

SUMMARY BUDGET INFORMATION

TABLE OF CONTENTS

VOLUME 10

	<u>Page #</u>
2014 Agency Fund Transfers	1
Agency Position Usage Report	2
Administrative Office of the Courts	4
Action Required: (158) District Judges Continuing Education	16
(1EF) Distr Crt Judges/Clerks Continuing Educ	18
(1JS) AOC-Access/Visitation Mediation	20
(330) Dependency Neglect Representation	22
(343) Admin Office of the Courts	24
(35N) County Juror Reimbursement	26
(36G) Court Security Grants	27
(474) Dispute Resolution Commission	29
(816) Court Automation	30
(817) Hearing & Visual Impairments	32
(832) Alternative Dispute Resolution Commission	33
(85M) Court Management Program	35
(85V) JRJ Std't Ln Forgive	37
(966) Court Improvement Program	39
(96U) Automation Proj-Cash	41
(97D) USDOT Case Mgmt	43
(97H) HOPE Grant	44
(99X) STOP Domestic Violence Research	45
(F68) Court Interpreters	46
(M43) Youth Advocacy - State	47
(M44) Foster Futures Training Grant	49
(M54) Drug Ct Cap Bldg	51
(M55) OVW Ct Trng & Impr	53
Attorney General, Office of the	58
Action Required: (004) Attorney General - Administration	68
(188) Medicaid Fraud - Federal	70
(189) Medicaid Fraud - State	72

	<u>Page #</u>
Action Required: (1PE) Victims Reparations Program	74
(1PF) Medicaid Fraud - Indirect Costs	76
(1PH) Victims Reparations - Federal	78
(2YK) Spyware Monitoring	79
(38U) Internet Crime Child	80
(N33) Crime Victim Reparations - State	81
Auditor of State	83
Action Required: (005) Operations	95
(009) Constitutional Officers-Auditor	97
(122) Unclaimed Property	98
(123) CountyTreasurers Continuing Education	100
(1EW) Court Reporters-Circuit Court	101
(1PD) County & Circuit Clerks Continuing Education	102
(1UE) Juvenile Probation & Intake Officers	103
(1UG) Deputy Prosecuting Attorneys	104
(305) Trial Court Admin Assistant.....	105
(465) County Collectors Continuing Education	107
(58V) Drug Court Juvenile Probation & Intake Officers	108
(A04) Unclaimed Property-Cash	109
(C50) Payment-Unclaimed Mineral Proceeds	111
(F83) Cty Coroners Ed Fund	112
Blind, Arkansas School for the	113
Action Required: (076) School for the Blind-State Operations	126
(077) School for the Blind-Federal Operations	129
(086) Braille Textbooks	132
(A19) School for the Blind-Cash Operations	134
(F70) ASB-Demolition	136
Community Correction, Department of	137
Action Required: (1BA) Community Correction - Federal	152
(1BR) Residents Cash Treasury	155
(2GH) Community Correction-Special	158
(2GK) County Jail Reimbursement	161
(510) Community Correction - State	164
(86Y) Best Practices	168

	<u>Page #</u>
Correction, Department of	170
Action Required: (1MJ) County Jail Reimbursement	189
(2ZV) Work Release Cash	193
(33K) ADC Sex Offender Assessment	196
(4HS) Fire Station Treasury Cash	198
(509) Inmate Care & Custody	202
(511) Prison Industry	205
(512) Farm Operations	208
(859) Inmate Welfare Treasury Cash	211
(865) Non-Tax Revenue Receipts	214
(F95) Paws in Prison	217
County Aid	219
Action Required: (073) General Revenue to Counties	226
(074) Special Revenue to Counties	229
(190) Mineral Lease	231
(738) Real Property Tax Reduction-Counties	233
(738A)Property Tax Relief - Counties	235
Court of Appeals	237
Action Required: (111) Court of Appeals	242
Deaf, Arkansas School for the	244
Action Required: (056) School for the Deaf-State Operations	256
(058) School for the Deaf-Federal Operations	259
(A10) School for the Deaf-Cash Operations	261
DOE - General Education	262
Action Required: (1XY) Fish/Wildlife Conservation	293
(2DD) Conference-Treasury	295
(35U) Pulaski County Deseg Case Costs	297
(35V) Vision Screening Program	301
(435) Federal Grants Administration	304
(4HF) Medicaid Adm-Cash in Treasury	307
(56P) Professional Licensure Standards Board	309
(620) State Operations	313
(630) Building Maintenance	318
(631) Revolving Loan Certification	320

	<u>Page #</u>
Action Required: (637) Child Nutrition	322
(650) Fed Elem & Sec Education	325
(85J) Open Enrollment Charter School Closure	328
(885) Multiple Grant Award Program	330
(893) Medicaid Reimbursement	333
(899) Alternative Certification Program	335
DOE - Public School Academic Facilities & Transportation	336
Action Required: (2WB) Public School Academic Facilities	343
(EFP) Programs of the Public School Academic Facilities & Transportation	345
(F87) Charter Sch Fac Loan	348
DOE - Public School Fund	349
Action Required: (2HY) Education Renewal Zones	364
(688) APSCN	366
(PSF) Public School Fund	385
Educational Television Commission, Arkansas	421
Action Required: (127) AETN-Treasury Paying	434
(199) AETN-State Operations	437
(2YX) Arkansas Veterans' Initiative*	440
Election Commissioners, State Board of	442
Action Required: (436) Nonpartisan General Elections*	450
(580) Election Commissioners - Operations	452
(581) Election Expenses	455
Governor, Office of the	457
Action Required: (001) Governor's Office - Operations	463
(181) Governor's Emergency Proclamation	465
Governor's Mansion Commission	466
Action Required: (532) Governor's Mansion - Operations	471
(56V) Grand Hall/Mansion/Grounds - Cash in Treasury	472
Lands, Commissioner of State	473
Action Required: (006) Operations	482
(A14) Operating Expenses / Capital Outlay	484
(B28) Delinquent Tax-Cash	485
(C75) Islands/Submerged Lands	487
(F74) Adopt a Document	489

	<u>Page #</u>
Legislative Audit	490
Action Required: (095) Legislative Audit - Operations	497
Legislative Research, Bureau of	500
Action Required: (015) Legislative Council - Operations	505
Legislative Research - Disbursing Officer	507
Action Required: (016) Interim Committee Study Expenses	510
(017) Interim Committee Expenses	511
(180) Energy Council	512
Lieutenant Governor, Office of the	513
Action Required: (002) Lieutenant Governor - Operations	516
Municipal Aid	517
Action Required: (034) General Revenue to Cities	523
(035) Special Revenue to Cities	527
(35X) Property Tax Relief-Cities	529
Prosecutor Coordinator, Office of the	531
Action Required: (065) Law Enforcement & Prosecutorial Programs	538
(090) Prosecutor Coordinator Oprs	540
Secretary of State	542
Action Required: (003) Secretary of State Operations	555
(1NK) HAVA Title 2.....	557
(2EK) Election Assist for the Disabled	559
(2MJ) Cap Grnds Monument Perserv	560
(378) Corporate Filing & Refund	562
(81W) HAVA St Match-Cash.....	563
(833) Treasury Cash	565
(B97) Parking/Cash.....	567
(F02) CVS Grant	568
(F39) FVAP	569
(F89) Arkansas Video Service Act	570
State Library, Arkansas	571
Action Required: (054) Library-State Operations	583
(055) Library-Federal Operations	587
(083) Aid to Public Library	590
(1XV) Grants Administration - Cash in Treasury	592
(858) State Library-Revolving	595

Supreme Court	596
Action Required: (008) Supreme Court - Operations	604
(56S) Appellate Mediation - Cash	606
(C66) SC Bar of Arkansas-Cash	607
Treasurer of State	609
Action Required: (007) State Treasurer-Operations	617
(043) City-Co Tourist Facilities Assist	619
(1TP) Water, Waste Disposal & Pollution Abatement	621
(2ME) Local Sales & Use Tax-City	622
(2MQ) Local Sales & Use Tax-County	623
(2MR) Uniform Tax Rate-Amendment 74	624
(2ZC) Emergency Medical	625
(2ZD) Local Law Enforcement	626
(58Q) Rescue Shelters-City	627
(58R) Rescue Shelters-Cnty	628
(990) College/Higher Education Savings Bonds	629
Board of Finance	630
Action Required: (1CV) Investments-Purchase of Securities	634
(2BM) Investments-Premiums/Discounts	635
(2BN) Investments-Principal/Interest/Service Charges	636

2014 AGENCY FUND TRANSFERS

**For your information, the Office of Budget has
enumerated the following fund transfers which were
made from agency treasury fund accounts but do not appear on
the Appropriation Summary as expenditures**

<u>Agency</u>	<u>Blanket Surety Bond Premiums ACA §21-2-710</u>	<u>Claims ACA §19-10-204</u>	<u>Workers' Compensation Administrative Cost Reimbursement ACA §11-9-307</u>
Administrative Office of the Courts	\$557	\$380	\$2,711
Attorney General, Office of the	\$774	\$1,853	\$1,046
Auditor of State	\$2,594	\$542	\$114
Blind, Arkansas School for the	\$392	\$0	\$1,102
Community Correction, Department of	\$5,837	\$2,994	\$25,160
Correction, Department of	\$19,129	\$12,870	\$254,123
County Aid	\$110,880	\$0	\$1,332
Court of Appeals	\$217	\$0	\$0
Deaf, Arkansas School for the	\$714	\$0	\$4,380
DOE - General Education	\$1,792	\$376	\$336
DOE - Public School Academic Facilities & Transportation	\$0	\$0	\$3
DOE - Public School Fund	\$105,070	\$0	\$11,829
Educational Television Commission, Arkansas	\$438	\$0	\$96
Election Commissioners, State Board of	\$28	\$0	\$0
Governor, Office of the	\$221	\$0	\$0
Governor's Mansion Commission	\$41	\$0	\$0
Lands, Commissioner of State	\$170	\$0	\$0
Legislative Audit	\$1,262	\$0	\$0
Legislative Research, Bureau of	\$553	\$0	\$0
Lieutenant Governor, Office of the	\$23	\$0	\$0
Municipal Aid	\$218,680	\$3,693	\$2,239
Prosecutor Coordinator, Office of the	\$46	\$0	\$0
Secretary of State	\$645	\$528	\$689
State Library, Arkansas	\$221	\$0	\$1,337
Supreme Court	\$276	\$0	\$0
Treasurer of State	\$124	\$0	\$0

AGENCY POSITION USAGE REPORT

Agency	FY2014 - FY2015						3 YEAR AVERAGE(FY13,FY14,FY15)					
	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused
		Filled	Unfilled	Total				Filled	Unfilled	Total		
Administrative Office of the Courts	124	123	1	124	0	0.81 %	123	122	2	124	-1	0.81 %
Attorney General, Office of the	174	171	3	174	0	1.72 %	170	169	3	172	-2	0.59 %
Auditor of State	886	880	6	886	0	0.68 %	884	867	3	870	14	1.92 %
Blind, Arkansas School for the	97	85	9	94	3	12.37 %	97	86	9	95	2	11.34 %
Community Correction, Department of	1,450	1,321	64	1,385	65	8.90 %	1,400	1,282	65	1,347	53	8.43 %
Correction, Department of	4,546	4,062	408	4,470	76	10.65 %	4,601	4,099	368	4,467	134	10.91 %
County Aid	0	0	0	0	0	0.00 %	0	0	0	0	0	0.00 %
Court of Appeals	49	48	1	49	0	2.04 %	49	48	0	48	1	2.04 %
Deaf, Arkansas School for the	170	151	22	173	-3	11.18 %	170	149	21	170	0	12.35 %
DOE - General Education	356	314	42	356	0	11.80 %	356	309	46	355	1	13.20 %
DOE - Public School Academic Facilities & Transportation	32	29	3	32	0	9.38 %	32	29	2	31	1	9.38 %
DOE - Public School Fund	53	42	12	54	-1	20.75 %	53	41	11	52	1	22.64 %
Educational Television Commission, Arkansas	109	99	10	109	0	9.17 %	110	97	12	109	1	11.82 %
Election Commissioners, State Board of	7	7	0	7	0	0.00 %	7	6	0	6	1	14.29 %
Governor, Office of the	60	46	14	60	0	23.33 %	60	47	13	60	0	21.67 %
Governor's Mansion Commission	10	8	2	10	0	20.00 %	10	8	1	9	1	20.00 %
Lands, Commissioner of State	45	45	0	45	0	0.00 %	45	43	1	44	1	4.44 %
Legislative Audit	290	274	16	290	0	5.52 %	290	275	14	289	1	5.17 %
Legislative Research, Bureau of	129	115	14	129	0	10.85 %	129	115	14	129	0	10.85 %
Legislative Research - Disbursing Officer	0	0	0	0	0	0.00 %	0	0	0	0	0	0.00 %
Lieutenant Governor, Office of the	4	4	0	4	0	0.00 %	4	4	0	4	0	0.00 %
Municipal Aid	0	0	0	0	0	0.00 %	0	0	0	0	0	0.00 %
Prosecutor Coordinator, Office of the	12	10	2	12	0	16.67 %	12	10	1	11	1	16.67 %
Secretary of State	162	154	8	162	0	4.94 %	162	151	10	161	1	6.79 %
State Library, Arkansas	56	48	8	56	0	14.29 %	56	48	7	55	1	14.29 %
Supreme Court	67	47	1	48	19	29.85 %	60	46	1	47	13	23.33 %
Treasurer of State	33	25	8	33	0	24.24 %	33	26	6	32	1	21.21 %

AGENCY POSITION USAGE REPORT

Agency	FY2014 - FY2015						3 YEAR AVERAGE(FY13,FY14,FY15)					
	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
		Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
Board of Finance	0	0	0	0	0	0.00 %	0	0	0	0	0	0.00 %

Administrative Office of the Courts (0023) - FY13 Total Positions exceeds Authorized due to positions established pursuant to the Miscellaneous Federal Grant Act.

School for the Deaf (0513) - Budgeted Number of Positions exceeds the Authorized Number in FY13 and FY15 due to a transfer of positions from the Arkansas School for the Blind to the shared paying account between the School for the Blind and the School for the Deaf.

Department of Education (0500) - Total Budgeted positions exceed Authorized due to positions authorized by Act 291 of 2014, Section 25.

ADMINISTRATIVE OFFICE OF THE COURTS

Enabling Laws

Act 105 of 2014

A.C.A. §16-10-101 et seq.

A.C.A. §16-10-102 et seq.

History and Organization

The Administrative Office of the Courts (AOC, formerly known as the Arkansas Judicial Department) was created by the Arkansas General Assembly, by Act 496 of 1965, and the agency came into existence on July 1, 1965. Act 760 of 1989 provided substantial modification to the organization and structure of the agency, and these two acts are now codified in A.C.A. §16-10-101 and A.C.A. §16-10-102.

The Arkansas Supreme Court has general superintending control over the administration of justice in all courts of the state, and the Chief Justice is directly responsible for the efficient operation of the judicial branch and its constituent courts and for the expeditious dispatch of litigation therein and the proper conduct of the business of the courts. The Administrative Office of the Courts was created as the agency responsible for the administration of the non-judicial business of the judicial branch. The Director of the AOC is nominated by the Chief Justice, subject to the approval of the Supreme Court and the Arkansas Judicial Council. The Director of the AOC, subject to the direction of the Supreme Court, is responsible for performing the following functions:

- Examine the administrative methods of the courts and make recommendations to the Supreme Court for their improvement;
- Examine the state of the dockets of the courts, secure information as to their needs for assistance, if any, prepare statistical data and reports of the business of the courts, and advise the Supreme Court to the end, that proper action may be taken;
- Examine the estimates of the courts for the State for appropriations and present to the Supreme Court recommendations concerning them;
- Examine the statistical systems of the courts and make recommendations to the Supreme Court for a uniform system of judicial statistics;
- Collect, analyze, and report to the Supreme Court statistical and other data concerning the business of the courts;
- With the approval of the Supreme Court and at the request of the Judicial Council, the Director shall act as Secretary of the Judicial Council;

- Examine the data processing needs of the courts and make recommendations to the Supreme Court as to the purchase and use of hardware and software for computer systems, telecommunication systems, and microfilming systems, and provide education to the courts on the use of such systems so as to improve the quality and efficiency of justice in the state;
- Assist the Supreme Court in the operation of the Supreme Court Library;
- Attend to the other non-judicial business of the judicial branch under such rules and regulations as the Supreme Court may by order adopt.

One of the main functions of the Agency is the maintenance of the statewide judicial information system. The agency monitors the uniformity of judicial statistics of the courts, and collects and compiles data and management oriented statistical reports regarding the Supreme Court, the Court of Appeals, circuit, and district courts. The department also assists courts at all levels in the evaluation and implementation of computer systems, and the development of software programs to assist in record keeping and management systems.

In 1981 the Agency was given the responsibility of providing translating/interpreting services to the State Courts. Act 237 of 2013 provides that the agency prescribe the qualifications and certifications of persons who may serve as qualified translators/interpreters in all courts of the state in bilingual proceedings and proceedings involving the hearing impaired. As a part of this program, the agency has on its staff qualified and certified interpreters, who furnish interpreting services for all levels of the courts.

Act 897 of 1995 provides that the agency shall provide and pay the cost of reasonable accommodations for hearing and visually impaired persons so they can serve as venire persons or jurors.

Act 334 of 1985 provides that “the State’s responsibility for training and providing additional judicial education to circuit and chancery judges, municipal judges, city judges, circuit and chancery clerks, municipal clerks, case coordinators, court reporters, and all other personnel directly associated with the state courts, shall be administered by the Administrative Office of the Courts.”

Act 1355 of 1997 created a Division of Dependency/Neglect Representation within the agency staffed by a Court Appointed Special Advocate (CASA) coordinator and an attorney coordinator. The agency is authorized to provide funding for representation of children and/or parents in dependency/neglect proceedings.

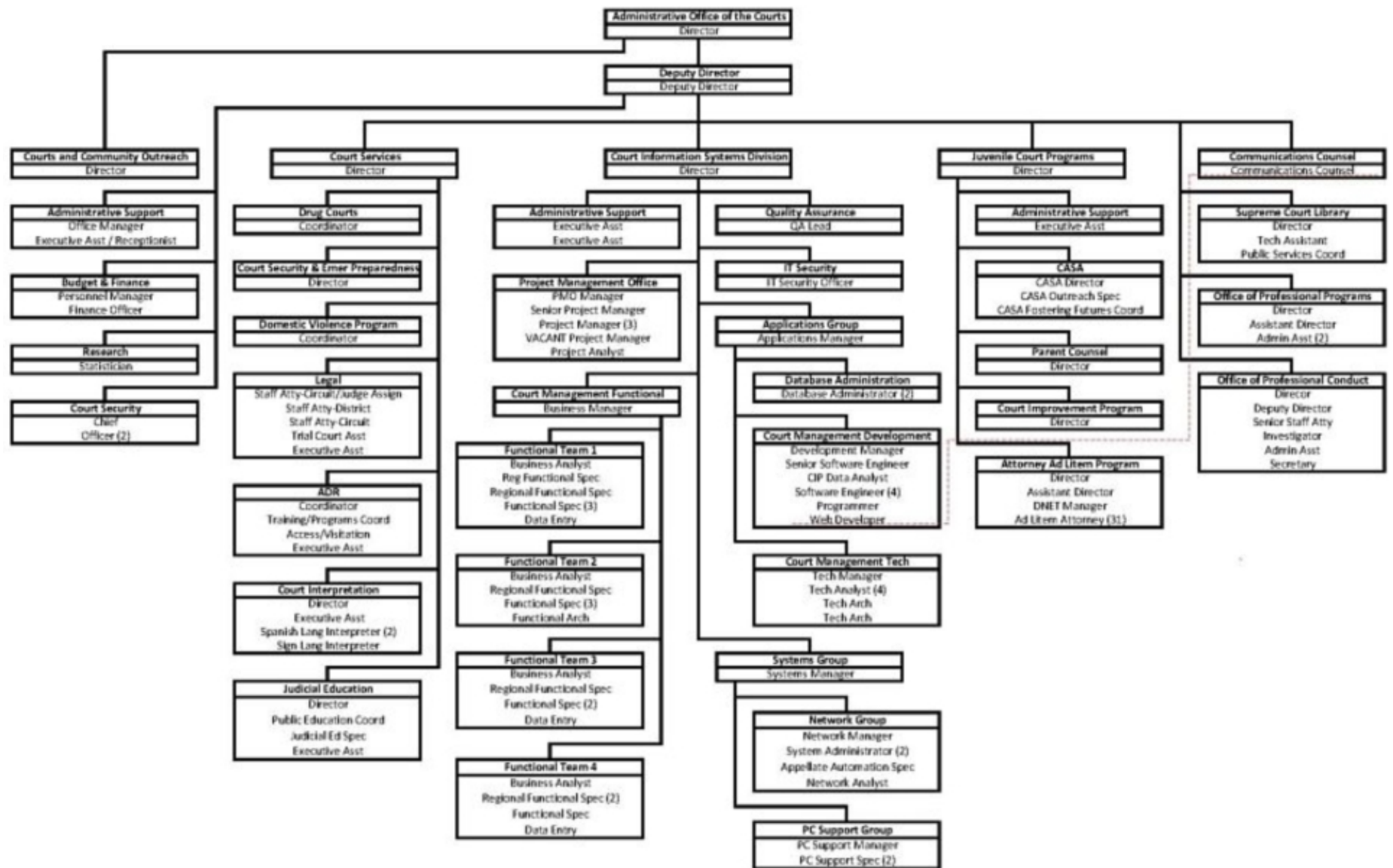
Act 674 of 1995 provides that the AOC will house and staff the Arkansas Alternative Dispute Resolution Commission (ADR). The Commission is responsible for the implementation of ADR programs, education, and the certification of ADR professionals.

Act 1438 of 1999 established field attorney positions within the Division of Dependency Neglect Representation for the AOC. The Division is responsible for the representation of children in dependency-neglect, custody, and guardianship cases.

Act 576 of 2007 created the Office of the Court Security and Emergency Preparedness within the agency and included the responsibility to provide regulation and support of security and emergency planning for all courts in the state.

Act 1033 of 2007 provided that the agency is responsible for the reimbursement to counties for the payment of jurors and the creation of jury lists to be used by court clerks.

Agency: Act 599 of 1971; Act 237 of 1973; Act 82 of 1979; Act 817 of 1979; Act 1 of 1980; Act 489 of 1981; Act 294 of 1989; Act 4 of 1989; Act 855 of 1995; Act 1262 of 1995; Act 1072 of 1997; Act 1171 of 1997; act 1532 of 20001; Act 1507 of 2001, Act 1590 of 2001 and Act 1643 of 2001.



Agency Commentary

Continuing Education District Court Judges (Fund Center 158)

Operating (5020002): We are requesting a decrease of \$5,000 to be used for Professional Services.

Professional Services (5060010): We are requesting an increase of \$5,000 for training honorariums.

No increase is being requested above past Authorized levels.

District Judges and Clerks Education Fund (Fund Center 1EF)

Operating (5020002): We are requesting a \$20,000 increase in the appropriation level for training reimbursements.

Access and Visitation - Federal (Fund Center 1JS)

No increase is being requested above past Authorized levels.

Division of Dependency-Neglect Representation (Fund Center 330)

Regular Salaries (5010000): We are requesting a 5% increase to fund our approved salary retention plan.

Personal Services Matching (5010003): We are requesting a 5% increase in proportion to the salary increase.

Operating (5020002): We are requesting a decrease of \$6,000 to be used for out-of-state travel.

Travel (5050009): We are requesting an increase of \$6,000 for out-of-state travel reimbursements.

Grants and Aid (5100004): An additional \$348,300 is needed due to the increase in the number of CASA programs around the state which receive this funding.

Refunds and Reimbursements (5110014): We are requesting \$385,345 to provide reimbursable travel expenses to our parent counsel attorneys.

Professional Services (5060010): We are requesting \$88,000 per a request from the Judicial Council to provide ad litem for children in contested custody cases.

Admin Office of the Courts (AOC) - Operations (Fund Center 343)

Regular Salaries (5010000): We are requesting two new positions; an additional regional Spanish Interpreter, Grade C120, and a Data Quality Manager, Grade C128.

Personal Services Matching (5010003): We are requesting an increase in proportion to the salary increase needed for the two new positions.

Judicial Education (Fund Center 343E)

Operating (5020002): Due to the large number of new judges, we are requesting an increase of \$34,000 for training reimbursements.

Travel (5050009): Due to the large number of new judges, we are requesting an increase of \$12,900 for out-of-state training.

Professional Services (5060010): We are requesting an increase of \$6,300 for training honorariums.

Foreign Language Interpreter Program (Fund Center 343F)

Operating (5020002): We are requesting an operating line item of \$30,000 for interpreter travel.

Travel (5050009): We are requesting a travel line item of \$10,000 to send interpreters to national training.

County Juror Reimbursement (Fund Center 35N)

No increase is being requested above past Authorized levels.

Court Security Grants (Fund Center 36G)

Operating ((5020002): We are requesting a decrease of \$5,000 to use for professional services.

Professional Services (5060010): We are requesting in increase of \$5,000 to pay honorariums for in-state training.

Travel (5050009): We are requesting a travel line item in the amount of \$3,000 for out-of-state training.

Alternative Dispute Resolution (Fund Center 474)

No increase is being requested above past Authorized levels.

Judicial Fine Collections (Fund Center 816)

This fund center is receiving additional revenue through the court technology fee collected as a result of Act 328 of 2009, which should generate sufficient funds for the following:

Regular Salaries (5010000):

We are requesting a title change and grade increase for our Hardware Manager, Grade C128 to Network Manager, Grade N907. We are also requesting two new positions; a Court Information Systems Assistant Director, Grade N910, and a Data Analyst, Grade C120.

Personal Services Matching (5010003): We are requesting an increase in proportion to the salary increase needed for two new positions and a grade change.

Hearing and Visual Impairment (Fund Center 817)

No increase is being requested above past authorized levels.

Training and Education of Court Personnel (Fund Center 832)**NAC0000**

Professional Services (5060010) We are requesting a one-time increase of \$25,000 to pay for a technology upgrade.

Training and Education of Court Personnel (Fund Center 832)

NAC0200

Operating (5020002): We are requesting a decrease of \$15,000 to fund increases in other line items.

