

1 State of Arkansas  
2 91st General Assembly  
3 Regular Session, 2017  
4

# A Bill

SENATE BILL 528

5 By: Senator Hickey  
6 By: Representative C. Douglas  
7

## For An Act To Be Entitled

9 AN ACT TO CREATE THE ARKANSAS WORKFORCE CHALLENGE  
10 SCHOLARSHIP; TO PROVIDE FOR THE USE OF EXCESS LOTTERY  
11 PROCEEDS TO FUND SCHOLARSHIPS FOR STUDENTS ENROLLED  
12 IN HIGHER EDUCATION PROGRAMS THAT WILL LEAD TO THE  
13 STUDENTS BEING QUALIFIED TO WORK IN HIGH-NEEDS  
14 OCCUPATIONS; TO DECLARE AN EMERGENCY; AND FOR OTHER  
15 PURPOSES.  
16  
17

## Subtitle

18 TO CREATE THE ARKANSAS WORKFORCE  
19 CHALLENGE SCHOLARSHIP; AND TO DECLARE AN  
20 EMERGENCY.  
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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 § 6-85-212(e)(2)(A) and (B), concerning  
27 scholarship awards, are amended to read as follows:

28 (2)(A)~~(i)~~ The department shall award an aggregate amount of  
29 scholarship awards to nontraditional students beginning with the ~~2010-2011~~  
30 2017-2018 academic year of up to twelve million dollars (\$12,000,000).

31 ~~(ii) Beginning with the 2014-2015 academic year, the~~  
32 ~~department shall award an aggregate amount of scholarship awards to~~  
33 ~~nontraditional students of up to sixteen million dollars (\$16,000,000).~~

34 (B)(i) The department shall return to the Office of the  
35 Arkansas Lottery the excess funding, if any, for scholarship awards under  
36 this subchapter the department received under § 23-115-801.



(ii) The office shall deposit any funds received from the department under this subdivision (e)(2)(B) into a trust account established under § 23-115-801(b).

SECTION 2. Arkansas Code § 6-85-212(j), concerning recommendations to the Legislative Council for the award of scholarships when sufficient funds exist to fund all eligible students, is repealed.

~~(j) When the General Assembly determines that sufficient net lottery proceeds exist to fund students enrolling in certificate, associate degree, and baccalaureate degree programs, the department shall submit recommendations to the Legislative Council for the award of scholarships and grants to certain graduate and professional programs at approved institutions of higher education.~~

SECTION 3. Arkansas Code Title 6, Chapter 85, is amended to add an additional subchapter to read as follows:

Subchapter 3 — Arkansas Workforce Challenge Scholarship Program

6-85-301. Creation.

There is created the Arkansas Workforce Challenge Scholarship Program.

6-85-302. Definitions.

As used in this section:

(1) "Approved institution of higher education" means an institution of higher education approved by the Department of Higher Education to participate in the Arkansas Workforce Challenge Scholarship Program and that is:

(A) A state-supported two-year or four-year college or university; or

(B) A private, nonprofit two-year or four-year college or university with its primary headquarters located in Arkansas that is eligible to receive Title IV federal student aid funds; and

(2)(A) "Certificate program" means a program that is offered or made available to a student by an approved institution of higher education that leads to the obtainment of a certification or license, including without limitation a program operated or sponsored by a third party.

1                   (B) The credit hours awarded for a certificate program may  
2 include credit hours that are not creditable toward an associate or a  
3 baccalaureate degree.

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5           6-85-303. Funding.

6           (a) For an academic year, the following shall be used to fund Arkansas  
7 Workforce Challenge Scholarships under this subchapter:

8                   (A) Excess funding returned to the Office of the Arkansas  
9 Lottery under § 6-85-212(e)(2)(B)(i) from the previous academic year; and

10                   (B) Net proceeds remaining from the previous academic year  
11 after the office:

12                           (i) Transfers the funds requested by the Department  
13 of Higher Education under § 23-115-801(c)(2); and

14                           (ii) Deposits the amount necessary to maintain the  
15 Scholarship Shortfall Reserve Trust Account under § 23-115-802 in an amount  
16 equal to twenty million dollars (\$20,000,000).

17           (b)(1) A scholarship under this subchapter shall not be awarded for an  
18 academic year if:

19                           (A) Less than two hundred fifty thousand dollars  
20 (\$250,000) is available under subsection (a) of this section; or

21                           (B) The department received a loan from the Scholarship  
22 Shortfall Reserve Trust Account under § 23-115-802 for the Arkansas Academic  
23 Challenge Scholarship Program – Part 2, § 6-85-201 et seq., for the previous  
24 academic year.

