

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

As Engrossed: H3/13/19

# 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.  
14  
15

## 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.  
22  
23  
24

25 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
26

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1 repealed.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 amended to read as*  
 23 *follows:*

24 (d) *Recipients of Arkansas Governor's Distinguished Scholarships* ~~are~~  
 25 ~~prohibited from receiving~~ may receive Arkansas Academic Challenge  
 26 Scholarships, but shall not receive more than the maximum scholarship amount  
 27 for Arkansas Governor's Distinguished Scholarships under § 6-82-312.

28  
 29 SECTION 8. Arkansas Code § 19-5-302(11)(B), concerning the Higher  
 30 Education Grants Fund Account, is amended to read as follows:

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

35  
 36 /s/A. Davis