

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 83rd General Assembly  
3 Regular Session, 2001

# A Bill

HOUSE BILL 2176

4  
5 By: Representatives Hathorn, Creekmore, Ferguson, Rodgers, M. Steele

## For An Act To Be Entitled

9 AN ACT TO AMEND THE ARKANSAS ACADEMIC CHALLENGE  
10 SCHOLARSHIP PROGRAM TO PRIORITIZE AWARDS BASED ON  
11 FINANCIAL NEED; AND FOR OTHER PURPOSES.

## Subtitle

14 AN ACT TO AMEND THE ARKANSAS ACADEMIC  
15 CHALLENGE SCHOLARSHIP PROGRAM TO  
16 PRIORITIZE AWARDS BASED ON FINANCIAL  
17 NEED.

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

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22 SECTION 1. Arkansas Code 6-82-1002 is amended to read as follows:  
23 6-82-1002. Definitions.

24 For purposes of this subchapter, the following terms shall be defined as  
25 indicated:

26 (1)(A) "Approved institution" means a public or private college or  
27 university located in Arkansas that is accredited by the North Central  
28 Association, Commission on Institutions of Higher Education, or which  
29 certifies to the Department of Higher Education that its students are accepted  
30 for transfer at institutions accredited by the North Central Association,  
31 Commission on Institutions of Higher Education.

32 (B) Further, ~~such~~ an approved institution shall not discriminate  
33 against applicants, students, or employees on the basis of race, color,  
34 religion, sex, age, disability, or national origin, consistent with the  
35 provisions of applicable state and federal law;

36 (2) "Full-time undergraduate student" means a resident of Arkansas who

1 attends an approved institution of higher education and is enrolled for at  
2 least twelve (12) credit hours per semester or the equivalent, as defined by  
3 the Department of Higher Education, in a program of study which leads to or is  
4 creditable toward a baccalaureate degree;

5 (3) "Eligible student" means any student who meets the criteria set out  
6 by this subchapter and is deemed to be eligible by rules and regulations  
7 authorized by this subchapter and promulgated by the Department of Higher  
8 Education;

9 (4) "Financial need" means the family income of program applicants as  
10 determined by the Department of Higher Education through evaluation of program  
11 applications and supporting documentation;

12 (5) "Recipient" means an applicant awarded a scholarship funded through  
13 the Arkansas Academic Challenge Scholarship Program;

14 ~~(5)(6)(A)~~ "Tuition" means charges levied for attendance at an eligible  
15 institution of higher education.

16 (B) For purposes of this subchapter, tuition charges shall not  
17 include any fees charged or used for student activities, including any student  
18 athletic fee; and

19 ~~(6)(7)~~ "Unemancipated child" or "unemancipated children" means a  
20 dependent child or dependent children as defined by the United States  
21 Department of Education for student aid purposes.

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23 SECTION 2. Arkansas Code 6-82-1003 is amended to read as follows:  
24 6-82-1003. Creation.

25 There is hereby created and established the Arkansas Academic Challenge  
26 Scholarship Program. ~~Recipients of the scholarships funded through this~~  
27 ~~program shall be known as Academic Challenge Award recipients.~~

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29 SECTION 3. Arkansas Code 6-82-1004 is amended to read as follows:  
30 6-82-1004. Authority of Department of Higher Education.

31 (a) The Department of Higher Education is authorized by this subchapter  
32 to develop and promulgate rules and regulations for the administration of the  
33 Arkansas Academic Challenge Scholarship Program, consistent with the purposes  
34 and requirements of this subchapter.

35 (b) The rules and regulations shall include student eligibility  
36 criteria based on the provisions of this subchapter, the method for selecting

1 scholarship recipients, rules for determining continuing eligibility,  
2 procedures for making payment to recipients, and such other administrative  
3 procedures which may be necessary for the implementation and operation of the  
4 program.

5 (c) The Department of Higher Education is authorized to expend each  
6 year for data processing and other administrative costs of this program up to  
7 one and five-tenths percent (1.5%) of the amount appropriated for the  
8 programs.

9 (d) Applicants must certify that they are drug-free and must pledge in  
10 writing on the application form to refrain from the use or abuse of illegal  
11 substances in order to maintain eligibility for this program.