Travel (5050009): We are requesting an increase of \$5,000 for training reimbursements.

Professional Services (5060010): We are requesting an increase of \$10,000 for training honorariums.

No increase is being requested above past authorized levels

Court Management Program (Fund Center 85M)

No increase is being requested above past authorized levels

Domestic Violence Research Grant (Fund Center 99X)

No increase is being requested above past authorized levels

Case Management Implementation to Increase CDL Conviction Reporting Grant (Fund Center 97D)

No increase is being requested above past authorized levels

Benton HOPE Probation Demonstration Field Project Grant (Fund Center 97H)

Regular Salaries (5010000): We are requesting a 5% increase in appropriation as approved and funded through the federal grant.

Personal Services Matching (5010003): We are requesting a 5% increase in proportion to the salary increase.

CASA - Youth Advocacy Grant (Fund Center M43)

Regular Salaries (5010000): We are requesting an increase in anticipation of increased federal funding.

Personal Services Matching (5010003): We are requesting an increase in anticipation of increased federal funding.

Operating (5020002): We are requesting an increase of \$5,680 in anticipation of increased federal funding.

Travel (5050009): We are requesting a travel line item in the amount of \$2,500 in anticipation of increased federal funding.

Professional Services (5060010): We are requesting a professional services line item in the amount of \$20,000 in anticipation of increased federal funding.

CASA - Fostering Futures Grant (Fund Center M44)

Regular Salaries (5010000): We are requesting an increase in anticipation of increased federal funding.

Personal Services Matching (5010003): We are requesting an increase in anticipation of increased federal funding.

Operating (5020002): We are requesting an increase of \$4,715 in anticipation of increased federal funding.

Travel (5050009): We are requesting an increase of \$500 in anticipation of increased federal funding.

Professional Services (5060010): We are requesting a professional services line item in the amount of \$20,000 in anticipation of increased federal funding.

Drug Court Capacity Building Grant (Fund Center M54)

No increase is being requested above past authorized levels

Domestic Violence Training Grant (Fund Center M55)

No increase is being requested above past authorized levels

Court Automation (Fund Center 96U)

No increase is being requested above past authorized levels

Court Interpreters (Fund Center F68)

No increase is being requested above past authorized levels

Training and Representation - Federal (Fund Center 966)

Regular Salaries (5010000): We are requesting a 5% increase in appropriation as approved and funded by the federal grant.

Personal Services Matching (5010003): We are requesting a 5% increase in proportion to the salary increase.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ADMINISTRATIVE OFFICE OF THE COURTS
FOR THE YEAR ENDED JUNE 30, 2013

Findings	Recommendations
None	None

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2014

None

Employment Summary

	Male	Female	Total	%
White Employees	34	64	98	80 %
Black Employees	3	12	15	12 %
Other Racial Minorities	2	7	9	8 %
Total Minorities			24	20 %
Total Employees			122	100 %

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
Annual Report of the Judiciary	Act 1497 of 2003	N	N	1,250	Demand for Court Statistics, Judges, clerks, legislators, Governor's Office, and Federal Agencies	0	0.00
Friends of the Court	Act 1497 of 2003	N	N	1,250	Demand for Court Statistics, Judges, clerks, legislators, Governor's Office, and Federal Agencies	11400	2131.00

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2013-2014		2014-2015		2014-2015		2015-2016						2016-2017					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
158 District Judges Continuing Education	76,192	0	80,000	0	80,000	0	80,000	0	80,000	0	0	0	80,000	0	80,000	0	0	0
1EF Distr Crt Judges/Clerks Continuing Educ	90,468	0	100,000	0	100,000	0	100,000	0	120,000	0	0	0	100,000	0	120,000	0	0	0
1JS AOC-Access/Visitation Mediation	80,925	1	143,349	1	142,990	1	143,852	1	138,852	1	0	0	143,852	1	138,852	1	0	0
330 Dependency Neglect Representation	8,225,529	37	8,621,214	38	8,511,477	38	8,662,366	38	9,637,020	38	0	0	8,664,092	38	9,638,833	38	0	0
343 Admin Office of the Courts	3,840,714	37	3,922,246	37	3,960,211	37	3,788,032	37	4,169,813	39	0	0	3,789,140	37	4,170,921	39	0	0
35N County Juror Reimbursement	501,150	0	850,000	0	850,000	0	850,000	0	850,000	0	0	0	850,000	0	850,000	0	0	0
36G Court Security Grants	348,398	1	358,393	1	357,708	1	359,248	1	362,248	1	0	0	359,248	1	362,248	1	0	0
474 Dispute Resolution Commission	256,980	3	282,600	3	286,679	3	284,556	3	284,556	3	0	0	284,556	3	284,556	3	0	0
816 Court Automation	5,050,217	40	5,859,278	40	6,127,517	40	4,890,231	40	6,064,771	42	0	0	4,891,834	40	6,066,374	42	0	0
817 Hearing & Visual Impairments	9,280	0	10,000	0	10,000	0	10,000	0	10,000	0	0	0	10,000	0	10,000	0	0	0
832 Alternative Dispute Resolution Commission	72,031	0	250,000	0	250,000	0	250,000	0	275,000	0	0	0	250,000	0	275,000	0	0	0
85M Court Management Program	15,000	0	15,000	0	15,000	0	15,000	0	15,000	0	0	0	15,000	0	15,000	0	0	0
85V JRJ Stdt Ln Forgive	62,525	0	157,108	0	157,108	0	157,108	0	0	0	0	0	157,108	0	0	0	0	0
966 Court Improvement Program	379,799	2	1,130,834	2	1,149,571	2	983,816	2	1,141,003	2	0	0	983,816	2	1,141,003	2	0	0
96U Automation Proj-Cash	0	0	0	0	150,000	0	0	0	150,000	0	0	0	0	0	150,000	0	0	0
97D USDOT Case Mgmt	278,060	0	484,000	0	484,000	0	484,000	0	484,000	0	0	0	484,000	0	484,000	0	0	0
97H HOPE Grant	285,261	1	687,104	1	686,635	1	687,726	1	687,726	1	0	0	687,726	1	687,726	1	0	0
99X STOP Domestic Violence Research	71,152	1	72,905	1	142,182	1	73,704	1	73,704	1	0	0	73,704	1	73,704	1	0	0
F68 Court Interpreters	5,133	0	25,000	0	25,000	0	25,000	0	25,000	0	0	0	25,000	0	25,000	0	0	0
M43 Youth Advocacy - State	29,749	1	30,000	1	0	0	0	0	86,364	1	0	0	0	0	86,364	1	0	0
M44 Foster Futures Training Grant	39,977	1	40,000	1	0	0	0	0	86,364	1	0	0	0	0	86,364	1	0	0
M54 Drug Ct Cap Bldg	199,629	0	417,734	0	0	0	0	0	445,068	0	0	0	0	0	445,068	0	0	0
M55 OVV Ct Trng & Impr	2,126	0	50,000	0	0	0	0	0	50,000	0	0	0	0	0	50,000	0	0	0
NOT REQUESTED FOR THE BIENNIUM																		
85W Drug Court Reentry Prog	0	0	0	0	121,546	0	0	0	0	0	0	0	0	0	0	0	0	0
85X Drug Court Effect Grnts	11,035	0	0	0	199,962	0	0	0	0	0	0	0	0	0	0	0	0	0
99Y E-Citation	0	0	310,800	0	310,800	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	19,931,330	125	23,897,565	126	24,118,386	124	21,844,639	124	25,236,489	130	0	0	21,849,076	124	25,241,013	130	0	0

Funding Sources			%		%		%		%		%		%		%		%
Fund Balance	4000005	2,859,480	12.6	2,784,480	11.1			1,525,202	6.7	1,525,202	6.0	0	0.0	1,234,971	5.5	620,661	2.5
Federal Revenue	4000020	1,440,238	6.3	3,213,034	12.8			2,373,098	10.4	3,193,081	12.6	0	0.0	2,373,098	10.5	3,193,081	13.1
Special Revenue	4000030	4,761,599	21.0	4,755,000	18.9			4,755,000	20.7	4,755,000	18.8	0	0.0	4,755,000	21.0	4,755,000	19.5

Funding Sources			%		%			%		%		%		%		%		%
State Central Services	4000035	8,758,297	38.6	8,631,222	34.4		8,540,116	37.3	9,899,551	39.2	0	0.0	8,542,950	37.7	9,902,472	40.6	0	0.0
Cash Fund	4000045	148,062	0.7	135,000	0.5		135,000	0.6	310,000	1.2	0	0.0	135,000	0.6	310,000	1.3	0	0.0
M & R Sales	4000340	4,965	0.0	0	0.0		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
State Administration of Justice	4000470	4,732,912	20.8	5,593,231	22.3		5,594,086	24.4	5,594,086	22.1	0	0.0	5,594,086	24.7	5,594,086	22.9	0	0.0
Total Funds		22,705,553	100.0	25,111,967	100.0		22,922,502	100.0	25,276,920	100.0	0	0.0	22,635,105	100.0	24,375,300	100.0	0	0.0
Excess Appropriation/(Funding)		(2,774,223)		(1,214,402)			(1,077,863)		(40,301)		0		(786,029)		865,713		0	
Grand Total		19,931,330		23,897,565			21,844,639		25,236,489		0		21,849,076		25,241,013		0	

No Executive Recommendation for these appropriations.

Variance in fund balance due to unfunded appropriation in various fund centers.

FY14 and FY15 Total Positions exceed Authorized due to positions established pursuant to the Miscellaneous Federal Grant Act.

Agency Position Usage Report

FY2012 - 2013						FY2013 - 2014						FY2014 - 2015					
Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused
	Filled	Unfilled	Total				Filled	Unfilled	Total				Filled	Unfilled	Total		
123	120	5	125	-2	2.44 %	124	124	0	124	0	0.00 %	124	123	1	124	0	0.81 %

FY13 Total Positions exceeds Authorized due to positions established pursuant to the Miscellaneous Federal Grant Act.

Appropriation Summary

Appropriation: 158 - District Judges Continuing Education

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	60,000	60,000	60,000	60,000	55,000	0	60,000	55,000	0
Conference & Travel Expenses	5050009	10,000	10,000	10,000	10,000	10,000	0	10,000	10,000	0
Professional Fees	5060010	6,192	10,000	10,000	10,000	15,000	0	10,000	15,000	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		76,192	80,000	80,000	80,000	80,000	0	80,000	80,000	0
Funding Sources										
State Central Services	4000035	76,192	80,000		80,000	80,000	0	80,000	80,000	0
Total Funding		76,192	80,000		80,000	80,000	0	80,000	80,000	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		76,192	80,000		80,000	80,000	0	80,000	80,000	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 158 - District Judges Continuing Education
Funding Sources: HSC - State Central Services

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	80,000	0	80,000	100.0	80,000	0	80,000	100.0
C01	Existing Program	5,000	0	85,000	106.3	5,000	0	85,000	106.3
C03	Discontinue Program	(5,000)	0	80,000	100.0	(5,000)	0	80,000	100.0

Appropriation Summary

Appropriation: 1EF - Distr Crt Judges/Clerks Continuing Educ
Funding Sources: MJC - Municipal Court Judge and Municipal Court Education Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	77,046	80,000	80,000	80,000	100,000	0	80,000	100,000	0
Conference & Travel Expenses	5050009	3,422	10,000	10,000	10,000	10,000	0	10,000	10,000	0
Professional Fees	5060010	10,000	10,000	10,000	10,000	10,000	0	10,000	10,000	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		90,468	100,000	100,000	100,000	120,000	0	100,000	120,000	0
Funding Sources										
Fund Balance	4000005	179,906	168,379		168,379	168,379	0	168,379	148,379	0
State Administration of Justice	4000470	78,941	100,000		100,000	100,000	0	100,000	100,000	0
Total Funding		258,847	268,379		268,379	268,379	0	268,379	248,379	0
Excess Appropriation/(Funding)		(168,379)	(168,379)		(168,379)	(148,379)	0	(168,379)	(128,379)	0
Grand Total		90,468	100,000		100,000	120,000	0	100,000	120,000	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 1EF - Distr Crt Judges/Clerks Continuing Educ

Funding Sources: MJC - Municipal Court Judge and Municipal Court Education Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	100,000	0	100,000	100.0	100,000	0	100,000	100.0
C01	Existing Program	20,000	0	120,000	120.0	20,000	0	120,000	120.0

Appropriation Summary

Appropriation: 1JS - AOC-Access/Visitation Mediation

Funding Sources: FJD - Judicial Department Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	32,114	31,177	31,177	31,488	31,488	0	31,488	31,488	0
#Positions		1	1	1	1	1	0	1	1	0
Personal Services Matching	5010003	12,314	12,172	11,813	12,364	12,364	0	12,364	12,364	0
Operating Expenses	5020002	587	10,000	10,000	10,000	10,000	0	10,000	10,000	0
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	35,910	90,000	90,000	90,000	85,000	0	90,000	85,000	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		80,925	143,349	142,990	143,852	138,852	0	143,852	138,852	0
Funding Sources										
Federal Revenue	4000020	80,925	143,349		143,852	138,852	0	143,852	138,852	0
Total Funding		80,925	143,349		143,852	138,852	0	143,852	138,852	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		80,925	143,349		143,852	138,852	0	143,852	138,852	0

FY15 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2013-2015 Biennium.

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 1JS - AOC-Access/Visitation Mediation
Funding Sources: FJD - Judicial Department Federal

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	143,852	1	143,852	100.0	143,852	1	143,852	100.0
C03	Discontinue Program	(5,000)	0	138,852	96.5	(5,000)	0	138,852	96.5

Appropriation Summary

Appropriation: 330 - Dependency Neglect Representation

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	2,328,311	2,457,625	2,386,251	2,482,703	2,606,838	0	2,484,103	2,608,308	0
#Positions		37	38	38	38	38	0	38	38	0
Personal Services Matching	5010003	722,530	752,923	714,560	768,997	797,871	0	769,323	798,214	0
Operating Expenses	5020002	461,388	472,514	472,514	472,514	466,514	0	472,514	466,514	0
Conference & Travel Expenses	5050009	3,590	4,000	4,000	4,000	10,000	0	4,000	10,000	0
Professional Fees	5060010	1,192,480	1,405,816	1,405,816	1,405,816	1,405,816	0	1,405,816	1,405,816	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	1,150,070	1,151,700	1,151,700	1,151,700	1,500,000	0	1,151,700	1,500,000	0
Refunds/Reimbursements	5110014	2,105,410	2,114,886	2,114,886	2,114,886	2,500,231	0	2,114,886	2,500,231	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Attorney AD Litem Fees/Reimb	5900040	261,750	261,750	261,750	261,750	349,750	0	261,750	349,750	0
Total		8,225,529	8,621,214	8,511,477	8,662,366	9,637,020	0	8,664,092	9,638,833	0
Funding Sources										
State Central Services	4000035	4,539,069	4,336,376		4,377,528	5,352,182	0	4,379,254	5,353,995	0
State Administration of Justice	4000470	3,686,460	4,284,838		4,284,838	4,284,838	0	4,284,838	4,284,838	0
Total Funding		8,225,529	8,621,214		8,662,366	9,637,020	0	8,664,092	9,638,833	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		8,225,529	8,621,214		8,662,366	9,637,020	0	8,664,092	9,638,833	0

FY15 Budget amount in Salary and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2013-2015 Biennium.

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 330 - Dependency Neglect Representation
Funding Sources: HSC - State Central Services

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	8,662,366	38	8,662,366	100.0	8,664,092	38	8,664,092	100.0
C01	Existing Program	1,055,654	0	9,718,020	112.2	1,055,741	0	9,719,833	112.2
C03	Discontinue Program	(81,000)	0	9,637,020	111.3	(81,000)	0	9,638,833	111.3

Appropriation Summary

Appropriation: 343 - Admin Office of the Courts

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	2,111,921	2,064,633	2,115,194	2,085,601	2,178,089	0	2,086,501	2,178,989	0
#Positions		37	37	37	37	39	0	37	39	0
Extra Help	5010001	0	5,000	5,000	5,000	5,000	0	5,000	5,000	0
#Extra Help		0	2	2	2	2	0	2	2	0
Personal Services Matching	5010003	669,385	662,698	650,102	672,016	703,609	0	672,224	703,817	0
Operating Expenses	5020002	288,861	334,265	334,265	334,265	334,265	0	334,265	334,265	0
Conference & Travel Expenses	5050009	28,864	30,000	30,000	30,000	30,000	0	30,000	30,000	0
Professional Fees	5060010	36,076	45,000	45,000	45,000	45,000	0	45,000	45,000	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	3,880	25,000	25,000	25,000	25,000	0	25,000	25,000	0
Capital Outlay	5120011	162,182	164,500	164,500	0	164,500	0	0	164,500	0
Judicial Education	5900046	205,195	206,800	206,800	206,800	260,000	0	206,800	260,000	0
Court Interpreter Fees	5900047	334,350	384,350	384,350	384,350	424,350	0	384,350	424,350	0
Total		3,840,714	3,922,246	3,960,211	3,788,032	4,169,813	0	3,789,140	4,170,921	0
Funding Sources										
State Central Services	4000035	3,835,749	3,922,246		3,788,032	4,169,813	0	3,789,140	4,170,921	0
M & R Sales	4000340	4,965	0		0	0	0	0	0	0
Total Funding		3,840,714	3,922,246		3,788,032	4,169,813	0	3,789,140	4,170,921	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		3,840,714	3,922,246		3,788,032	4,169,813	0	3,789,140	4,170,921	0

FY15 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2013-2015 Biennium.

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 343 - Admin Office of the Courts
Funding Sources: HSC - State Central Services

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	3,788,032	37	3,788,032	100.0	3,789,140	37	3,789,140	100.0
C01	Existing Program	348,725	1	4,136,757	109.2	348,725	1	4,137,865	109.2
C02	New Program	51,056	1	4,187,813	110.6	51,056	1	4,188,921	110.6
C03	Discontinue Program	(18,000)	0	4,169,813	110.1	(18,000)	0	4,170,921	110.1

Appropriation Summary

Appropriation: 35N - County Juror Reimbursement

Funding Sources: MJU - County Juror Reimbursement Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements	5110014	501,150	850,000	850,000	850,000	850,000	0	850,000	850,000	0
Total		501,150	850,000	850,000	850,000	850,000	0	850,000	850,000	0
Funding Sources										
Fund Balance	4000005	185,901	344,891		344,891	344,891	0	344,891	344,891	0
State Administration of Justice	4000470	660,140	850,000		850,000	850,000	0	850,000	850,000	0
Total Funding		846,041	1,194,891		1,194,891	1,194,891	0	1,194,891	1,194,891	0
Excess Appropriation/(Funding)		(344,891)	(344,891)		(344,891)	(344,891)	0	(344,891)	(344,891)	0
Grand Total		501,150	850,000		850,000	850,000	0	850,000	850,000	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 36G - Court Security Grants

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	61,399	59,609	59,609	60,205	60,205	0	60,205	60,205	0
#Positions		1	1	1	1	1	0	1	1	0
Personal Services Matching	5010003	19,088	18,784	18,099	19,043	19,043	0	19,043	19,043	0
Operating Expenses	5020002	17,911	30,000	30,000	30,000	25,000	0	30,000	25,000	0
Conference & Travel Expenses	5050009	0	0	0	0	3,000	0	0	3,000	0
Professional Fees	5060010	0	0	0	0	5,000	0	0	5,000	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	250,000	250,000	250,000	250,000	250,000	0	250,000	250,000	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		348,398	358,393	357,708	359,248	362,248	0	359,248	362,248	0
Funding Sources										
State Central Services	4000035	41,027	0		0	3,000	0	0	3,000	0
State Administration of Justice	4000470	307,371	358,393		359,248	359,248	0	359,248	359,248	0
Total Funding		348,398	358,393		359,248	362,248	0	359,248	362,248	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		348,398	358,393		359,248	362,248	0	359,248	362,248	0

FY15 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2013-2015 Biennium.

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 36G - Court Security Grants
Funding Sources: HSC - State Central Services

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	359,248	1	359,248	100.0	359,248	1	359,248	100.0
C01	Existing Program	12,000	0	371,248	103.3	12,000	0	371,248	103.3
C03	Discontinue Program	(9,000)	0	362,248	100.8	(9,000)	0	362,248	100.8

Appropriation Summary

Appropriation: 474 - Dispute Resolution Commission

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	136,400	130,392	134,962	131,687	131,687	0	131,687	131,687	0
#Positions		3	3	3	3	3	0	3	3	0
Personal Services Matching	5010003	44,718	45,090	44,599	45,751	45,751	0	45,751	45,751	0
Operating Expenses	5020002	31,037	35,514	35,514	35,514	35,514	0	35,514	35,514	0
Conference & Travel Expenses	5050009	15,000	15,000	15,000	15,000	15,000	0	15,000	15,000	0
Professional Fees	5060010	6,525	31,604	31,604	31,604	31,604	0	31,604	31,604	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	23,300	25,000	25,000	25,000	25,000	0	25,000	25,000	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		256,980	282,600	286,679	284,556	284,556	0	284,556	284,556	0
Funding Sources										
State Central Services	4000035	256,980	282,600		284,556	284,556	0	284,556	284,556	0
Total Funding		256,980	282,600		284,556	284,556	0	284,556	284,556	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		256,980	282,600		284,556	284,556	0	284,556	284,556	0

FY15 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2013-2015 Biennium.

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 816 - Court Automation

Funding Sources: MJF - Judicial Fine Collection Enhancement Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	2,049,554	2,100,331	2,338,643	2,120,421	2,254,679	0	2,121,721	2,255,979	0
#Positions		40	40	40	40	42	0	40	42	0
Personal Services Matching	5010003	668,036	683,947	713,874	694,810	735,092	0	695,113	735,395	0
Operating Expenses	5020002	1,827,647	2,000,000	2,000,000	2,000,000	2,000,000	0	2,000,000	2,000,000	0
Conference & Travel Expenses	5050009	15,054	25,000	25,000	25,000	25,000	0	25,000	25,000	0
Professional Fees	5060010	5,980	50,000	50,000	50,000	50,000	0	50,000	50,000	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	483,946	1,000,000	1,000,000	0	1,000,000	0	0	1,000,000	0
Total		5,050,217	5,859,278	6,127,517	4,890,231	6,064,771	0	4,891,834	6,066,374	0
Funding Sources										
Fund Balance	4000005	2,122,437	1,833,819		729,541	729,541	0	594,310	0	0
Special Revenue	4000030	4,761,599	4,755,000		4,755,000	4,755,000	0	4,755,000	4,755,000	0
Total Funding		6,884,036	6,588,819		5,484,541	5,484,541	0	5,349,310	5,174,770	0
Excess Appropriation/(Funding)		(1,833,819)	(729,541)		(594,310)	580,230	0	(457,476)	1,311,374	0
Grand Total		5,050,217	5,859,278		4,890,231	6,064,771	0	4,891,834	6,066,374	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 816 - Court Automation
Funding Sources: MJF - Judicial Fine Collection Enhancement Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	4,890,231	40	4,890,231	100.0	4,891,834	40	4,891,834	100.0
C01	Existing Program	1,425,129	2	6,315,360	129.1	1,425,129	2	6,316,963	129.1
C03	Discontinue Program	(255,000)	0	6,060,360	123.9	(255,000)	0	6,061,963	123.9
C11	Upgrade/Downgrade	4,411	0	6,064,771	124.0	4,411	0	6,066,374	124.0

Appropriation Summary

Appropriation: 817 - Hearing & Visual Impairments

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Auxilliary Aids-Hearing & Visual 5900046	9,280	10,000	10,000	10,000	10,000	0	10,000	10,000	0
Total	9,280	10,000	10,000	10,000	10,000	0	10,000	10,000	0
Funding Sources									
State Central Services 4000035	9,280	10,000		10,000	10,000	0	10,000	10,000	0
Total Funding	9,280	10,000		10,000	10,000	0	10,000	10,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	9,280	10,000		10,000	10,000	0	10,000	10,000	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 832 - Alternative Dispute Resolution Commission

Funding Sources: NAC - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	36,954	140,000	140,000	140,000	125,000	0	140,000	125,000	0
Conference & Travel Expenses	5050009	5,498	25,000	25,000	25,000	30,000	0	25,000	30,000	0
Professional Fees	5060010	29,579	85,000	85,000	85,000	120,000	0	85,000	120,000	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		72,031	250,000	250,000	250,000	275,000	0	250,000	275,000	0
Funding Sources										
Fund Balance	4000005	351,812	393,229		243,229	243,229	0	93,229	93,229	0
Cash Fund	4000045	113,448	100,000		100,000	125,000	0	100,000	125,000	0
Total Funding		465,260	493,229		343,229	368,229	0	193,229	218,229	0
Excess Appropriation/(Funding)		(393,229)	(243,229)		(93,229)	(93,229)	0	56,771	56,771	0
Grand Total		72,031	250,000		250,000	275,000	0	250,000	275,000	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 832 - Alternative Dispute Resolution Commission
Funding Sources: NAC - Cash in Treasury

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	250,000	0	250,000	100.0	250,000	0	250,000	100.0
C01	Existing Program	40,000	0	290,000	116.0	40,000	0	290,000	116.0
C03	Discontinue Program	(15,000)	0	275,000	110.0	(15,000)	0	275,000	110.0

Appropriation Summary

Appropriation: 85M - Court Management Program

Funding Sources: NAC - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	15,000	15,000	15,000	15,000	15,000	0	15,000	15,000	0
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		15,000	15,000	15,000	15,000	15,000	0	15,000	15,000	0
Funding Sources										
Fund Balance	4000005	19,424	23,648		23,648	23,648	0	23,648	23,648	0
Cash Fund	4000045	19,224	15,000		15,000	15,000	0	15,000	15,000	0
Total Funding		38,648	38,648		38,648	38,648	0	38,648	38,648	0
Excess Appropriation/(Funding)		(23,648)	(23,648)		(23,648)	(23,648)	0	(23,648)	(23,648)	0
Grand Total		15,000	15,000		15,000	15,000	0	15,000	15,000	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 85M - Court Management Program
Funding Sources: NAC - Cash in Treasury

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	15,000	0	15,000	100.0	15,000	0	15,000	100.0
C01	Existing Program	6,000	0	21,000	140.0	6,000	0	21,000	140.0
C03	Discontinue Program	(6,000)	0	15,000	100.0	(6,000)	0	15,000	100.0

Appropriation Summary

Appropriation: 85V - JRJ Std't Ln Forgive

Funding Sources: FJD - Judicial Department Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	62,525	157,108	157,108	157,108	0	0	157,108	0	0
Total	62,525	157,108	157,108	157,108	0	0	157,108	0	0
Funding Sources									
Federal Revenue 4000020	62,525	157,108		0	0	0	0	0	0
Total Funding	62,525	157,108		0	0	0	0	0	0
Excess Appropriation/(Funding)	0	0		157,108	0	0	157,108	0	0
Grand Total	62,525	157,108		157,108	0	0	157,108	0	0

APPROPRIATION NOT REQUESTED FOR THE 2015-2017 BIENNIUM.

