

1 State of Arkansas
2 89th General Assembly
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4

As Engrossed: S4/1/13

A Bill

SENATE BILL 997

5 By: Senators J. Key, R. Thompson
6 *By: Representative Vines*
7

For An Act To Be Entitled

8
9 AN ACT TO AMEND THE ARKANSAS SCHOLARSHIP LOTTERY ACT;
10 TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.
11

Subtitle

12
13
14 TO AMEND THE ARKANSAS SCHOLARSHIP LOTTERY
15 ACT; TO DECLARE AN EMERGENCY.
16
17

18 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
19

20 SECTION 1. Ark. Code § 6-60-901(1), concerning definitions for the
21 Arkansas Higher Education Information System, is amended to read as follows:

22 (1) "Arkansas Higher Education Information System" means the database
23 maintained by the Department of Higher Education containing student data
24 files that the department and institutions of higher education in Arkansas
25 are required to collect under §§ 6-85-214, ~~6-85-215~~ 6-85-216, and 6-85-217,
26 other state law, and federal law; and
27

28 SECTION 2. Arkansas Code § 6-60-902(b)(3)(B), concerning the Arkansas
29 Higher Education Information System, is amended to read as follows:

30 (B)(i) The bureau staff shall inform the Department of
31 Higher Education of any warehouse data used in the preparation of reports and
32 provide the Department of Higher Education at least one (1) working day to
33 review any student-related warehouse data used in preparation of reports
34 before publicly releasing that student-related data without personally
35 identifiable information of a student.

36 (ii) This subdivision does not waive the



1 confidentiality of a request of a member of the General Assembly under § 10-
2 2-129.

3

4 SECTION 3. Arkansas Code § 6-85-204(5), concerning the definition of
5 continuously enrolled, is amended to amend subdivisions (5)(C) and (D) and
6 add an additional subdivision to read as follows:

7 (C) For a full-time current achiever student, he or she:

8 (i) Before receiving a scholarship under this
9 subchapter, successfully completed at least twelve (12) semester hours of
10 courses in consecutive semesters, not including a summer term; and

11 (ii) As a recipient of a scholarship under this
12 subchapter, successfully completes at an approved institution of higher
13 education at least fifteen (15) semester hours of courses in consecutive
14 semesters, not including a summer term; ~~and~~

15 (D) For a part-time nontraditional student, he or she
16 successfully completes at an approved institution of higher education at
17 least six (6) semester hours of courses in consecutive semesters, not
18 including a summer term; and

19 (E) For a student who is enrolled in a degree plan that
20 has a maximum number of semester hours in a semester that is less than the
21 requirements of subdivisions (5)(A)–(D) of this section, he or she
22 successfully completes at an approved institution of higher education the
23 maximum number of hours required by the degree plan for the semester;

24

25 SECTION 4. Arkansas Code § 6-85-204, concerning the definitions for
26 the Arkansas Academic Challenge Scholarship Program, is amended to add
27 additional subdivisions to read as follows:

28 (23) "Arkansas resident" means a natural person who provides
29 evidence deemed sufficient by the Department of Higher Education that:

30 (A) For the twelve-month period required under § 6-85-
31 206(1) the person:

32 (i) Maintained a permanent home in Arkansas where
33 the person resides for an average of no less than four (4) days and nights
34 per calendar week; and

35 (ii) Either:

36 (a) Is an Arkansas registered voter;

1 (b) Holds a valid Arkansas motor vehicle
2 driver's license;

3 (c) Receives benefits under an Arkansas public
4 assistance program;

5 (d) Uses an Arkansas residence address for
6 federal or state tax purposes; or

7 (e) Claims Arkansas as a residence to hold
8 public office or for judicial actions; or

9 (B) Before the deadline for filing a scholarship
10 application under this subchapter the applicant is:

11 (i) On active military status;

