

1 State of Arkansas  
2 91st General Assembly  
3 Regular Session, 2017  
4

# A Bill

SENATE BILL 28

5 By: Senator Hickey  
6

## For An Act To Be Entitled

8 AN ACT CONCERNING ARKANSAS ACADEMIC CHALLENGE  
9 SCHOLARSHIP AWARDS; TO DIRECT THE OFFICE OF THE  
10 ARKANSAS LOTTERY TO ESTABLISH A TRUST ACCOUNT FOR  
11 SCHOLARSHIP PROGRAM AWARD SUPPLEMENTS; AND FOR OTHER  
12 PURPOSES.  
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## Subtitle

15 CONCERNING ARKANSAS ACADEMIC CHALLENGE  
16 SCHOLARSHIP AWARDS; AND TO DIRECT THE  
17 OFFICE OF THE ARKANSAS LOTTERY TO  
18 ESTABLISH A TRUST ACCOUNT FOR SCHOLARSHIP  
19 PROGRAM AWARD SUPPLEMENTS.  
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22

23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
24

25 SECTION 1. Arkansas Code § 23-115-103(22), concerning the definition  
26 of "operating expenses", is amended to add an additional subdivision to read  
27 as follows:

28 (M) Management fees charged by a financial institution to  
29 manage a trust account or fund maintained by the Department of Higher  
30 Education or the office.  
31

32 SECTION 2. Arkansas Code § 23-115-801(b), concerning the transfer of  
33 funds, is amended to read as follows:

34 (b)(1)(A) On or before the fifteenth day of each month, the office  
35 shall deposit the net proceeds from the lottery into one (1) or more trust  
36 accounts at one (1) or more financial institutions.



1                   (B)(i) The office shall establish a trust account for  
2 scholarship award supplements in a financial institution into which the  
3 office shall transfer:

4                               (a) Excess funding returned to the office  
5 under subdivision § 6-85-212(e)(2)(B)(i) from the previous academic year; and

6                               (b) Net proceeds remaining from the previous  
7 academic year after the office:

8                                       (1) Transfers under subdivision (c)(2)  
9 of this section the funds requested by the Department of Higher Education;  
10 and

11                                       (2) Deposits the amount necessary into  
12 the Scholarship Shortfall Reserve Trust Account under § 23-115-802 to  
13 maintain an amount equal to twenty million dollars (\$20,000,000).

14                               (ii) The funds transferred by the office into the  
15 trust account for scholarship award supplements established under subdivision  
16 (b)(1)(B)(i) of this section shall be used for:

17                                       (a) Scholarship award supplements; and

18                                       (b) Any management fees charged by the  
19 financial institution to manage the trust account for scholarship award  
20 supplements.

21                               (iii) Annually, the office shall transfer to the  
22 Department of Higher Education the funds from the previous academic year, if  
23 any, that were transferred by the office into the trust account for  
24 scholarship award supplements under subdivision (b)(1)(B)(i) of this section,  
25 if any, for distribution as scholarship award supplements.

26                   (2) The office shall follow the investment policy guidelines of  
27 the State Board of Finance in selecting a financial institution and managing  
28 the net proceeds from the lottery deposited into a the trust ~~account~~  
29 accounts.