

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 85th General Assembly  
3 Regular Session, 2005  
4

# A Bill

HOUSE BILL 2795

5 By: Representative Lamoureux  
6  
7

## For An Act To Be Entitled

9 AN ACT TO ABOLISH THE ARKANSAS HIGHER EDUCATION  
10 COORDINATING BOARD AND THE DEPARTMENT OF HIGHER  
11 EDUCATION; AND FOR OTHER PURPOSES.  
12

## Subtitle

14 AN ACT TO ABOLISH THE ARKANSAS HIGHER  
15 EDUCATION COORDINATING BOARD AND THE  
16 DEPARTMENT OF HIGHER EDUCATION.  
17  
18

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

21 SECTION 1. Arkansas Code Title 6, Chapter 61, Subchapter 2 is  
22 repealed.

23 ~~6-61-201. Members—Meetings.~~

24 ~~(a)(1) The Arkansas Higher Education Coordinating Board shall consist~~  
25 ~~of twelve (12) members appointed by the Governor as follows:~~

26 ~~(A) Three (3) members shall be selected from the current~~  
27 ~~or recent membership of the boards of public two-year colleges. If the person~~  
28 ~~selected is serving on the membership of the board of a public two-year~~  
29 ~~campus, the person shall relinquish his or her membership on the board;~~

30 ~~(B) Three (3) members shall be selected from the current~~  
31 ~~or recent membership of the boards of public four-year colleges or university~~  
32 ~~campuses. If the person selected is serving on the membership of the board of~~  
33 ~~a public four-year campus, the person shall relinquish his or her membership~~  
34 ~~on the board; and~~

35 ~~(C) Six (6) members shall be selected from business,~~  
36 ~~industry, education, an agriculturally related industry, and medical services~~



1 and shall not be current members of a board of a public two-year or four-year  
2 campus. At least one (1) of the appointees shall have a strong interest in  
3 and commitment to economic and workforce development. At least one (1) of the  
4 appointees shall have experience in the knowledge-based technology field.

5 (2) No more than four (4) members of the board shall be  
6 appointed from any one (1) congressional district as the districts exist at  
7 the time of the appointment.

8 (3) No more than two (2) members of the board at any one (1)  
9 time shall be graduates of an undergraduate program of any one (1) state  
10 university or college.

11 (b) After the appointment of the initial board, the members to be  
12 appointed from recent or current boards of two-year and four-year campuses  
13 shall be appointed by the Governor from a list of names submitted by the  
14 Presidents Council.

15 (c) Vacancies on the board shall be filled for the unexpired terms,  
16 and the appointments shall be made in the same manner for the positions  
17 vacated.

18 (d)(1) The members of the board shall serve staggered terms of six (6)  
19 years. The terms of two (2) members shall expire each year.

20 (2) The members may serve no more than two (2) terms.

21 (e) An intensive orientation program designed by the council shall be  
22 mandatory for board members.

23 (f) The board shall annually elect from its membership a chair and  
24 other officers necessary to carry on its business.

25 (g)(1) The board shall meet at least one (1) time during each calendar  
26 quarter and at other times upon the call of the chair or of any other four  
27 (4) members.

28 (2) The board shall, at the times that it desires, meet on the  
29 campuses of the respective institutions of higher learning in the state.

30 (h) Members of the board shall serve without compensation but may  
31 receive expense reimbursement in accordance with § 25-16-901 et seq.

32  
33 6-61-202. Powers and duties generally.

34 (a) In order to promote a coordinated system of higher education in  
35 Arkansas and to assure an orderly and effective development of each of the  
36 publicly supported institutions of higher education, the Arkansas Higher

1 ~~Education Coordinating Board shall have the following powers and duties:~~

2 ~~(1)(A) To receive within one (1) year of their appointment and~~  
 3 ~~each year thereafter a minimum of eight (8) clock hours of instruction and~~  
 4 ~~training, to include higher education issues, policies, laws, and the duties~~  
 5 ~~and responsibilities associated with the position of board member;~~

6 ~~(B) The members of the boards of all publicly supported~~  
 7 ~~institutions of higher education shall receive similar instruction and~~  
 8 ~~training within one (1) year of their appointment or election and each year~~  
 9 ~~thereafter, which shall be conducted by the individual institutions;~~

10 ~~(2) Along with its director, to be responsible, within fiscal~~  
 11 ~~and staff capabilities, for directing an integrated program for defining,~~  
 12 ~~popularizing, and securing acceptance of the major goals and objectives of~~  
 13 ~~higher education in Arkansas and for relating them to the state's various~~  
 14 ~~problems;~~

15 ~~(3) To request and receive any information from the publicly~~  
 16 ~~supported institutions of higher education as the board deems necessary for~~  
 17 ~~the performance of its duties;~~

18 ~~(4) To promulgate and adopt uniform definitions and forms in~~  
 19 ~~such matters as financial reporting, academic statistics, and resident status~~  
 20 ~~of students for use in making financial recommendations and standard~~  
 21 ~~enrollment data to be followed by the institutions of higher learning;~~

22 ~~(5) To determine the need for and recommend to the Governor and~~  
 23 ~~the General Assembly the establishment and location of any new institutions~~  
 24 ~~and to recommend, when appropriate, changes in the names of existing state-~~  
 25 ~~supported institutions of higher learning;~~