Change Level by Appropriation

Appropriation: 85V - JRJ Std Ln Forgive
Funding Sources: FJD - Judicial Department Federal

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	157,108	0	157,108	100.0	157,108	0	157,108	100.0
C03	Discontinue Program	(157,108)	0	0	0.0	(157,108)	0	0	0.0

Appropriation Summary

Appropriation: 966 - Court Improvement Program

Funding Sources: FJD - Judicial Department Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	114,827	116,611	130,809	116,611	122,442	0	116,611	122,442	0
#Positions		2	2	2	2	2	0	2	2	0
Personal Services Matching	5010003	36,201	34,223	38,762	37,205	38,561	0	37,205	38,561	0
Operating Expenses	5020002	117,876	350,000	350,000	350,000	350,000	0	350,000	350,000	0
Conference & Travel Expenses	5050009	29,977	30,000	30,000	30,000	30,000	0	30,000	30,000	0
Professional Fees	5060010	70,418	250,000	250,000	250,000	250,000	0	250,000	250,000	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	10,500	200,000	200,000	200,000	200,000	0	200,000	200,000	0
Capital Outlay	5120011	0	150,000	150,000	0	150,000	0	0	150,000	0
Total		379,799	1,130,834	1,149,571	983,816	1,141,003	0	983,816	1,141,003	0
Funding Sources										
Federal Revenue	4000020	379,799	1,130,834		983,816	1,141,003	0	983,816	1,141,003	0
Total Funding		379,799	1,130,834		983,816	1,141,003	0	983,816	1,141,003	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		379,799	1,130,834		983,816	1,141,003	0	983,816	1,141,003	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 966 - Court Improvement Program
Funding Sources: FJD - Judicial Department Federal

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	983,816	2	983,816	100.0	983,816	2	983,816	100.0
C01	Existing Program	181,187	0	1,165,003	118.4	181,187	0	1,165,003	118.4
C03	Discontinue Program	(24,000)	0	1,141,003	116.0	(24,000)	0	1,141,003	116.0

Appropriation Summary

Appropriation: 96U - Automation Proj-Cash

Funding Sources: NAC - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	0	0	150,000	0	150,000	0	0	150,000	0
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		0	0	150,000	0	150,000	0	0	150,000	0
Funding Sources										
Fund Balance	4000005	0	10,257		10,257	10,257	0	10,257	10,257	0
Cash Fund	4000045	0	0		0	150,000	0	0	150,000	0
Total Funding		0	10,257		10,257	160,257	0	10,257	160,257	0
Excess Appropriation/(Funding)		0	(10,257)		(10,257)	(10,257)	0	(10,257)	(10,257)	0
Grand Total		0	0		0	150,000	0	0	150,000	0

No Executive Recommendation on this appropriation.

Change Level by Appropriation

Appropriation: 96U - Automation Proj-Cash
Funding Sources: NAC - Cash in Treasury

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
C01	Existing Program	150,000	0	150,000	100.0	150,000	0	150,000	100.0

Appropriation Summary

Appropriation: 97D - USDOT Case Mgmt

Funding Sources: FJD - Judicial Department Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	278,060	484,000	484,000	484,000	484,000	0	484,000	484,000	0
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		278,060	484,000	484,000	484,000	484,000	0	484,000	484,000	0
Funding Sources										
Federal Revenue	4000020	278,060	484,000		484,000	484,000	0	484,000	484,000	0
Total Funding		278,060	484,000		484,000	484,000	0	484,000	484,000	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		278,060	484,000		484,000	484,000	0	484,000	484,000	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 97H - HOPE Grant

Funding Sources: FJD - Judicial Department Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	42,024	40,800	40,800	41,208	41,208	0	41,208	41,208	0
#Positions		1	1	1	1	1	0	1	1	0
Personal Services Matching	5010003	14,622	14,410	13,941	14,624	14,624	0	14,624	14,624	0
Operating Expenses	5020002	0	0	0	0	0	0	0	0	0
Conference & Travel Expenses	5050009	9,942	49,420	49,420	49,420	49,420	0	49,420	49,420	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	218,673	582,474	582,474	582,474	582,474	0	582,474	582,474	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		285,261	687,104	686,635	687,726	687,726	0	687,726	687,726	0
Funding Sources										
Federal Revenue	4000020	285,261	687,104		687,726	687,726	0	687,726	687,726	0
Total Funding		285,261	687,104		687,726	687,726	0	687,726	687,726	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		285,261	687,104		687,726	687,726	0	687,726	687,726	0

FY15 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2013-2015 Biennium.

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 99X - STOP Domestic Violence Research

Funding Sources: FJD - Judicial Department Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	54,101	55,156	108,259	55,707	55,707	0	55,707	55,707	0
#Positions		1	1	1	1	1	0	1	1	0
Personal Services Matching	5010003	17,051	17,749	33,923	17,997	17,997	0	17,997	17,997	0
Total		71,152	72,905	142,182	73,704	73,704	0	73,704	73,704	0
Funding Sources										
Federal Revenue	4000020	71,152	72,905		73,704	73,704	0	73,704	73,704	0
Total Funding		71,152	72,905		73,704	73,704	0	73,704	73,704	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		71,152	72,905		73,704	73,704	0	73,704	73,704	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: F68 - Court Interpreters

Funding Sources: NAC - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	2,737	10,000	10,000	10,000	10,000	0	10,000	10,000	0
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	2,396	15,000	15,000	15,000	15,000	0	15,000	15,000	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		5,133	25,000	25,000	25,000	25,000	0	25,000	25,000	0
Funding Sources										
Fund Balance	4000005	0	10,257		5,257	5,257	0	257	257	0
Cash Fund	4000045	15,390	20,000		20,000	20,000	0	20,000	20,000	0
Total Funding		15,390	30,257		25,257	25,257	0	20,257	20,257	0
Excess Appropriation/(Funding)		(10,257)	(5,257)		(257)	(257)	0	4,743	4,743	0
Grand Total		5,133	25,000		25,000	25,000	0	25,000	25,000	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: M43 - Youth Advocacy - State
Funding Sources: FJD - Judicial Department Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	14,790	15,080	0	0	35,554	0	0	35,554	0
#Positions		1	1	0	0	1	0	0	1	0
Personal Services Matching	5010003	5,651	5,600	0	0	13,310	0	0	13,310	0
Operating Expenses	5020002	6,035	9,320	0	0	15,000	0	0	15,000	0
Conference & Travel Expenses	5050009	3,273	0	0	0	2,500	0	0	2,500	0
Professional Fees	5060010	0	0	0	0	20,000	0	0	20,000	0
Total		29,749	30,000	0	0	86,364	0	0	86,364	0
Funding Sources										
Federal Revenue	4000020	29,749	30,000		0	86,364	0	0	86,364	0
Total Funding		29,749	30,000		0	86,364	0	0	86,364	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		29,749	30,000		0	86,364	0	0	86,364	0

Budget exceeds Authorized Appropriation due to a transfer from the Miscellaneous Federal Grant Holding Account.
 No Executive Recommendation on this appropriation.

Change Level by Appropriation

Appropriation: M43 - Youth Advocacy - State

Funding Sources: FJD - Judicial Department Federal

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
C01	Existing Program	37,500	0	37,500	100.0	37,500	0	37,500	100.0
C06	Restore Position/Approp	48,864	1	86,364	230.3	48,864	1	86,364	230.3

Appropriation Summary

Appropriation: M44 - Foster Futures Training Grant

Funding Sources: FJD - Judicial Department Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	20,727	20,727	0	0	35,554	0	0	35,554	0
#Positions		1	1	0	0	1	0	0	1	0
Personal Services Matching	5010003	7,025	6,988	0	0	13,310	0	0	13,310	0
Operating Expenses	5020002	7,871	10,285	0	0	15,000	0	0	15,000	0
Conference & Travel Expenses	5050009	4,354	2,000	0	0	2,500	0	0	2,500	0
Professional Fees	5060010	0	0	0	0	20,000	0	0	20,000	0
Total		39,977	40,000	0	0	86,364	0	0	86,364	0
Funding Sources										
Federal Revenue	4000020	39,977	40,000		0	86,364	0	0	86,364	0
Total Funding		39,977	40,000		0	86,364	0	0	86,364	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		39,977	40,000		0	86,364	0	0	86,364	0

Budget exceeds Authorized Appropriation due to a transfer from the Miscellaneous Federal Grant Holding Account.
No Executive Recommendation on this appropriation.

Change Level by Appropriation

Appropriation: M44 - Foster Futures Training Grant
Funding Sources: FJD - Judicial Department Federal

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
C01	Existing Program	37,500	0	37,500	100.0	37,500	0	37,500	100.0
C06	Restore Position/Approp	48,864	1	86,364	230.3	48,864	1	86,364	230.3

Appropriation Summary

Appropriation: M54 - Drug Ct Cap Bldg

Funding Sources: FJD - Judicial Department Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	21,705	21,930	0	0	29,900	0	0	29,900	0
Conference & Travel Expenses	5050009	65,467	94,340	0	0	95,080	0	0	95,080	0
Grants and Aid	5100004	112,457	301,464	0	0	301,464	0	0	301,464	0
Capital Outlay	5120011	0	0	0	0	18,624	0	0	18,624	0
Total		199,629	417,734	0	0	445,068	0	0	445,068	0
Funding Sources										
Federal Revenue	4000020	199,629	417,734		0	445,068	0	0	445,068	0
Total Funding		199,629	417,734		0	445,068	0	0	445,068	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		199,629	417,734		0	445,068	0	0	445,068	0

Budget exceeds Authorized Appropriation due to a transfer from the Miscellaneous Federal Grant Holding Account.
No Executive Recommendation on this appropriation.

Change Level by Appropriation

Appropriation: M54 - Drug Ct Cap Bldg
Funding Sources: FJD - Judicial Department Federal

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
C01	Existing Program	445,068	0	445,068	100.0	445,068	0	445,068	100.0

Appropriation Summary

Appropriation: M55 - OVW Ct Trng & Impr

Funding Sources: FJD - Judicial Department Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	2,126	36,650	0	0	37,750	0	0	37,750	0
Conference & Travel Expenses	5050009	0	1,100	0	0	0	0	0	0	0
Professional Fees	5060010	0	12,250	0	0	12,250	0	0	12,250	0
Total		2,126	50,000	0	0	50,000	0	0	50,000	0
Funding Sources										
Federal Revenue	4000020	2,126	50,000		0	50,000	0	0	50,000	0
Total Funding		2,126	50,000		0	50,000	0	0	50,000	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		2,126	50,000		0	50,000	0	0	50,000	0

Budget exceeds Authorized Appropriation due to a transfer from the Miscellaneous Federal Grant Holding Account.
No Executive Recommendation on this appropriation.

Change Level by Appropriation

Appropriation: M55 - OVW Ct Trng & Impr
Funding Sources: FJD - Judicial Department Federal

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
C01	Existing Program	50,000	0	50,000	100.0	50,000	0	50,000	100.0

Appropriation Summary

Appropriation: 85W - Drug Court Reentry Prog
Funding Sources: FJD - Judicial Department Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2015-2016			2016-2017		
		2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	0	0	66,608	0	0	0	0	0	0
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	15,000	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	0	0	39,938	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		0	0	121,546	0	0	0	0	0	0

APPROPRIATION NOT REQUESTED FOR THE 2015-2017 BIENNIUM.

Appropriation Summary

Appropriation: 85X - Drug Court Effect Grnts

Funding Sources: FJD - Judicial Department Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	0	0	0	0	0	0	0	0	0
Conference & Travel Expenses	5050009	3,095	0	108,522	0	0	0	0	0	0
Professional Fees	5060010	0	0	25,440	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	7,940	0	66,000	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		11,035	0	199,962	0	0	0	0	0	0
Funding Sources										
Federal Revenue	4000020	11,035	0		0	0	0	0	0	0
Total Funding		11,035	0		0	0	0	0	0	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		11,035	0		0	0	0	0	0	0

APPROPRIATION NOT REQUESTED FOR THE 2015-2017 BIENNIUM.

Appropriation Summary

Appropriation: 99Y - E-Citation

Funding Sources: FJD - Judicial Department Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation					
	2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	0	0	0	0	0	0	0	0	0
Conference & Travel Expenses 5050009	0	0	0	0	0	0	0	0	0
Professional Fees 5060010	0	0	0	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	310,800	310,800	0	0	0	0	0	0
Total	0	310,800	310,800	0	0	0	0	0	0

APPROPRIATION NOT REQUESTED FOR THE 2015-2017 BIENNIUM.

ATTORNEY GENERAL

Enabling Laws

Act 215 of 2014

A.C.A. §25-16-701 et seq.

A.C.A. §04-88-101 et seq.

A.C.A. §05-55-101 et seq.

A.C.A. §16-90-706 et seq.

A.C.A. §23-04-301 et seq.

A.C.A. §04-111-101 et seq.

Constitution of Arkansas, Article 6

Constitution of Arkansas, Amendment 63

History and Organization

The Office of Attorney General in Arkansas was established by Article 6, Section 1 of the Arkansas Constitution of 1874, which section has been likely superseded by Amendment 63, Section 1. It reads, in applicable part, as follows:

“The Executive Department of this state shall consist of a(n) ... Attorney General, . . . all of whom shall keep their offices at the seat of Government and hold their offices for the term of four years and until their successors are elected and qualified.”

Article 6, Section 3 of the Constitution provides that the Attorney General is elected by the qualified electors of the state at large at the general elections. The salary for the office is established by Amendment 70, Sections 1 and 3.

The only constitutional or statutory qualification for holding the office of Attorney General is that of Article 19, Section 3 and 4, Constitution of Arkansas, which requires all state officers to possess the qualifications of electors and requires officers for the state at large to reside within the state.

The statutory subchapter setting forth the fundamental duties for the Attorney General is found at A.C.A. §25-16-702 et seq. The primary responsibilities created therein are set forth below.

A.C.A. §25-16-702 provides as follows: "The Attorney General shall be the attorney for all state officials, departments, institutions, and agencies. Whenever any officer or department, institution, or agency of the state needs the services of an attorney, the matter shall be certified to the Attorney General for attention."

Section 702 also provided that the Attorney General shall have the authority to initiate civil lawsuits under all environmental protection statutes.

A.C.A. §25-16-703 provides that the Attorney General shall maintain and defend the interest of the state in the federal courts and that he or she shall be the legal representative of all state parties in litigation where the interests of the state are involved.

A.C.A. §25-16-704 provides that the Attorney General will attend and defend the state before the Supreme Court.

A.C.A. §25-16-706 provides that the Attorney General will, upon request, give his opinion to the Governor and heads of executive departments on any constitutional or legal questions concerning the official actions of such officers. The Attorney General is also authorized to give his opinion on certain legal matters to prosecuting attorneys, members of the General Assembly, county commissions and all state boards and commissions.

A.C.A. §25-16-709 empowers the Attorney General to bring suit against state officials who have collected or received state monies and not accounted for them according to the law.

In addition to the fundamental duties of the Attorney General set forth at A.C.A. §25-16-701 et seq., additional statutory duties have been prescribed for the office over the years. The most significant of these are set forth below.

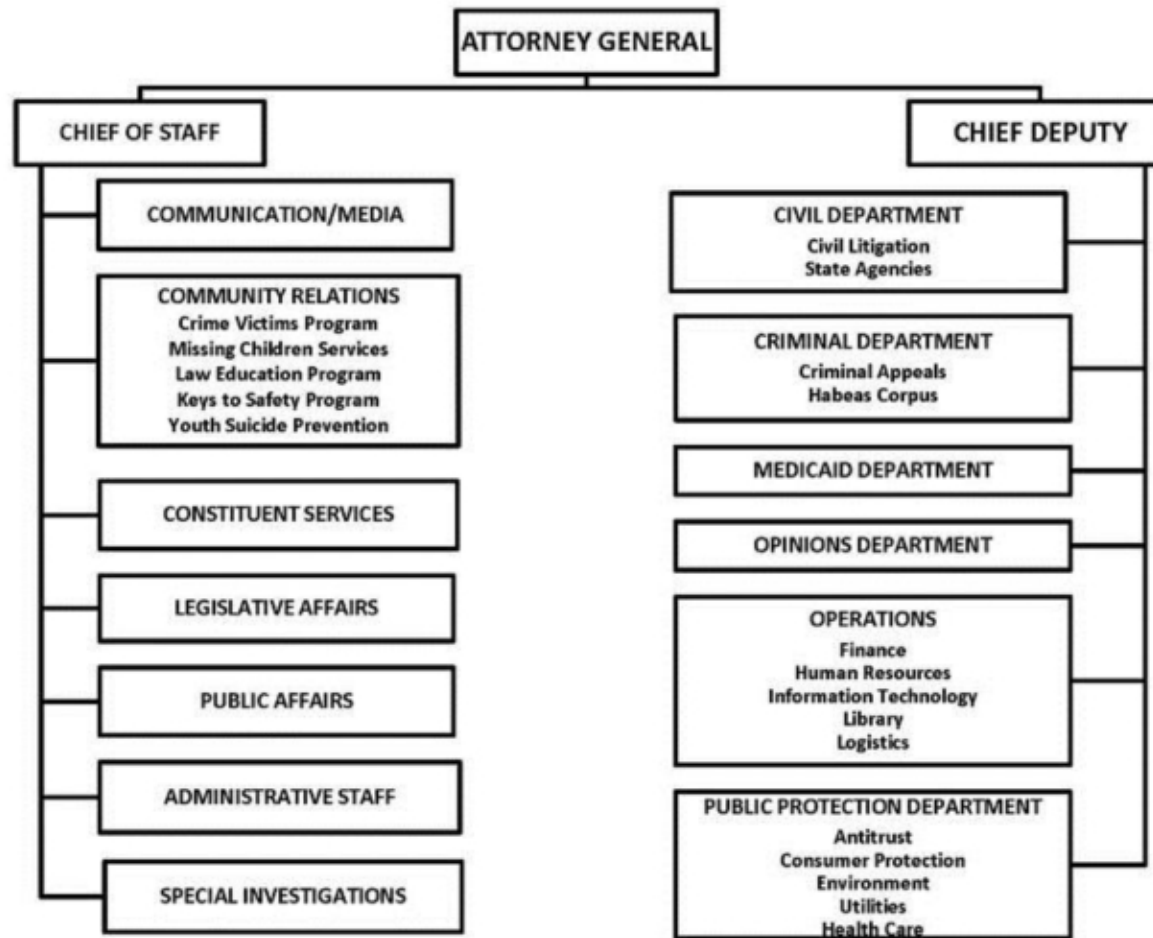
Consumer Protection. The Attorney General is charged with enforcing the "Deceptive Trade Practices Act," A.C.A. §4-88-101 et seq. This act creates the Consumer Protection Division, and authorizes that division to conduct investigations, promote consumer education, and bring lawsuits to enforce the provisions of the law. The division is also charged with registration of charities and professional fundraisers by A.C.A. §4-28-401 et seq.

Medicaid Fraud, A.C.A. §5-55-101 et seq. provides that the Office of Attorney General will investigate and bring cases regarding abuse, exploitation or neglect of nursing home residents and fraud against the Medicaid Program. The Office is also empowered under federal and state law to conduct criminal investigations and refer cases for prosecution. The Attorney General's staff may also be deputized by a prosecuting attorney and conduct prosecutions.

Crime Victims Reparations. The Crime Victims Reparations Board was created by A.C.A. §16-90-710 et seq. A.C.A. §16-90-706 provides that the Attorney General provide necessary office space, support staff and secretarial services to the Board for the administration of their statutory responsibilities.

Public Utilities, A.C.A. §23-4-301 et seq. creates a division within the office called the Consumer Utilities Rate Advocacy Division. This division is charged with representing the state, its subdivisions and ratepayers in state and federal proceedings related to utility matters.

An organization chart which reflects the structure of the Office of Attorney General is attached hereto.



Agency Commentary

The Office of the Attorney General is the statutory legal counsel for the State's officials, departments, institutions and agencies. This Office also has the responsibility to administer the Crime Victims Reparation Program and protect the environment as well as the consumers of Arkansas. Statutory obligations are carried out through the following functions:

- | | | |
|-------------------------|---------------------------|----------------------------------|
| 1) Communication/Media | 6) Administrative Staff | 10) Medicaid Fraud Department |
| 2) Community Relations | 7) Special Investigations | 11) Opinions Department |
| 3) Constituent Services | 8) Civil Department | 12) Operations |
| 4) Legislative Affairs | 9) Criminal Department | 13) Public Protection Department |
| 5) Public Affairs | | |

BASE LEVEL:

In the area of Personal Services, the Office of the Attorney General's Base Level request is for funding of authorized positions at FY 2015 levels.

CHANGE LEVEL REQUESTS:

The Office of the Attorney General (Appropriation 004), funded through State Central Services Fund, is utilized to operate Communication/Media, Community Relations, Constituent Services, Legislative Affairs, Public Affairs, Administrative Staff, Special Investigations, Civil, Criminal, Opinions, Operations and Public Protection functions.

The Office of the Attorney General is requesting to transfer two (2) positions from the State Crime Victims Program (Appropriation 1PE) to Operations (Appropriation 004). These positions are needed in the Special Investigations Unit of the Attorney General's Office.

The Office of the Attorney General respectfully requests an increase of \$448,826 in FY 2016 and \$470,774 in FY2017 Operating Expenses for leased office space. Additional appropriation for Operating Expenses has not been requested since FY 2012. The additional rent of facilities was needed due to the addition of 24,117 square feet of leased space since FY 2010. Additional space was needed to house the Special Investigations Unit as well as to accommodate public meeting rooms used by the Agency and other state agencies.

An increase in the Conference Fee & Travel line item of \$21,000 for FY 2016 and \$22,500 for FY 2017 is requested to accommodate the training required by the three new agents authorized in FY 2015 for the Special Investigations Unit as well as an overall increase in travel costs over the past few years. We respectfully request additional appropriation in Professional Fees & Services line item of \$162,000 in FY 2016 and \$167,000 in FY 2017 to provide the funds necessary to pay for the Expert Witnesses and other costs associated with providing legal representation to the State of Arkansas. Additional appropriation has not been requested since FY 2012 for these line items.

The Office of the Attorney General is requesting to increase appropriation for our Capital Outlay line item from \$100,000 for FY 2015 to \$135,000 in FY 2016 and to \$140,000 in FY 2017. The increase in appropriation is needed to replace equipment as it becomes obsolete as well as replacement of vehicles in our fleet. Additional appropriation for this line item has not been requested since FY 2012.

The Medicaid Department of the Office receives federal funds from the United States Department of Health and Human Services. Medicaid requirements are comprised of the Federal Program (Appropriation 188) and State Program (Appropriation 189). The Federal Program pays 75% of the total costs and the State Program, funded through the State Central Services Fund, pays the remaining 25% of total costs as match on the Federal dollars. The office is requesting that the Capital Outlay line item be restored to the FY 2015 level to allow for the replacement of vehicles in the fleet as well as obsolete equipment.

The Medicaid Indirect Costs (Appropriation 1PF), receives funding from the United States Department of Health and Human Services. The office is requesting to increase appropriation by \$166,871 for FY 2016 and \$180,838 in FY 2017. The appropriation will increase in the line item for Rent of Facilities as this fund may be used to pay part of agency rent if funding is available. An increase in this appropriation has not requested since FY 2012.

The Crime Victims Reparation Program receives federal funds from the United States Department of Justice. The Federal Program (Appropriation 1PH) funds approximately 40% of the crime victim payments. The State Program (Appropriation 1PE), funded by the State Administration of Justice Fund, is responsible for the remaining 60% of the crime victim payments.

For the last few years, the level of funding State Crime Victims has received from the State Administration of Justice Fund has not been sufficient to fund the reparations to crime victims that are authorized by state law. The difference has been funded by carry-forward fund savings. However, carry-forward funds have now been exhausted and insufficient funds are available in the State Administration of Justice Fund to fully fund the appropriation to State Crime Victims.

We are, therefore, respectfully requesting appropriation of \$3,000,000 in FY 2016 and FY 2017 for the State Crime Victims Program to be funded from the State Central Services Fund so this program may continue to operate. In addition, we have requested Special Language that will limit the use of State Central Services to supplementing any shortfall in the distribution to the Crime Victims Reparations Revolving fund from the State Administration of Justice Fund.