12 (ii) Qualifies for in-state tuition and fees under §
13 6-60-205; and

14 (iii) Meets one of the conditions under subdivision
15 (23)(A)(ii);

16 (24) "Enrolled" means that the approved institution of higher
17 education where the student is attending class counts the student as enrolled
18 for the hours claimed on the last day to add or drop a class at the approved
19 institution of higher education;

20 (25) "Semester" means one-half (1/2) of a traditional academic
21 year at an institution of higher education, or an equivalent approved by the
22 Department of Higher Education, in which a student enrolls for not less than:

23 (A) Fifteen (15) credit hours as a full-time student,
24 except that in the first semester as a first-time full-time freshman, a
25 traditional student shall enroll in not less than twelve (12) credit hours;
26 or

27 (B) Six (6) credit hours as a part-time student; and

28 (26) "Smart Core" means:

29 (A) The college and career readiness curriculum by that
30 name under rules of the State Board of Education; or

31 (B) A college and career readiness curriculum that is:
32 (i) Established by rules of the state board in
33 coordination with the Department of Higher Education; and

34 (ii) Substituted for the curriculum named "Smart
35 Core".

36

1 SECTION 5. Arkansas Code § 6-85-206(1), concerning basic eligibility
2 requirements, is amended to add an additional subdivision to read as follows:

3 (D) During the twelve (12) months immediately preceding
4 the date an applicant will enroll in an approved institution of higher
5 education if the person for whom the twelve-month period is calculated under
6 subdivision (1)(A) or (B) of this section is deployed outside of Arkansas
7 under military orders, the Department of Higher Education shall calculate the
8 twelve (12) months by:

9 (i) Excluding months of military deployment outside
10 of Arkansas that are within the twelve (12) months immediately preceding the
11 date the applicant will enroll in an approved institution of higher
12 education; and

13 (ii) Including months the person maintained Arkansas
14 residency immediately preceding the military deployment outside of Arkansas.
15

16 SECTION 6. Arkansas Code § 6-85-206(4), concerning basic eligibility
17 requirements, is amended to read as follows:

18 ~~(4)(A) The applicant has not met the maximum continuing education~~
19 ~~eligibility requirements under § 6-85-210+~~

20 ~~(i) Earned a baccalaureate degree; or~~

21 ~~(ii) Completed one hundred thirty (130) semester hours of~~
22 ~~credit at an institution of higher education.~~

23 ~~(B) An applicant is not eligible for a scholarship to a two-year~~
24 ~~approved institution of higher education if the applicant has+~~

25 ~~(i) Earned an associate degree; or~~

26 ~~(ii) Completed sixty-six (66) semester hours of credit at~~
27 ~~an institution of higher education;~~
28

29 SECTION 7. Arkansas Code § 6-85-210(a), concerning continuing
30 eligibility requirements, is amended to read as follows:

31 (a)(1) A recipient who meets continuing eligibility criteria under
32 this subchapter shall receive a scholarship for one (1) academic year
33 renewable annually until the recipient first:

34 ~~(1)(A) Earns a baccalaureate degree;~~

35 ~~(2)(A)(B) Attempts a transcript total of one hundred~~
36 ~~thirty (130) semester hours in Has enrolled in eight (8) semesters at any~~

1 approved an institution of higher education as an undergraduate full-time
2 student.

3 ~~(B) If the recipient's undergraduate degree requires~~
4 ~~additional hours, the Department of Higher Education, in conjunction with the~~
5 ~~institution of higher education where the recipient is enrolled, shall~~
6 ~~determine the maximum period of time for renewal of the scholarship; or~~

7 ~~(3)(C) Attempts a transcript total of one hundred thirty~~
8 ~~(130) semester hours in Has enrolled in sixteen (16) semesters at any~~
9 approved an institution of higher education as an undergraduate part-time
10 student.

11 (2) A semester in which a student withdraws or fails to complete
12 the number of credit hours for which the student first enrolled is counted
13 toward the maximum number of semesters for which the student may receive a
14 scholarship award under this subchapter.