26 ~~(6) To recommend the level of funding and the method of~~  
 27 ~~distribution of state supported scholarships and loan programs, and to seek~~  
 28 ~~the cooperation of the state supported institutions of higher learning to~~  
 29 ~~develop policies to coordinate all student loan and scholarship programs,~~  
 30 ~~including those federally financed; and~~

31 ~~(7) To review all proposed bond issues to be made by any public~~  
 32 ~~institution of higher learning and to advise the board of trustees of each of~~  
 33 ~~the respective institutions as to the economic feasibility thereof, as set~~  
 34 ~~forth in § 6-62-306.~~

35 ~~(b) The board shall encourage the cooperation of private institutions~~  
 36 ~~of higher learning in its efforts to plan more effectively for the~~

1 ~~coordinated development of higher education in this state.~~

3 ~~6-61-203. Director and staff—Funds—Central office.~~

4 ~~(a)(1)(A) The Arkansas Higher Education Coordinating Board shall~~  
 5 ~~appoint a director through a search and selection process that includes~~  
 6 ~~substantial input, review, and recommendation from the Presidents Council,~~  
 7 ~~subject to confirmation by the Governor.~~

8 ~~(B) The director shall serve at the pleasure of the~~  
 9 ~~Governor.~~

10 ~~(2) The director shall serve as a member of the Governor's~~  
 11 ~~cabinet as the advocate for higher education.~~

12 ~~(3) The director shall be an experienced educator in the field~~  
 13 ~~of higher education who demonstrates competence in the field of institutional~~  
 14 ~~management and finance. The director and key staff must have relevant~~  
 15 ~~experience on a campus of higher education.~~

16 ~~(b) The professional qualifications and salary of the director and~~  
 17 ~~other members of the staff employed by the board shall be comparable to those~~  
 18 ~~in colleges and universities.~~

19 ~~(c) The staff of the board shall be under the direction and~~  
 20 ~~supervision of the director.~~

21 ~~(d) The board shall be provided sufficient operating funds to enable~~  
 22 ~~it to carry out adequately the programs and functions assigned to the~~  
 23 ~~Department of Higher Education.~~

24 ~~(e) The central office of the department shall be maintained in Little~~  
 25 ~~Rock.~~

26 ~~(f)(1) The board shall evaluate the director annually.~~

27 ~~(2) The council shall provide an evaluation report of the~~  
 28 ~~department and the director to the board at least annually.~~

30 ~~6-61-204. Advisory committees and councils.~~

31 ~~(a) The Arkansas Higher Education Coordinating Board and the~~  
 32 ~~Presidents Council are authorized to establish advisory committees and~~  
 33 ~~councils as may be deemed necessary for the effective development and~~  
 34 ~~coordination of higher education in this state.~~

35 ~~(b)(1) The Presidents Council shall be composed of all~~  
 36 ~~presidents and chancellors of public two year and four year colleges and~~

1 ~~universities.~~

2 ~~(2) The council shall meet at least quarterly.~~

3 ~~(3) This council shall serve in a strong advisory capacity to~~  
 4 ~~the director and to the board.~~

5 ~~(4) All board items must be reviewed by this council prior to~~  
 6 ~~being placed on the board's agenda.~~

7 ~~(c)(1)(A) There is created the Executive Council, which shall be~~  
 8 ~~selected by the Presidents Council from its membership.~~

9 ~~(B) The Executive Council shall consist of four (4)~~  
 10 ~~members from two year campuses and four (4) members from four year campuses.~~

11 ~~(2) Executive Council members shall serve for staggered terms of~~  
 12 ~~two (2) years.~~

13 ~~(3) The Executive Council shall elect officers as it deems~~  
 14 ~~necessary.~~

15 ~~(4) The Executive Council shall meet at least monthly, or more~~  
 16 ~~frequently as needed, with the director and senior staff.~~

17 ~~(5)(A) All items to be considered as board agenda items must be~~  
 18 ~~reviewed by the Executive Council before being placed on any board agenda.~~

19 ~~(B) In the event that the director and staff shall not be~~  
 20 ~~in agreement with the Executive Council on a matter to be considered by the~~  
 21 ~~board, the Executive Council's recommendation will be placed on the board~~  
 22 ~~agenda automatically for a presentation and explanation of the Executive~~  
 23 ~~Council's position. The board will then make a decision based on both~~  
 24 ~~positions.~~

25 ~~(d)(1)(A) A working committee structure shall be established involving~~  
 26 ~~the Presidents Council or its designees.~~

27 ~~(B) Examples of possible committees include but are not~~  
 28 ~~limited to accountability, graduate studies, undergraduate studies, workforce~~  
 29 ~~development, continuing education, and financial and funding.~~

30 ~~(2) The committees shall make recommendations to the Presidents~~  
 31 ~~Council and the director when policy or funding issues are to be decided.~~

32 ~~(3) The department employees shall staff each committee.~~

33

34 ~~6-61-205. Master plan.~~

35 ~~(a) In order to promote a coordinated system of higher education in~~  
 36 ~~Arkansas and to assure an orderly and effective development of each of the~~

1 publicly supported institutions of higher education, the Arkansas Higher  
 2 Education Coordinating Board shall have the power and duty to accept  
 3 responsibility for continuous master planning.

4 (b) The board shall involve a broadly representative advisory  
 5 committee in the development of a comprehensive master plan for all of  
 6 postsecondary education and shall continually use the committee to keep the  
 7 master plan updated.