12 (e)(1) The Department of Education and the Department of Higher  
13 Education are directed to develop appropriate informational materials on the  
14 Arkansas Academic Challenge Scholarship Program and to ensure their  
15 distribution to Arkansas students in grades seven through twelve (7 - 12) each  
16 year as part of the packet of materials on precollegiate preparation  
17 distributed by the Department of Education as mandated by § 6-61-217.

18 (2) This shall be accomplished through the use of school  
19 counselors or other appropriate school personnel.

20 (f) The Director of the Department of Higher Education is authorized to  
21 review and evaluate the operation of the program with regard to eligibility  
22 criteria and size of the scholarship award to ensure that the program's  
23 operation meets the intent of this legislation.

24 (g)(1) The Department of Higher Education is authorized to determine  
25 the necessary procedures, consistent with subdivision (g)(2) of this  
26 subsection, for the awarding of scholarships should the number of eligible  
27 applicants exceed the funds available.

28 (2)(A) If eligible applicants and recipients eligible for renewal  
29 exceed the funds available, the Department of Higher Education shall:

30 (B) Categorize the eligible applicants and recipients  
31 eligible for renewal into four (4) groups as set forth in subdivisions (g)(3);  
32 and

33 (C) Award scholarships as follows:

34 (i) First, awards shall be made to eligible  
35 applicants and recipients eligible for renewal whose families have adjusted  
36 gross income within the ranges set forth in group A;

1 (ii) Second, awards shall be made to eligible  
2 applicants and recipients eligible for renewal whose families have adjusted  
3 gross income within the ranges set forth in group B;

4 (iii) Third, awards shall be made to eligible  
5 applicants and recipients eligible for renewal whose families have adjusted  
6 gross income within the ranges set forth in group C; and

7 (iv) Fourth, awards shall be made to eligible  
8 applicants and recipients eligible for renewal whose families have adjusted  
9 gross income within the ranges set forth in group D;

10 (3)(A) Group A shall include:

11 (i) Eligible applicants and recipients eligible for  
12 renewal whose families include one (1) unemancipated child and whose families  
13 have adjusted gross income in the previous tax year not exceeding forty  
14 thousand dollars (\$40,000) per year;

15 (ii) Eligible applicants and recipients eligible for  
16 renewal whose families include two (2) unemancipated children and whose  
17 families have adjusted gross income in the previous tax year not exceeding  
18 forty-five thousand dollars (\$45,000) per year;

19 (iii) Eligible applicants and recipients eligible for  
20 renewal whose families include three (3) unemancipated children and whose  
21 families have adjusted gross income in the previous tax year not exceeding  
22 fifty thousand dollars (\$50,000) plus for families with more than three (3)  
23 unemancipated children, an additional five thousand dollars (\$5,000) per tax  
24 year for each additional child; and

25 (iv) Eligible applicants and recipients eligible for  
26 renewal whose families include more than one (1) unemancipated child enrolled  
27 full time at an approved institution of higher education and whose families  
28 have adjusted gross income in the previous tax year not exceeding the amounts  
29 set forth in subdivisions (g)(3)(A)(i) through (g)(3)(A)(iii), plus an  
30 additional ten thousand dollars (\$10,000) of adjusted gross income per tax  
31 year for each unemancipated child enrolled full time at an approved  
32 institution of higher education.

33 (B) Group B shall include:

34 (i) Eligible applicants and recipients eligible for  
35 renewal whose families include one (1) unemancipated child and whose families  
36 have adjusted gross income in the previous tax year exceeding forty thousand

1 dollars (\$40,000), but not exceeding fifty thousand dollars (\$50,000) per  
2 year;

3 (ii) Eligible applicants and recipients eligible for  
4 renewal whose families include two (2) unemancipated children and whose  
5 families have adjusted gross income in the previous tax year exceeding forty-  
6 five thousand dollars (\$45,000), but not exceeding fifty-five thousand dollars  
7 (\$55,000) per year;

8 (iii) Eligible applicants and recipients eligible for  
9 renewal whose families include three (3) unemancipated children and whose  
10 families have adjusted gross income in the previous tax year exceeding fifty  
11 thousand dollars (\$50,000), but not exceeding sixty thousand dollars  
12 (\$60,000), plus for families with more than three (3) unemancipated children,  
13 an additional five thousand dollars (\$5,000) per tax year for each additional  
14 child; and

15 (iv) Eligible applicants and recipients eligible for  
16 renewal whose families include more than one (1) unemancipated child enrolled  
17 full time at an approved institution of higher education and whose families  
18 have adjusted gross income in the previous tax year within the income ranges  
19 set forth in subdivisions (g)(3)(B)(i) through (g)(3)(B)(iii), plus an  
20 additional ten thousand dollars (\$10,000) of adjusted gross income per tax  
21 year for each unemancipated child enrolled full time at an approved  
22 institution of higher education.

