

**REPORT OF THE
LOTTERY OVERSIGHT SUBCOMMITTEE
OF THE
ARKANSAS LEGISLATIVE COUNCIL**

December 18, 2015

Senator Sample and Representative Branscum:

The Lottery Oversight Subcommittee met Thursday, December 17, 2015, in Room B- MAC Building in Little Rock.

The Subcommittee reviewed and approved the following rule filed pursuant to Ark. Code Ann. §23-115-208(c):

Department Finance & Administration, Office of the Lottery Proposed Rule Changes to Arkansas Scholarship Lottery Retailer Rules.

The Subcommittee also heard testimony from The Department of Higher Education(ADHE). The Arkansas Department of Higher Education reported its recommendations for the Arkansas Academic Challenge Scholarship Program in accordance with Ark. Code Ann. §6-85-219 (b). ADHE proposes an evaluation and analysis of the scholarship eligibility requirements with three principles in mind:

- The eligibility requirements should be based on data analysis of success rates for past scholarship recipients.
- The scholarship program design should allow for flexibility in amount of awards in response to fluctuations in lottery proceeds.
- The scholarship program should be reviewed in conjunction with other state financial aid programs to ensure that college affordability combined with student performance is a priority.

In compliance with Ark. Code Ann. §6-85-220 (b) and 23-115-1101 (b) the subcommittee reviewed the following findings and recommendations:

- The Arkansas Lottery Oversight Subcommittee should ensure that Camelot Global develops a sufficient and adequate business plan that would increase revenue and improve operating efficiencies for the Arkansas Lottery Scholarship;
- The Arkansas Lottery Oversight Subcommittee should provide oversight of the Office of the Lottery's implementation of the business plan developed by Camelot Global; and
- The Arkansas Lottery Oversight Subcommittee should continue to monitor the funds availability to guarantee the Arkansas Academic Challenge Scholarship remains solvent within its parameters.

Respectfully submitted,

Senator Jimmy Hickey, Co-Chair

Representative Chris Richey, Co-Chair