8 (c) This plan shall include all senior colleges and universities which  
 9 are state supported, community colleges, branches of state supported  
 10 institutions, independent or private colleges and universities, proprietary  
 11 institutions, and postsecondary efforts of area vocational technical schools.

12 (d) Broad citizen participation shall be sought by the board in the  
 13 development of this plan.

14  
 15 ~~6-61-206. Studies, surveys, evaluations, etc.~~

16 In order to promote a coordinated system of higher education in  
 17 Arkansas and to assure an orderly and effective development of each of the  
 18 publicly supported institutions of higher education, the Arkansas Higher  
 19 Education Coordinating Board shall have the power and duty:

20 (1) To conduct or cause to be made such studies, surveys, and  
 21 evaluations of postsecondary education as the board believes necessary to  
 22 carry out its duties, to include, but not be limited to, studies of space  
 23 utilization and development of guidelines for space utilization; studies of  
 24 manpower needs and their implications for program development; studies of  
 25 programs for purposes of identifying and reducing unnecessary program  
 26 duplication and identifying needs for new programs; analysis of class size,  
 27 faculty loads, and cost of instruction, sabbatical leave, and other fringe  
 28 benefits; analysis of enrollments, extension programs, sources of students,  
 29 and retention of students; and advise institutions of plans and needed  
 30 improvements.

31 (2) To conduct continuing studies as to public universities and  
 32 colleges in all matters affecting these institutions and from time to time  
 33 submit recommendations to the Governor, the General Assembly, and each  
 34 institution of higher learning based upon its findings, together with  
 35 recommended plans for implementing such recommendations.

36

~~6-61-207. Role and scope designations.~~

~~(a) In order to promote a coordinated system of higher education in Arkansas and to assure an orderly and effective development of each of the publicly supported institutions of higher education, the Arkansas Higher Education Coordinating Board shall have the power and duty to establish, in consultation with college and university personnel, appropriate role and scope designations within which boards of trustees must operate the institution or institutions under their jurisdiction.~~

~~(b) The board shall establish such role and scope designations by January 1, 1990. The designations may be changed at any time as determined by the board. They shall be fully reviewed at least once every five (5) years.~~

~~(c) Prior to their establishment of or making changes in role and scope designations, the board shall carefully study the change in consultation with institutional personnel, announce the intent to consider a change, and publicly reveal the change that is being proposed at a regular quarterly meeting, with the vote to come no sooner than the next regular quarterly meeting.~~

~~6-61-208. New units of instruction, research, and public service.~~

~~(a)(1) In order to promote a coordinated system of higher education in Arkansas and to assure an orderly and effective development of each of the publicly supported institutions of higher education, the Arkansas Higher Education Coordinating Board shall have the power and duty to request, receive, evaluate, and approve proposals for all new units of instruction, research, and public service, consistent with established role and scope designations which have been approved by the board of trustees and the president of an institution, and to determine, based upon established policies, whether new units of instruction, research, or public service are justified.~~

~~(2)(A) "Established policies" as used in this subsection means a written statement developed by the board in consultation with and upon the advice of representatives of each of the state's institutions of higher learning which shall set forth the relevant criteria which a proposal for a new unit of instruction must meet before its establishment by an institution is justified.~~

1                   ~~(B)(i) The term "new unit of instruction, research, or~~  
 2 ~~public service" used in this subsection includes establishment of a college,~~  
 3 ~~school, division, institute, center, department, new curricula, majors~~  
 4 ~~leading to a new degree program, or an extension service not presently~~  
 5 ~~included in the program of the institution.~~

6                   ~~(ii) The term does not include reasonable and~~  
 7 ~~moderate extensions, as defined by the board, of existing curricular research~~  
 8 ~~or public service programs which have a direct relationship to existing~~  
 9 ~~programs at the several public institutions of higher learning.~~

10                   ~~(b) General revenues appropriated by the General Assembly shall not be~~  
 11 ~~expended for new programs that have not been recommended by the board.~~

12  
 13                   ~~6-61-209. Budgets.~~

14                   ~~In order to promote a coordinated system of higher education in~~  
 15 ~~Arkansas and to assure an orderly and effective development of each of the~~  
 16 ~~publicly supported institutions of higher education, the Arkansas Higher~~  
 17 ~~Education Coordinating Board shall have the following powers and duties:~~

18                   ~~(1) To review, evaluate, and coordinate budget requests for the~~  
 19 ~~state supported universities and colleges and present to the General Assembly~~  
 20 ~~and to the Governor prior to each regular session of the General Assembly a~~  
 21 ~~single budget report containing the recommendations for separate~~  
 22 ~~appropriations to each of the respective institutions.~~

23                   ~~(A) The recommendations will be consistent with a~~  
 24 ~~comprehensive master plan of postsecondary education in Arkansas as developed~~  
 25 ~~by the board.~~

26                   ~~(B) The recommendations, insofar as possible, will be~~  
 27 ~~based upon standard techniques of objective measurement of need and unit cost~~  
 28 ~~figures arrived at through comparative data secured from the several~~  
 29 ~~institutions.~~

30                   ~~(C) Specific needs of institutions based upon existing~~  
 31 ~~programs and deficiencies will be given consideration.~~

32                   ~~(2) To develop, in conjunction with the institutions of higher~~  
 33 ~~learning, the Governor, and the Legislative Council, a single set of budget~~  
 34 ~~forms which will be utilized by all parties in making requests and~~  
 35 ~~recommendations for the funding of state supported colleges and universities.~~  
 36 ~~The forms and process will require that the total income and expenditures of~~



1 each institution must be considered in the request process.