Each request in this budget is submitted in order that the Office of the Attorney General may continue to safeguard the interests of the citizens of Arkansas and to fulfill the statutory responsibilities of this Office by performing the legal actions of our state government.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
OFFICE OF THE ATTORNEY GENERAL
FOR THE YEAR ENDED JUNE 30, 2012

Findings	Recommendations
None	None

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2014

None

Employment Summary

	Male	Female	Total	%
White Employees	55	74	129	75 %
Black Employees	10	29	39	23 %
Other Racial Minorities	1	4	5	2 %
Total Minorities			44	25 %
Total Employees			173	100 %

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
Lemon Law Books	Act 1313 of 2001	N	N	135,000	Required by Statutes to provide booklets to automobile dealers for every vehicle sold explaining the State's Lemon Law	0	0.00
Model Rules and Regulations for State Agencies	A.C.A. §25-15-215	N	N	250	Required by Statutes to provide model rules for each state agency	0	0.00

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation		2013-2014		2014-2015		2014-2015		2015-2016						2016-2017							
		Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos		
004	Attorney General - Administration	14,796,036	140	15,629,061	140	15,578,954	140	15,667,273	140	16,561,177	142		0	0	15,675,630	140	16,602,982	142		0	0
188	Medicaid Fraud - Federal	1,542,339	17	1,832,234	17	1,828,848	17	1,821,281	17	1,848,864	17		0	0	1,821,649	17	1,849,232	17		0	0
189	Medicaid Fraud - State	564,831	5	613,170	5	611,741	5	610,927	5	617,927	5		0	0	611,786	5	618,786	5		0	0
1PE	Victims Reparations Program	3,164,176	11	2,164,723	11	4,069,702	11	4,079,013	11	3,951,935	9		0	0	4,079,013	11	3,951,935	9		0	0
1PF	Medicaid Fraud - Indirect Costs	236,062	0	298,700	0	298,700	0	298,700	0	465,571	0		0	0	298,700	0	479,538	0		0	0
1PH	Victims Reparations - Federal	1,070,286	1	1,572,441	1	1,573,404	1	1,573,674	1	1,573,674	1		0	0	1,573,674	1	1,573,674	1		0	0
2YK	Spyware Monitoring	578	0	65,990	0	65,990	0	65,990	0	65,990	0		0	0	65,990	0	65,990	0		0	0
38U	Internet Crime Child	34,017	0	50,000	0	50,000	0	50,000	0	50,000	0		0	0	50,000	0	50,000	0		0	0
N33	Crime Victim Reparations - STATE	0	0	0	0	0	0	0	0	3,000,000	0		0	0	0	0	3,000,000	0		0	0
Total		21,408,325	174	22,226,319	174	24,077,339	174	24,166,858	174	28,135,138	174		0	0	24,176,442	174	28,192,137	174		0	0

Funding Sources			%		%			%		%		%		%		%		%		
Fund Balance	4000005	1,310,772	6.1	110,077	0.5			69,087	0.3	69,087	0.3		0	0.0	0	0.0	0	0.0	0	0.0
Federal Revenue	4000020	2,882,704	13.4	3,753,375	16.8			3,743,655	16.8	3,938,109	14.9		0	0.0	3,744,023	16.8	3,952,444	15.0	0	0.0
Special Revenue	4000030	91,977	0.4	100,000	0.4			100,000	0.4	100,000	0.4		0	0.0	100,000	0.5	100,000	0.4	0	0.0
State Central Services	4000035	15,360,867	71.4	16,242,231	72.9			16,278,200	73.1	20,179,104	76.5		0	0.0	16,287,416	73.3	20,221,768	76.7	0	0.0
Governor's Emergency Fund	4000275	100,000	0.5	0	0.0			0	0.0	0	0.0		0	0.0	0	0.0	0	0.0	0	0.0
State Administration of Justice	4000470	1,772,082	8.2	2,089,723	9.4			2,089,723	9.4	2,089,723	7.9		0	0.0	2,089,723	9.4	2,089,723	7.9	0	0.0
Total Funds		21,518,402	100.0	22,295,406	100.0			22,280,665	100.0	26,376,023	100.0		0	0.0	22,221,162	100.0	26,363,935	100.0	0	0.0
Excess Appropriation/(Funding)		(110,077)		(69,087)				1,886,193		1,759,115			0		1,955,280		1,828,202		0	
Grand Total		21,408,325		22,226,319				24,166,858		28,135,138			0		24,176,442		28,192,137		0	

No Executive Recommendations on these appropriations.

Variance in fund balance due to unfunded appropriation in FC's (1PE) Victims Reparations Program and (2YK) Spyware Monitoring.

Agency Position Usage Report

FY2012 - 2013						FY2013 - 2014						FY2014 - 2015					
Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused
	Filled	Unfilled	Total				Filled	Unfilled	Total				Filled	Unfilled	Total		
169	166	3	169	0	1.78 %	169	170	4	174	-5	-0.59 %	174	171	3	174	0	1.72 %

Appropriation Summary

Appropriation: 004 - Attorney General - Administration

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	9,375,347	10,005,273	10,005,273	10,099,347	10,226,425	0	10,105,847	10,232,925	0
#Positions		140	140	140	140	142	0	140	142	0
Extra Help	5010001	32,935	37,224	37,224	37,224	37,224	0	37,224	37,224	0
#Extra Help		5	8	8	8	8	0	8	8	0
Personal Services Matching	5010003	2,790,696	2,949,487	2,899,380	2,993,625	2,993,625	0	2,995,482	2,995,482	0
Operating Expenses	5020002	2,038,090	1,960,342	1,960,342	1,960,342	2,409,168	0	1,960,342	2,431,116	0
Conference & Travel Expenses	5050009	95,812	100,167	100,167	100,167	121,167	0	100,167	122,667	0
Professional Fees	5060010	388,492	476,568	476,568	476,568	638,568	0	476,568	643,568	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	74,664	100,000	100,000	0	135,000	0	0	140,000	0
Total		14,796,036	15,629,061	15,578,954	15,667,273	16,561,177	0	15,675,630	16,602,982	0
Funding Sources										
State Central Services	4000035	14,796,036	15,629,061		15,667,273	16,561,177	0	15,675,630	16,602,982	0
Total Funding		14,796,036	15,629,061		15,667,273	16,561,177	0	15,675,630	16,602,982	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		14,796,036	15,629,061		15,667,273	16,561,177	0	15,675,630	16,602,982	0

FY15 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2013-2015 Biennium.

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 004 - Attorney General - Administration
Funding Sources: HSC - State Central Services

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	15,667,273	140	15,667,273	100.0	15,675,630	140	15,675,630	100.0
C01	Existing Program	766,826	0	16,434,099	104.9	800,274	0	16,475,904	105.1
C07	Agency Transfer	127,078	2	16,561,177	105.7	127,078	2	16,602,982	105.9

Appropriation Summary

Appropriation: 188 - Medicaid Fraud - Federal
Funding Sources: FAY - Medicaid Operations Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,156,750	1,161,869	1,162,969	1,173,475	1,173,475	0	1,173,775	1,173,775	0
#Positions		17	17	17	17	17	0	17	17	0
Extra Help	5010001	20,898	29,870	29,870	29,870	29,870	0	29,870	29,870	0
#Extra Help		2	2	2	2	2	0	2	2	0
Personal Services Matching	5010003	345,240	348,564	344,078	353,588	353,588	0	353,656	353,656	0
Operating Expenses	5020002	15,045	202,286	202,286	202,286	202,286	0	202,286	202,286	0
Conference & Travel Expenses	5050009	4,292	37,206	37,206	37,206	37,206	0	37,206	37,206	0
Professional Fees	5060010	114	24,856	24,856	24,856	24,856	0	24,856	24,856	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	27,583	27,583	0	27,583	0	0	27,583	0
Total		1,542,339	1,832,234	1,828,848	1,821,281	1,848,864	0	1,821,649	1,849,232	0
Funding Sources										
Federal Revenue	4000020	1,542,339	1,832,234		1,821,281	1,848,864	0	1,821,649	1,849,232	0
Total Funding		1,542,339	1,832,234		1,821,281	1,848,864	0	1,821,649	1,849,232	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		1,542,339	1,832,234		1,821,281	1,848,864	0	1,821,649	1,849,232	0

FY15 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2013-2015 Biennium.
 No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 188 - Medicaid Fraud - Federal
Funding Sources: FAY - Medicaid Operations Federal

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	1,821,281	17	1,821,281	100.0	1,821,649	17	1,821,649	100.0
C01	Existing Program	27,583	0	1,848,864	101.5	27,583	0	1,849,232	101.5

Appropriation Summary

Appropriation: 189 - Medicaid Fraud - State

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	379,106	403,534	403,534	406,641	406,641	0	407,341	407,341	0
#Positions		5	5	5	5	5	0	5	5	0
Personal Services Matching	5010003	110,778	115,573	114,144	117,223	117,223	0	117,382	117,382	0
Operating Expenses	5020002	66,248	67,417	67,417	67,417	67,417	0	67,417	67,417	0
Conference & Travel Expenses	5050009	8,699	11,891	11,891	11,891	11,891	0	11,891	11,891	0
Professional Fees	5060010	0	7,755	7,755	7,755	7,755	0	7,755	7,755	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	7,000	7,000	0	7,000	0	0	7,000	0
Total		564,831	613,170	611,741	610,927	617,927	0	611,786	618,786	0
Funding Sources										
State Central Services	4000035	564,831	613,170		610,927	617,927	0	611,786	618,786	0
Total Funding		564,831	613,170		610,927	617,927	0	611,786	618,786	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		564,831	613,170		610,927	617,927	0	611,786	618,786	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 189 - Medicaid Fraud - State
Funding Sources: HSC - State Central Services

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	610,927	5	610,927	100.0	611,786	5	611,786	100.0
C01	Existing Program	7,000	0	617,927	101.1	7,000	0	618,786	101.1

Appropriation Summary

Appropriation: 1PE - Victims Reparations Program

Funding Sources: TCR - Crime Victims Revolving Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	409,507	570,522	571,822	576,295	449,217	0	576,295	449,217	0
#Positions		11	11	11	11	9	0	11	9	0
Extra Help	5010001	0	14,000	14,000	14,000	14,000	0	14,000	14,000	0
#Extra Help		0	2	2	2	2	0	2	2	0
Personal Services Matching	5010003	147,158	184,156	182,120	186,958	186,958	0	186,958	186,958	0
Operating Expenses	5020002	34,034	80,558	80,558	80,558	80,558	0	80,558	80,558	0
Conference & Travel Expenses	5050009	544	16,974	16,974	16,974	16,974	0	16,974	16,974	0
Professional Fees	5060010	2,376	11,246	11,246	11,246	11,246	0	11,246	11,246	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Claims	5110015	2,570,557	1,287,267	3,192,982	3,192,982	3,192,982	0	3,192,982	3,192,982	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		3,164,176	2,164,723	4,069,702	4,079,013	3,951,935	0	4,079,013	3,951,935	0
Funding Sources										
Fund Balance	4000005	1,217,334	17,217		42,217	42,217	0	0	0	0
Special Revenue	4000030	91,977	100,000		100,000	100,000	0	100,000	100,000	0
Governor's Emergency Fund	4000275	100,000	0		0	0	0	0	0	0
State Administration of Justice	4000470	1,772,082	2,089,723		2,089,723	2,089,723	0	2,089,723	2,089,723	0
Total Funding		3,181,393	2,206,940		2,231,940	2,231,940	0	2,189,723	2,189,723	0
Excess Appropriation/(Funding)		(17,217)	(42,217)		1,847,073	1,719,995	0	1,889,290	1,762,212	0
Grand Total		3,164,176	2,164,723		4,079,013	3,951,935	0	4,079,013	3,951,935	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 1PE - Victims Reparations Program

Funding Sources: TCR - Crime Victims Revolving Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	4,079,013	11	4,079,013	100.0	4,079,013	11	4,079,013	100.0
C07	Agency Transfer	(127,078)	(2)	3,951,935	96.9	(127,078)	(2)	3,951,935	96.9

Appropriation Summary

Appropriation: 1PF - Medicaid Fraud - Indirect Costs

Funding Sources: FAY - Medicaid Indirect Costs Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	236,062	298,700	298,700	298,700	465,571	0	298,700	479,538	0
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		236,062	298,700	298,700	298,700	465,571	0	298,700	479,538	0
Funding Sources										
Federal Revenue	4000020	236,062	298,700		298,700	465,571	0	298,700	479,538	0
Total Funding		236,062	298,700		298,700	465,571	0	298,700	479,538	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		236,062	298,700		298,700	465,571	0	298,700	479,538	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 1PF - Medicaid Fraud - Indirect Costs

Funding Sources: FAY - Medicaid Indirect Costs Federal

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	298,700	0	298,700	100.0	298,700	0	298,700	100.0
C01	Existing Program	335,571	0	634,271	212.3	349,538	0	648,238	217.0
C03	Discontinue Program	(168,700)	0	465,571	155.9	(168,700)	0	479,538	160.5

Appropriation Summary

Appropriation: 1PH - Victims Reparations - Federal

Funding Sources: FAY - Crime Victims Reparation Program Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	29,199	33,215	34,115	34,115	34,115	0	34,115	34,115	0
#Positions		1	1	1	1	1	0	1	1	0
Personal Services Matching	5010003	11,560	12,427	12,490	12,760	12,760	0	12,760	12,760	0
Operating Expenses	5020002	0	26,900	26,900	26,900	26,900	0	26,900	26,900	0
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Claims	5110015	1,029,527	1,499,899	1,499,899	1,499,899	1,499,899	0	1,499,899	1,499,899	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		1,070,286	1,572,441	1,573,404	1,573,674	1,573,674	0	1,573,674	1,573,674	0
Funding Sources										
Federal Revenue	4000020	1,070,286	1,572,441		1,573,674	1,573,674	0	1,573,674	1,573,674	0
Total Funding		1,070,286	1,572,441		1,573,674	1,573,674	0	1,573,674	1,573,674	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		1,070,286	1,572,441		1,573,674	1,573,674	0	1,573,674	1,573,674	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 2YK - Spyware Monitoring

Funding Sources: SSM - Spyware Monitoring Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Spyware Monitoring 5900046	578	65,990	65,990	65,990	65,990	0	65,990	65,990	0
Total	578	65,990	65,990	65,990	65,990	0	65,990	65,990	0
Funding Sources									
Fund Balance 4000005	93,438	92,860		26,870	26,870	0	0	0	0
Total Funding	93,438	92,860		26,870	26,870	0	0	0	0
Excess Appropriation/(Funding)	(92,860)	(26,870)		39,120	39,120	0	65,990	65,990	0
Grand Total	578	65,990		65,990	65,990	0	65,990	65,990	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 38U - Internet Crime Child
Funding Sources: FAY - Internet Crimes Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	34,017	45,450	45,450	45,450	45,450	0	45,450	45,450	0
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	4,550	4,550	4,550	4,550	0	4,550	4,550	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		34,017	50,000	50,000	50,000	50,000	0	50,000	50,000	0
Funding Sources										
Federal Revenue	4000020	34,017	50,000		50,000	50,000	0	50,000	50,000	0
Total Funding		34,017	50,000		50,000	50,000	0	50,000	50,000	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		34,017	50,000		50,000	50,000	0	50,000	50,000	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: N33 - Crime Victim Reparations - State

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Claims 5110015	0	0	0	0	3,000,000	0	0	3,000,000	0
Total	0	0	0	0	3,000,000	0	0	3,000,000	0
Funding Sources									
State Central Services 4000035	0	0		0	3,000,000	0	0	3,000,000	0
Total Funding	0	0		0	3,000,000	0	0	3,000,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	0		0	3,000,000	0	0	3,000,000	0

No Executive Recommendation on this appropriation.

Change Level by Appropriation

Appropriation: N33 - Crime Victim Reparations - State
Funding Sources: HSC - State Central Services

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
C02	New Program	3,000,000	0	3,000,000	100.0	3,000,000	0	3,000,000	100.0

AUDITOR OF STATE

Enabling Laws

Act 106 of 2014
Act 107 of 2014
Act 108 of 2014
Act 109 of 2014
Act 110 of 2014
Act 111 of 2014
A.C.A. §25-16-5
A.C.A. §18-28-101 et seq.
Constitution of Arkansas, Article 6

History and Organization

Arkansas Code, Title 25, chapter 16, Subchapter 5, provides that the Auditor of State shall be the general accountant of the state; and keep an account between the State and the Treasurer of the State, to audit, adjust and settle all claims against the state payable out of the State Treasury and to draw all warrants upon the State Treasury.

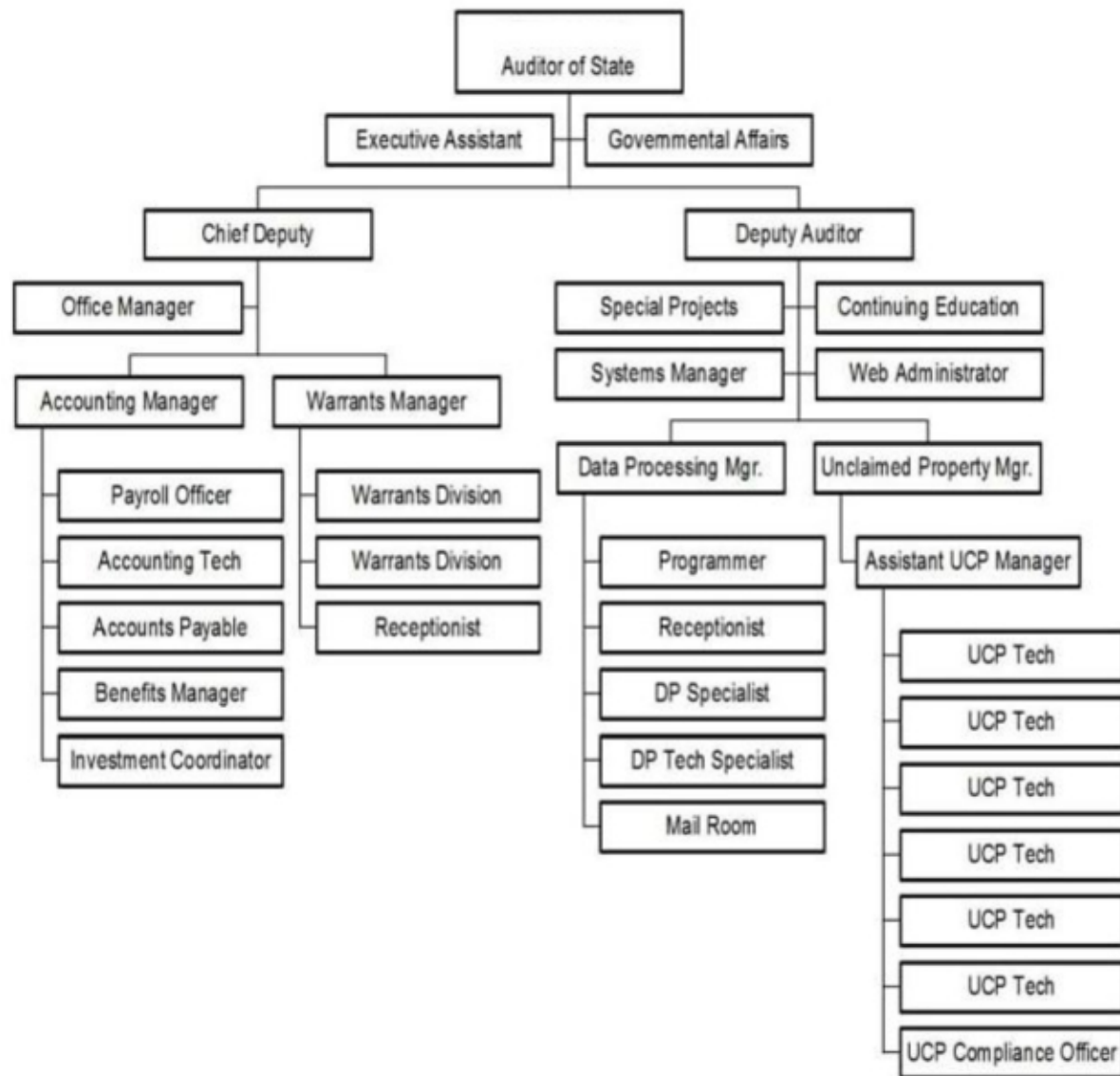
The Auditor of State maintains fund and appropriation balances for all state agencies.

The Auditor of State is the administrator of Act 850 of 1999 (A.C.A. §18-28-201 et seq. as amended) known as the Unclaimed Property Act. During fiscal year ending June 30, 2014, the Auditor of State collected approximately \$32 million from holders and returned approximately \$18.1 million to the citizens of Arkansas in payment of claims. In July 2014, the Auditor transferred \$13,044,762.53 to State General Revenue Fund per the requirements of A.C.A. §18-28-213(c)(2). In June, 2014 the Auditor of State reimbursed the cost of administering the Unclaimed Property Act by depositing FY14 operating costs of \$1,122,136.80 into the State Central Services Fund. The Auditor of State also transferred \$182,457.19 to County turn back pursuant to A.C.A. §18-28-213. During FY14 the Auditor transferred \$1,965,000 from the Mineral Proceeds Trust Fund to the County Aid Fund for equal distribution to the counties.

In fiscal year 2014, the Auditor of State produced, audited and issued to State Agencies 3,049,222 state warrants totaling over \$18.2 billion dollars.

The Auditor of State is the disbursing officer for salaries for House of Representatives Members, Senate Members, Constitutional Officers, Supreme Court Justices, Appellate Court Justices, the salaries and expenses of Circuit Judges, the Pilot Program District Judges, Special and Recalled Judges, the salaries of Prosecuting Attorneys, Deputy Prosecuting Attorneys, Special Deputy Prosecuting Attorneys, the salaries and expenses of Court Reporters and Substitute Court Reporters, the salaries and expenses of Trial Court Administrative Assistants and their Substitutes and the salaries of the Drug Court Juvenile Probation and Intake Officers. The Auditor of State processes and maintains all payroll accounting, and insurance and retirement matching for those fourteen departments which includes over 950 individuals. In addition, the Auditor of State acts as the disbursing officer for the expenses incurred in carrying out the responsibilities for maintaining and operating the continuing education programs of the County and Circuit Clerks Continuing Education Board, the County Treasurer's Continuing Education Board, the County Collector's Continuing Education Board and the County Coroner's Continuing Education Board. The Auditor of State disburses in excess of \$100 million per year.

The Auditor of State serves as a board member of the Arkansas Public Employees Retirement System; the Arkansas Teacher Retirement System; Arkansas Emergency Telephone Services Board; and the Continuing Education Boards of the Arkansas County and Circuit Clerks, County Treasurers, and County Collectors. The Auditor of State also serves as a member of the State Board of Finance.



Agency Commentary

Listed below are the main points of our proposed budget for the biennium 2015-2017:

OPERATIONS (005)

- Agency requests Base Level.

CONSTITUTIONAL OFFICERS (009)

- Base Level per position each year for the Supreme Court Chief Justice, Supreme Court Associate Justices, Court of Appeals Chief Judge, Court of Appeals Judges, Circuit Judges, and District Judges.
- Base Level for the elected Prosecuting Attorneys - Division A and Division B.
- Members of the General Assembly and all Executive Department Officials may be increased annually an amount pursuant to Amendment 70, Section 3 to the Arkansas Constitution.
- We are requesting an increase in Personal Services Match based on any salary increase request.
- Base Level for Special and Recalled Judges.

UNCLAIMED PROPERTY (122)

- Base Level for Regular Salaries except for the following: We are requesting an increase in salary of Position 1 UCP Manager to the same level as our other division managers of \$92,190 for both years of the biennium. We are requesting a title change in Position 2 from UCP Administrative Assistant to **UCP Assistant Manager** with a salary increase to a maximum salary of \$81,675 for both years of the biennium.
- Base Level for Personal Services Matching.
- Agency requests an increase of \$100,000 for Miscellaneous Technical Services in Maintenance and Operation to be offset by a decrease of \$100,000 in Professional Fees and Services. Capital Outlay and Travel is to remain at base level.

COUNTY TREASURERS CONTINUING EDUCATION (123)

- County Treasurers Continuing Education Board appropriation is to remain constant.

JUDICIAL COURT REPORTERS (1EW)

- Agency requests Base Level.

COUNTY AND CIRCUIT CLERKS CONTINUING EDUCATION (1PD)

- County Collectors Continuing Education Board appropriation is to remain constant.

JUVENILE PROBATION AND INTAKE OFFICERS (1UE)

- Base Level salaries for all positions.
- Reimbursement to counties for up to \$15,000 in salary payments to Juvenile Probation and Intake Officers to remain constant.

DEPUTY PROSECUTING ATTORNEYS (1UG)

- Base Level salaries for classified positions.
- Base Level Personal Services Matching.
- The expense allowance of the Special Deputy Prosecuting Attorney is to remain constant.

TRIAL COURT ADMINISTRATIVE ASSISTANTS (305)

- Base Level salaries for classified positions but we are requesting a reallocation of 58 of the 122 Trial Assistants Grade 117 to become Trial Court Manager Grade C119
- Base Level for Personal Services Matching
- The appropriation for Substitute Trial Court Administrative Assistants will remain constant.
- We are requesting that the appropriation for expenses remain constant.

COUNTY COLLECTORS CONTINUING EDUCATION (465)

- County and Circuit Clerks Continuing Education Board appropriation is to remain constant.

DRUG COURT JUVENILE PROBATION & INTAKE OFFICERS (58V)

- Drug Court Juvenile Probation & Intake Officers appropriation is to remain constant.

PAYMENT OF UNCLAIMED PROPERTY CLAIMS - CASH (A04)

- Agency requests the same cash appropriation increase of \$7,000,000 for both years of the biennium that was granted in FY14 and FY15. This cash appropriation increase request is to accommodate the increase in claims paid out due to the success of our outreach program through social media.

PAYMENT - UNCLAIMED MINERAL PROCEEDS (C50)

- Payment - Unclaimed Mineral Proceeds appropriation is to remain constant.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT	
AUDIT OF :	
AUDITOR OF STATE	
FOR THE YEAR ENDED JUNE 30, 2012	
Findings	Recommendations
None	None

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2014

None

Employment Summary

	Male	Female	Total	%
White Employees	12	14	26	74 %
Black Employees	1	8	9	26 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			9	26 %
Total Employees			35	100 %

Cash Fund Balance Description as of June 30, 2014

Fund Account	Balance	Type	Location
1100100	\$54,734,292	Checking/Certificates of Deposit	Multiple Locations

Statutory/Other Restrictions on use:

A.C.A. 18-28-213 states all funds shall be deposited by the administrator in a special trust fund - "Unclaimed Property Proceeds Trust Fund", from which he shall make prompt payment of claims duly allowed by him. Such funds shall be deposited in accounts of one (1) or more financial institutions authorized to do business in this State.

Statutory Provisions for Fees, Fines, Penalties:

A.C.A. 18-28-224 authorizes the collection of penalties and interest.

Revenue Receipts Cycle:

Upon filing the report before November 1 of each year, the holder of property presumed abandoned shall pay, deliver, or cause to be paid or delivered to the administrator the property described.

Fund Balance Utilization:

Once each fiscal year, the administrator shall transfer to general revenues all funds that have been collected and held for a full three (3) years, less the amount transferred to the State Central Services Fund.

Fund Account	Balance	Type	Location
1100200	\$3,239,138	Checking/Certificates of Deposit	Multiple Locations

Statutory/Other Restrictions on use:

A.C.A. 18-28-403 states that all funds shall be deposited by the administrator in a special trust fund - "Abandoned Mineral Proceeds Trust Fund", from which he shall make prompt payment of claims duly allowed by him. Such funds shall be deposited into accounts of one (1) or more financial institutions authorized to do business in this state.

