

Fiscal Impact Statement

DATE: 3/06/2025

BILL: HB1512/SB246

SPONSOR: Rep. Shepherd; Sen. Dismang

**SUBTITLE: TO CREATE THE ARKANSAS ACCESS ACT; AND TO AMEND
VARIOUS PROVISIONS OF THE ARKANSAS CODE AS THEY RELATE TO
EDUCATION IN THE STATE OF ARKANSAS.**

TOPIC - Higher Education

**AFFECTED FUNDS – Lottery Proceeds, Higher Ed Operating Fund, Higher Ed Grants
Fund**

REVENUE IMPACT - \$22,659,008 lottery net proceeds; \$0 to agency general revenues

**ASSUMPTIONS - BASED ON: This act amends code to reflect multiple items associated
with higher education in Arkansas. The impact to lottery proceeds is affected by the
increase of the freshman award amount for Academic Challenge from \$1,000 per year to
\$2,000 per year, this is estimated to cost \$8,720,000 per year. Proceeds are also affected by
the addition of eligibility for the Governor’s Scholar program to high school students who
graduate high school with an associate’s degree or with a diploma of distinction, this is
estimated to cost an additional \$5,000,000 per year. Changes to the award level and
eligibility criteria for Workforce Challenge are projected to impact proceeds by \$9,062,982
per year. And finally on lottery proceeds, the repeal of the Concurrent Challenge
scholarship is projected to save \$3,875,974 per year. The inclusion of new lottery funded
scholarship called the ACCESS to Acceleration program would generate an impact of
\$15,502,000 per year while also creating a savings within the Academic Challenge**

scholarship of \$11,750,000.

In addition to lottery proceeds impacts, there are a few other items that are projected to be impacted by this bill. The creation of a statewide common course numbering system will incur some development costs as well as potential personnel costs to manage and support the system once functional. This is estimated at \$250,000. The creation of a common application system for students is also expected to have development and support costs estimated at around the same \$250,000. Funding for these is expected to come from repurposing current funding purposes, so no additional revenue impact is expected. The consolidation of the Military Dependent and Law Enforcement Officer Dependent scholarships into the Arkansas Heroes Scholarship is not expected to generate a new fiscal impact as the current allocations of the 2 scholarships will be combined into one. Changes to the productivity funding formula to include a return on investment metric will not have a direct fiscal impact. The impact of this change will be reflected in future funding recommendations for institutional general revenue allocations with those amounts yet to be determined. The creation of a non-credit funding formula will need a source of funding once established, but the creation is only the mechanism for how any future funds will be distributed, not a requirement for any certain level of funding.

ADDITIONAL COMMENTS –