2  
3 ~~6-61-210. Allocation of additional state funds.~~

4 ~~(a) The Arkansas Higher Education Coordinating Board is authorized and~~  
5 ~~directed to establish criteria and standards for the allocation of additional~~  
6 ~~state funds provided for such purposes to state supported institutions of~~  
7 ~~higher learning experiencing enrollment increases greater than were~~  
8 ~~anticipated at the time the board prepared its budget recommendations for~~  
9 ~~allocations of funds to the respective institutions prior to each biennial~~  
10 ~~legislative session.~~

11 ~~(b)(1) The criteria and standards shall be applicable to all~~  
12 ~~state supported institutions of higher learning experiencing enrollment~~  
13 ~~growth.~~

14 ~~(2) However, with respect to the State Medical Center, the board~~  
15 ~~shall develop criteria and standards for measuring and determining the~~  
16 ~~additional financial support required, within the limitation of funds~~  
17 ~~provided therefor, because of unusual factors which create additional~~  
18 ~~spending responsibilities of the State Medical Center.~~

19 ~~(c) The criteria and standards developed by the board for allocating~~  
20 ~~additional financial support to state supported institutions of higher~~  
21 ~~learning from moneys provided therefor shall be subject to review and~~  
22 ~~approval of the Governor, and the amount to be allocated to each institution~~  
23 ~~shall be upon certification and approval by the Governor.~~

24  
25 ~~6-61-212. State agency for federal programs.~~

26 ~~In order to promote a coordinated system of higher education in~~  
27 ~~Arkansas and to assure an orderly and effective development of each of the~~  
28 ~~publicly supported institutions of higher education, the Arkansas Higher~~  
29 ~~Education Coordinating Board shall have the power and duty to serve as the~~  
30 ~~state agency of this state for such federal programs which can most~~  
31 ~~appropriately be administered by it.~~

32  
33 ~~6-61-213. Administration of trusts, endowments, etc.~~

34 ~~(a) In order to promote a coordinated system of higher education in~~  
35 ~~Arkansas and to assure an orderly and effective development of each of the~~  
36 ~~publicly supported institutions of higher education, the Arkansas Higher~~

1 ~~Education Coordinating Board shall have the power and duty to provide~~  
 2 ~~administrative assistance in accordance with terms agreed upon by both the~~  
 3 ~~Department of Higher Education and parties establishing trusts, endowments,~~  
 4 ~~or otherwise providing funds in support of scholarships, research, or other~~  
 5 ~~educational activities at Arkansas institutions of higher education.~~

6 ~~(b)(1) The department is not authorized to be the custodian of,~~  
 7 ~~or to in any way participate in, the financial management of trusts,~~  
 8 ~~endowments, or other funds established for purposes of §§ 6-61-101—6-61-~~  
 9 ~~103, 6-61-201—6-61-209, 6-61-211 [repealed], 6-61-212—6-61-216, 6-61-301~~  
 10 ~~—6-61-305, 6-61-306 [repealed], 6-61-401, 6-61-402, 6-61-501—6-61-524, 6-~~  
 11 ~~61-601—6-61-603, and 6-61-604—6-61-612 [repealed].~~

12 ~~(2) The assistance of the department is limited to~~  
 13 ~~administrative support in the allocation or awarding of funds to be disbursed~~  
 14 ~~by the donor or a properly authorized trustee.~~

15 ~~(c) The department is authorized to supplement administrative costs~~  
 16 ~~for such assistance by charging a minimal administrative fee acceptable to~~  
 17 ~~the department and the parties establishing the endowments or providing the~~  
 18 ~~funds.~~

19  
 20 ~~6-61-214. Review of existing degree programs—Minimum standards.~~

21 ~~(a) In order to promote a coordinated system of higher education in~~  
 22 ~~Arkansas and to assure an orderly and effective development of each of the~~  
 23 ~~publicly supported institutions of higher education, the Arkansas Higher~~  
 24 ~~Education Coordinating Board shall have the power and duty to establish~~  
 25 ~~minimum standards of quality and cost effectiveness, and review each existing~~  
 26 ~~academic degree program in the state institutions of higher education at~~  
 27 ~~least every ten (10) years, but no more frequently than every seven (7)~~  
 28 ~~years.~~

29 ~~(b) Such programs shall either be certified as having met~~  
 30 ~~established standards or placed on two-year probationary status. During the~~  
 31 ~~probationary period, at the request of the institution, the board shall~~  
 32 ~~provide guidance to the institutions in an attempt to qualify the programs to~~  
 33 ~~meet the minimum standards for quality and cost effectiveness.~~

34 ~~(c) At the end of the two-year period, the board shall make~~  
 35 ~~recommendations to the institutions, the Governor, and the General Assembly~~  
 36 ~~concerning the continuation, or termination, or extended probation of the~~

1 ~~program.~~

2 ~~(d) General revenues shall not be expended for operation of degree~~  
 3 ~~programs beyond the deadline set by the board without the specific approval~~  
 4 ~~of the General Assembly. The deadline shall coincide with the end of the~~  
 5 ~~biennium.~~