Statutory Provisions for Fees, Fines, Penalties:

A.C.A. 18-28-402 section (d) states any holder violating this section shall be guilty of a misdemeanor and shall be subject to a fine not to exceed \$1,000 each violation.

Revenue Receipts Cycle:

Upon filing of the report before November 1 of each year, the holder of property presumed abandoned shall pay, deliver, or cause to be paid or delivered to the administrator the property described.

Fund Balance Utilization:

Once each fiscal year, the administrator shall transfer to the County Aid Fund all unclaimed property funds that have been collected and held for a full three (3) years from county governments.

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
N/A	N/A	N	N	0	N/A	0	0.00

CASH FUND BALANCE DESCRIPTION
AS OF JUNE 30, 2014

Fund Account	Balance	Type	Location
1100100	1,025,549.57	CD	Bank of Augusta
	1,085,808.34	CD	Bank of Bearden
	1,000,000.00	CD	Central Bank – Little Rock
	500,000.00	CD	Citizens Bank - Batesville
	2,076,188.05	CD	Farmers Bank and Trust – Magnolia
	2,010,000.00	CD	Farmers Bank and Trust – Magnolia
	2,000,000.00	CD	Farmers Bank and Trust - Magnolia
	500,000.00	CD	Farmers Bank and Trust - Blytheville
	500,000.00	CD	Farmers Bank and Trust - Blytheville
	1,022,279.70	CD	First Bank - Camden
	250,000.00	CD	First Bank - Camden
	1,016,841.34	CD	First Community Bank - Batesville
	1,107,546.27	CD	First National Bank – Walnut Ridge
	545,974.38	CD	First National Bank – Walnut Ridge
	1,009,988.22	CD	First National Bank – Walnut Ridge
	1,041,414.73	CD	First National Bank – Walnut Ridge
	2,000,000.00	CD	First National Bank – Walnut Ridge
	501,502.08	CD	First Security Bank – Little Rock
	2,000,000.00	CD	First Service Bank – Dermott
	2,047,590.56	CD	First State Bank - DeQueen
	1,023,841.34	CD	First State Bank – DeQueen
	1,007,500.00	CD	First State Bank – DeQueen
	1,000,000.00	CD	First State Bank - DeQueen
	1,000,000.00	CD	First State Bank - DeQueen
	1,000,000.00	CD	Horatio State Bank
	1,000,000.00	CD	Horatio State Bank
	256,994.32	CD	Piggott State Bank
	511,448.30	CD	Piggott State Bank
	500,000.00	CD	Piggott State Bank
	227,558.51	CD	Piggott State Bank

1100200	505,187.67	CD	Pinnacle Bank – Rogers
	2,000,000.00	CD	Southern Bancorp - Arkadelphia
	252,608.43	CD	Today's Bank – Fayetteville
	1,000,000.00	CD	Union Bank and Trust - Monticello
	1,027,987.13	CD	Cornerstone Bank – Eureka Springs
	1,000,000.00	CD	First Bank – Camden

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
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Department Appropriation Summary

Historical Data								Agency Request and Executive Recommendation											
Appropriation		2013-2014		2014-2015		2014-2015		2015-2016						2016-2017					
		Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
005	Operations	2,668,434	26	2,927,734	26	2,925,609	26	2,926,690	26	2,956,690	26	0	0	2,926,690	26	2,956,690	26	0	0
009	Constitutional Officers-Auditor	38,673,772	348	39,564,509	348	39,509,802	348	39,702,454	348	39,702,454	348	0	0	39,753,980	348	39,753,980	348	0	0
122	Unclaimed Property	1,122,137	10	1,434,641	10	1,430,792	10	1,418,390	10	1,453,492	10	0	0	1,418,390	10	1,453,492	10	0	0
123	CountyTreasurers Continuing Education	41,016	0	60,000	0	60,000	0	60,000	0	60,000	0	0	0	60,000	0	60,000	0	0	0
1EW	Court Reporters-Circuit Court	9,277,275	122	9,884,672	122	9,884,672	122	9,927,994	122	9,927,994	122	0	0	9,927,994	122	9,927,994	122	0	0
1PD	County & Circuit Clerks Continuing Education	99,946	0	120,000	0	120,000	0	120,000	0	120,000	0	0	0	120,000	0	120,000	0	0	0
1UE	Juvenile Probation & Intake Officers	3,209,991	0	3,582,810	0	3,582,810	0	3,582,810	0	3,582,810	0	0	0	3,582,810	0	3,582,810	0	0	0
1UG	Deputy Prosecuting Attorneys	20,117,713	245	20,192,008	245	20,192,008	245	20,315,575	245	20,315,575	245	0	0	20,315,575	245	20,315,575	245	0	0
305	Trial Court Admin Assistant	7,036,881	122	7,661,035	122	7,661,035	122	7,748,055	122	7,921,069	122	0	0	7,748,055	122	7,921,069	122	0	0
465	County Collectors Continuing Education	25,967	0	60,000	0	60,000	0	60,000	0	60,000	0	0	0	60,000	0	60,000	0	0	0
58V	Drug Court Juvenile Probation & Intake Officers	590,461	13	621,443	13	621,443	13	625,012	13	625,012	13	0	0	625,012	13	625,012	13	0	0
A04	Unclaimed Property-Cash	16,694,962	0	15,777,500	0	15,777,500	0	15,777,500	0	22,777,500	0	0	0	15,777,500	0	22,777,500	0	0	0
C50	Payment-Unclaimed Mineral Proceeds	787,142	0	2,500,500	0	2,500,500	0	2,500,500	0	2,500,500	0	0	0	2,500,500	0	2,500,500	0	0	0
F83	Cty Coroners Ed Fund	10,278	0	60,000	0	60,000	0	60,000	0	60,000	0	0	0	60,000	0	60,000	0	0	0
Total		100,355,975	886	104,446,852	886	104,386,171	886	104,824,980	886	112,063,096	886	0	0	104,876,506	886	112,114,622	886	0	0

Funding Sources			%		%			%		%		%		%		%		
Fund Balance	4000005	72,112,166	40.9	76,145,013	42.2		76,084,207	42.1	76,084,207	40.5	0	0.0	75,957,187	42.0	75,909,885	40.4	0	0.0
Constitutional Officers Fund	4000025	38,673,772	21.9	39,564,509	21.9		39,702,454	22.0	39,702,454	21.1	0	0.0	39,753,980	22.0	39,753,980	21.2	0	0.0
State Central Services	4000035	27,708,736	15.7	28,758,636	15.9		28,868,477	16.0	28,933,579	15.4	0	0.0	28,868,477	16.0	28,933,579	15.4	0	0.0
Cash Fund	4000045	21,414,148	12.1	18,338,000	10.2		18,338,000	10.1	25,338,000	13.5	0	0.0	18,338,000	10.1	25,338,000	13.5	0	0.0
Fees	4000245	156,148	0.1	210,000	0.1		210,000	0.1	210,000	0.1	0	0.0	210,000	0.1	210,000	0.1	0	0.0
Real Estate Transfer Tax	4000403	3,844,820	2.2	4,398,033	2.4		4,462,161	2.5	4,462,161	2.4	0	0.0	4,462,161	2.5	4,462,161	2.4	0	0.0
State Administration of Justice	4000470	12,591,198	7.1	13,116,868	7.3		13,116,868	7.3	13,116,868	7.0	0	0.0	13,116,868	7.3	13,116,868	7.0	0	0.0
Total Funds		176,500,988	100.0	180,531,059	100.0		180,782,167	100.0	187,847,269	100.0	0	0.0	180,706,673	100.0	187,724,473	100.0	0	0.0
Excess Appropriation/(Funding)		(76,145,013)		(76,084,207)			(75,957,187)		(75,784,173)		0		(75,830,167)		(75,609,851)		0	
Grand Total		100,355,975		104,446,852			104,824,980		112,063,096		0		104,876,506		112,114,622		0	

No Executive Recommendation made on this appropriation.

Variance in Fund Balance due to unfunded appropriation in FC (305) - Trial Court Admin Assistant.

Agency Position Usage Report

FY2012 - 2013						FY2013 - 2014						FY2014 - 2015					
Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused
	Filled	Unfilled	Total				Filled	Unfilled	Total				Filled	Unfilled	Total		
882	842	0	842	40	4.54 %	886	881	5	886	0	0.56 %	886	880	6	886	0	0.68 %

Appropriation Summary

Appropriation: 005 - Operations

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,599,506	1,682,435	1,682,435	1,699,252	1,699,252	0	1,699,252	1,699,252	0
#Positions		26	26	26	26	26	0	26	26	0
Extra Help	5010001	8,860	60,713	60,713	60,713	60,713	0	60,713	60,713	0
#Extra Help		3	3	15	15	15	0	15	15	0
Personal Services Matching	5010003	501,371	506,636	504,511	518,775	518,775	0	518,775	518,775	0
Operating Expenses	5020002	539,122	615,450	615,450	615,450	615,450	0	615,450	615,450	0
Conference & Travel Expenses	5050009	1,195	30,000	30,000	30,000	30,000	0	30,000	30,000	0
Professional Fees	5060010	0	2,500	2,500	2,500	2,500	0	2,500	2,500	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	18,380	30,000	30,000	0	30,000	0	0	30,000	0
Total		2,668,434	2,927,734	2,925,609	2,926,690	2,956,690	0	2,926,690	2,956,690	0
Funding Sources										
State Central Services	4000035	2,668,434	2,927,734		2,926,690	2,956,690	0	2,926,690	2,956,690	0
Total Funding		2,668,434	2,927,734		2,926,690	2,956,690	0	2,926,690	2,956,690	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		2,668,434	2,927,734		2,926,690	2,956,690	0	2,926,690	2,956,690	0

FY15 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2013-2015 Biennium.

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 005 - Operations

Funding Sources: HSC - State Central Services

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	2,926,690	26	2,926,690	100.0	2,926,690	26	2,926,690	100.0
C01	Existing Program	30,000	0	2,956,690	101.0	30,000	0	2,956,690	101.0

Appropriation Summary

Appropriation: 009 - Constitutional Officers-Auditor

Funding Sources: MCF - Constitutional Officers Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	30,205,796	30,511,986	30,511,986	30,511,986	30,511,986	0	30,511,986	30,511,986	0
#Positions		348	348	348	348	348	0	348	348	0
Personal Services Matching	5010003	8,090,290	8,275,523	8,220,816	8,413,468	8,413,468	0	8,464,994	8,464,994	0
Travel Expense Reimbursement	5900046	22,994	27,000	27,000	27,000	27,000	0	27,000	27,000	0
Special/Recalled Circuit Judges	5900049	124,036	350,000	350,000	350,000	350,000	0	350,000	350,000	0
Trial Judges Expenses	5900050	230,656	400,000	400,000	400,000	400,000	0	400,000	400,000	0
Total		38,673,772	39,564,509	39,509,802	39,702,454	39,702,454	0	39,753,980	39,753,980	0
Funding Sources										
Constitutional Officers Fund	4000025	38,673,772	39,564,509		39,702,454	39,702,454	0	39,753,980	39,753,980	0
Total Funding		38,673,772	39,564,509		39,702,454	39,702,454	0	39,753,980	39,753,980	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		38,673,772	39,564,509		39,702,454	39,702,454	0	39,753,980	39,753,980	0

FY15 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2013-2015 Biennium.

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 122 - Unclaimed Property
Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	495,095	601,943	600,813	607,957	618,059	0	607,957	618,059	0
#Positions		10	10	10	10	10	0	10	10	0
Personal Services Matching	5010003	148,875	184,698	181,979	187,433	187,433	0	187,433	187,433	0
Operating Expenses	5020002	457,230	491,500	491,500	491,500	591,500	0	491,500	591,500	0
Conference & Travel Expenses	5050009	10,937	11,500	11,500	11,500	11,500	0	11,500	11,500	0
Professional Fees	5060010	0	120,000	120,000	120,000	20,000	0	120,000	20,000	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	10,000	25,000	25,000	0	25,000	0	0	25,000	0
Total		1,122,137	1,434,641	1,430,792	1,418,390	1,453,492	0	1,418,390	1,453,492	0
Funding Sources										
State Central Services	4000035	1,122,137	1,434,641		1,418,390	1,453,492	0	1,418,390	1,453,492	0
Total Funding		1,122,137	1,434,641		1,418,390	1,453,492	0	1,418,390	1,453,492	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		1,122,137	1,434,641		1,418,390	1,453,492	0	1,418,390	1,453,492	0

FY15 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2013-2015 Biennium.

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 122 - Unclaimed Property
Funding Sources: HSC - State Central Services

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	1,418,390	10	1,418,390	100.0	1,418,390	10	1,418,390	100.0
C01	Existing Program	125,000	0	1,543,390	108.8	125,000	0	1,543,390	108.8
C03	Discontinue Program	(100,000)	0	1,443,390	101.8	(100,000)	0	1,443,390	101.8
C14	Title Change	0	0	1,443,390	101.8	0	0	1,443,390	101.8
C15	Ex Salary Increase	10,102	0	1,453,492	102.5	10,102	0	1,453,492	102.5

Appropriation Summary

Appropriation: 123 - CountyTreasurers Continuing Education

Funding Sources: TCE - County Treasurers Continuing Education Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	41,016	60,000	60,000	60,000	60,000	0	60,000	60,000	0
Total		41,016	60,000	60,000	60,000	60,000	0	60,000	60,000	0
Funding Sources										
Fund Balance	4000005	19,484	30,968		20,968	20,968	0	10,968	10,968	0
Fees	4000245	52,500	50,000		50,000	50,000	0	50,000	50,000	0
Total Funding		71,984	80,968		70,968	70,968	0	60,968	60,968	0
Excess Appropriation/(Funding)		(30,968)	(20,968)		(10,968)	(10,968)	0	(968)	(968)	0
Grand Total		41,016	60,000		60,000	60,000	0	60,000	60,000	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 1EW - Court Reporters-Circuit Court

Funding Sources: MCR - Court Reporters Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	6,363,461	6,518,781	6,518,781	6,518,781	6,518,781	0	6,518,781	6,518,781	0
#Positions		122	122	122	122	122	0	122	122	0
Personal Services Matching	5010003	2,087,944	2,040,891	2,040,891	2,084,213	2,084,213	0	2,084,213	2,084,213	0
Expense Allowance	5900046	245,433	400,000	400,000	400,000	400,000	0	400,000	400,000	0
Indigent Transcripts	5900047	364,662	600,000	600,000	600,000	600,000	0	600,000	600,000	0
Court Reporter Substitutes	5900048	215,775	325,000	325,000	325,000	325,000	0	325,000	325,000	0
Total		9,277,275	9,884,672	9,884,672	9,927,994	9,927,994	0	9,927,994	9,927,994	0
Funding Sources										
Fund Balance	4000005	2,627	20,806		0	0	0	0	0	0
Real Estate Transfer Tax	4000403	3,739,621	4,308,033		4,372,161	4,372,161	0	4,372,161	4,372,161	0
State Administration of Justice	4000470	5,555,833	5,555,833		5,555,833	5,555,833	0	5,555,833	5,555,833	0
Total Funding		9,298,081	9,884,672		9,927,994	9,927,994	0	9,927,994	9,927,994	0
Excess Appropriation/(Funding)		(20,806)	0		0	0	0	0	0	0
Grand Total		9,277,275	9,884,672		9,927,994	9,927,994	0	9,927,994	9,927,994	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 1PD - County & Circuit Clerks Continuing Education
Funding Sources: SCC - County & Circuit Clerk Continuing Education Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation					
	2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Expenses for County Clerks 5900046	50,970	60,000	60,000	60,000	60,000	0	60,000	60,000	0
Expenses for Circuit Clerks 5900047	48,976	60,000	60,000	60,000	60,000	0	60,000	60,000	0
Total	99,946	120,000	120,000	120,000	120,000	0	120,000	120,000	0
Funding Sources									
Fund Balance 4000005	85,408	90,661		60,661	60,661	0	30,661	30,661	0
Real Estate Transfer Tax 4000403	105,199	90,000		90,000	90,000	0	90,000	90,000	0
Total Funding	190,607	180,661		150,661	150,661	0	120,661	120,661	0
Excess Appropriation/(Funding)	(90,661)	(60,661)		(30,661)	(30,661)	0	(661)	(661)	0
Grand Total	99,946	120,000		120,000	120,000	0	120,000	120,000	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 1UE - Juvenile Probation & Intake Officers

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Juvenile Prob & Intake Officers 5900046	3,209,991	3,582,810	3,582,810	3,582,810	3,582,810	0	3,582,810	3,582,810	0
Total	3,209,991	3,582,810	3,582,810	3,582,810	3,582,810	0	3,582,810	3,582,810	0
Funding Sources									
State Central Services 4000035	3,209,991	3,582,810		3,582,810	3,582,810	0	3,582,810	3,582,810	0
Total Funding	3,209,991	3,582,810		3,582,810	3,582,810	0	3,582,810	3,582,810	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	3,209,991	3,582,810		3,582,810	3,582,810	0	3,582,810	3,582,810	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 1UG - Deputy Prosecuting Attorneys

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	15,414,509	15,567,141	15,567,141	15,567,141	15,567,141	0	15,567,141	15,567,141	0
#Positions		245	245	245	245	245	0	245	245	0
Personal Services Matching	5010003	4,698,404	4,620,067	4,620,067	4,743,634	4,743,634	0	4,743,634	4,743,634	0
Special Deputy Exp Allowance	5900046	4,800	4,800	4,800	4,800	4,800	0	4,800	4,800	0
Total		20,117,713	20,192,008	20,192,008	20,315,575	20,315,575	0	20,315,575	20,315,575	0
Funding Sources										
State Central Services	4000035	20,117,713	20,192,008		20,315,575	20,315,575	0	20,315,575	20,315,575	0
Total Funding		20,117,713	20,192,008		20,315,575	20,315,575	0	20,315,575	20,315,575	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		20,117,713	20,192,008		20,315,575	20,315,575	0	20,315,575	20,315,575	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 305 - Trial Court Admin Assistant

Funding Sources: MMD - Trial Court Administrative Assistant Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	5,187,478	5,535,479	5,535,479	5,535,479	5,708,493	0	5,535,479	5,708,493	0
#Positions		122	122	122	122	122	0	122	122	0
Personal Services Matching	5010003	1,781,528	1,775,556	1,775,556	1,862,576	1,862,576	0	1,862,576	1,862,576	0
Operating Expenses	5020002	20,059	225,000	225,000	225,000	225,000	0	225,000	225,000	0
Trial Court Staff Substitutes	5900046	47,816	125,000	125,000	125,000	125,000	0	125,000	125,000	0
Total		7,036,881	7,661,035	7,661,035	7,748,055	7,921,069	0	7,748,055	7,921,069	0
Funding Sources										
Fund Balance	4000005	82,733	134,322		134,322	134,322	0	47,302	0	0
Fees	4000245	53,105	100,000		100,000	100,000	0	100,000	100,000	0
State Administration of Justice	4000470	7,035,365	7,561,035		7,561,035	7,561,035	0	7,561,035	7,561,035	0
Total Funding		7,171,203	7,795,357		7,795,357	7,795,357	0	7,708,337	7,661,035	0
Excess Appropriation/(Funding)		(134,322)	(134,322)		(47,302)	125,712	0	39,718	260,034	0
Grand Total		7,036,881	7,661,035		7,748,055	7,921,069	0	7,748,055	7,921,069	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 305 - Trial Court Admin Assistant
Funding Sources: MMD - Trial Court Administrative Assistant Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	7,748,055	122	7,748,055	100.0	7,748,055	122	7,748,055	100.0
C10	Reclass	173,014	0	7,921,069	102.2	173,014	0	7,921,069	102.2

Appropriation Summary

Appropriation: 465 - County Collectors Continuing Education
Funding Sources: TCC - County Collectors Continuing Education Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	25,967	60,000	60,000	60,000	60,000	0	60,000	60,000	0
Total		25,967	60,000	60,000	60,000	60,000	0	60,000	60,000	0
Funding Sources										
Fund Balance	4000005	48,884	73,460		73,460	73,460	0	73,460	73,460	0
Fees	4000245	50,543	60,000		60,000	60,000	0	60,000	60,000	0
Total Funding		99,427	133,460		133,460	133,460	0	133,460	133,460	0
Excess Appropriation/(Funding)		(73,460)	(73,460)		(73,460)	(73,460)	0	(73,460)	(73,460)	0
Grand Total		25,967	60,000		60,000	60,000	0	60,000	60,000	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 58V - Drug Court Juvenile Probation & Intake Officers

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	429,186	456,579	456,579	456,579	456,579	0	456,579	456,579	0
#Positions		13	13	13	13	13	0	13	13	0
Personal Services Matching	5010003	161,275	164,864	164,864	168,433	168,433	0	168,433	168,433	0
Total		590,461	621,443	621,443	625,012	625,012	0	625,012	625,012	0
Funding Sources										
State Central Services	4000035	590,461	621,443		625,012	625,012	0	625,012	625,012	0
Total Funding		590,461	621,443		625,012	625,012	0	625,012	625,012	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		590,461	621,443		625,012	625,012	0	625,012	625,012	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: A04 - Unclaimed Property-Cash

Funding Sources: 110 - State Auditor Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	1,982	2,500	2,500	2,500	2,500	0	2,500	2,500	0
Claims	5110015	16,692,980	15,775,000	15,775,000	15,775,000	22,775,000	0	15,775,000	22,775,000	0
Total		16,694,962	15,777,500	15,777,500	15,777,500	22,777,500	0	15,777,500	22,777,500	0
Funding Sources										
Fund Balance	4000005	69,408,577	72,518,668		72,518,668	72,518,668	0	72,518,668	72,518,668	0
Cash Fund	4000045	19,805,053	15,777,500		15,777,500	22,777,500	0	15,777,500	22,777,500	0
Total Funding		89,213,630	88,296,168		88,296,168	95,296,168	0	88,296,168	95,296,168	0
Excess Appropriation/(Funding)		(72,518,668)	(72,518,668)		(72,518,668)	(72,518,668)	0	(72,518,668)	(72,518,668)	0
Grand Total		16,694,962	15,777,500		15,777,500	22,777,500	0	15,777,500	22,777,500	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: A04 - Unclaimed Property-Cash
Funding Sources: 110 - State Auditor Cash

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	15,777,500	0	15,777,500	100.0	15,777,500	0	15,777,500	100.0
C01	Existing Program	7,000,000	0	22,777,500	144.4	7,000,000	0	22,777,500	144.4

Appropriation Summary

Appropriation: C50 - Payment-Unclaimed Mineral Proceeds

Funding Sources: 110 - State Auditor Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	0	500	500	500	500	0	500	500	0
Claims	5110015	787,142	2,500,000	2,500,000	2,500,000	2,500,000	0	2,500,000	2,500,000	0
Total		787,142	2,500,500	2,500,500	2,500,500	2,500,500	0	2,500,500	2,500,500	0
Funding Sources										
Fund Balance	4000005	2,464,453	3,233,906		3,233,906	3,233,906	0	3,233,906	3,233,906	0
Cash Fund	4000045	1,556,595	2,500,500		2,500,500	2,500,500	0	2,500,500	2,500,500	0
Total Funding		4,021,048	5,734,406		5,734,406	5,734,406	0	5,734,406	5,734,406	0
Excess Appropriation/(Funding)		(3,233,906)	(3,233,906)		(3,233,906)	(3,233,906)	0	(3,233,906)	(3,233,906)	0
Grand Total		787,142	2,500,500		2,500,500	2,500,500	0	2,500,500	2,500,500	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: F83 - Cty Coroners Ed Fund

Funding Sources: SCF - County Coroners Education Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
County Coroners Education Expe 5900046	10,278	60,000	60,000	60,000	60,000	0	60,000	60,000	0
Total	10,278	60,000	60,000	60,000	60,000	0	60,000	60,000	0
Funding Sources									
Fund Balance 4000005	0	42,222		42,222	42,222	0	42,222	42,222	0
Cash Fund 4000045	52,500	60,000		60,000	60,000	0	60,000	60,000	0
Total Funding	52,500	102,222		102,222	102,222	0	102,222	102,222	0
Excess Appropriation/(Funding)	(42,222)	(42,222)		(42,222)	(42,222)	0	(42,222)	(42,222)	0
Grand Total	10,278	60,000		60,000	60,000	0	60,000	60,000	0

No Executive Recommendation made on this appropriation.

SCHOOL FOR THE BLIND

Enabling Laws

Act 193 of 2014
A.C.A. §21-5-101; and §21-5-201

History and Organization

The Board of Trustees, a five-member board appointed by the Governor, for the Arkansas School for the Blind and the Arkansas School for the Deaf has oversight responsibilities for the Arkansas School for the Blind. This responsibility is set forth in A.C.A. §6-43-101 (Title 6 of the Arkansas Code of 1987). The Board has approved a mission statement for the Arkansas School for the Blind which is as follows: To provide quality education and training for all children and young people (birth through age twenty-one) who are visually impaired so they possess the required skills to become personally productive and self-sufficient citizens.

In 1859 the Arkansas Institute for the Education of the Blind (ASB) was incorporated by Act 97. In 1866, Act 10 provided for the acquisition of a site and buildings to house the institution at Arkadelphia in Clark County. Act 50 of 1868 provided for the move of the Institute to Little Rock. It occupied facilities at 18th and Center Street until 1939 when it moved to its current location at 2600 West Markham Street. The present campus comprises 40.4 acres and the facilities consist of fifteen buildings. The Reorganization Act (Act 38 of 1971), placed the Arkansas School for the Blind under the umbrella of the Department of Education for budgeting purposes. A.C.A. §6-43-113 reserves all powers, duties, and functions of the Arkansas School for the Blind, together with those of the Board of Directors, to the Superintendent and the Arkansas School for the Blind Board of Education.

ASB is fully accredited by the Arkansas Department of Education and Advance Ed, the parent organization of the North Central Association. It provides a variety of educational programs within the State's prescribed continuum of services for students from 0 to the age of 21 years.

The regular on-campus program provides academic and vocational training, residential living and extra curricular activities. Daily transportation is provided through the local school districts for nonresidential students. The Arkansas School for the Deaf provides weekly, statewide transportation for residential students to and from home each weekend. This is another effort to make the program less restrictive to students and families.