15 (3) The maximums under this subsection (a) apply to any degree
16 program, regardless of whether or not the degree program requires additional
17 semesters.

18
19 SECTION 8. Arkansas Code § 6-85-210(b)(5), concerning continuing
20 eligibility requirements, is amended to read as follows:

21 (5) A recipient shall enroll in courses that lead toward a
22 baccalaureate degree program after attempting the lesser of:

23 (A) ~~Sixty-six (66) semester hours~~ Five (5) semesters; or

24 (B) The completion of an associate degree program, ~~unless~~
25 ~~the number of hours required to complete the associate degree program exceeds~~
26 ~~sixty-six (66) semester hours, in which case the higher number of hours for~~
27 ~~completion shall be used for this subdivision (b)(5); and~~

28
29 SECTION 9. Arkansas Code § 6-85-210(c)-(e), concerning continuing
30 eligibility requirements, is amended to read as follows:

31 (c)(1)(A) If a recipient becomes ineligible for the scholarship
32 because the recipient's postsecondary grade point average or number of
33 successfully completed credit hours no longer meets the minimum requirement
34 for the scholarship, the recipient may regain eligibility under this
35 subsection (c) one (1) time only in an the academic year in which the student
36 became ineligible.

1 (B) The Department of Higher Education shall by rule
2 define "academic year".

3 (2)(A) A traditional student recipient who becomes ineligible
4 for a scholarship may use this subsection (c) to become eligible as a first-
5 time nontraditional student applicant but may not use this subsection (c)
6 again to regain lost eligibility for the nontraditional student scholarship.

7 (B) A recipient who loses eligibility for the scholarship
8 and does not regain eligibility under subdivision (c)(1) of this section is
9 not eligible to apply for a scholarship under any eligibility provision of
10 this subchapter.

11 (3) The recipient shall complete the requirements for regaining
12 eligibility under this subsection (c):

13 (i) In the same academic year in which the student
14 failed to maintain eligibility; and

15 (ii) At the student's own expense.

16 ~~(2)(4)~~ Except as provided under § 6-85-211(a)(3) and unless the
17 requirements of this subsection (c) are waived by the ~~Department of Higher~~
18 ~~Education~~ department under subsection (d), to regain eligibility for the
19 scholarship:

20 (A)(i) A ~~As a traditional or nontraditional~~ full-time
21 student, ~~the student~~ shall:

22 ~~(i)(a)~~ Successfully complete at least fifteen (15)
23 semester hours of courses for credit for which the approved institution of
24 higher education certifies that the courses meet the satisfactory academic
25 progress standards of the institution; and

26 ~~(ii)(b)~~ Achieve a 2.5 grade point average for the
27 semester hours completed under this subdivision ~~(e)(2)(A)(c)(4)(A).~~

28 (ii) A traditional student who does not regain
29 eligibility under subdivision (c)(4)(A)(i) of this section is ineligible to
30 reapply for a scholarship as a traditional student but may apply as a
31 nontraditional student; and

32 (B) A ~~As a nontraditional~~ part-time student, the student
33 shall:

34 (i) Successfully complete at least six (6) semester
35 hours of courses for credit for which the approved institution of higher
36 education certifies that the courses meet the satisfactory academic progress

1 standards of the institution; and

2 (ii) Achieve a 2.5 grade point average for the
3 semester hours successfully completed under this subdivision

4 ~~(e)(2)(B)(c)(4)(B).~~

5 ~~(d)(1) If a recipient becomes ineligible for the scholarship because
6 the recipient has not successfully completed the required number of hours for
7 continuing eligibility, the recipient may regain eligibility under this
8 subsection for one (1) time only.~~

