

# Fiscal Impact Statement

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

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**DATE:** 4/15/2021

**BILL:** SB648, As originally introduced

**SPONSOR:** L. Eads

**SUBTITLE:**

TO CREATE THE ARKANSAS CHALLENGE PLUS SCHOLARSHIP PROGRAM.

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**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:**

<b><u>Year:</u></b>	<b><u>Net Proceeds Used:</u></b>
<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:**

<b><u>Year:</u></b>	<b><u>Net Proceeds Used:</u></b>
<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**

<b><u>Year:</u></b>	<b><u>Net Proceeds Used:</u></b>
<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:**

<b><u>Year:</u></b>	<b><u>Net Proceeds Used:</u></b>
<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\*:**

<b><u>Year:</u></b>	<b><u>Net Proceeds Used:</u></b>
<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:**

\$25,213,713

**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>

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**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>\$25,213,713</u>	<u>\$92,786,075</u>	<u>\$117,999,788</u>

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**Step 3:**

Amount determined under Step 1	Amount determined under Step 2	Difference:
<u>\$105,157,060</u>	<u>\$177,999,788</u>	<u>-\$12,842,728</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).