6  
 7 ~~6-61-215. Student fees.~~

8 ~~In order to promote a coordinated system of higher education in~~  
 9 ~~Arkansas and to assure an orderly and effective development of each of the~~  
 10 ~~publicly supported institutions of higher education, the Arkansas Higher~~  
 11 ~~Education Coordinating Board shall have the power and duty to establish the~~  
 12 ~~level of student fees for funding purposes for both in-state and out-of-state~~  
 13 ~~students for all public institutions of higher learning in the state. The~~  
 14 ~~level of fees shall be determined after careful study of fees charged in~~  
 15 ~~other states in similar institutions.~~

16  
 17 ~~6-61-216. Transfer students.~~

18 ~~(a) In order to promote a coordinated system of higher education in~~  
 19 ~~Arkansas and to assure an orderly and effective development of each of the~~  
 20 ~~publicly supported institutions of higher education, the Arkansas Higher~~  
 21 ~~Education Coordinating Board shall have the power and duty to develop, with~~  
 22 ~~the assistance of institutional advisory committees, policies for transfer~~  
 23 ~~students from community colleges to senior institutions, for transfer of~~  
 24 ~~students among institutions of the same type, and for transfer of students~~  
 25 ~~from vocational and technical schools to other institutions.~~

26 ~~(b) These policies should be a part of the comprehensive master~~  
 27 ~~plan and should receive review from appropriate citizens throughout the state~~  
 28 ~~prior to adoption by the board for their recommendation to the boards of~~  
 29 ~~trustees of institutions.~~

30  
 31 ~~6-61-217. Minimum core courses for college prep.~~

32 ~~(a) In order to promote a coordinated system of higher education in~~  
 33 ~~Arkansas and to assure an orderly and effective development of each of the~~  
 34 ~~publicly supported institutions of higher education, the Arkansas Higher~~  
 35 ~~Education Coordinating Board, after consultation with the State Board of~~  
 36 ~~Education, shall identify a minimum core of high school courses recommended~~

1 ~~for preparation for college.~~

2 ~~(b) The board shall communicate this information at least~~  
 3 ~~annually to public school superintendents, who shall make copies available~~  
 4 ~~each year to public school students enrolled in grades seven through twelve~~  
 5 ~~(7-12).~~

6 ~~(c) The board may revise the list of high school courses from time to~~  
 7 ~~time, as needed.~~

8  
 9 ~~6-61-218. Minimum college core—Transferability.~~

10 ~~In order to promote a coordinated system of higher education in~~  
 11 ~~Arkansas and to assure an orderly and effective development of each of the~~  
 12 ~~publicly supported institutions of higher education, the Arkansas Higher~~  
 13 ~~Education Coordinating Board shall establish in consultation with the~~  
 14 ~~colleges and universities a minimum core of courses which shall apply toward~~  
 15 ~~the general education core curriculum requirements for baccalaureate degrees~~  
 16 ~~at state supported institutions of higher education and which shall be fully~~  
 17 ~~transferable between state institutions.~~

18  
 19 ~~6-61-220. Retention and graduation rate information.~~

20 ~~(a)(1) Accurate information about the retention and graduation rates~~  
 21 ~~of students at state supported colleges and universities is needed in order~~  
 22 ~~for the Arkansas Higher Education Coordinating Board, institutional boards of~~  
 23 ~~trustees, the General Assembly, and institutional faculty members and~~  
 24 ~~administrators to make informed decisions related to the coordination,~~  
 25 ~~governance, financing, and academic policies of higher education in Arkansas.~~

26 ~~(2) Special attention to the retention and graduation rates of~~  
 27 ~~students who participate in intercollegiate athletics is needed because the~~  
 28 ~~percentage of student athletes who graduate is lower than for students who do~~  
 29 ~~not participate in athletics at many institutions throughout the nation.~~

30 ~~(b)(1)(A) The Department of Higher Education shall, in consultation~~  
 31 ~~with the colleges and universities, recommend a system for the collection of~~  
 32 ~~information as to the retention and graduation rates of students at state-~~  
 33 ~~supported colleges and universities to the board, the Governor, the House and~~  
 34 ~~Senate Committees on Education, and the colleges and universities.~~

35 ~~(B) In addition to retention and graduation rates for all~~  
 36 ~~students, the report shall also include the retention and graduation rates of~~

1 ~~all students who participate in intercollegiate athletics.~~

2 ~~(2) Except as provided in subsection (c) of this section,~~  
 3 ~~officials of state colleges and universities shall provide the information~~  
 4 ~~requested by the department to the department by December 1 of each year,~~  
 5 ~~beginning in 2000.~~

6 ~~(c)(1) Subject to an adequate appropriation for the personnel and~~  
 7 ~~equipment necessary to implement the system recommended under subdivision~~  
 8 ~~(b)(1) of this section, the department shall collect the information~~  
 9 ~~described in subdivision (b)(1) of this section and report its findings to~~  
 10 ~~the board, the Governor, the committees, and the colleges and universities by~~  
 11 ~~May 1 of each year, beginning in 2000.~~

12 ~~(2) Notwithstanding the provisions of subdivision (c)(1) of this~~  
 13 ~~section, colleges and universities shall commence the collection of~~  
 14 ~~information as to the retention and graduation rates of all students who~~  
 15 ~~participate in intercollegiate athletics beginning in the fall semester of~~  
 16 ~~1989 and shall report this information to the department by December 1 of~~  
 17 ~~each year, beginning in 2000.~~

18 ~~(d) The board is hereby authorized to promulgate rules and regulations~~  
 19 ~~consistent with the intent and purpose of this section.~~

