

Fiscal Impact Statement

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

DATE: 03/22/2013
BILL: HB2076, As Engrossed: H3/20/13
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

Lottery Proceeds

REVENUE IMPACT

√ \$675,000 - Arkansas Lottery Commission (ALC)*

Department of 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.

√ The 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.

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Approved by: _____

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 \$80K

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 Services 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 might potential need \$675K in the first year.

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

DFA impact to collect funds by means of Income Taxes (Debt Offset) may potentially require reprogramming costs.

The Arkansas Scholarship Lottery Impact:

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