

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas
91st General Assembly
Regular Session, 2017

A Bill

SENATE BILL 28

By: Senator Hickey

For An Act To Be Entitled

AN ACT CONCERNING ARKANSAS ACADEMIC CHALLENGE
SCHOLARSHIP AWARDS; TO DIRECT THE OFFICE OF THE
ARKANSAS LOTTERY TO ESTABLISH A TRUST ACCOUNT FOR
SCHOLARSHIP PROGRAM AWARD SUPPLEMENTS; AND FOR OTHER
PURPOSES.

Subtitle

CONCERNING ARKANSAS ACADEMIC CHALLENGE
SCHOLARSHIP AWARDS; AND TO DIRECT THE
OFFICE OF THE ARKANSAS LOTTERY TO
ESTABLISH A TRUST ACCOUNT FOR SCHOLARSHIP
PROGRAM AWARD SUPPLEMENTS.

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

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

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

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

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



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

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

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

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

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

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

(a) Scholarship award supplements; and

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

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

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