9 ~~(2)(A) Except as provided under § 6-85-211(a)(3) and unless the
10 requirements of this subsection (d) are waived by the Department of Higher
11 Education, to regain eligibility for the scholarship the recipient shall
12 complete the number of hours needed to regain eligibility.~~

13 ~~(B) The recipient shall successfully complete the required
14 number of hours during the summer term at the student's own expense.~~

15 ~~(e)(d)~~ If a recipient is subject to losing a scholarship under
16 subsection (c) ~~or subsection (d)~~ of this section due to a catastrophic event
17 experienced by the recipient or a family member of the recipient, the
18 department may waive the requirements of this subsection and determine the
19 appropriate requirements for the recipient to either retain or regain the
20 scholarship.

21

22 SECTION 10. Arkansas Code § 6-85-214(b), concerning accountability and
23 transparency of the Arkansas Academic Challenge Scholarship Program, is
24 amended to read as follows:

25 (b) The General Assembly finds that the collection of data and the
26 reports required under §§ ~~6-85-215~~ 6-85-216 – 6-85-220 and § 6-60-901 et seq.
27 are necessary to ensure accountability and transparency.

28

29 SECTION 11. Arkansas Code § 6-85-215 is repealed:

30 ~~6-85-215. Student consent form.~~

31 ~~(a)(1)(A) A student receiving any state-supported student financial
32 assistance shall complete and sign a form authorizing or refusing to
33 authorize.~~

34 ~~(i) The institution of higher education to release
35 the student's individual personal information to the Bureau of Legislative
36 Research.~~

1 (ii) ~~The institution of higher education to provide~~
2 ~~the bureau with academic progress information for the scholarship recipient;~~
3 ~~and~~

4 (iii) ~~The Department of Higher Education to release~~
5 ~~the student's individual personal information to the bureau.~~

6 (B) ~~If a student is less than eighteen (18) years of age,~~
7 ~~the student's parent or guardian shall complete and sign the form.~~

8 (2)(A) ~~A decision to refuse to authorize the release of~~
9 ~~information under this section does not apply to nonindividually identifiable~~
10 ~~information released under any other section of this subchapter or under any~~
11 ~~other law.~~

12 (B) ~~In order to provide better statistical data, each~~
13 ~~institution shall report the number of students who refuse to authorize the~~
14 ~~release of information.~~

15 (3)(A) ~~Before any state funds for state-supported student~~
16 ~~financial assistance are released on behalf of a student, the form signed by~~
17 ~~the student or the student's parent or guardian indicating either the~~
18 ~~student's authorization to release or the refusal to authorize the release of~~
19 ~~information under this section shall be obtained by:~~

20 (i) ~~The department if the department awards the~~
21 ~~state-supported student financial assistance; or~~

22 (ii) ~~The institution of higher education if the~~
23 ~~state-supported student financial assistance is awarded solely by the~~
24 ~~institution.~~

25 (B) ~~The form shall state that:~~

26 (i) ~~The purpose for the bureau's collecting data is~~
27 ~~to guide the General Assembly's evaluation of the need for adjustments to~~
28 ~~scholarship program eligibility and funding levels; and~~

29 (ii) ~~A refusal to authorize the release of~~
30 ~~information under this section will not affect the student's eligibility for~~
31 ~~a scholarship.~~

32 (C) ~~A high school student enrolled in a course for~~
33 ~~concurrent credit is exempt under this section.~~

34 (4) ~~The form shall list the categories of information authorized~~
35 ~~for release under this section.~~

36 (5) ~~The Director of the Bureau of Legislative Research may:~~

1 (A) ~~Seek an opinion from the Family Policy Compliance~~
2 ~~Office of the United States Department of Education concerning the~~
3 ~~requirement to authorize or refuse to authorize the release of information~~
4 ~~under this section; or~~

5 (B) ~~Request the Department of Higher Education to seek the~~
6 ~~opinion on behalf of the bureau.~~

7 (b) ~~The information consented to be released by the student shall~~
8 ~~include:~~