23 (C) Group C shall include:

24 (i) Eligible applicants and recipients eligible for  
25 renewal whose families include one (1) unemancipated child and whose families  
26 have adjusted gross income in the previous tax year exceeding fifty thousand  
27 dollars (\$50,000), but not exceeding sixty thousand dollars (\$60,000) per  
28 year;

29 (ii) Eligible applicants and recipients eligible for  
30 renewal whose families include two (2) unemancipated children and whose  
31 families have adjusted gross income in the previous tax year exceeding fifty-  
32 five thousand dollars (\$55,000), but not exceeding sixty-five thousand dollars  
33 (\$65,000) per year;

34 (iii) Eligible applicants and recipients eligible for  
35 renewal whose families include three (3) unemancipated children and whose  
36 families have adjusted gross income in the previous tax year exceeding sixty

1 thousand dollars (\$60,000), but not exceeding seventy thousand dollars  
2 (\$70,000), plus for families with more than three (3) unemancipated children,  
3 an additional five thousand dollars (\$5,000) per tax year for each additional  
4 child; and

5 (iv) Eligible applicants and recipients eligible for  
6 renewal whose families include more than one (1) unemancipated child enrolled  
7 full time at an approved institution of higher education, and whose families  
8 have adjusted gross income in the previous tax year in the income ranges set  
9 forth in subdivisions (g)(3)(C)(i) through (g)(3)(C)(iii) plus an additional  
10 ten thousand dollars (\$10,000) of adjusted gross income per tax year for each  
11 unemancipated child enrolled full time at an approved institution of higher  
12 education.

13 (D) Group D shall include:

14 (i) Eligible applicants and recipients eligible for  
15 renewal whose families include one (1) unemancipated child, and whose families  
16 have adjusted gross income in the previous tax year exceeding sixty thousand  
17 dollars (\$60,000) per year;

18 (ii) Eligible applicants and recipients eligible for  
19 renewal whose families include two (2) unemancipated children, and whose  
20 families have adjusted gross income in the previous tax year exceeding sixty-  
21 five thousand dollars (\$65,000) per year;

22 (iii) Eligible applicants and recipients eligible for  
23 renewal whose families include three (3) unemancipated children, and whose  
24 families have adjusted gross income in the previous tax year exceeding seventy  
25 thousand dollars (\$70,000), plus for families with more than three (3)  
26 unemancipated children, an additional five thousand dollars (\$5,000) per tax  
27 year for each additional child; and

28 (iv) Eligible applicants and recipients eligible for  
29 renewal whose families include more than one (1) unemancipated child enrolled  
30 full time at an approved institution of higher education, and whose families  
31 have adjusted gross income in the previous tax year equal the income ranges  
32 set forth in subdivisions (g)(3)(D)(i) through (g)(3)(D)(iii), plus an  
33 additional ten thousand dollars (\$10,000) of adjusted gross income per tax  
34 year for each unemancipated child enrolled full time at an approved  
35 institution of higher education.

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1 SECTION 5. Arkansas Code 6-82-1005 is amended by adding an additional  
2 subsection to read as follows:

3 (f) A recipient of a Governor's Distinguished Scholarship is prohibited  
4 from receiving an Academic Challenge Scholarship.

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6 SECTION 6. Arkansas Code 6-82-1006(e) is repealed.

7 ~~(e) None of the scholarships awarded to students under the terms of~~  
8 ~~this subchapter are intended to replace or substitute for other forms of state~~  
9 ~~funded scholarships or grants.~~

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11 SECTION 7. EMERGENCY CLAUSE. It is hereby found and determined by the  
12 Eighty-third General Assembly that applicants graduating in May, 2001 would  
13 experience uncertainty regarding eligibility for the Academic Challenge  
14 Scholarship, and many applicants may be delayed in beginning their post-  
15 secondary education without a date certain to determine eligibility for the  
16 program. Therefore, an emergency is declared to exist and this act being  
17 immediately necessary for the preservation of the public peace, health and  
18 safety shall become effective on March 1, 2001.

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