The academic and vocational divisions give the students the necessary skills and background to continue their education at the post secondary or college levels, or enter directly into the work world.

An average of ten students graduate from the school each year and approximately fifty percent continue their education at a higher level.

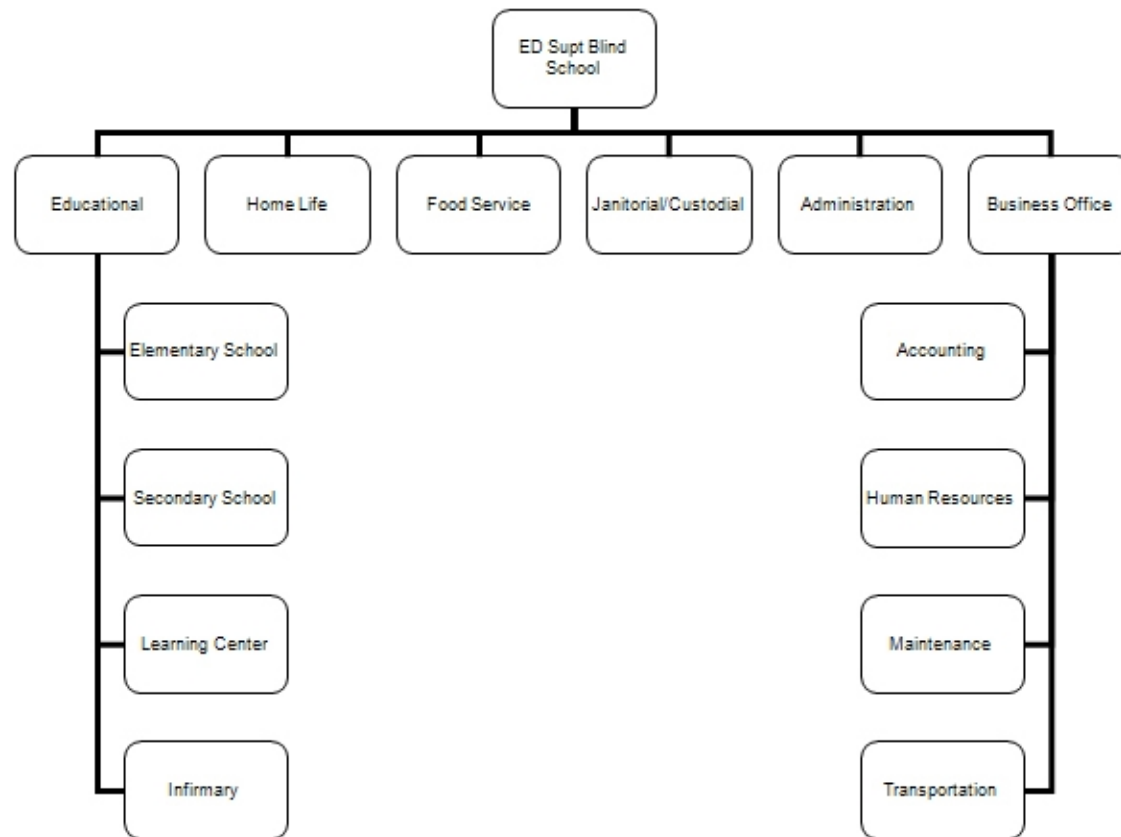
Other services provided by the school are: low vision evaluation services, physical and occupational therapy, health services, psychological evaluations, orientation and mobility services, life skills training, nutritional meals, vocational work study program, braille, adaptive technology training and evaluation.

The school maintains an educational program for blind and visually impaired babies ages birth to five. The program provides activities designed to train babies to develop sensory skills other than sight as learning tools. The program also provides extensive training and development of parent skills designed to assist the child in enhanced use of all available sensory skills. Currently, two staff members, who are certified in vision education and early childhood education, travel state wide to provide training to both child and parents. The school also provides a pre-school program for visually impaired children ages 3-5 years old. The program experienced significant growth during the 2006-2007 school year and currently has an enrollment of 80 children.

The school implemented a new program during the 2006-2007 school year named "short term enrollment", a program for students enrolled in public schools. The program provides courses in the school's extended core curriculum, which includes braille, orientation and mobility, life skills, and adaptive technology. Many public schools are unable to provide adequate training by staff certified in basic courses in the Extended Core Curriculum. The program allows the student to remain enrolled in their local public school program, but take their required academic courses under the direction of ASB teachers who have ADE certification in the subject taught, as well as certification in vision education. The program allows students to maintain their home school academic training while taking extremely important courses in the ASB extended core curriculum. Since FY06-07, over sixty (60) public school students have received training through the program.

Individual education plans for every student are written annually and monitored to insure that ASB designs all programs to meet the needs of each respective student at their educational level. This is in compliance with the Arkansas Department of Education rules and regulations.

The Arkansas School for the Blind coordinates a statewide program that identifies and provides services to visually impaired students in public schools. This program is operated and funded by ASB. ASB Staff has provided training and in-service opportunities for Public School Administrators and Teachers. Student evaluations in adaptive tech, mobility, braille, and low vision are available to public school students free of charge. (ASB also provides all large print and braille textbooks and instructional materials for visually impaired students attending public school.)



Agency Commentary

The Arkansas School for the Blind (ASB) provides a variety of education programs within the State's prescribed continuum of services for vision-impaired students from birth to 21 years of age. The regular on-campus programming includes academic and vocational training, independent living training, residential living and extra-curricular activities. Daily transportation is provided through local school districts for non-residential students. The Arkansas School for the Deaf (ASD) provides weekly statewide transportation for ASB and ASD residential students to and from home each weekend. By law, ASD also provides maintenance services and security services for ASB. Joint services for business services, accounting, human resources, and capital equipment accountability are provided to both schools through use of a Board approved paying account, permitting the pooling of funds from each agency based on a ratio of student population at each school.

Change Level requests for each year of the biennium include small increases in Regular Salaries.

Change Level requests for ASB for each year of the biennium include restoration of authority and funding for Capital Outlay. The \$25,000 authority and funding requested for **Capital Outlay** is needed to purchase adaptive learning technology items that are necessary to help ASB's students succeed in the educational environment. Adaptive technology needs are increasing tremendously due to the continual improvements in the items needed for ASB's students.

Additionally, restoration to Authorized Level in authority and funding, as well as a minimal increase (approximate 4%) is requested in **Operating Expenses** for each year of the biennium. Due to budgetary restrictions, it was necessary to reduce Operating Expenses in FY2012/2013 from the \$825,000 appropriated amount to \$725,000. However, the reduction has created great distress in the area of maintaining an appropriate living and learning environment for ASB's students. The dormitories and classrooms are in serious need of painting, fixtures, and furniture. Also, due to the age of ASB's facilities, we have a critical need for maintenance supplies (plumbing, electrical, carpentry, etc.). These items are needed in order to provide a safe and productive learning environment for ASB's students. The minimal increase is necessary just to try and keep up with price increases imposed by our vendors.

Restoration to Authorized Level in funding and authority for **Special Maintenance** is requested for each year of the biennium. This will serve to maintain a never ending battle of preventive maintenance such as major building repairs, roofing, waterproofing, HVAC replacements, drainage, etc. for the 15 buildings on ASB's campus. There has been very little money spent on the replacement or upkeep on these buildings in many years. Availability of General Improvement Funds has been nonexistent for the past several years. ASB owns all electrical transmission lines and poles on campus. If the power goes out of campus, it is critical that this be repaired in a minimum amount of time in order to protect our students and staff from any harm from the outage. It is also important that we protect the food stored in freezers and refrigerators in the campus cafeteria, to prevent their spoilage during a power outage. We also have significant drainage issues on campus due to the facility being built on the side of a hill. We were able to correct a small portion of this issue with ARRA funds, but we still have the need to do considerably more in this area. All of these Special Maintenance items are required to be contracted out, as we do not have staff to handle these major and costly projects.

Change Level requests for ASB for each year of the biennium include an increase of \$10,000 in **Summer Projects**. ASB operates a three week long Summer School each year in June. Due to the number of students attending, it has become necessary to increase the number of staff to adequately train and supervise these students.

SHARED SERVICES

The DFA- Offices of Accounting, Budget and Personnel Management conducted a study of the shared services agreement between the Arkansas School for the Blind and the Arkansas School for the Deaf due to concerns related to the adequacy of the facility maintenance, transportation, security and personnel services being provided to the School for the Blind under the special language authority required by Section 12 of Act 194 of 2014.

The conclusions were:

- 1) The School for the Deaf has not been providing for adequate maintenance, transportation, and security expenses for the School for the Blind.
- 2) The School for the Deaf returns unused general revenues on average in excess of \$700,000 per year, while facility needs of both schools are neglected.
- 3) Shared services employees report only to School for the Deaf administrators, and can be unresponsive to the needs of the School for the Blind.
- 4) The 2013-2015 Executive Recommendation that the Board of Trustees consider discontinuing the shared services fund transfer from the School for the Blind to the School for the Deaf was not addressed by the Board.
- 5) Management has demonstrated an inability to work together to resolve these issues.

It was the determination of the Board upon review of numerous financial documents that the shared services between the Arkansas School for the Blind and the Arkansas School for the Deaf be terminated so that each school could be cared for adequately.

The Board, working in conjunction with the DFA- Offices of Budget and Personnel Management, made the the following determination as to the reallocation of positions, appropriation, and funding from the Arkansas School for the Deaf to the Arkansas School for the Blind:

- Transfer of 9 positions from ASD to ASB.
- Transfer of \$259,171 from ASD to ASB in Operating Expenses to cover transportation, security, and maintenance costs.
- Transfer of \$65,000 in Special Maintenance.
- Deletion of all Special Language pertaining to shared services.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF EDUCATION – ARKANSAS SCHOOL FOR THE BLIND
FOR THE YEAR ENDED JUNE 30, 2012

Findings	Recommendations
The Agency did not tag or uniquely identify all equipment items adequately and did not maintain a current equipment listing. In a sample of 20 items, the Agency was unable to locate eight items, and an additional seven items were not properly tagged. Without proper identification of assets and a current equipment listing, the ability to track and maintain a record of the Agency's capital assets in accordance with the State's Financial Guide R1-19-1503 could be jeopardized and could lead to misappropriation of assets.	Provide training to employees on capital asset policies and procedures. In addition, we recommend a full inventory be completed to determine that all equipment records are accurate and each item has a unique, identifiable number attached. <u>Agency Response:</u> The Arkansas School for the Blind (ASB) acknowledges the Capital Asset Finding contained in our Compliance Assessment Report for the period ended June 30, 2012. In accordance with Special Language provisions contained in our Appropriation Act, the Arkansas School for the Deaf (ASD) is responsible for our capital asset inventory. The ASD has submitted the following information to show their plan to correct their same deficiency. The same plan will apply to ASB to correct our deficiency. • The school completed a physical inventory of all capital assets during the summer of 2013. This was a long, arduous project and was ongoing for approximately one and a half years. During this project, we found many items that, for whatever reason, did not have a unique identification or tag number. In these cases, where we could identify the number that had previously been assigned to it, the number was handwritten with a permanent marker to properly identify them. In those cases where we could not identify a previously issued identification number, a new number was assigned and these items will need to be added to our equipment listing. • When the school initiated this complete physical inventory, it was determined that we needed an individual assigned to this project on a full time basis. This position was initially established as a temporary position; however, it was subsequently converted to a full time, permanent position, due to the sheer magnitude of the duties required to properly account for the multitude of capital assets owned by both

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF EDUCATION – ARKANSAS SCHOOL FOR THE BLIND
FOR THE YEAR ENDED JUNE 30, 2012

Findings	Recommendations
	schools. In addition, other employees were tasked to assist with this project on a part time basis. • The school is now in the process of reconciling our manual physical inventory with our capital asset listing in AASIS. This is anticipated to be another long-term, labor intensive project. • The school is in the process of obtaining suitable AASIS navigation training and also materials management training for our full time employee assigned to this task. In addition, we will need to also complete revised capital asset policies and procedures and provide training to all staff on their responsibilities in this process.

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2014

None

Employment Summary

	Male	Female	Total	%
White Employees	14	42	56	68 %
Black Employees	10	16	26	32 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			26	32 %
Total Employees			82	100 %

Cash Fund Balance Description as of June 30, 2014

Fund Account	Balance	Type	Location
1140100	\$1,305,096	Checking, Investments	Regions Bank- Little Rock, State Treasury

Statutory/Other Restrictions on use:

Arkansas Code 19-4-801 establishes that the agency can use these funds for operating expenses

Statutory Provisions for Fees, Fines, Penalties:

None

Revenue Receipts Cycle:

National School Lunch and breakfast reimbursements are collected throughout the year, as well as meal ticket sales, some royalties, interests and other donations

Fund Balance Utilization:

Funds are collected on an irregular basis throughout the year. Since collections cannot be accurately projected, these funds are not used for on-going expenses. They are used as needed for food and other miscellaneous items

Fund Account	Balance	Type	Location
1140200	\$200,000	Checking	Regions Bank- Little Rock

Statutory/Other Restrictions on use:

Arkansas Code 19-4-801 Bldg. Demolition and Environmental Clean-Up

Statutory Provisions for Fees, Fines, Penalties:

None

Revenue Receipts Cycle:

Funds received once for building demolition and environmental clean up

Fund Balance Utilization:

Funding for maintenance and general operating expenses related to the demolition and environmental clean-up of the building located on the Blind School Grounds that was formerly occupied by Easter Seals Arkansas.

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
NONE	N/A	N	N	0	N/A	0	0.00

Department Appropriation Summary

Historical Data								Agency Request and Executive Recommendation											
Appropriation		2013-2014		2014-2015		2014-2015		2015-2016						2016-2017					
		Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
076	School for the Blind-State Operations	5,796,279	87	5,996,234	92	6,434,202	95	6,203,053	95	7,041,885	104	7,044,452	104	6,205,616	95	7,044,571	104	7,047,138	104
077	School for the Blind-Federal Operations	335,694	2	507,059	2	751,399	2	435,100	2	568,690	2	568,690	2	435,832	2	569,422	2	569,422	2
086	Braille Textbooks	172,958	0	173,024	0	173,024	0	173,024	0	173,024	0	173,024	0	173,024	0	173,024	0	173,024	0
A19	School for the Blind-Cash Operations	47,609	0	424,508	0	424,508	0	424,508	0	424,508	0	424,508	0	424,508	0	424,508	0	424,508	0
F70	ASB-Demolition	50,000	0	450,000	0	450,000	0	450,000	0	450,000	0	450,000	0	450,000	0	450,000	0	450,000	0
Total		6,402,540	89	7,550,825	94	8,233,133	97	7,685,685	97	8,658,107	106	8,660,674	106	7,688,980	97	8,661,525	106	8,664,092	106
Funding Sources			%		%				%		%		%		%		%		%
Fund Balance	4000005	1,269,832	16.1	1,505,096	17.6			987,886	12.1	987,886	10.8	987,886	11.0	670,676	8.6	670,676	7.6	670,676	7.7
General Revenue	4000010	6,259,315	79.2	6,460,275	75.7			6,376,077	78.2	7,214,909	79.0	7,081,911	78.7	6,376,077	81.3	7,215,032	81.9	7,081,911	81.6
Federal Revenue	4000020	369,984	4.7	577,059	6.8			505,100	6.2	638,690	7.0	638,690	7.1	505,832	6.5	639,422	7.3	639,422	7.4
Cash Fund	4000045	298,583	3.8	287,298	3.4			287,298	3.5	287,298	3.1	287,298	3.2	287,298	3.7	287,298	3.3	287,298	3.3
Inter-agency Fund Transfer	4000316	(290,078)	(3.7)	(291,017)	(3.4)			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Total Funds		7,907,636	100.0	8,538,711	100.0			8,156,361	100.0	9,128,783	100.0	8,995,785	100.0	7,839,883	100.0	8,812,428	100.0	8,679,307	100.0
Excess Appropriation/(Funding)		(1,505,096)		(987,886)		(470,676)		(470,676)		(335,111)		(150,903)		(150,903)		(15,215)			
Grand Total		6,402,540		7,550,825		7,685,685		8,658,107		8,660,674		7,688,980		8,661,525		8,664,092			

Variance in fund balance due to unfunded appropriation.

Agency Position Usage Report

FY2012 - 2013						FY2013 - 2014						FY2014 - 2015					
Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused
	Filled	Unfilled	Total				Filled	Unfilled	Total				Filled	Unfilled	Total		
97	85	11	96	1	12.37 %	97	88	9	97	0	9.28 %	97	85	9	94	3	12.37 %

Analysis of Budget Request

Appropriation: 076 - School for the Blind-State Operations

Funding Sources: ESA - State Operations - School for the Blind

The Arkansas School for the Blind (ASB) operates from a combination of general revenue, cash, and federal funds. ASB provides service programs for the visually impaired aged 0 to 21 such as academic and vocational training, independent living training, residential living, and extracurricular activities. All costs associated with this appropriation are funded with stabilized general revenue and provides the majority of support for the school.

Base Level Regular Salaries and Personal Services Matching include continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY15 line item maximum plus the previously authorized 2015 1% Cost of Living Adjustment. The Base Level request for Regular Salaries includes board member stipend payments.

The Base Level Request is \$6,203,053 for FY16 and \$6,205,616 in FY17 with \$6,203,053 each year in general revenue funding.

The Agency's Change Level Requests total \$838,832 in FY16 and \$838,955 in FY17 and are summarized as follows:

- Regular Salaries and Personal Services Matching of \$381,071 in FY16 and \$381,194 in FY17 due to the requested transfer of 9 positions with associated funding from the Arkansas School for the Deaf to the Arkansas School for the Blind. Reclassification of a Certified Masters Teacher (C119) to a Licensed Master Social Worker (C120).
- Operating Expenses of \$307,761 each year for the following:
 - \$48,590 in appropriation and funding for critical needs in maintenance and janitorial supplies to include updating furniture and repainting aging classrooms and dormitories.
 - \$259,171 transfer of appropriation and funding from the Arkansas School for the Deaf to the Arkansas School for the Blind for transportation, security, and maintenance costs.
- Capital Outlay of \$25,000 each year in appropriation and funding to purchase adaptive technology. This request is located in the Agency IT Plan.
- Special Maintenance of \$115,000 each year for the following:
 - \$50,000 in appropriation and funding to provide for facility updates.
 - \$65,000 transfer of appropriation and funding from the Arkansas School for the Deaf to the Arkansas School for the Blind.
- Summer Projects of \$10,000 each year in appropriation and funding to cover the cost of additional staffing needed during Summer School.

The Executive Recommendation provides for the Agency Request with the exception of the following:

- *Reclass of Masters Teacher to Master Social Worker.* The Executive Recommendation alternatively provides for the reclassification of Agency Fiscal Manager (C121) to a Fiscal Support Manager (C123), Maintenance Supervisor (C115) to a Campus Maintenance Supervisor (C119), and a Human Resources Assistant (C110) to a Payroll Services Specialist (C115).
- *No new general revenue funding.*

Appropriation Summary

Appropriation: 076 - School for the Blind-State Operations
Funding Sources: ESA - State Operations - School for the Blind

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	3,398,636	3,484,697	3,719,137	3,660,846	3,935,997	3,937,993	3,662,946	3,938,197	3,940,193
#Positions		87	92	95	95	104	104	95	104	104
Extra Help	5010001	7,576	7,000	14,325	8,200	8,200	8,200	8,200	8,200	8,200
#Extra Help		3	4	4	4	4	4	4	4	4
Personal Services Matching	5010003	1,212,617	1,234,459	1,364,795	1,288,929	1,394,849	1,395,420	1,289,392	1,395,335	1,395,906
Overtime	5010006	4,310	19,220	19,220	19,220	19,220	19,220	19,220	19,220	19,220
Operating Expenses	5020002	824,710	809,843	824,710	809,843	1,117,604	1,117,604	809,843	1,117,604	1,117,604
Conference & Travel Expenses	5050009	17,015	17,015	17,015	17,015	17,015	17,015	17,015	17,015	17,015
Professional Fees	5060010	94,754	99,000	100,000	99,000	99,000	99,000	99,000	99,000	99,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	22,292	25,000	25,000	0	25,000	25,000	0	25,000	25,000
Special Maintenance	5120032	117,601	200,000	250,000	200,000	315,000	315,000	200,000	315,000	315,000
Vocational Workstudy	5900046	7,518	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Summer Projects	5900048	89,250	90,000	90,000	90,000	100,000	100,000	90,000	100,000	100,000
Total		5,796,279	5,996,234	6,434,202	6,203,053	7,041,885	7,044,452	6,205,616	7,044,571	7,047,138
Funding Sources										
General Revenue	4000010	6,086,357	6,287,251		6,203,053	7,041,885	6,908,887	6,203,053	7,042,008	6,908,887
Inter-agency Fund Transfer	4000316	(290,078)	(291,017)		0	0	0	0	0	0
Total Funding		5,796,279	5,996,234		6,203,053	7,041,885	6,908,887	6,203,053	7,042,008	6,908,887
Excess Appropriation/(Funding)		0	0		0	0	135,565	2,563	2,563	138,251
Grand Total		5,796,279	5,996,234		6,203,053	7,041,885	7,044,452	6,205,616	7,044,571	7,047,138

Budget is lower than authorized in positions, Regular Salaries, Extra Help, and Personal Services Matching due to the authorized shared services paying account for ASB and ASD.

Change Level by Appropriation

Appropriation: 076 - School for the Blind-State Operations
Funding Sources: ESA - State Operations - School for the Blind

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	6,203,053	95	6,203,053	100.0	6,205,616	95	6,205,616	100.0
C01	Existing Program	108,590	0	6,311,643	101.8	108,590	0	6,314,206	101.7
C04	Reallocation	324,171	0	6,635,814	107.0	324,171	0	6,638,377	107.0
C07	Agency Transfer	379,335	9	7,015,149	113.1	379,458	9	7,017,835	113.1
C08	Technology	25,000	0	7,040,149	113.5	25,000	0	7,042,835	113.5
C10	Reclass	1,736	0	7,041,885	113.5	1,736	0	7,044,571	113.5

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	6,203,053	95	6,203,053	100.0	6,205,616	95	6,205,616	100.0
C01	Existing Program	108,590	0	6,311,643	101.8	108,590	0	6,314,206	101.7
C04	Reallocation	324,171	0	6,635,814	107.0	324,171	0	6,638,377	107.0
C07	Agency Transfer	379,335	9	7,015,149	113.1	379,458	9	7,017,835	113.1
C08	Technology	25,000	0	7,040,149	113.5	25,000	0	7,042,835	113.5
C10	Reclass	4,303	0	7,044,452	113.6	4,303	0	7,047,138	113.6

Justification

C01	ASB is requesting an increase in appropriation and general revenue for Special Maintenance of \$50,000 for each year of the biennium to provide for facility updates that have been neglected through the years as a result of a lack of funding. This increase will only put us back to the level that was appropriated for FY14-15. ASB is also requesting \$48,590 in appropriation and general revenue in Operating Expenses for a critical need in maintenance and janitorial supplies; and to update the furniture and re-paint aging classrooms and dormitories. ASB is also requesting a \$10,000 increase in appropriation and general revenue in Summer Projects to cover the cost of additional staffing needed during Summer School.
C04	Transfer of Operating Expenses and Special Maintenance from ASD to ASB due to the Board of Trustee request to terminate the shared services agreement.
C07	Transfer of 9 positions from the Arkansas School for the Deaf to the Arkansas School for the Blind due to the Board of Trustees request to terminate the shared services agreement.
C08	\$25,000 is requested in appropriation and general revenue for Capital Outlay to purchase a bare amount of adaptive technology items to help our students succeed. Adaptive technology needs are increasing tremendously due to the continual improvements in the items available for our student needs. Request is included in the Arkansas School for the Blind's IT Plan, page 11 and 13.
C10	Reclassification of a Certified Masters Teacher (C119) to a Licensed Master Social Worker (C120).

Analysis of Budget Request

Appropriation: 077 - School for the Blind-Federal Operations

Funding Sources: FEC - Federal Operations - School for the Blind

This appropriation represents the primary federal operations support for the Arkansas School for the Blind (ASB). The funds support for this appropriation is, among others, Chapter VI-B Pass-Through, Carl Perkins Federal Vocational Grants, Medicaid reimbursements, and an Adaptive Technology Grant received through the State Department of Education.

Base Level Regular Salaries and Personal Services Matching include continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

The Base Level Request is \$435,100 for FY16 and \$435,832 in FY17.

The Change Level Requests total \$133,590 each year and are summarized as follows:

- Professional Fees of \$48,590 each year to cover Physical and Occupational Therapy costs.
- Capital Outlay of \$85,000 each year for the purchase of adaptive technology. This request is located in the Agency IT Plan.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 077 - School for the Blind-Federal Operations
Funding Sources: FEC - Federal Operations - School for the Blind

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	47,653	52,822	52,822	53,349	53,349	53,349	53,949	53,949	53,949
#Positions		2	2	2	2	2	2	2	2	2
Extra Help	5010001	6,275	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
#Extra Help		1	13	13	13	13	13	13	13	13
Personal Services Matching	5010003	21,574	10,511	23,713	23,025	23,025	23,025	23,157	23,157	23,157
Operating Expenses	5020002	104,188	227,712	241,050	227,712	227,712	227,712	227,712	227,712	227,712
Conference & Travel Expenses	5050009	5,249	61,382	61,382	61,382	61,382	61,382	61,382	61,382	61,382
Professional Fees	5060010	150,755	54,632	203,432	54,632	103,222	103,222	54,632	103,222	103,222
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	85,000	154,000	0	85,000	85,000	0	85,000	85,000
Total		335,694	507,059	751,399	435,100	568,690	568,690	435,832	569,422	569,422
Funding Sources										
Federal Revenue	4000020	335,694	507,059		435,100	568,690	568,690	435,832	569,422	569,422
Total Funding		335,694	507,059		435,100	568,690	568,690	435,832	569,422	569,422
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		335,694	507,059		435,100	568,690	568,690	435,832	569,422	569,422

Change Level by Appropriation

Appropriation: 077 - School for the Blind-Federal Operations
Funding Sources: FEC - Federal Operations - School for the Blind

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	435,100	2	435,100	100.0	435,832	2	435,832	100.0
C01	Existing Program	48,590	0	483,690	111.2	48,590	0	484,422	111.1
C08	Technology	85,000	0	568,690	130.7	85,000	0	569,422	130.7

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	435,100	2	435,100	100.0	435,832	2	435,832	100.0
C01	Existing Program	48,590	0	483,690	111.2	48,590	0	484,422	111.1
C08	Technology	85,000	0	568,690	130.7	85,000	0	569,422	130.7

Justification

C01	A \$48,590 increase in appropriation is necessary to cover the increased amount of Physical and Occupational Therapy needs required for our students.
C08	\$85,000 is requested in appropriation for Capital Outlay to purchase a bare amount of adaptive technology items to help our students succeed. Adaptive technology needs are increasing tremendously due to the continual improvements in the items available for our student needs. Request is included in the Arkansas School for the Blind's IT Plan, page 11 and 13.