9 (1) ~~A unique student identifier;~~

10 (2) ~~Status for Federal Pell Grant;~~

11 (3) ~~Postsecondary grade point average;~~

12 (4) ~~Number of semester hours attempted;~~

13 (5) ~~Number of semester hours completed;~~

14 (6) ~~Gender, race, ethnicity, and age;~~

15 (7) ~~High school graduated from or General Educational~~
16 ~~Development test score;~~

17 (8) ~~High school grade point average; and~~

18 (9) ~~ACT score or ACT equivalent score, if available.~~

19 (c) ~~This section does not apply to scholarships or other forms of~~
20 ~~student financial assistance that are completely privately funded.~~

21 (d)(1) ~~Approved institutions of higher education shall undertake any~~
22 ~~procedures necessary to ensure the collection of the information under this~~
23 ~~section and shall provide it to the bureau in a mutually agreed upon~~
24 ~~electronic format by November 1 of each school year for students awarded for~~
25 ~~that academic year state supported student financial assistance.~~

26 (2) ~~An approved institution of higher education may lose its~~
27 ~~approved status for receiving scholarship funds on behalf of a recipient~~
28 ~~under this subchapter if it fails to make a good faith effort to:~~

29 (A) ~~Collect the student form required under this section;~~
30 ~~or~~

31 (B) ~~Comply with subdivision (d)(1) of this section.~~

32 (3) ~~In addition to the provisions of subdivision (d)(2), an~~
33 ~~institution of higher education that is not in compliance with this section~~
34 ~~shall not be eligible to accept state aid from the Higher Education Grants~~
35 ~~Fund account on behalf of a student.~~

36 (e)(1) ~~The student data provided to the bureau under this section are~~

1 ~~not subject to release under the Freedom of Information Act of 1967, § 25-19-~~
2 ~~101 et seq.~~

3 ~~(2) The bureau shall not release any personally identifiable~~
4 ~~student data received under this section.~~

5 ~~(f)(1) The bureau shall inform the Department of Higher Education of~~
6 ~~any data used in the preparation of reports and provide the department at~~
7 ~~least two (2) working days to review any student related data used in~~
8 ~~preparation of reports before publicly releasing that student related data~~
9 ~~without personally identifiable data.~~

10 ~~(2) This subsection (f) does not waive the confidentiality of a~~
11 ~~request of a member of the General Assembly under § 10-2-129.~~

12 ~~(g) The department shall collect the release of information form~~
13 ~~required under this section during the application process for state-~~
14 ~~supported student financial assistance for all formats of the application.~~

15 ~~(h) The department shall establish a standardized method to be used by~~
16 ~~all institutions of higher education in the state to collect electronically~~
17 ~~from all students the release of information form required under this~~
18 ~~section.~~

19
20 SECTION 12. Arkansas Code § 6-85-216(a), concerning reports from
21 institutions of higher education to the Department of Higher Education, is
22 amended to add an additional subdivision to read as follows:

23 (3)(A) An approved institution of higher education shall
24 undertake the procedures necessary to ensure the collection and reporting of
25 student information under this section.

26 (B) An approved institution of higher education may lose
27 its approved status for receiving scholarship funds on behalf of a recipient
28 under this subchapter if it fails to make a good-faith effort to comply with
29 this section.

30 (C) In addition to the provisions of subdivision (a)(3)(B)
31 of this section, an institution of higher education that does not comply with
32 this section shall not be eligible to accept state aid from the Higher
33 Education Grants Fund Account on behalf of a student.