20  
 21 ~~6-61-221. Reporting of graduates requiring postsecondary remediation.~~

22 ~~(a)(1) The Department of Higher Education shall have the authority to~~  
 23 ~~collect from the public institutions of higher education in the state such~~  
 24 ~~information as may be necessary to prepare reports of college achievement of~~  
 25 ~~high school graduates.~~

26 ~~(2) The department shall have the authority to contract with~~  
 27 ~~appropriate organizations for the preparation of the reports, contingent upon~~  
 28 ~~the availability of funds.~~

29 ~~(b)(1) The department and the Office of Accountability of the~~  
 30 ~~Department of Education shall work together to develop a compatible system of~~  
 31 ~~reporting the number of students who required remediation during their first~~  
 32 ~~year of enrollment in a public institution of higher education in this state~~  
 33 ~~if the enrollment occurred within two (2) years of graduation from a~~  
 34 ~~secondary school in this state.~~

35 ~~(2) The public school districts shall work with the department~~  
 36 ~~and the office to develop a compatible system of reporting the number of~~

1 students requiring remediation who graduated with a 3.0 or higher grade point  
2 average on a 4.0 scale and who graduated from a program of the minimum core  
3 of high school courses recommended for preparation for postsecondary  
4 education by the Arkansas Higher Education Coordinating Board and the State  
5 Board of Education pursuant to § 6-61-217.

6 (c) The compilation report generated by the department shall not  
7 include individual student information if the information is reported in a  
8 manner which would identify a particular student. Any information gathered  
9 which identifies a particular student shall be confidential.

10 (d)(1) The Department of Higher Education shall provide the reports to  
11 the Department of Education and the Department of Workforce Education and may  
12 also provide the reports to the coordinating board, the Governor, the House  
13 and Senate Committees on Education, and the state board.

14 (2) The reports developed pursuant to this section shall be  
15 provided to each public high school and to school district administrators by  
16 the Department of Education.

17  
18 ~~6-61-222. Uniform reporting standards.~~

19 (a)(1) The Arkansas Higher Education Coordinating Board is authorized  
20 and directed to establish uniform reporting standards to report biennially  
21 all current funds' revenues and expenditures associated with each academic  
22 department and, within each department, with the academic programs offered at  
23 each state-supported institution of higher education.

24 (2) Such reports shall be subject to biennial review by the  
25 board and House Interim Committee on Education and the Senate Interim  
26 Committee on Education.

27 (3) The reports shall be predicated on the following  
28 definitions:

29 (A) "Academic department" means each organizational and  
30 budgetary unit associated with the delivery of instruction, research, and  
31 public service activities;

32 (B) "Academic program" means any program of study leading  
33 to a degree or certificate and any other program as defined by the Department  
34 of Higher Education;

35 (C) "Academic department and program revenues" shall  
36 include tuition and fees, both undergraduate and graduate, endowments, gifts

1 and grants, sponsored research, and all other revenues associated with each  
2 academic department and with specific academic programs;

3           (D) ~~"Academic department and program expenditures" shall~~  
4 ~~include all direct and prorated indirect expenses;~~

5           (i) ~~Direct expenses include faculty salaries, staff~~  
6 ~~salaries, fringe benefits, scholarships and fellowships, graduate stipends~~  
7 ~~and graduate assistant tuition, student labor, materials and supplies,~~  
8 ~~equipment, travel, and telephone.~~

9           (ii) ~~Indirect expenses include central~~  
10 ~~administrative management, institution wide services, departmental~~  
11 ~~administration, student services, research, indirect cost recovery, public~~  
12 ~~services and information, financial aid, plant operations and maintenance,~~  
13 ~~utilities, debt service, nonmandatory transfers, and all other indirect~~  
14 ~~expenses.~~

15           (iii) ~~Total academic department and program~~  
16 ~~expenditures should equal the current funds' expenditures as reported in the~~  
17 ~~institution's financial statement;~~

18           (E) ~~"State subsidy" means that within each academic~~  
19 ~~department, any difference between academic program revenues and academic~~  
20 ~~program expenditures shall be determined to be the "state subsidy" of that~~  
21 ~~academic program; and~~

22           (F) ~~"Productivity by academic program" means the number of~~  
23 ~~declared majors, the number of undergraduate and graduate student semester~~  
24 ~~credit hours produced, and the number of degrees and certificates conferred~~  
25 ~~in each program.~~

26           (4) ~~The board is authorized to promulgate any rules or~~  
27 ~~regulations necessary for the implementation of this section and shall report~~  
28 ~~to the House Interim Committee on Education and the Senate Interim Committee~~  
29 ~~on Education the failure of an institution to comply with the provisions of~~  
30 ~~this section.~~

31           (b)(1) ~~By September 15 of each year, all state supported institutions~~  
32 ~~of higher education shall report academic department and program revenues,~~  
33 ~~expenditures, and productivity utilizing the uniform report established by~~  
34 ~~the board.~~

35           (2) ~~The academic department and program report shall identify~~  
36 ~~undergraduate and graduate programs that produce fewer graduates than are~~

1 ~~required to meet the degree productivity standards set by the board.~~

2 ~~(3) The board shall review the institutional reports and submit~~  
 3 ~~them to the House Interim Committee on Education and the Senate Interim~~  
 4 ~~Committee on Education by January 15 of each odd-numbered year.~~

