southern
29 Regional Education, which was created by interstate compact with Arkansas, a
30 signatory pursuant to House Concurrent Resolution 13, approved March 2, 1949,
31 and the ~~Student Loan Authority~~ Department of Higher Education is hereby
32 authorized to administer the program."
33

34 SECTION 2. Arkansas Code 6-4-105 is amended to read as follows:

35 "6-4-105. Contracts for out-of-state education.

36 (a) As agent for the state, the ~~State Board of Higher Education~~

1 Arkansas Higher Education Coordinating Board shall contract with the Board of
2 Control for Southern Regional Education in order that the latter may act to
3 secure admission of Arkansas residents as students in institutions of higher
4 learning operated by other states who are signatories of the compact.

5 (b) Contract authority shall include the placing of students for study
6 in the fields for which the Board of Control for Southern Regional Education
7 may maintain programs, including, but not limited to, veterinary medicine and
8 dentistry.

9 (c) ~~The State Board of Higher Education~~ Arkansas Higher Education
10 Coordinating Board shall contract to pay the Board of Control for Southern
11 Regional Education for Arkansas students accepted under this program, provided
12 that in no case will the contract price exceed the amount approved by the
13 Board of Control for Southern Regional Education.”

14
15 SECTION 3. Arkansas Code 6-4-106 is amended to read as follows:

16 “6-4-106. Application by students.

17 (a) Students seeking the subsidy to be paid for their benefit shall
18 apply to the ~~Student Loan Authority~~ Department of Higher Education, giving
19 necessary information.

20 (b) If the applicant is found to be a bona fide resident of Arkansas
21 and funds for such purpose are available, the ~~board~~ Department of Higher
22 Education shall, without more; certify ~~him~~ the applicant as qualified to
23 participate under this program.”

24
25 SECTION 4. Arkansas Code 6-4-107 is amended to read as follows:

26 “6-4-107. Disbursing agent.

27 (a) ~~The Student Loan Authority~~ Department of Higher Education shall be
28 the disbursing agency for the State of Arkansas for the purpose of authorizing
29 payment to the Board of Control for Southern Regional Education under this
30 program.

31 (b) As the disbursing agent, it may expend such sums as are specially
32 appropriated for the operation and administration of this program, without
33 obligation to maintain the program should such special appropriation be
34 unavailable.”

SECTION 5. Arkansas Code 6-81-101 is amended to read as follows:

"6-81-101. Definitions.

As used in this subchapter, ~~unless the context otherwise requires:~~

(1) 'Arkansas Student Loan Authority' or 'the authority' means the Arkansas Student Loan Authority established for the purpose described in § 6-81-102;

(2) 'Board of Finance' means the State Board of Finance created by § 19-3-101;

~~(3) 'Grant' means a payment of money made in accordance with § 6-81-1101 to assist a qualified grantee for payment of tuition to attend any accredited school of dentistry, optometry, veterinary medicine, podiatry, chiropractic, or osteopathy located outside the State of Arkansas;~~

~~(4)~~(3) 'Guaranteed educational loan' means a loan made in accordance with Title IV, Part B, of the Higher Education Act of 1965, as amended, or pursuant to an alternative educational loan program undertaken by the authority and consistent with the provisions of this subchapter, to a qualified borrower for payment of educational expenses incurred by a student while attending a participating institution, the payment of principal of and interest on which is insured by the federal Secretary of Education under the Higher Education Act of 1965, as amended, or by the Student Loan Guarantee Foundation of Arkansas, or by such other guarantors as the authority may approve;

~~(5)~~(4) 'Obligation' or 'bond' or 'bonds' means any bond, note, certificate, or other evidence of indebtedness, whether or not the interest on such obligation shall be subject to federal income taxation;

~~(6)~~(5) 'Participating institution' means any post high school educational institution, public or private, whose students are eligible for guaranteed educational loans; and

~~(7)~~(6) 'Qualified borrower' means a student, or the parent of a student, who:

(A) Qualifies for a guaranteed educational loan; and

(B) Is a resident of the State of Arkansas or has been accepted for enrollment at or is attending a participating institution within the State of Arkansas or is borrowing from a lender doing business within the State of Arkansas, including the authority;

~~(8) 'Qualified grantee' means a student who:~~

1 ~~(A) Qualifies for a grant; and~~
 2 ~~(B) Is a resident of the State of Arkansas and has been accepted for~~
 3 ~~enrollment at or is attending an accredited school of dentistry, optometry,~~
 4 ~~veterinary medicine, podiatry, osteopathy, or chiropractic located outside the~~
 5 ~~state of Arkansas and has been certified as qualified to participate in the~~
 6 ~~grant program authorized by § 6-81-1101 and consistent with § 6-4-106."~~

7
 8 SECTION 6. Arkansas Code 6-81-102(b) pertaining to the Student Loan
 9 Authority is amended to read as follows:

10 “(b) The authority authorized to be established is created for the
 11 purpose of making ~~grants and~~ guaranteed educational loans and dealing in, by
 12 buying or selling, guaranteed educational loan notes.”

13
 14 SECTION 7. Arkansas Code 6-81-1101 is amended to read as follows:
 15 “6-81-1101. Tuition assistance for certain professional schools.

