

# Fiscal Impact Statement

95th General Assembly of the State of Arkansas  
Regular Session, 2025

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**DATE:** 02/28/2025

**BILL:** HB1446, As Engrossed H2/13/25 H2/20/25 H2/25/25

**SPONSOR:** Rep. Lundstrum; Sen. English

**SUBTITLE:** TO AMEND THE ARKANSAS WORKFORCE CHALLENGE  
SCHOLARSHIP PROGRAM; AND TO DECLARE AND EMERGENCY

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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>2023-2024</u>	<u>\$129,404,053</u>
<u>2022-2023</u>	<u>\$114,767,980</u>
<u>2021-2022</u>	<u>\$99,386,657</u>
<u>2020-2021</u>	<u>\$106,417,224</u>

**II. Total amount of additional revenue available, if any:**

<u>Year:</u>	<u>Source:</u>	<u>Amount:</u>
<u>2023-2024</u>	<u>Net Proceeds Fund Balance</u>	<u>\$0</u>
<u>2022-2023</u>	<u>Net Proceeds Fund Balance</u>	<u>\$0</u>
<u>2021-2022</u>	<u>Net Proceeds Fund Balance</u>	<u>\$0</u>
<u>2020-2021</u>	<u>Net Proceeds Fund Balance</u>	<u>\$0</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>2023-2024</u>	<u>\$55,472,177</u>
<u>2022-2023</u>	<u>\$54,358,056</u>
<u>2021-2022</u>	<u>\$55,104,798</u>
<u>2020-2021</u>	<u>\$68,057,167</u>

**CONCURRENT CHALLENGE SCHOLARSHIP:**

<b><u>Year:</u></b>	<b><u>Net Proceeds Used:</u></b>
<u>2023-2024</u>	<u>\$3,875,974</u>
<u>2022-2023</u>	<u>\$2,596,826</u>
<u>2021-2022</u>	<u>\$2,737,648</u>
<u>2020-2021</u>	<u>\$2,783,517</u>

**WORKFORCE CHALLENGE SCHOLARSHIP**

<b><u>Year:</u></b>	<b><u>Net Proceeds Used:</u></b>
<u>2023-2024</u>	<u>\$937,018</u>
<u>2022-2023</u>	<u>\$581,161</u>
<u>2021-2022</u>	<u>\$605,694</u>
<u>2020-2021</u>	<u>\$484,665</u>

**OTHER SCHOLARSHIPS, IF ANY:**

<b><u>Year:</u></b>	<b><u>Net Proceeds Used:</u></b>
<u>2023-2024</u>	<u>\$0</u>
<u>2022-2023</u>	<u>\$0</u>
<u>2021-2022</u>	<u>\$0</u>
<u>2020-2021</u>	<u>\$0</u>

**AMOUNT USED TO FUND NURSING SCHOOL SCHOLARSHIPS\*:**

<b><u>Year:</u></b>	<b><u>Net Proceeds Used:</u></b>
<u>2023-2024</u>	<u>\$0</u>
<u>2022-2023</u>	<u>\$0</u>
<u>2021-2022</u>	<u>\$0</u>
<u>2020-2021</u>	<u>\$0</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:

\$68,057,167

Amount from year with the highest amount of net proceeds used to fund Workforce Challenge Scholarship:

\$937,018

Amount from year with lowest amount of net proceeds as determined under Section I:

\$99,386,657

Amount from year with the highest amount of net proceed used to fund Concurrent Challenge Scholarships:

\$3,875,974

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:

\$0

**V. Highest estimated cost necessary to fund a new or amended scholarship:**

4,700 students within private career and non-credit programs - \$11,750,000

2,540 students within healthcare programs added through amendment - \$6,350,000

Amendment #3 sets the maximum distribution award at \$10,000,000

**Total Highest estimated cost - \$10,000,000**

**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:
<b><u>\$99,386,657</u></b>	<b><u>\$0</u></b>	<b><u>\$99,386,657</u></b>

**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:
<b><u>\$10,000,000</u></b>	<b><u>\$72,870,159</u></b>	<b><u>\$82,870,159</u></b>

**Step 3:**

Amount determined under Step 1	Amount determined under Step 2	Difference:
<b><u>\$99,386,657</u></b>	<b><u>\$82,870,159</u></b>	<b><u>\$16,516,498</u></b>

**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)

