

1 State of Arkansas
2 92nd General Assembly
3 Regular Session, 2019
4

A Bill

HOUSE BILL 1509

5 By: Representative A. Davis
6 By: Senator J. Sturch
7

For An Act To Be Entitled

9 AN ACT TO AMEND THE LAW CONCERNING USE OF HIGHER
10 EDUCATION FUNDS; TO AMEND THE LAW CONCERNING PRIVATE
11 RESIDENT AND CORRESPONDENCE SCHOOLS; TO AMEND THE
12 ARKANSAS ACADEMIC CHALLENGE SCHOLARSHIP ELIGIBILITY
13 REQUIREMENTS; AND FOR OTHER PURPOSES.
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Subtitle

16 TO AMEND THE LAW CONCERNING USE OF HIGHER
17 EDUCATION FUNDS; TO AMEND THE LAW
18 CONCERNING PRIVATE RESIDENT AND
19 CORRESPONDENCE SCHOOLS; AND TO AMEND THE
20 ARKANSAS ACADEMIC CHALLENGE SCHOLARSHIP
21 ELIGIBILITY REQUIREMENTS.
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25 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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27 SECTION 1. Arkansas Code § 6-51-603, concerning programs and entities
28 that are exempt from the statute concerning private resident and
29 correspondence schools, is amended to add an additional subdivision to read
30 as follows:

31 (14) Schools located outside the state that:

32 (A) Offer education or training outside the state; and

33 (B) Do not participate in distance education.
34

35 SECTION 2. Arkansas Code § 6-51-605(1), concerning the requirement of
36 the State Board of Private Career Education to employ a director, is



1 repealed.

2 ~~(1) The board shall employ a director who reports to the board.~~

3
4 SECTION 3. Arkansas Code § 6-51-607(c), concerning the Private Career
5 School Student Protection Trust Fund, is amended to read as follows:

6 (c)(1) ~~The fee will not be levied if, on May 30 of any year, the~~
7 ~~balance of the Private Career School Student Protection Trust Fund exceeds~~
8 ~~five hundred thousand dollars (\$500,000).~~

9 ~~(2)(A) However, regardless~~ Regardless of the balance in the
10 Private Career School Student Protection Trust Fund, a fee, as set by the
11 department, will be assessed newly licensed schools.

12 ~~(B)(2)~~ (2) Newly licensed schools shall pay for a number of
13 years equal to the number of years paid by schools licensed on September 1,
14 1989.

15
16 SECTION 4. Arkansas Code § 6-51-607(f), concerning the Private Career
17 School Student Protection Trust Fund, is amended to read as follows:

18 (f) Any amounts in the Private Career School Student Protection Trust
19 Fund above ~~the required five hundred thousand dollars (\$500,000)~~ two hundred
20 thousand dollars (\$200,000) may be used with the approval of the Director of
21 the Department of Higher Education to:

22 (1) Fund educational seminars and other forms of educational
23 projects for the use and benefit of licensed school administrators, faculty,
24 staff, or admissions representatives;

25 (2) Provide for travel expenses and registration fees to send
26 staff or board members to accrediting meetings, seminars, or meetings
27 relating to the school sector; ~~or~~

28 (3) Provide staff assistance; or

29 (4) Fund student scholarships as provided for by the Higher
30 Education Grants Fund Account.

31
32 SECTION 5. Arkansas Code § 6-51-609(a), concerning the requirement
33 that certain admissions representatives secure a license to solicit or sell
34 programs of study in Arkansas, is amended to read as follows:

35 (a)(1) ~~A person representing a resident, distance education, or~~
36 ~~combination school shall not solicit or sell in Arkansas any program of study~~

1 ~~for consideration or remuneration unless the admissions representative first~~
 2 ~~secures a license from the Department of Higher Education~~ An admissions
 3 representative that solicits or sells a program of study for consideration or
 4 remuneration shall first obtain a license from the Department of Higher
 5 Education to solicit or sell the program of study.

6 (2) However, subdivision (a)(1) shall not apply to an out-of-
 7 state school that provides educational training outside the state.

8
 9 SECTION 6. Arkansas Code § 6-51-620(a)(5), concerning the requirement
 10 that a private resident or correspondence obtain and maintain a surety bond
 11 during its licensure, is amended to read as follows:

12 (5)~~(A)~~ The bond shall be based on gross tuition, meaning the
 13 total amount collected by a school during the most recently completed twelve-
 14 month fiscal year, reduced only by the amount of refunds paid during the
 15 fiscal year, for tuition, application fees, registration fees, and those
 16 other fees deemed appropriate by rule of the department;

17 ~~(B) For a school located outside of this state which is~~
 18 ~~authorized to recruit in this state, "gross tuition" means only the amount of~~
 19 ~~such tuition and fees collected from residents of this state.~~

20
 21 SECTION 7. Arkansas Code § 6-85-106(d), concerning eligibility for
 22 receiving an Arkansas Academic Challenge Scholarship, is repealed.

23 ~~(d) Recipients of Arkansas Governor's Distinguished Scholarships are~~
 24 ~~prohibited from receiving Arkansas Academic Challenge Scholarships.~~

25
 26 SECTION 8. Arkansas Code § 19-5-302(11)(B), concerning the Higher
 27 Education Grants Fund Account, is amended to read as follows:

28 (B) The Higher Education Grants Fund Account shall consist
 29 of transfers from the Private Career School Student Protection Trust Fund
 30 under § 6-51-607 and those general revenues and any other funds as may be
 31 provided by law;