34
35 SECTION 13. Arkansas Code § 6-85-217, concerning information provided
36 to the Bureau of Legislative Research by the Department of Higher Education,

1 is amended to read as follows:

2 ~~(a)(1)~~ The Department of Higher Education shall provide the following
3 data to the Bureau of Legislative Research through the Arkansas Higher
4 Education Information System under § 6-60-901 et seq., ~~the following data~~
5 ~~when requested~~ for the purpose of assisting the General Assembly with
6 evaluation and analysis under this subchapter:

7 ~~(A)(1)~~ Existing individual student data;

8 ~~(B)(2)~~ Institutional data;

9 ~~(C)(3)~~ Financial data;

10 ~~(D)(4)~~ Aggregate student scholarship and grant application and
11 award data; ~~and~~

12 ~~(5)~~ Remedial course data; and

13 ~~(E)(6)~~ Other data needed to track scholarship and grant students
14 receiving state-supported student financial assistance from year to year.

15 ~~(2)~~ ~~Annually on the first business day of November, the~~
16 ~~department shall submit to the bureau a report created from the information~~
17 ~~under subdivision (a)(1) of this section from all students based on the~~
18 ~~previous academic year.~~

19 ~~(3)~~ ~~The department shall provide to the bureau the data files of~~
20 ~~students who have consented to the release of their information under § 6-85-~~
21 ~~215 on the following schedule:~~

22 ~~(A)~~ ~~Annually, for data collected from students who have~~
23 ~~consented, the department shall provide:~~

24 ~~(i)~~ ~~By October 31, the summer II end of term data~~
25 ~~files and the fall term data files for the current academic year;~~

26 ~~(ii)~~ ~~By February 28, the fall end of term data files~~
27 ~~and the spring term data files for the current academic year;~~

28 ~~(iii)~~ ~~By June 30, the spring end of term data files~~
29 ~~and the summer I term data files for the current academic year; and~~

30 ~~(iv)~~ ~~By August 15:~~

31 ~~(a)~~ ~~The summer I end of term data files and~~
32 ~~the summer II term data files for the current academic year; and~~

33 ~~(b)~~ ~~The end of year data file for the academic~~
34 ~~year just ended, containing data from all of the previous end of term data~~
35 ~~files for the academic year just ended; and~~

36 ~~(B)~~ ~~When requested by the bureau.~~

1 ~~(4) The bureau shall use only the data from end-of-term data~~
2 ~~files for official reporting.~~

3 ~~(5) Annually, the department shall provide to the bureau data~~
4 ~~files from all students who applied for state-supported student financial~~
5 ~~assistance for the upcoming academic year on the following schedule:~~

6 ~~(A) Within thirty (30) days of the submission deadline for~~
7 ~~the state-supported student financial assistance application, a file~~
8 ~~containing information on all students who applied for state-supported~~
9 ~~student financial assistance;~~

10 ~~(B) Within sixty (60) days of the submission deadline for~~
11 ~~the state-supported student financial assistance application, a file~~
12 ~~containing information on all applicants and their award status for state-~~
13 ~~supported student financial assistance; and~~

14 ~~(C) Within thirty (30) days of the dispersal of state-~~
15 ~~funded financial aid to the institutions, a file containing information on~~
16 ~~all students who received state-supported student financial assistance.~~

17 ~~(b)(1) To maintain confidentiality of individual student records in~~
18 ~~accordance with the Family Educational Right to Privacy Act, 20 U.S.C. §~~
19 ~~1232g, the Department of Higher Education shall establish a system for~~
20 ~~removing or recoding any personally identifiable student data in student~~
21 ~~records that are used by the bureau for research and evaluation of~~
22 ~~scholarships and grants funded with net proceeds from the state lottery and~~
23 ~~those funded with nonlottery state educational resources.~~

24 ~~(2) The bureau shall assist the Department of Higher Education~~
25 ~~by providing input concerning the development or modification of the system.~~

26 ~~(3)(A) The Director of the Bureau of Legislative Research may~~
27 ~~seek an opinion from the Family Policy Compliance Office of the United States~~
28 ~~Department of Education concerning the Department of Higher Education's~~
29 ~~system, any proposed modification of the system, or any request for~~
30 ~~information made by the bureau under this section.~~