5 ~~(c) The board is further authorized and directed to establish uniform~~  
 6 ~~reporting standards to report any other information that may be required to~~  
 7 ~~meet any other state or federal statutory or regulatory requirements.~~

8  
 9 ~~6-61-223. Funding formula—Arkansas Higher Education Coordinating~~  
 10 ~~Board.~~

11 ~~(a) The Arkansas Higher Education Coordinating Board will work with~~  
 12 ~~the state college and university Presidents Council to review, revise, and~~  
 13 ~~develop funding formulas which will, in principle, seek to provide fair and~~  
 14 ~~equitable state support to all postsecondary students across the state,~~  
 15 ~~regardless of the state institution attended, while at the same time~~  
 16 ~~recognizing:~~

17 ~~(1) The different needs for lower level, upper level, and~~  
 18 ~~graduate level instruction at the various institutions;~~

19 ~~(2) The requirements for specialized equipment, labs, and~~  
 20 ~~smaller class sizes in some disciplines; and~~

21 ~~(3) Unique missions such as agricultural extension services,~~  
 22 ~~research, medical sciences, workforce development, and public service; and~~

23 ~~(4) Growth, economies of scale, and other appropriate factors.~~

24 ~~(b) The formulas will be developed in consensus with the state college~~  
 25 ~~and university President's Council and presented to the Joint Budget~~  
 26 ~~Committee for review.~~

27  
 28 ~~6-61-224. Funding formula—Department of Higher Education.~~

29 ~~(a) The Department of Higher Education will work with the state~~  
 30 ~~college and university Presidents Council to review, revise, and develop~~  
 31 ~~funding formulas which will, in principle, seek to provide fair and equitable~~  
 32 ~~state support to all postsecondary students across the state, regardless of~~  
 33 ~~the state institution attended, while at the same time recognizing:~~

34 ~~(1) The different needs for lower level, upper level, and~~  
 35 ~~graduate level instruction at the various institutions;~~

36 ~~(2) The requirements for specialized equipment, labs, and~~



1 ~~smaller class sizes in some disciplines;~~

2 ~~(3) Unique missions such as agricultural extension services,~~  
 3 ~~research, medical sciences, workforce development, and public service; and~~

4 ~~(4) Growth, economies of scale, and other appropriate factors.~~

5 ~~(b) The formulas will be developed in consensus with the state college~~  
 6 ~~and university President's Council and presented to the Arkansas Higher~~  
 7 ~~Education Coordinating Board and the Joint Budget Committee for review.~~

8  
 9 SECTION 2. Arkansas Code § 6-61-301 is amended to read as follows:  
 10 6-61-301. Incorporation generally.

11 (a)(1)(A) Individuals desiring to establish a postsecondary education  
 12 institution in the State of Arkansas, other than a state-supported  
 13 institution, a school as defined by §§ 6-51-601 et seq., or a school which is  
 14 regulated by the State Board of Cosmetology, shall be required to incorporate  
 15 under the applicable laws of the State of Arkansas ~~and to receive~~  
 16 ~~certification for offering educational programs from the Arkansas Higher~~  
 17 ~~Education Coordinating Board.~~

18 ~~(B) Any postsecondary education institution located in another state,~~  
 19 ~~other than those covered by §§ 6-51-601 et seq., or those regulated by the~~  
 20 ~~State Board of Cosmetology, which desires to offer coursework or degrees in~~  
 21 ~~the State of Arkansas shall be required, prior to offering any coursework, to~~  
 22 ~~obtain certification to do so from the Arkansas Higher Education Coordinating~~  
 23 ~~Board.~~

24 ~~(C) Any postsecondary education institution in the State~~  
 25 ~~of Arkansas desiring to offer programs leading to a degree which is~~  
 26 ~~customarily granted by colleges or universities shall be required to obtain~~  
 27 ~~certification to grant such degree from the Arkansas Higher Education~~  
 28 ~~Coordinating Board.~~

29 ~~(2) State supported vocational and technical schools,~~  
 30 ~~institutions covered under §§ 6-51-601 et seq., or institutions regulated by~~  
 31 ~~the State Board of Cosmetology shall be required to obtain approval for~~  
 32 ~~programs in which such degrees would be granted from both the State Board of~~  
 33 ~~Higher Education and the State Board of Education.~~

34 ~~(3) Nonpublic colleges and universities currently incorporated~~  
 35 ~~and operating under the applicable laws of this state shall not be required~~  
 36 ~~to receive such certification.~~

1           ~~(b) The Arkansas Higher Education Coordinating Board shall be~~  
 2 ~~empowered to establish the criteria required for certification and to~~  
 3 ~~promulgate rules and regulations for the purpose of carrying out the~~  
 4 ~~provisions of this chapter and shall be charged with the final responsibility~~  
 5 ~~for decisions as required by the chapter.~~

6           ~~(c) Any person violating the provisions of subdivision (a)(1)(B) or~~  
 7 ~~(C) or subsection (b) shall be guilty of a misdemeanor and shall, upon~~  
 8 ~~conviction, be fined not more than one thousand dollars (\$1,000) or be~~  
 9 ~~imprisoned in the county jail not more than three (3) months.~~

10           ~~(d)(1) To secure legal existence by act of incorporation, the~~  
 11 ~~individuals desiring to become a corporation as trustees of a college,~~  
 12 ~~university, or other postsecondary institution shall prepare a charter for~~  
 13 ~~the proposed institution and shall present the charter to the Arkansas Higher~~  
 14 ~~Education Coordinating Board.~~