Analysis of Budget Request

Appropriation: 086 - Braille Textbooks

Funding Sources: ESA - State Operations - School for the Blind

The School for the Blind (ASB) utilizes this appropriation to purchase and distribute Braille and Large Print textbooks for visually impaired students attending public schools. ASB serves as a clearinghouse to public schools, purchasing and distributing new books on an as-needed basis as they are adopted by the school districts, and redistributing used texts when applicable. In addition to purchases, this appropriation is used to pay for copying, postage and freight costs associated with shipping the materials to various public schools. This appropriation is funded from general revenue.

The Base Level and total Agency Request is \$173,024 each year of the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 086 - Braille Textbooks

Funding Sources: ESA - State Operations - School for the Blind

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Braille Textbooks	5900046	172,958	173,024	173,024	173,024	173,024	173,024	173,024	173,024	173,024
Total		172,958	173,024	173,024	173,024	173,024	173,024	173,024	173,024	173,024
Funding Sources										
General Revenue	4000010	172,958	173,024		173,024	173,024	173,024	173,024	173,024	173,024
Total Funding		172,958	173,024		173,024	173,024	173,024	173,024	173,024	173,024
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		172,958	173,024		173,024	173,024	173,024	173,024	173,024	173,024

Analysis of Budget Request

Appropriation: A19 - School for the Blind-Cash Operations

Funding Sources: 114 - Cash Operations - School for the Blind

The Arkansas School for the Blind (ASB) uses their cash appropriation to supplement general revenues as needed for provision of required services for the blind and visually impaired student population. Cash funds are primarily received from USDA Reimbursements, interest on cash investments, and legacy donations.

Base Level Request is \$424,508 each year of the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: A19 - School for the Blind-Cash Operations
Funding Sources: 114 - Cash Operations - School for the Blind

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	44,249	186,508	186,508	186,508	186,508	186,508	186,508	186,508	186,508
Conference & Travel Expenses	5050009	3,360	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000
Professional Fees	5060010	0	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Special Maintenance	5120032	0	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000
Total		47,609	424,508	424,508	424,508	424,508	424,508	424,508	424,508	424,508
Funding Sources										
Fund Balance	4000005	1,069,832	1,305,096		987,886	987,886	987,886	670,676	670,676	670,676
Federal Revenue	4000020	34,290	70,000		70,000	70,000	70,000	70,000	70,000	70,000
Cash Fund	4000045	248,583	37,298		37,298	37,298	37,298	37,298	37,298	37,298
Total Funding		1,352,705	1,412,394		1,095,184	1,095,184	1,095,184	777,974	777,974	777,974
Excess Appropriation/(Funding)		(1,305,096)	(987,886)		(670,676)	(670,676)	(670,676)	(353,466)	(353,466)	(353,466)
Grand Total		47,609	424,508		424,508	424,508	424,508	424,508	424,508	424,508

Expenditure of appropriation is contingent upon available funding.

Analysis of Budget Request

Appropriation: F70 - ASB-Demolition

Funding Sources: 114- ASB Demolition- Cash Fund

The ASB Demolition appropriation provides for the demolition of an Arkansas School for the Blind owned building located off campus. The building must first undergo Asbestos removal before demolition can begin. The total estimated project cost for Asbestos removal and demolition is \$450,000. Funding received thus far was from the Office of the Attorney General Consumer Education Enforcement Account.

The Base Level and total Agency Request is \$450,000 each year of the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: F70 - ASB-Demolition

Funding Sources: 114- ASB Demolition- Cash Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Maintenance and General Operat 5900046	50,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000
Total	50,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000
Funding Sources									
Fund Balance 4000005	200,000	200,000		0	0	0	0	0	0
Cash Fund 4000045	50,000	250,000		250,000	250,000	250,000	250,000	250,000	250,000
Total Funding	250,000	450,000		250,000	250,000	250,000	250,000	250,000	250,000
Excess Appropriation/(Funding)	(200,000)	0		200,000	200,000	200,000	200,000	200,000	200,000
Grand Total	50,000	450,000		450,000	450,000	450,000	450,000	450,000	450,000

Expenditure of appropriation is contingent upon available funding.

DEPARTMENT OF COMMUNITY CORRECTION

Enabling Laws

Act 2304 of 2005

Act 531 and 548 of 1993

A.C.A. §12-27-124 and A.C.A. §12-27-125

History and Organization

The state agency now known as the Department of Community Correction (DCC) was established as the Department of Community Punishment by Act 549 of the 1993 General Assembly. Acts 531 and 548 of 1993 promoted alternatives to traditional prisons by requiring a well-rounded approach to community corrections through the use of supervision, facilities and programs for offenders. The Act also combined the Board of Correction and the Adult Probation Commission to form the Board of Correction and Community Punishment to oversee DCC, the Arkansas Department of Correction, and their facilities and programs. Since then, the board's name has changed to the Board of Corrections.

The board has seven voting members, which include the chairman of the Parole Board, one criminal justice faculty member of a four-year Arkansas university and five citizen members. The members are appointed by the governor to seven-year, staggered terms. The board has both constitutional and statutory authority and control over the DCC.

The DCC Director reports directly to the Board of Corrections as the agency's chief executive, administrative and fiscal officer. The director is responsible for the agency's operations, mission, and philosophy. Through adult probation, adult parole and six community correction centers, DCC supervises approximately 55,000 offenders, which is the largest population of felony offenders in the state.

The agency has four divisions that are supervised by a Deputy Director.

Administrative Services is responsible for accounting, budget, inventory, procurement, fee collection and banking. The division must ensure the agency remains in full compliance with state and federal laws and procedures for all financial matters.

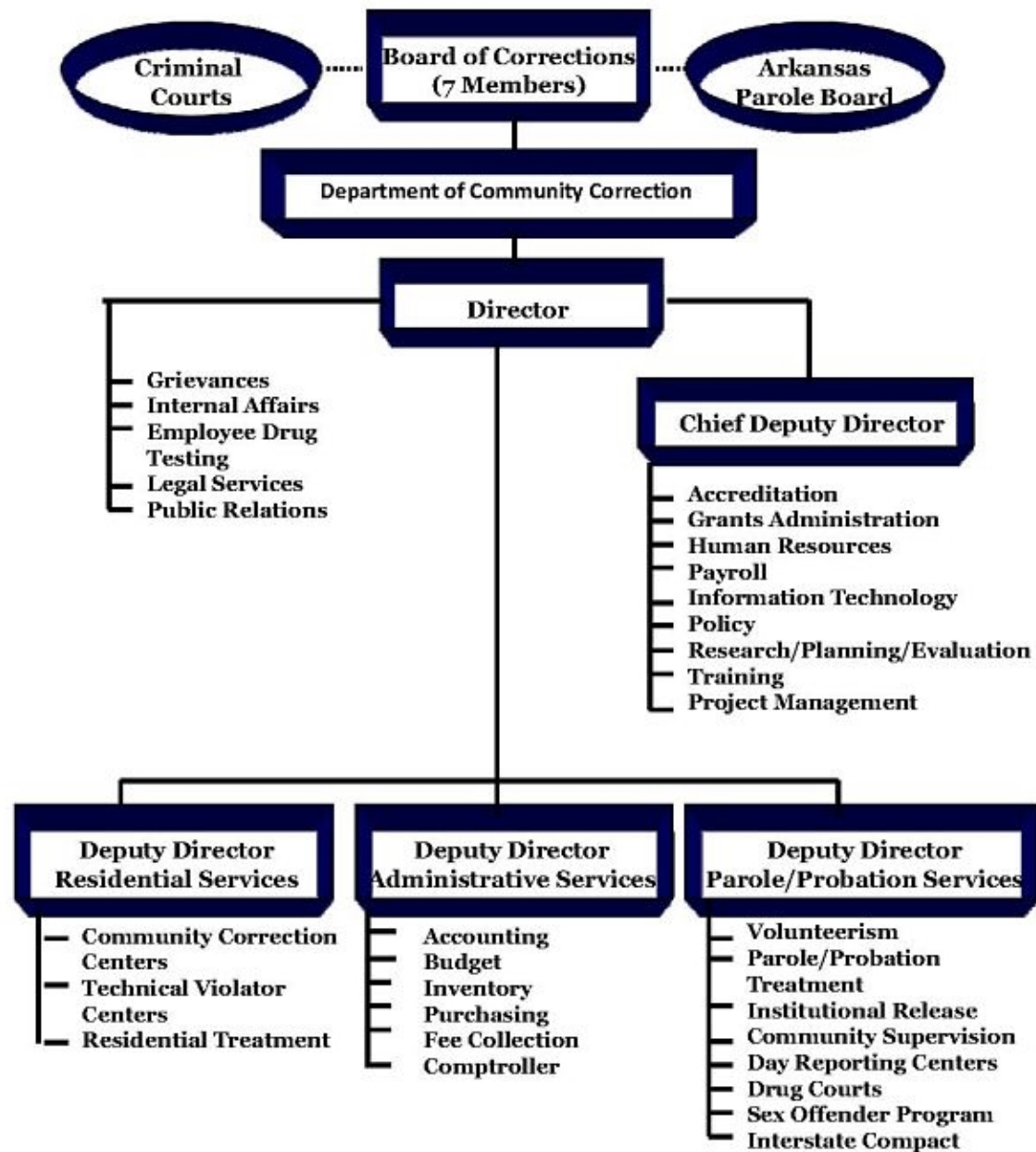
Communications and Public Affairs oversees agency policy, publications, media relations, Freedom of Information Act requests and legislative affairs.

Parole/Probation Services supervises the agency's 13 Area Parole and Probation Offices, institutional parole services, offender work programs, day reporting centers, GPS monitoring, the Sex Offender Aftercare Program, treatment services and all specialty courts, which include Drug Courts, Veterans Courts, SWIFT Courts, Mental Health Courts, HOPE Courts, and Pre-Adjudication Courts.

Residential Services is responsible for five community-based centers that house lower security offenders and one medium security facility for male technical parole violators that includes a community work program. The division also coordinates the substance abuse and other treatment programs for all the facilities.

In addition, DCC has a Chief Deputy Director whose oversight includes research and planning, grants, accreditation, information technology, volunteer services and reentry services. The agency's attorney, grievance coordinator, Internal Affairs and Special Response Team Administrator and the Human Resources and Training Administrator report to the Director.

In 2013, the Department of Community Correction changed their name internally to Arkansas Community Correction to better reflect the mission of the agency, "To enhance public safety by enforcing state laws and court mandates through community partnerships and evidence-based programs that hold offenders accountable while engaging them in opportunities to become law-abiding, productive citizens."



Agency Commentary

The Department of Community Correction (DCC) is responsible for the administration of all community correction facilities, services and means of supervision, including adult probation and parole. Through careful management of offenders in residential settings and in the communities of Arkansas, DCC balances the need for punishment with treatment, programs and sanctions intended to help offenders become law-abiding citizens.

With the passage of Act 1190 of 2013, the agency is required to enhance reentry efforts for offenders being released from the state's prisons. Under this statute, DCC has a directive to create a holistic and seamless reentry approach for DCC and Arkansas Department of Correction (ADC) offenders returning to the community. DCC was directed to convene joint sessions with a myriad of state agencies, service providers, community organizations, faith-based groups, advocates and concerned citizens to create a Restorative Justice Reentry System for the state. DCC's development of the system is on schedule with its planned expansion of transitional services, the creation of a mentoring program, a web portal and a comprehensive reentry plan.

The much needed emphasis on reentry, which will reduce recidivism, is a major component of DCC's Strategic Plan. The Strategic Plan is the agency's guide for its operations, efforts, decisions and budget requests. All Biennial Budget Requests submitted conform to DCC's Agency Goals, which are:

- Goal 1:** Use appropriate and effective supervision of adult offenders and evidence-based sanctions and incentives which promote public safety and reduce recidivism.
- Goal 2:** A continuum of community-based sanctions and services which holds offenders accountable, reduces barriers to success, improves offenders' ability to become productive and lawful members of the community, reduces recidivism and enhances public safety.
- Goal 3:** Agency oversight is facilitated through project management and quality assurance that promote accountability and effective decision making.
- Goal 4:** Provide alternatives to traditional prison through residential programs and community-based sanctions.
- Goal 5:** Provide cost-effective programs and services.
- Goal 6:** Attract and retain quality staff.

Community Supervision

At the close of FY2014, DCC was providing supervision to nearly 53,000 adult felony offenders living in the cities, towns and communities of

Arkansas. These offenders are either probationers who were placed on community supervision by the courts or parolees who were granted early release from state prison by the Parole Board. The agency's approach to supervision emphasizes assessment, intervention and accountability. Based on DCC's validated risk and needs assessment tool, each offender is classified as requiring maximum, medium or low supervision. For as long as they remain under supervision, the offenders must abide by certain conditions of release or probation. An offender's failure to do so can result in progressive sanctions, which are outlined in the DCC's Offender Violation Guide and include incarceration in DCC or ADC. Parole/Probation Officers are certified law enforcement officers who provide supervision, case management, guidance, offender intake, assessments and evaluations, drug testing and additional support services.

Specialty Courts: DCC provides support services, including staffing, for specialty courts located throughout the state. Specialty courts currently operating include mental health, veterans, Smarter Sentencing, SWIFT/HOPE courts and drug courts, which are the most prevalent specialty courts. DCC currently staffs forty two (42) adult drug courts in Arkansas that have a combined average monthly caseload of more than 2,200 adult offenders.

Sex Offender Supervision: DCC provides responsible supervision of nearly 3,000 sex offenders currently on probation or parole in Arkansas. Because supervision of sex offenders must be more intense, it is managed by an DCC team of professionals who devote 100% of their efforts to managing the state's sex offender population. The goal is to maximize community safety through focused supervision, comprehensive treatment and behavioral monitoring. The team includes forty two (42) supervision officers, six (6) aftercare coordinators, six (6) polygraph examiners or voice stress analysts and an Assistant Area Manager. The Sex Offender Aftercare Program (SOAP) handles approximately 530 sex offenders under community supervision.

Special Response Team: The Special Response Team was formed in FY2013 to focus efforts on locating offenders who have absconded community supervision. Comprised of specially trained certified law enforcement officers from each Area Parole/Probation Office and each of the department's six (6) residential centers, the team works under the direction of the DCC Internal Affairs Administrator.

Community Service: DCC's community service programs help restore communities, prevent crime and hold offenders accountable for the crimes committed in their communities. With the implementation of community service activities, offenders are given opportunities to fulfill court-ordered community service obligations in a way that benefits Arkansas communities. The DCC collaborates with a host of partners, including state, city, and local government, non-profit organizations, and those identified in Act 1130, to provide community programs that beautify and improve, and for reentry purposes.

Interstate Compact: Through the Interstate Compact Agreement, the DCC is able to participate in the transfer of supervision of eligible parolees and probationers between participating states. Responsibilities include community supervision, processing investigation requests, providing progress reports, issuing warrants and facilitating the re-taking process. In most years, the state has a nearly even division of Arkansas offenders supervised out of state and out of state offenders being supervised in Arkansas.

ACC Parole/Probation Offices

Area 1 - Washington, Benton & Madison Counties: Includes Drug Court, Veteran's Court, Substance Abuse Program, Sex Offender Aftercare Program, Day Reporting Center

Area 2 - Carroll, Boone, Marion, Baxter, Fulton, Newton, Searcy, Stone & Van Buren Counties: Includes Drug Court, Substance Abuse Program, Sex Offender Aftercare Program

Area 3 - Independence, Randolph, Lawrence, Sharp, Jackson, Cleburne, White & Prairie Counties: Includes Drug Court, Swift Court, Mental Health Court, Substance Abuse Program, Sex Offender Aftercare Program

Area 4 - Craighead, Clay, Greene, Poinsett & Mississippi Counties: Includes Drug Court, Sex Offender Aftercare Program, Substance Abuse Program

Area 5 - Sebastian, Scott, Polk, Montgomery, Logan, Franklin, Crawford & Johnson Counties: Includes Drug Court, Substance Abuse Program, Sex Offender Aftercare Program, Day Reporting Center

Area 6 - Faulkner, Pope, Yell, Conway & Perry Counties: Includes Drug Court, Substance Abuse Program, Sex Offender Aftercare Program

Area 7 - Pulaski County Probation: Includes Drug Court, Day Reporting Center, Sex Offender Aftercare Program

Area 8 - Pulaski County Parole & Lonoke County Parole and Probation: Substance Abuse Program, Sex Offender Aftercare Program

Area 9 - Phillips, Woodruff, Cross, Crittenden, St. Francis, Lee & Monroe Counties: Includes Drug Court, Day Reporting Center, Substance Abuse Program, Sex Offender Aftercare Program

Area 10 - Garland, Saline, Hot Spring, Grant & Clark Counties: Includes Drug Court, Swift Court, HOPE Court, Pre-Adjudication Court, Substance Abuse Program, Sex Offender Aftercare Program

Area 11 - Jefferson, Arkansas, Lincoln, Desha, Drew, Bradley, Ashley & Chicot Counties: Includes Drug Court, Swift Court, Substance Abuse Program, Sex Offender Aftercare Program

Area 12 - Miller, Little River, Sevier, Howard, Pike, Hempstead, Lafayette & Nevada: Includes Day Reporting Center, Drug Court, Swift Court, Sex Offender Aftercare Program, Substance Abuse Program

Area 13 - Union, Columbia, Calhoun, Ouachita, Cleveland & Dallas Counties: Includes Drug Court, Swift Court, Pre-Adjudication Court, Smarter Sentencing, Substance Abuse Program, Sex Offender Aftercare Program

DCC Residential Centers

The agency uses a modified therapeutic community approach in its residential centers, which is a group-based, intensive method of treating substance abuse and criminal behavior. The concept, which promotes pro-social values, attitudes and behaviors through the use of a positive peer culture, has been tailored to the offender population. To re-socialize offenders, the program uses behavior modification, cognitive restructuring, staff role modeling and education. The offenders are trained to handle specific functions, including food service, maintenance, laundry and gardening at each facility.

Special Needs Program: The DCC operates Special Needs Programs within its residential centers for male and female offenders who have been dually diagnosed as having histories of substance abuse coupled with mental health and/or medical issues. The programs operate in a modified therapeutic community and are designed for long-term treatment, with an average completion of 6 to 12 months. Treatments for the dually diagnosed include individual and group therapy, participation in the New Freedom Curriculum adopted from Phoenix Resources, 12-step recovery dynamics, process/static group, pre-release program, life skills groups, cognitive intervention/addiction offender cycle, positive mental attitude, parenting, peer support, mental health and anger management.

Technical Parole Violator Program: Located at the Omega Technical Violator Center for male offenders and the Southeast Arkansas Community Correction Center for female offenders. As a sanction, parolees who violate the conditions of their release may be sent to the program by a Parole Board Hearing Judge as an intervention. With a recent restructuring of the program, offenders with new convictions cannot participate. Offenders are sent for either a 90 or 120-day stay, depending on whether it is their first or second sanction to the program. The violator program includes work assignments, treatment and education.

Central Arkansas Community Correction Center (Little Rock) - Capacity of 150 males including 38 drug court treatment beds. Programs include education, anger management, cognitive-skills training, educational release, furlough, parenting, reentry, spiritual program, therapeutic community and substance-abuse counseling.

Northeast Arkansas Community Correction Center (Osceola) - Capacity of 240 males. Programs include education/vocation, anger management, cognitive-skills, educational release, furlough, parenting, private family visitation, psychological counseling, spiritual program, substance-abuse counseling, therapeutic community and violence prevention.

Northwest Arkansas Community Correction Center (Fayetteville) - Capacity of 100 females. Programs include education, anger management, cognitive-skills training, educational release, parenting, psychological counseling, spiritual program, substance-abuse counseling and programs, and therapeutic community.

Southeast Arkansas Community Correction Center (Pine Bluff) - Capacity of 350 females inclusive 35 drug court treatment beds.

management, cognitive-skills training, educational release, furlough, parenting, spiritual program, substance abuse program and therapeutic community.

Southwest Arkansas Community Correction Center (Texarkana) - Capacity of 475 males. Programs include education, anger management, cognitive-skills training, educational release, furlough, parenting, private family visitation, psychological counseling, reentry, spiritual program, substance-abuse counseling and other programs, therapeutic community, violence prevention and vocational training.

Omega Technical Violator Center (Malvern) - Capacity of 288 males. Programs include anger management, cognitive-skills training, educational release, parenting, reentry, spiritual program, substance-abuse counseling and programs, and violence prevention.

Change Level priorities for the 2015-2017 Biennium are as follows:

- Medical contract inflationary increases for existing facilities totaling \$199,477 in FY2016 and \$385,874 in FY2017. These incremental increases are based on the FY2016 contractual monthly rate of \$333.81 (3.21% increase) and FY2017 of \$343.60 (2.90% increase).
- Transitional Reentry Centers. DCC proposes to contract for 300 beds in FY2016 and 500 in FY2017 for a projected cost of \$3,344,130 and \$5,588,150 respectively. During 2013, there were 9,219 admissions to prison - a 49.6% increase over FY2012. Of this number, 57.3% were new commitments and 42.7% were parole violators. Conversely, releases from prison during FY2013 totaled 6,544 - which was only a 3.9% increase over FY2012. This resulted in a significant backup of state inmates in county jails. DCC believes that Residential Reentry Centers, an evidence-based practice similar to centers operated by numerous states and the U.S. Bureau of Prisons, would provide programs and assistance to help medium- and high-risk inmates rebuild ties to the community and reduce the likelihood that they will recidivate. The DCC proposal assumes that 500 Transitional Reentry Center beds at a daily cost of \$30.62 "potentially" could be turned over twice during a year, producing an annual cost savings of \$17 million. However, we foresee that the Parole Board may not release everyone at the 6-month mark (and not every inmate will be successful), but even if the inmate spent the entire year in a Transitional Reentry Center, the savings could still be approximately \$6.4 million. More importantly, we believe recidivism for this target group could be substantially reduced, which would produce untold future savings in prison costs.
- Field Services Staffing. First and foremost, DCC is requesting an increase in the number of supervision officers to bring the excessively high caseload averages down to a more manageable level. Evidence shows that officers having lower caseloads to manage leads to lower recidivism rates. The majority of Arkansas parole/probation officers supervise caseloads of approximately 118 offenders. There simply is no way an officer can handle the overall workload that comes with supervising this high number of offenders, which forces them to prioritize what can physically be done in a 40-hour work week. This juggling of responsibilities is not a best practice and can pose threats to public safety. In addition to supervising offenders; conducting office, home and employment visits; and drug testing offenders, officers also have required administrative tasks that include conducting intake, risk and needs assessments, developing supervision plans; writing reports, arresting and transporting offenders in and out-of-state, appearing in court and parole revocation hearings, monitoring offenders on electronic GPS, investigating violations, and attending mandatory annual training. A majority of offenders have varying levels of

- in behavior. Implementation of critical Reentry Services to lower recidivism will also place a greater burden on officers to make referrals to agencies and document compliance and progress. While the generally recommended average of no more than 60 (30 for high risk offenders; 60 for medium risk offenders, and 80 to 100 for low risk offenders) would require an additional 201 officers, we know that funding for any increase in state government services will be scarce. Therefore, we have limited our request to a total of 71 field services positions in FY2016 and 109 in FY2017 and the applicable operational costs. The requested positions include 45 parole/probation officer positions in FY2016 and 80 in FY2017. These positions would be phased in quarterly over the two-year period to optimize training and implementation. The request totals \$4,115,180 in FY2016 and \$5,618,165 in FY2017. This request also supports the expected change in risk levels due to the use of a new risk and needs assessment, which projects the number of high risk offenders to increase from 11% of the population to 32%. The percentage of medium risk offenders likely will increase from 30% to 39%. These changes in risk levels will require additional home visits and more intensive supervision. Increased staffing can better manage this and come closer to meeting the national standard for officer caseloads.
- General Agency Operations. Information technology increases are needed to provide for DIS inflationary increases in State network connectivity and telephone service, as well as increases in data connection speeds to accommodate the increased use of web conferencing, additional personnel, and for staff to effectively use the current applications in DCC's 58 locations statewide. Connection speeds have not been increased although more has been expected of remote users. Some locations are experiencing long log-in times and slow response times, resulting in loss of staff productivity. Funds are also being requested to install the infrastructure to complete the DCC Disaster Recovery System. A Software Support Analyst is requested for the Information Technology Section to improve the current inadequate staff to user ratio of 1 technician to 275 users. Research Administrator and Database Specialist positions are requested for the Research/Planning Section, to meet legislative and statutory requirements for evidence-based analysis of data. This request totals \$874,025 in FY2016 and \$708,225 in FY2017.
- The shared accountable costs requests include up to ten (10) extra help positions and appropriation, which will address intermittent business needs in the administrative, field, and other support functions. Increases in M&O are requested due primarily to an average 2.5% increase in office leases.
- Community Correction Center Operations/Expansion. DCC operates six centers which are aged, outdated and in constant need of repair and maintenance. Much of the equipment is well beyond its life expectancy and needs replaced. Also, three (3) Substance Abuse Program Leaders are needed at the Omega Technical Violator Center in order to meet a 25:1 ratio of offenders to treatment staff so the substance abuse treatment program can maintain licensing by the Office of Alcohol and Drug Abuse Prevention. The request for existing center operations totals \$1,146,288 in FY2016 and \$1,136,687 in FY2017. In addition, DCC is requesting 24 additional positions in FY2017 for a proposed 200-bed expansion at the Omega Technical Violator Center. This expansion would enable DCC to "split" the mission of the center by including a residential reentry/work release program. A request for construction of the 200 beds is included in the DCC General Improvement Projects request for the next biennium. The request for the Omega Center expansion totals \$2,704,796 in FY2017 only.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF COMMUNITY CORRECTION
FOR THE YEAR ENDED JUNE 30, 2012

