

Fiscal Impact Statement

89th General Assembly of the State of Arkansas
Regular Session, 2013

DATE: 03/14/2013
BILL: HB2076, As originally introduced
SPONSOR: Bell

SUBTITLE:

TO PROMOTE THE SUSTAINABILITY OF THE ARKANSAS ACADEMIC CHALLENGE SCHOLARSHIP PROGRAM AND TO SUPPORT STATE GOALS FOR INCREASING THE COLLEGE COMPLETION RATE FOR STUDENTS RECEIVING AN ACADEMIC CHALLENGE SCHOLARSHIP.

TOPIC

√ Scholarship Recovery

AFFECTED FUNDS

REVENUE IMPACT

√ \$675,000 - Arkansas Lottery Commission (ALC)*Department of Higher Education
(ADHE)*Unknown-Department of Finance and Administration (DFA)*

ASSUMPTIONS - BASED ON:

√ This bill has the potential to affect 3 State Agencies and the Arkansas Scholarship Lottery
Proceeds

√ Arkansas Lottery Commission (ALC) Impact:

*\$675K incurred by ADHE is required to be paid statutorily by ALC; cost outlined below.

ADDITIONAL COMMENTS

√ Arkansas Department of Higher Education (ADHE) Impact:

ADHE has determined they will need up to 6 additional staff members and an attorney.

6 staff members at the C130 pay grade rate of \$65K (total salary and benefits) for a total cost of
\$390K

An attorney, salary and benefits \$80L

Prepared by Heather Tackett; Office of Research Services, AR Bureau of Legislative Research

Approved by: _____

ADHE would also need to hire a collection agency

First year cost \$40K; each year after \$80K

ALC has already paid \$165K to the Department of Information Systems (DIS) from September 2009 to date, for their Debt Service Offset System. ALC pays DIS \$1045 monthly to host the site.

ADHE can expect to incur identical cost at a minimum of \$165K.

ADHE has also determined they would need additional funding to implement hardware changes
- *Unknown Rate.

At the minimum ADHE would need \$675K in the first year.

√ The Department of Finance and Administration (DFA) Impact:

DFA impact to collect funds by means of Income Taxes - reprogramming cost if necessary.

The Arkansas Scholarship Lottery Impact:

The Scholarship will be affected by this bill due to ADHE's administrative costs directly paid through the proceeds generated by the Lottery Scholarship.