

Fiscal Impact Statement

93rd General Assembly of the State of Arkansas
Regular Session, 2021

DATE: 4/15/2021
BILL: SB462, As Engrossed: S4/7/21
SPONSOR: Elliott
SUBTITLE:

TO AMEND THE LAW WITH RESPECT TO BASIC ELIGIBILITY REQUIREMENTS FOR AWARDS GRANTED UNDER THE ARKANSAS ACADEMIC CHALLENGE SCHOLARSHIP PROGRAM — PART 2.

I. Net proceeds from the state lottery for the 4 immediately preceding years:

<u>Year:</u>	<u>Net Proceeds Amount:</u>
<u>2019-2020</u>	<u>\$89,265,394</u>
<u>2018-2019</u>	<u>\$98,639,040</u>
<u>2017-2018</u>	<u>\$91,844,929</u>
<u>2016-2017</u>	<u>\$85,157,060</u>

II. Total amount of additional revenue available, if any:

<u>Year:</u>	<u>Source:</u>	<u>Amount:</u>
<u>2019-2020</u>	<u>General Revenue</u>	<u>\$20,000,000</u>
<u>2018-2019</u>	<u>General Revenue</u>	<u>\$20,000,000</u>
<u>2017-2018</u>	<u>General Revenue</u>	<u>\$20,000,000</u>
<u>2016-2017</u>	<u>General Revenue</u>	<u>\$20,000,000</u>

III. Net proceeds used to fund the following during the 4 immediately preceding years:

ACADEMIC CHALLENGE SCHOLARSHIP:

<u>Year:</u>	<u>Net Proceeds Used:</u>
<u>2019-2020</u>	<u>\$89,015,659</u>
<u>2018-2019</u>	<u>\$91,051,765</u>
<u>2017-2018</u>	<u>\$91,739,692</u>
<u>2016-2017</u>	<u>\$86,108,016</u>

CONCURRENT CHALLENGE SCHOLARSHIP:

<u>Year:</u>	<u>Net Proceeds Used:</u>
<u>2019-2020</u>	<u>\$638,224</u>
<u>2018-2019</u>	<u>\$0</u>
<u>2017-2018</u>	<u>\$0</u>
<u>2016-2017</u>	<u>\$0</u>

WORKFORCE CHALLENGE SCHOLARSHIP

<u>Year:</u>	<u>Net Proceeds Used:</u>
<u>2019-2020</u>	<u>\$266,159</u>
<u>2018-2019</u>	<u>\$173,493</u>
<u>2017-2018</u>	<u>\$0</u>
<u>2016-2017</u>	<u>\$0</u>

OTHER SCHOLARSHIPS, IF ANY:

<u>Year:</u>	<u>Net Proceeds Used:</u>
<u>2019-2020</u>	<u>\$0</u>
<u>2018-2019</u>	<u>\$0</u>
<u>2017-2018</u>	<u>\$0</u>
<u>2016-2017</u>	<u>\$0</u>

AMOUNT USED TO FUND NURSING SCHOOL SCHOLARSHIPS*:

<u>Year:</u>	<u>Net Proceeds Used:</u>
<u>2019-2020</u>	<u>\$126,500</u>
<u>2018-2019</u>	<u>\$142,000</u>
<u>2017-2018</u>	<u>\$104,250</u>
<u>2016-2017</u>	<u>\$91,875</u>

*Scholarship awards paid to recipients attending approved schools of nursing are funded only from nonlottery state educational resources as set forth under § 6-85-213.

IV. Comparison of information from Parts I and III:

Amount from year with the highest amount of net proceeds used to fund Academic Challenge Scholarships:

\$91,739,692

Amount from year with the highest amount of net proceeds used to fund Workforce Challenge Scholarship:

\$266,159

Amount from year with lowest amount of net proceeds as determined under Section I:

\$85,157,060

Amount from year with the highest amount of net proceed used to fund Concurrent Challenge Scholarships:

\$638,224

Amount from year with the highest amount of net proceeds used to fund other scholarships, if any, other than nursing scholarships under § 6-85-213:

\$0

Amount from year with the highest amount of net proceeds used to fund nursing scholarships:

\$142,000

V. Highest estimated cost necessary to fund a new or amended scholarship:

\$38,500,000

VI. Final lottery fiscal impact amount:

Step 1:

Amount from year with the lowest amount of net proceeds as determined under Section I:	Total amount of additional revenue available, if any, determined under Section II:	Sum:
<u>\$85,157,060</u>	<u>\$20,000,000</u>	<u>\$105,157,060</u>

Step 2:

Highest estimated cost necessary to fund the new or amended scholarship as determined under Section V:	Total amount from years with the highest amount of net proceeds used to fund Academic Challenge, Workforce Challenge, Concurrent Challenge, and other scholarships, if any, as determined under Section III:	Sum:
<u>\$38,500,000</u>	<u>\$92,786,075</u>	<u>\$131,286,075</u>

Step 3:

Amount determined under Step 1	Amount determined under Step 2	Difference:
<u>\$105,157,060</u>	<u>\$131,286,075</u>	<u>-\$26,129,015</u>

Step 4:

- If the amount determined under Step 3 results in a positive number, the proposed new scholarship or amendment to an existing scholarship may be considered as set forth under § 6-85-502(d).
- If the amount determined under Step 3 results in a negative number, the proposed new scholarship or amendment to an existing scholarship should not be considered unless requirements are met as set forth under § 6-85-502(d)(2).