25                   (2) Any funds under subsection (a) of this section that are not  
26 disbursed for scholarships under this subchapter shall be carried over to the  
27 next academic year to be used for scholarships under this subchapter.

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29           6-85-304. Eligibility.

30           (a) A student is eligible to receive an Arkansas Workforce Challenge  
31 Scholarship for an academic year if the student applies to the Department of  
32 Higher Education by June 1 preceding the academic year and:

33                           (1) Is an Arkansas resident or one (1) parent of the student is  
34 an Arkansas resident;

35                           (2) Meets either of the following requirements:

36                                   (A) Graduated from a:

1 (i) Public high school in Arkansas or another state;  
2 (ii) Private high school in Arkansas or another  
3 state; or

4 (iii) Home school under § 6-15-501 et seq. or  
5 recognized by another state; or

6 (B) Received a high school equivalency diploma approved by  
7 the Department of Career Education or another state;

8 (3) Is not receiving a scholarship under the Arkansas Academic  
9 Challenge Scholarship Program – Part 2, § 6-85-201 et seq.;

10 (4) Is accepted for admission in a program of study at an  
11 approved institution of higher education that leads to an associate degree or  
12 a certificate program in one (1) of the following high-demand fields:

13 (A) Industry;

14 (B) Health care; and

15 (C) Information technology; and

16 (5)(A) Whose program of study or certificate program will result  
17 in the student’s being qualified to work in an occupation identified by the  
18 Department of Workforce Services under subdivision (a)(5)(B)(i) of this  
19 section.

20 (B)(i) The Department of Workforce Services shall provide  
21 annually to the Department of Higher Education by March 1 a list that  
22 identifies the five (5) most in-demand occupations in this state in each  
23 high-demand field under subdivision (a)(4) of this section that require the  
24 completion of a program of study that leads to an associate degree or a  
25 certificate program.

26 (ii) The Department of Workforce Services shall  
27 publish on its website the list under subdivision (a)(5)(B)(i) of this  
28 section and data supporting the list.

29 (b)(1) A student who received a scholarship under this subchapter and  
30 successfully completed a program of study or certificate program that meets  
31 the requirements under subdivision (a)(4) of this section is eligible to  
32 reapply for a scholarship under this subchapter if the student is accepted  
33 for admission in a different program of study or certificate program that  
34 meets the requirements under subdivision (a)(4) of this section.

35 (2) A student who received a scholarship under this subchapter  
36 and does not successfully complete the program of study or certificate

1 program is eligible to reapply for and receive a scholarship one (1) time  
 2 only.

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 4 6-85-305. Distribution – Award amounts.

5 (a) If funds are available, the Department of Higher Education shall  
 6 distribute Arkansas Workforce Challenge Scholarships to all students wo meet  
 7 the requirements under § 6-85-304.

8 (b)(1) The department shall distribute scholarships from the funds  
 9 available in an equal amount to every student eligible to receive a  
 10 scholarship under this subchapter.

11 (2) Except as provided in subsection (c) of this section, the  
 12 maximum scholarship award a student may receive in an academic year shall be  
 13 the lesser of:

14 (A) Eight hundred dollars (\$800); or

15 (B)(i) The cost of the certificate program or program of  
 16 study.

17 (ii) The cost of a certificate program or program of  
 18 study shall include:

19 (a) Tuition, fees, or other charges;

20 (b) Textbooks or other course materials; and

21 (c) Equipment needed for a course.

22 (3) The scholarship awards may be used for expenses included in  
 23 the cost of the certificate program or program of study.

24 (4) A scholarship under this section shall be only for the  
 25 academic year for which it is awarded.

26 (c)(1) If the department has funds remaining after making the  
 27 distributions under subsection (b) of this section, the department shall  
 28 distribute scholarships to students for the summer term of the academic year.

29 (2) If funds are available under subdivision (c)(1) of this  
 30 section, a student shall apply for a scholarship for a summer term by October  
 31 1 preceding the summer term.

32 (3)(A) The department shall distribute scholarships for a summer  
 33 term in the same manner as under subsection (b) of this section.

34 (B) Scholarships for a summer term may be used in the same  
 35 manner as under subsection (b) of this section.

36 (4) A student who received a scholarship under subsection (b) of

1 this section may also receive a scholarship for a summer term.