15           ~~(2) If the Arkansas Higher Education Coordinating Board~~  
 16 ~~determines that the charter is in accordance with the provisions of the laws~~  
 17 ~~of the State of Arkansas and the rules and regulations of the Arkansas Higher~~  
 18 ~~Education Coordinating Board, the board shall issue to the trustees a~~  
 19 ~~certificate appended to a copy of the charter with the Great Seal of the~~  
 20 ~~State of Arkansas attached.~~

21           ~~(3) The certificate shall state that the accompanying charter is~~  
 22 ~~granted to the trustees, that they have complied with the provisions of law,~~  
 23 ~~and that they are thereby constituted the board of directors of that~~  
 24 ~~institution and invested with all powers prescribed in the charter.~~

25           ~~(4) A copy of the charter and certificate shall be filed with~~  
 26 ~~the Secretary of State and recorded by him or her in a book to be kept for~~  
 27 ~~the purpose.~~

28           ~~(5) The Arkansas Higher Education Coordinating Board shall have~~  
 29 ~~the power, after giving thirty (30) days' notice in writing to the trustees~~  
 30 ~~to show cause why such action should not be taken, to revoke any~~  
 31 ~~certification issued by the board whenever the board shall find, after proper~~  
 32 ~~investigation, that the institution is conferring degrees or diplomas without~~  
 33 ~~requiring sufficient work therefor or is in violation of any of the~~  
 34 ~~provisions of the laws of this state or the regulations of the board relative~~  
 35 ~~thereto.~~

36

SECTION 3. Arkansas Code §§ 6-61-302 through 6-61-305 is repealed.

~~6-61-302. Incorporation and certification—Advisory committee.~~

~~(a) To assist the Arkansas Higher Education Coordinating Board in its responsibilities regarding incorporation and certification of postsecondary educational institutions, the board shall appoint an advisory committee.~~

~~(b) The advisory committee shall include:~~

~~(1) Two (2) nonpublic postsecondary education institution chief administrators;~~

~~(2) Two (2) public postsecondary education institution chief administrators;~~

~~(3) Two (2) chief administrators of proprietary schools which are licensed under § 6-51-601 et seq.;~~

~~(4) The Director of the Department of Workforce Education or his or her designated representative; and~~

~~(5) Two (2) legal residents of the state who are not officially affiliated with any postsecondary institution in any state as an employee or board member or in any other capacity.~~

~~(c) The members shall serve nine year terms.~~

~~(d) Members shall serve without compensation but may be reimbursed for expenses in accordance with § 25-16-901 et seq.~~

~~6-61-303. Expansion of institutions.~~

~~(a) The General Assembly recognizes the necessity of the state having an orderly and planned system of higher education and determines that the Arkansas Higher Education Coordinating Board should establish reasonable and necessary criteria and factors to be used in determining and controlling the expansion of existing state supported institutions of higher learning and community college programs, in order to prevent an overextension of the state's resources or unnecessary duplication of programs or facilities.~~

~~(b)(1) The board is authorized to promulgate and adopt reasonable rules, regulations, criteria, guidelines, and standards to be followed by the respective state supported institutions of higher learning and to be applied by the board with respect to the planning, establishment, location, or development of any branch campus of the existing state supported institutions of higher learning or community colleges.~~

~~(2) The standards, rules, regulations, criteria, and guidelines~~

1 shall be developed and approved after public hearings held by the board in  
2 accordance with the Arkansas Administrative Procedure Act, § 25-15-201 et  
3 seq.

4 (3) Upon the development and adoption thereof, the standards,  
5 rules, regulations, criteria, and guidelines shall be followed by the board  
6 in reviewing, rejecting, or approving the establishment and location of all  
7 future branch campuses of existing state-supported institutions of higher  
8 learning or community colleges.

9 (c)(1) Each state-supported institution of higher learning and  
10 community college desiring to establish a branch campus or program shall  
11 present to the board a request in writing to establish the branch campus or  
12 program, outlining the justifications and reasons therefor.

13 (2) The board shall review the application in accordance with  
14 the standards, rules and regulations, criteria, and guidelines promulgated by  
15 the board and may grant the application only if the establishment of a branch  
16 campus is within these guidelines and standards.

17 (3) If the board rejects the application, the institution shall  
18 not establish the branch campus or program.

19  
20 ~~6-61-304. Review of existing programs of higher education.~~

21 In order to provide for the orderly development, coordination,  
22 financing, and expansion of the higher education program of this state, the  
23 Department of Higher Education shall review the existing programs of higher  
24 education in this state and assist in the orderly development and expansion  
25 of higher education in this state in accordance with the procedures outlined  
26 in §§ ~~6-61-101—6-61-103, 6-61-201—6-61-209, 6-61-211 [repealed], 6-61-212~~  
27 ~~—6-61-216, 6-61-301—6-61-305, 6-61-306 [repealed], 6-61-401, 6-61-402, 6-~~  
28 ~~61-501—6-61-524, 6-61-601—6-61-603 and 6-61-604—6-61-612 [repealed].~~

29  
30 ~~6-61-305. Encouragement of participation by private institutions.~~

31 The Department of Higher Education staff and the Arkansas Higher  
32 Education Coordinating Board shall invite and encourage the participation of  
33 private colleges and universities, proprietary schools, and all other  
34 postsecondary institutions in Arkansas in planning for the programs of  
35 education beyond high school.