31 ~~(B) The director may request the Department of Higher~~
32 ~~Education to seek the opinion on behalf of the bureau.~~

33
34 SECTION 14. Arkansas Code § 6-85-219, concerning reports to
35 legislative committees, is amended to read as follows:

36 ~~(a)(1) Quarterly during fiscal years 2010 and 2011, the Department of~~

1 ~~Higher Education shall report to the Arkansas Lottery Commission Legislative~~
2 ~~Oversight Committee;~~

3 ~~(A) The information required by subsection (b) of this~~
4 ~~section to the extent the information is available;~~

5 ~~(B) The costs of administering scholarships funded with~~
6 ~~net proceeds from the state lottery;~~

7 ~~(C) Projected levels of state funding for scholarships and~~
8 ~~grants;~~

9 ~~(D) Recommendations for changes to the program, including~~
10 ~~without limitation adjustments to eligibility requirements of the Arkansas~~
11 ~~Academic Challenge Scholarship Program and award levels; and~~

12 ~~(E) Other data the committee or the General Assembly may~~
13 ~~require.~~

14 ~~(2) The Arkansas Lottery Commission Legislative Oversight~~
15 ~~Committee may specify criteria related to any item of information required by~~
16 ~~this section.~~

17 ~~(b)(1)(a)(1)~~ Annually by July ~~1~~ August 1, the ~~department~~ Department of
18 Higher Education shall report to the Arkansas Lottery Commission Legislative
19 Oversight Committee in the manner and format that the committee requires on
20 all state-supported student financial assistance awarded by the department
21 and awarded by approved institutions of higher education.

22 (2) The information provided shall include without limitation:

23 (A) Current year expenditures for scholarships and grants
24 under the program;

25 (B) Projected obligations for succeeding years from each
26 scholarship or grant funding source;

27 (C) Fund balances for the:

28 (i) Higher Education Grants Fund Account; and

29 (ii) Trust accounts maintained by the Director of
30 the Department of Higher Education to hold the net proceeds from the state
31 lottery;

32 (D) An evaluation of whether the net proceeds from the
33 state lottery available for the program supplements and does not supplant
34 nonlottery state educational resources;

35 ~~(E) Recommendations for changes to the program, including~~
36 ~~without limitation;~~

1 ~~(i) Adjustments to the eligibility requirements of~~
2 ~~the program; and~~

3 ~~(ii) Increases or decreases in the amounts awarded~~
4 ~~for an Arkansas Academic Challenge Scholarship based on the amount of net~~
5 ~~proceeds from the state lottery available; and~~

6 ~~(F)(E) Any other~~ Other information that the Arkansas
7 Lottery Commission Legislative Oversight Committee or the General Assembly
8 ~~may request~~ requests.

9 (b) Annually by December 1, the department shall report to the
10 Arkansas Lottery Commission Legislative Oversight Committee its
11 recommendations for changes to the program, including without limitation:

12 (1) Adjustments to the eligibility requirements of the program;
13 and

14 (2) Increases or decreases in the amounts awarded for an
15 Arkansas Academic Challenge Scholarship based on the amount of net proceeds
16 from the state lottery available.

17
18 SECTION 15. Arkansas Code § 23-115-304(b)(1), concerning participation
19 of Arkansas Lottery Commission employees in the Arkansas Public Employees'
20 Retirement System, is amended to read as follows:

21 (b)(1) A commission employee's compensation for retirement purposes
22 ~~shall be the amount determined by the commission~~ includes only the base
23 salary of the employee under §§ § 23-115-305 and 23-115-307 and shall not
24 ~~include a special salary allowance under § 23-115-306 used to increase the~~
25 ~~employee's salary.~~

26
27 SECTION 16. Arkansas Code § 23-115-601(f)(5)(C) and (D), concerning
28 the application for lottery retailers, is amended to read as follows:

29 (C)~~(i)~~ A person applying to become a retailer shall be
30 charged a uniform application fee determined by rule for each lottery
31 outlet;
32

33 ~~(ii) The application fee shall take into account the~~
34 ~~cost of a state and federal criminal background check under subsection (e) of~~
35 ~~this section; and~~

36 (D) All retailer licenses may be renewable annually in the
discretion of the commission unless canceled or terminated by the

1 ~~commission;~~ and

2 (E) The commission may establish by rule a reasonable fee
3 for the issuance, reissuance, fine, or penalty associated with the process,
4 procedures, or enforcement necessary to issue or maintain a retailer license,
5 including without limitation to cover the cost of:

6 (i) An initial and any subsequent state and federal
7 criminal background check under this subchapter; and

8 (ii) The reporting, communications technology, and
9 banking processes necessary to implement and enforce this subchapter.

10
11 SECTION 17. Arkansas Code § 23-115-801(d), concerning lottery
12 proceeds, is amended to read as follows:

13 (d)(1) The General Assembly finds that:

14 (A) The administration of scholarships with proceeds from
15 the lottery are expenses of the commission; and

16 (B) Because the department has the expertise and
17 experienced staff needed to efficiently and appropriately administer the
18 scholarships, the commission shall use the services of the department to
19 administer scholarships funded with net proceeds from the lottery.

20 (2)(A) Annually by April 1, the department shall provide to the
21 commission and to the Arkansas Lottery Commission Legislative Oversight
22 Committee the department's budget for the administrative expenditures allowed
23 under this subsection.

24 (B) Annually by October 31, the department shall provide
25 an invoice to the commission for reimbursement of the administrative
26 expenditures allowed under this subsection including, without limitation:

27 (i) For each employee the:

28 (a) Type of position, whether full-time, part-
29 time, permanent or temporary; and

30 (b) Salary paid;

31 (ii) A description of other expenditures requested
32 in the invoice; and

33 (iii) An explanation of the increase, if any, of
34 actual expenditures over the budgeted expenditures.

35 (3)(A) Annually by November 1, the commission shall file a copy
36 of the invoice with the Arkansas Lottery Commission Legislative Oversight

1 Committee for its review.

2 (B) The Arkansas Lottery Commission Legislative Oversight
3 Committee shall review the invoice and forward its comments, if any, to the
4 commission.

5 (C) The commission shall reimburse the department for the
6 costs of administering the scholarship awards funded with net proceeds from
7 the lottery after ~~review of the reimbursement amount by the Arkansas Lottery~~
8 ~~Commission Legislative Oversight Committee~~ Arkansas Lottery Commission
9 Legislative Oversight Committee's review under this subsection (d).

10
11 SECTION 18. EMERGENCY CLAUSE. It is found and determined by the
12 General Assembly of the State of Arkansas that increasing the number of
13 Arkansans obtaining postsecondary credentials is critical to the economic
14 health of the state and its citizens; that the Arkansas Scholarship Lottery
15 provides the opportunity for tens of thousands of Arkansans to obtain
16 postsecondary education; that the deadline for scholarship applications is
17 June 1; that the financial integrity of the Arkansas Scholarship Lottery is
18 critical to the continued existence of the scholarships; and that this act is
19 immediately necessary because the Department of Higher Education must
20 promulgate rules to implement this act well before June 1, 2013, in order to
21 provide eligible Arkansans the opportunity to apply for the scholarship.
22 Therefore, an emergency is declared to exist and this act being immediately
23 necessary for the preservation of the public peace, health, and safety shall
24 become effective on:

25 (1) The date of its approval by the Governor;

26 (2) If the bill is neither approved nor vetoed by the Governor,
27 the expiration of the period of time during which the Governor may veto the
28 bill; or

29 (3) If the bill is vetoed by the Governor and the veto is
30 overridden, the date the last house overrides the veto.

31
32 /s/J. Key
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36