16 (a) ~~The Arkansas Student Loan Authority~~ Department of Higher Education
 17 shall institute a program of making grants ~~to~~ for the benefit of Arkansas
 18 residents to assist in paying tuition for attending ~~any~~ certain accredited
 19 ~~school~~ schools of dentistry, ~~school of~~ optometry, ~~school of~~ veterinary
 20 medicine, ~~school of~~ podiatry, ~~school of~~ chiropractic, or ~~school of~~ osteopathy
 21 located outside the State of Arkansas but within the United States.

22 (b) In addition to the Southern Regional Education Compact Program for
 23 which the Arkansas Higher Education Coordinating Board serves as agent for the
 24 state, and the Department of Higher Education serves as disbursing agent
 25 pursuant to §§ 6-4-104 through 6-4-107, the board is authorized to enter into
 26 direct contracts with selected accredited schools of dentistry, optometry,
 27 veterinary medicine, podiatry, chiropractic, or osteopathy which do not
 28 participate in the Southern Regional Education Compact Program if the board
 29 determines that the needs of the state are not being met by institutions
 30 participating in the Southern Regional Education Compact Program.

31 (c) For purposes of this section:

32 (1) 'Grant' means a payment of money made in accordance with § 6-
 33 81-1101 to assist a qualified grantee for payment of tuition to attend
 34 participating accredited schools of dentistry, optometry, veterinary medicine,
 35 podiatry, chiropractic, or osteopathy located outside the State of Arkansas;

36 (2) 'Qualified grantee' means a student who:

1 (A)(i) Is a resident of the State of Arkansas;

2 (ii) Has been accepted for enrollment at or is
 3 attending a participating accredited school of dentistry, optometry,
 4 veterinary medicine, podiatry, osteopathy, or chiropractic located outside the
 5 state of Arkansas; and

6 (iii) Has been certified under § 6-4-106 by the
 7 Department of Higher Education as qualified to participate in the grant
 8 program authorized by § 6-81-1101 and consistent with § 6-4-106; and

9 (3) 'Participating institution' or 'participating school' means
 10 a professional or graduate school that:

11 (A) Is located outside the State of Arkansas but within the
 12 United States;

13 (B) Offers a full-time course of instruction in dentistry,
 14 optometry, veterinary medicine, podiatry, chiropractic, or osteopathy;

15 (C) Is accredited by an accrediting entity acceptable to
 16 the applicable licensing board of the profession;

17 (D) After completion of such course of instruction, grants a
 18 degree acceptable to the applicable licensing board as the sole requirement,
 19 or as one requirement, for the board's granting of a professional license; and

20 (E) Is a party to a currently effective written agreement
 21 between the participating institution and the Department of Higher Education
 22 or the Board of Control for Southern Regional Education.

23 ~~(b)(1)~~ (d)(1) For participating schools that charge different annual
 24 tuition amounts for in-state students and out-of-state students, the amount of
 25 the grant will be the difference between the in-state tuition and the out-of-
 26 state tuition; however, should the differential exceed the contract price
 27 approved for similar programs by the Board of Control for Southern Regional
 28 Education in accordance with § 6-4-105(c), the lower amount will be paid.

29 (2) For participating schools which charge the same amount of
 30 annual tuition for in-state and out-of-state students, and such annual tuition
 31 is extraordinary as determined by the Department of Higher Education, the
 32 amount shall not be less than five thousand dollars (\$5,000) per student.

33 ~~(c)(1)~~ (e)(1) The program shall be administered by the Arkansas Student
 34 Loan Authority Department of Higher Education.

35 (2) The grants shall be made upon such terms and conditions as
 36 are prescribed by the ~~Arkansas Student Loan Authority~~ Department of Higher

1 Education.

2 (3) ~~The Arkansas Student Loan Authority Department of Higher~~
3 Education shall promulgate such rules and regulations as are necessary to
4 implement the provisions of this section.

5 ~~(d)(1) Any person currently receiving assistance through the programs~~
6 ~~enumerated in Act 1054 of 1991 as a loan shall receive any future financial~~
7 ~~assistance as a grant.~~

8 ~~(2) The Arkansas Student Loan Authority shall forgive such loans and portions~~
9 ~~of loans as have not been repaid and shall refund any moneys collected as of~~
10 ~~July 1, 1997.~~

11 (f)(1) The Department of Higher Education will allocate, based upon
12 funds appropriated, the number of eligible grant recipients to receive funds
13 at each participating institution for each applicable academic period.

14 (2) Each participating institution will select eligible grant
15 recipients for each applicable academic period. In the event the number of
16 eligible students accepted for enrollment at such participating institution
17 exceeds the number of eligible grant recipients for whom funds have been
18 allocated by the Department of Higher Education from funds appropriated, such
19 participating institution shall have sole discretion in selecting the eligible
20 students to designate as eligible grant recipients.

21 (3) The Department of Higher Education shall make grants
22 according to the allocations made by the Department of Higher Education and
23 selections made by the participating institutions. The Department of Higher
24 Education shall have no obligation to make any grants except to the extent
25 funds have been appropriated and funded for the program."

26
27 SECTION 8. All provisions of this act of a general and permanent nature
28 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
29 Revision Commission shall incorporate the same in the Code.

30
31 SECTION 9. If any provision of this act or the application thereof to
32 any person or circumstance is held invalid, such invalidity shall not affect
33 other provisions or applications of the act which can be given effect without
34 the invalid provision or application, and to this end the provisions of this
35 act are declared to be severable.