2 (d) The department shall disburse scholarship awards on behalf of an  
3 eligible student directly to the approved institution of higher education.

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5 6-85-306. Agreements between institutions.

6 An approved institution of higher education may enter into agreements  
7 with other institutions of higher education, including without limitation  
8 technical institutes, to allow students enrolled in the approved institution  
9 of higher education under this section to take courses at the other  
10 institutions of higher education.

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12 6-85-307. Rules.

13 The Department of Higher Education shall promulgate rules to implement  
14 this subchapter.

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16 SECTION 4. Arkansas Code § 23-115-103(22), concerning the definition  
17 of "operating expenses", is amended to add an additional subdivision to read  
18 as follows:

19 (M) Management fees charged by a financial institution to  
20 manage a trust account or fund maintained by the Department of Higher  
21 Education or the office.

22  
23 SECTION 5. Arkansas Code § 23-115-801(b), concerning the transfer of  
24 funds, is amended to read as follows:

25 (b)(1)(A) On or before the fifteenth day of each month, the office  
26 shall deposit the net proceeds from the lottery into one (1) or more trust  
27 accounts at one (1) or more financial institutions.

28 (B)(i) The office shall establish a trust account for the  
29 Arkansas Workforce Challenge Scholarship Program, § 6-85-301 et seq., in a  
30 financial institution into which the office shall transfer:

31 (a) Excess funding returned to the office  
32 under § 6-85-212(e)(2)(B)(i) from the previous academic year; and

33 (b) Net proceeds remaining from the previous  
34 academic year after the office:

35 (1) Transfers under subdivision (c)(2)  
36 of this section the funds requested by the Department of Higher Education;

1 and

2 (2) Deposits the amount necessary into  
3 the Scholarship Shortfall Reserve Trust Account under § 23-115-802 to  
4 maintain an amount equal to twenty million dollars (\$20,000,000).

5 (ii) The funds transferred by the office into the  
6 trust account for the Arkansas Workforce Challenge Scholarship Program, § 6-  
7 85-301 et seq., established under subdivision (b)(1)(B)(i) of this section  
8 shall be used for:

9 (a) Arkansas Workforce Challenge Scholarships;

10 and

11 (b) Any management fees charged by the  
12 financial institution to manage the trust account for scholarship award  
13 supplements.

14 (iii) Annually, the office shall transfer to the  
15 Department of Higher Education the funds from the previous academic year, if  
16 any, that were transferred by the office into the trust account for the  
17 Arkansas Workforce Challenge Scholarship Program, § 6-85-301 et seq., under  
18 subdivision (b)(1)(B)(i) of this section for distribution of Arkansas  
19 Workforce Challenge Scholarships.

20 (2) The office shall follow the investment policy guidelines of  
21 the State Board of Finance in selecting a financial institution and managing  
22 the net proceeds from the lottery deposited into a the trust ~~account~~  
23 accounts.

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25 SECTION 6. Arkansas Code § 23-115-802(c), concerning the Scholarship  
26 Shortfall Reserve Trust Account, is amended to read as follows:

27 (c)(1) Except as provided in subdivision (c)(2) of this section, If if  
28 net proceeds in any year are not sufficient to meet the amount allocated for  
29 higher education scholarships, the account may be drawn upon to meet the  
30 deficiency.

31 (2) The account shall not be drawn upon to fund Arkansas  
32 Workforce Challenge Scholarships under § 6-85-301 et seq.

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34 SECTION 7. EMERGENCY CLAUSE. It is found and determined by the  
35 General Assembly of the State of Arkansas that this state is in need of a  
36 more educated and skilled workforce; that the Arkansas Workforce Challenge

1 Scholarships available under this act will allow more Arkansans to pursue  
2 higher education in order to obtain a skill or better education that will  
3 lead to employment in a high-needs occupation in Arkansas; and that this act  
4 is immediately necessary to allow the funding to be in place so that Arkansas  
5 Workforce Challenge Scholarships can be awarded to Arkansans as soon as  
6 possible. Therefore, an emergency is declared to exist, and this act being  
7 immediately necessary for the preservation of the public peace, health, and  
8 safety shall become effective on:

9 (1) The date of its approval by the Governor;

10 (2) If the bill is neither approved nor vetoed by the Governor,  
11 the expiration of the period of time during which the Governor may veto the  
12 bill; or

13 (3) If the bill is vetoed by the Governor and the veto is  
14 overridden, the date the last house overrides the veto.

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