Findings	Recommendations
None	None

Employment Summary

	Male	Female	Total	%
White Employees	358	437	795	60 %
Black Employees	158	344	502	38 %
Other Racial Minorities	10	10	20	2 %
Total Minorities			522	40 %
Total Employees			1,317	100 %

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
Administrative Regulations	ACA §25-15-204	N	Y	178	To comply with the Administrative Procedures Act; Provide guidance to staff and offenders under Agency jurisdiction; and to accommodate any public request. Electronic copies only.	0	0.00
DCC Annual Report	ACA §12-27-125 ACA § 12-27-126 ACA §13-2-212	N	N	178	To provide report of progress toward the agency mission; also to comply with statute governing State & Local Government Publications Clearinghouse to the State Library. Electronic copies only.	0	0.00

ARKANSAS PLANNING BUDGETING & ADMINISTRATIVE SYSTEM
STATE CONTRACTS OVER \$50,000 AWARDED TO MINORITY OWNED BUSINESSES
Fiscal Year 2016
Required by A.C.A. 25-36-104

AGENCY: 0485 DEPARTMENT OF COMMUNITY CORRECTION

Minority Business	Total Contract Awarded	Minority Type per A.C.A. 15-4-303 (2)					
		African American	Hispanic American	American Indian	Asian American	Pacific Islander American	Disabled Veteran
Better Community Developers	\$557,235	X					
Chance Sobriety Ministries	\$420,000	X					
Covenant Recovery	\$420,000	X					
Effort Development Foundation	\$420,000	X					
Gyst House	\$476,335	X					
New Hope Living Center	\$420,000	X					
Quality Living Center	\$478,195	X					
Sober Living	\$420,000	X					

TOTAL NUMBER OF MINORITY CONTRACTS AWARDED	<u>8</u>
TOTAL EXPENDITURES FOR CONTRACTS AWARDED	<u>\$11,641,675</u>
% OF MINORITY CONTRACTS AWARDED	<u>2.71 %</u>

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation		2013-2014		2014-2015		2014-2015		2015-2016						2016-2017					
		Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
1BA	Community Correction - Federal	640,938	17	364,746	16	4,137,882	0	34,384	0	203,301	4	203,301	4	34,384	0	203,301	4	203,301	4
1BR	Residents Cash Treasury	1,252,181	0	2,589,016	0	2,589,016	0	2,347,516	0	2,447,516	0	2,447,516	0	2,347,516	0	2,722,516	0	2,722,516	0
2GH	Community Correction-Special	9,019,595	27	7,700,000	65	13,114,425	85	7,738,390	65	8,738,390	65	8,738,390	65	7,740,233	65	8,740,233	65	8,740,233	65
2GK	County Jail Reimbursement	1,963,536	0	3,109,636	0	3,109,636	0	3,109,636	0	3,109,636	0	3,109,636	0	3,109,636	0	3,109,636	0	3,109,636	0
510	Community Correction - State	77,247,941	1,343	77,114,087	1,304	85,416,810	1,365	77,435,729	1,300	87,114,829	1,421	87,028,165	1,421	77,488,230	1,300	93,630,127	1,452	93,543,463	1,452
86Y	Best Practices	2,476,478	0	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0
NOT REQUESTED FOR THE BIENNIUM																			
F76	Drug Courts	0	0	0	0	500,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Total		92,600,669	1,387	94,877,485	1,385	112,867,769	1,450	94,665,655	1,365	105,613,672	1,490	105,527,008	1,490	94,719,999	1,365	112,405,813	1,521	112,319,149	1,521

Funding Sources			%		%			%		%		%		%		%		%
Fund Balance	4000005	11,272,522	11.1	8,818,111	8.8		4,834,095	5.0	4,834,095	4.5	4,834,095	4.9	2,850,798	3.0	2,750,798	2.5	2,750,798	2.9
General Revenue	4000010	78,885,772	77.8	80,043,723	80.3		80,537,475	82.9	90,044,465	84.1	80,822,075	82.6	80,537,475	84.3	96,559,763	86.4	81,009,075	84.2
Federal Revenue	4000020	640,938	0.6	519,746	0.5		34,384	0.0	358,301	0.3	358,301	0.4	69,775	0.1	358,301	0.3	358,301	0.4
Special Revenue	4000030	8,553,075	8.4	9,100,000	9.1		9,100,000	9.4	9,100,000	8.5	9,100,000	9.3	9,100,000	9.5	9,100,000	8.1	9,100,000	9.5
Cash Fund	4000045	1,292,048	1.3	1,230,000	1.2		2,696,906	2.8	2,714,016	2.5	2,714,016	2.8	2,989,016	3.1	2,989,016	2.7	2,989,016	3.1
DFA Motor Vehicle Acquisition	4000184	591,111	0.6	0	0.0		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
General Improvement Fund	4000265	500,000	0.5	0	0.0		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Inter-agency Fund Transfer	4000316	(538,256)	(0.5)	0	0.0		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
M & R Sales	4000340	1,882	0.0	0	0.0		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Other	4000370	217,896	0.2	0	0.0		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Refunds	4000415	1,792	0.0	0	0.0		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Total Funds		101,418,780	100.0	99,711,580	100.0		97,202,860	100.0	107,050,877	100.0	97,828,487	100.0	95,547,064	100.0	111,757,878	100.0	96,207,190	100.0
Excess Appropriation/(Funding)		(8,818,111)		(4,834,095)			(2,537,205)		(1,437,205)		7,698,521		(827,065)		647,935		16,111,959	
Grand Total		92,600,669		94,877,485			94,665,655		105,613,672		105,527,008		94,719,999		112,405,813		112,319,149	

Variance in fund balance due to unfunded appropriation in appropriations (2GH) Community Correction - Special and (510) Community Correction - State.

Agency Position Usage Report

FY2012 - 2013						FY2013 - 2014						FY2014 - 2015					
Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused
	Filled	Unfilled	Total				Filled	Unfilled	Total				Filled	Unfilled	Total		
1,376	1204	110	1314	62	12.50 %	1,376	1321	23	1344	32	4.00 %	1,450	1321	64	1385	65	8.90 %

Analysis of Budget Request

Appropriation: 1BA - Community Correction - Federal

Funding Sources: FPF - Federal Fund

This appropriation is funded by federal funds and provides support for several federal grant programs. The programs are for offender substance abuse rehabilitation treatment, drug court, serious and violent offenders, transitional housing and preparation for release from incarceration with follow up. The Agency anticipates the grants to continue during the next biennium.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

The Agency's Base Level appropriation totals \$34,384 in each year of the biennium.

The Agency's Change Level Request provides for Regular Salaries and Personal Services Matching of \$168,917 each year to support four (4) restorations listed below:

- Administrative Specialist II (C109)
- ADC/DCC Advisor (C115)
- DCC Parole/Probation Officer I (C116)
- DCC Parole/Probation Assistant Area Manager (C121)

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 1BA - Community Correction - Federal

Funding Sources: FPF - Federal Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	448,153	232,289	0	0	120,990	120,990	0	120,990	120,990
#Positions		17	16	0	0	4	4	0	4	4
Personal Services Matching	5010003	100,770	98,073	0	0	47,927	47,927	0	47,927	47,927
Operating Expenses	5020002	10,334	8,400	206,270	8,400	8,400	8,400	8,400	8,400	8,400
Conference & Travel Expenses	5050009	10,652	16,545	74,415	16,545	16,545	16,545	16,545	16,545	16,545
Professional Fees	5060010	71,029	9,439	3,210,386	9,439	9,439	9,439	9,439	9,439	9,439
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	0	0	646,811	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		640,938	364,746	4,137,882	34,384	203,301	203,301	34,384	203,301	203,301
Funding Sources										
Federal Revenue	4000020	640,938	364,746		34,384	203,301	203,301	34,384	203,301	203,301
Total Funding		640,938	364,746		34,384	203,301	203,301	34,384	203,301	203,301
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		640,938	364,746		34,384	203,301	203,301	34,384	203,301	203,301

FY15 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to a transfer from the Miscellaneous Federal Grant Holding Account during the 2013-2015 Biennium.

Change Level by Appropriation

Appropriation: 1BA - Community Correction - Federal
Funding Sources: FPF - Federal Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	34,384	0	34,384	100.0	34,384	0	34,384	100.0
C06	Restore Position/Approp	168,917	4	203,301	591.3	168,917	4	203,301	591.3

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	34,384	0	34,384	100.0	34,384	0	34,384	100.0
C06	Restore Position/Approp	168,917	4	203,301	591.3	168,917	4	203,301	591.3

Justification

C06	Agency requests the restoration of four (4) positions.
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Analysis of Budget Request

Appropriation: 1BR - Residents Cash Treasury

Funding Sources: NCC - Cash in Treasury

The Residential Services appropriation provides for the operation of the Community Correction Facilities commissaries. These are self-supporting operations in which residents can purchase various commissary supplies, primarily snack foods, in the Department's various centers. This appropriation also utilizes the proceeds from the coin-less telephone program in which the Agency receives partial reimbursement from the telephone company for phone calls made by the residents. The proceeds are used to purchase items of mutual benefit to all residents. The appropriation is also used for inmate assistance projects, security equipment and general operations.

The Agency's Base Level appropriation totals \$2,347,516 in each year of the biennium.

The Agency's Change Level Request provides for Operating Expenses of \$100,000 in FY16 and \$375,000 in FY17 for building repairs, maintenance and the purchase of commissary inventory.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 1BR - Residents Cash Treasury

Funding Sources: NCC - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	1,243,371	2,182,846	2,182,846	2,182,846	2,282,846	2,282,846	2,182,846	2,557,846	2,557,846
Conference & Travel Expenses	5050009	2,882	62,870	62,870	62,870	62,870	62,870	62,870	62,870	62,870
Professional Fees	5060010	5,928	101,800	101,800	101,800	101,800	101,800	101,800	101,800	101,800
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	241,500	241,500	0	0	0	0	0	0
Total		1,252,181	2,589,016	2,589,016	2,347,516	2,447,516	2,447,516	2,347,516	2,722,516	2,722,516
Funding Sources										
Fund Balance	4000005	2,086,544	1,983,096		599,080	599,080	599,080	940,580	840,580	840,580
Cash Fund	4000045	1,148,733	1,205,000		2,689,016	2,689,016	2,689,016	2,964,016	2,964,016	2,964,016
Total Funding		3,235,277	3,188,096		3,288,096	3,288,096	3,288,096	3,904,596	3,804,596	3,804,596
Excess Appropriation/(Funding)		(1,983,096)	(599,080)		(940,580)	(840,580)	(840,580)	(1,557,080)	(1,082,080)	(1,082,080)
Grand Total		1,252,181	2,589,016		2,347,516	2,447,516	2,447,516	2,347,516	2,722,516	2,722,516

Expenditure of appropriation is contingent upon available funding.

Change Level by Appropriation

Appropriation: 1BR - Residents Cash Treasury
Funding Sources: NCC - Cash in Treasury

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	2,347,516	0	2,347,516	100.0	2,347,516	0	2,347,516	100.0
C01	Existing Program	100,000	0	2,447,516	104.3	375,000	0	2,722,516	116.0

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	2,347,516	0	2,347,516	100.0	2,347,516	0	2,347,516	100.0
C01	Existing Program	100,000	0	2,447,516	104.3	375,000	0	2,722,516	116.0

Justification

C01	Agency requests an increase in appropriation of \$100,000 in FY16 and \$375,000 in FY17. Three of the correctional facilities are over 60 years old, thus requiring major maintenance and repairs. The request will include replacement of the roofs, heating and air replacements/repairs, plumbing repairs/replacements, and replacement of kitchen/laundry equipment. The funding will be provided from additional revenues supplied by the new telephone contract.								
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Analysis of Budget Request

Appropriation: 2GH - Community Correction-Special

Funding Sources: SPF - Community Correction Revolving Fund

The Department of Community Correction is responsible for adult probation and parole services. This appropriation is utilized to support these services as well as special programs primarily for alcohol and drug and mental health treatment. The special revenue supporting this appropriation includes fees and sanctions levied by the courts or authorized by the Board of Corrections and paid by offenders. The probation/parole fee is \$25 each month and provide for safety equipment, vehicles, and drug testing supplies.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

The Agency's Base Level appropriation totals \$7,738,390 in FY16 and \$7,740,233 in FY17 with sixty five (65) budgeted positions.

The Agency Change Level Requests totals \$1,000,000 in each year and includes the following:

- \$1,000,000 each year in the Community Correction Program line item to allow for agency flexibility in future spending.
- Restoration and transfer of twenty (20) DCC Parole/Probation Officers (C118) from (2GH) Community Correction - Special to (510) Community Correction - State.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2GH - Community Correction-Special
Funding Sources: SPF - Community Correction Revolving Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	844,313	2,408,804	3,121,251	2,433,683	2,433,683	2,433,683	2,435,183	2,435,183	2,435,183
#Positions		27	65	85	65	65	65	65	65	65
Personal Services Matching	5010003	336,815	872,620	1,160,451	886,131	886,131	886,131	886,474	886,474	886,474
Operating Expenses	5020002	386,144	0	727,646	0	0	0	0	0	0
Conference & Travel Expenses	5050009	950	0	1,000	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	90,000	0	0	0	0	0	0
WMSC Parking Srvs from Fees	5900046	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Community Correction Programs	5900047	7,441,373	4,408,576	8,004,077	4,408,576	5,408,576	5,408,576	4,408,576	5,408,576	5,408,576
Total		9,019,595	7,700,000	13,114,425	7,738,390	8,738,390	8,738,390	7,740,233	8,740,233	8,740,233

Funding Sources										
Fund Balance	4000005	4,349,828	2,124,797		924,797	924,797	924,797	0	0	0
Special Revenue	4000030	6,202,529	6,500,000		6,500,000	6,500,000	6,500,000	6,500,000	6,500,000	6,500,000
DFA Motor Vehicle Acquisition	4000184	591,111	0		0	0	0	0	0	0
M & R Sales	4000340	924	0		0	0	0	0	0	0
Total Funding		11,144,392	8,624,797		7,424,797	7,424,797	7,424,797	6,500,000	6,500,000	6,500,000
Excess Appropriation/(Funding)		(2,124,797)	(924,797)		313,593	1,313,593	1,313,593	1,240,233	2,240,233	2,240,233
Grand Total		9,019,595	7,700,000		7,738,390	8,738,390	8,738,390	7,740,233	8,740,233	8,740,233

Change Level by Appropriation

Appropriation: 2GH - Community Correction-Special
Funding Sources: SPF - Community Correction Revolving Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	7,738,390	65	7,738,390	100.0	7,740,233	65	7,740,233	100.0
C01	Existing Program	1,933,442	20	9,671,832	125.0	1,933,442	20	9,673,675	125.0
C07	Agency Transfer	(933,442)	(20)	8,738,390	112.9	(933,442)	(20)	8,740,233	112.9

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	7,738,390	65	7,738,390	100.0	7,740,233	65	7,740,233	100.0
C01	Existing Program	1,933,442	20	9,671,832	125.0	1,933,442	20	9,673,675	125.0
C07	Agency Transfer	(933,442)	(20)	8,738,390	112.9	(933,442)	(20)	8,740,233	112.9

Justification

C01	Agency requests an increase of \$1,000,000 in appropriation in each year of the biennium for maintenance and operations. This appropriation is requested to allow the Agency to spend additional revenue accrued during the biennium. This request also includes the restoration of twenty (20) positions that were unbudgeted in FY15.
C07	Agency requests to transfer the restored twenty (20) positions from (2GH) Community Correction - Special to (510) Community Correction - State.

Analysis of Budget Request

Appropriation: 2GK - County Jail Reimbursement

Funding Sources: MCJ - County Jail Reimbursement Fund

Arkansas Code §19-5-1045 provides Jail Reimbursement to Counties by the Department of Community Correction. Prior to this legislation, only Department of Correction could provide Jail Reimbursements to the Counties. In the event that the Department of Correction or Department of Community Correction could not accept inmates from county jails due to insufficient bed space, each agency would have to reimburse the counties for housing the inmates. Funding for this appropriation comes from general revenue.

The Agency Request is for Base Level of \$3,109,636 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2GK - County Jail Reimbursement

Funding Sources: MCJ - County Jail Reimbursement Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements	5110014	1,963,536	3,109,636	3,109,636	3,109,636	3,109,636	3,109,636	3,109,636	3,109,636	3,109,636
Total		1,963,536	3,109,636	3,109,636	3,109,636	3,109,636	3,109,636	3,109,636	3,109,636	3,109,636
Funding Sources										
General Revenue	4000010	2,000,000	3,109,636		3,109,636	3,109,636	3,109,636	3,109,636	3,109,636	3,109,636
General Improvement Fund	4000265	500,000	0		0	0	0	0	0	0
Inter-agency Fund Transfer	4000316	(538,256)	0		0	0	0	0	0	0
Refunds	4000415	1,792	0		0	0	0	0	0	0
Total Funding		1,963,536	3,109,636		3,109,636	3,109,636	3,109,636	3,109,636	3,109,636	3,109,636
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		1,963,536	3,109,636		3,109,636	3,109,636	3,109,636	3,109,636	3,109,636	3,109,636

Inter-agency Fund Transfer reflects the transfer of unexpensed funds to Department of Correction (1MJ) - County Jail Reimbursement Fund.

Analysis of Budget Request

Appropriation: 510 - Community Correction - State

Funding Sources: HCP - Department of Community Correction Fund

The Department of Community Correction uses this appropriation for daily operations. Funding for this appropriation comes from general revenue and cash funds received from the rental of buildings at the Texarkana unit to other state agencies.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY15 line item maximum plus the previously authorized 2015 1% Cost of Living Adjustment.

Base Level appropriation totals \$77,435,729 in FY16 and \$77,488,230 in FY17 with one thousand three hundred (1,300) budgeted positions.

The Agency's Change Level Request totals \$9,679,100 in appropriation and \$9,506,990 in general revenue funding for FY16 and \$16,141,897 in appropriation and \$16,022,288 in general revenue funding for FY17. The following is a summary of the major components of the Agency Request:

- Regular Salaries and Personal Services Matching of \$3,024,739 in FY16 and \$5,954,332 in FY17 to include thirty three (33) new positions in FY16 and sixty four (64) new positions in FY17, twenty (20) reclassifications, sixty-eight (68) restorations and twenty (20) positions transferred from fund center (2GH) Community Correction - Special. A reduction was made in Regular Salaries and Personal Services Matching in order to reduce the request to reflect the hiring timetable set by the Agency.
- Extra Help and Personal Services Matching of \$108,190 each year.
- Operating Expenses of \$4,819,943 in FY16 and \$7,852,935 in FY17 for increased rents, utilities, food purchases, fuel costs and new position operating expenses.
- Conference and Travel Expenses of \$44,709 each year for the training and certification of new positions requested.
- Professional Fees of \$199,477 in FY16 and \$1,210,274 in FY17 for increased medical contract expenses and the additional medical expenses for the new Omega Center.
- Capital Outlay of \$1,482,042 in FY16 and \$971,457 in FY17 for computer and vehicle purchases.

The Executive Recommendation provides for Agency Request in appropriation and positions only with general revenue funding of \$284,600 in FY16 and \$471,600 in FY17 with the exception of the following:

- Request for a DCC Assistant Director position (N903). A new position was recommended in its place, but as a DCC Program Administrator Parole and Probation Services (C128).
- Various reclassification requests.

Appropriation Summary

Appropriation: 510 - Community Correction - State
Funding Sources: HCP - Department of Community Correction Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	44,283,634	44,928,920	47,297,009	45,109,572	47,326,264	47,256,429	45,152,272	49,483,613	49,413,778
#Positions		1,343	1,304	1,365	1,300	1,421	1,421	1,300	1,452	1,452
Extra Help	5010001	0	0	0	0	100,000	100,000	0	100,000	100,000
#Extra Help		0	10	10	10	10	10	10	10	10
Personal Services Matching	5010003	16,692,131	16,729,157	17,645,378	16,906,942	17,723,179	17,706,350	16,916,743	18,547,924	18,531,095
Overtime	5010006	0	10,000	100,000	10,000	10,000	10,000	10,000	10,000	10,000
Operating Expenses	5020002	10,015,580	9,073,919	11,019,842	9,073,919	13,893,862	13,893,862	9,073,919	16,926,854	16,926,854
Conference & Travel Expenses	5050009	1,295	2,400	2,400	2,400	47,109	47,109	2,400	47,109	47,109
Professional Fees	5060010	6,225,866	6,332,896	9,218,181	6,332,896	6,532,373	6,532,373	6,332,896	7,543,170	7,543,170
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	29,435	36,795	134,000	0	1,482,042	1,482,042	0	971,457	971,457
Total		77,247,941	77,114,087	85,416,810	77,435,729	87,114,829	87,028,165	77,488,230	93,630,127	93,543,463

Funding Sources										
General Revenue	4000010	76,885,772	76,934,087		77,427,839	86,934,829	77,712,439	77,427,839	93,450,127	77,899,439
Federal Revenue	4000020	0	155,000		0	155,000	155,000	35,391	155,000	155,000
Cash Fund	4000045	143,315	25,000		7,890	25,000	25,000	25,000	25,000	25,000
M & R Sales	4000340	958	0		0	0	0	0	0	0
Other	4000370	217,896	0		0	0	0	0	0	0
Total Funding		77,247,941	77,114,087		77,435,729	87,114,829	77,892,439	77,488,230	93,630,127	78,079,439
Excess Appropriation/(Funding)		0	0		0	0	9,135,726	0	0	15,464,024
Grand Total		77,247,941	77,114,087		77,435,729	87,114,829	87,028,165	77,488,230	93,630,127	93,543,463

Change Level by Appropriation

Appropriation: 510 - Community Correction - State
Funding Sources: HCP - Department of Community Correction Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	77,435,729	1,300	77,435,729	100.0	77,488,230	1,300	77,488,230	100.0
C01	Existing Program	10,302,753	95	87,738,482	113.3	15,197,463	126	92,685,693	119.6
C04	Reallocation	(2,764,658)	0	84,973,824	109.7	(1,097,243)	0	91,588,450	118.2
C06	Restore Position/Approp	311,884	3	85,285,708	110.1	311,884	3	91,900,334	118.6
C07	Agency Transfer	933,440	20	86,219,148	111.3	933,440	20	92,833,774	119.8
C08	Technology	810,395	3	87,029,543	112.4	711,067	3	93,544,841	120.7
C10	Reclass	85,286	0	87,114,829	112.5	85,286	0	93,630,127	120.8

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	77,435,729	1,300	77,435,729	100.0	77,488,230	1,300	77,488,230	100.0
C01	Existing Program	10,302,753	95	87,738,482	113.3	15,197,463	126	92,685,693	119.6
C04	Reallocation	(2,764,658)	0	84,973,824	109.7	(1,097,243)	0	91,588,450	118.2
C06	Restore Position/Approp	311,884	3	85,285,708	110.1	311,884	3	91,900,334	118.6
C07	Agency Transfer	933,440	20	86,219,148	111.3	933,440	20	92,833,774	119.8
C08	Technology	791,770	3	87,010,918	112.4	692,442	3	93,526,216	120.7
C10	Reclass	17,247	0	87,028,165	112.4	17,247	0	93,543,463	120.7

Justification

C01	Agency requests Regular Salaries and Personal Services Matching appropriation and totaling \$1,587,978 in FY16 and \$4,517,571 in FY17 and includes sixty five (65) restored positions that were unbudgeted in FY15, sixty one (61) new positions (30 in year one and 31 in year two) and appropriation for ten (10) existing Extra Help positions. Operating Expenses increases in appropriation of \$4,508,889 in FY16 and \$7,436,209 in FY17 and include transitional centers expenses, new position M&O expenses, office lease increases, building and grounds maintenance, firearms and uniforms. Conference and Travel increases in appropriation of \$44,709 in each year of the biennium are for training and certification for the new positions requested. The appropriation increase in Professional Fees addresses the medical contract incremental increases (\$199,477 in FY16 and \$385,874 in FY17) and the additional medical expense of \$824,400 in FY17 for the two hundred (200) residents of the Omega Center. Lastly, this request includes appropriation for Capital Outlay of \$1,197,042 in FY16 and \$891,457 in FY17 and includes vehicle purchases. The Agency needs one (1) vehicle for every two (2) parole/probation officers.
C04	Agency requests this change level in order to reduce the amount of appropriation and funding in the Agency's request for Regular Salaries and Personal Services Matching. This adjustment was made to account for the hiring process. The Agency felt it was in their best interest to request only what was necessary since they will fill positions over time and not all at once.
C06	Agency requests to restore three (3) growth pool positions budgeted in FY15.
C07	Agency requests the restoration and transfer of twenty (20) Parole/Probation Officer positions from (2GH) Community Correction - Special to (510) Community Correction - State.

Change Level by Appropriation

Justification	
C08	The technology request includes Regular Salaries and Personal Services Matching of \$214,341 in each year of the biennium to address the need for three (3) new positions. A Software Support Analyst is requested for the Information Technology Section to improve the current inadequate staff to user ratio of 1 technician to 275 users. Research Administrator and Database Specialist positions are requested for the Research/Planning Section, to meet legislative and statutory requirements for evidence-based analysis of data. Operating Expenses for the technology request total \$311,054 in FY16 and \$416,726 in FY17 and include increases primarily in software/licenses, telecommunications wired, telecommunications wireless and network services expense. Lastly, there is a request of \$285,000 in FY16 and \$80,000 in FY17 in capital outlay for computer purchases. This request is compliant with the Agency's IT Plan.
C10	Agency requests twenty (20) position reclasses.

Analysis of Budget Request

Appropriation: 86Y - Best Practices

Funding Sources: TBP - Best Practices Trust

This appropriation was established by the Public Safety Improvement Act of 2011 also known as Act 570. The special revenue supporting this appropriation includes fees and sanctions levied by the courts or authorized by the Board of Corrections and paid by offenders. The probation/parole fee is \$10 each month. These fees go to support programs and services that implement practices that are proven to reduce the risk of having repeat offenders or recidivism, including programs that address treatment needs of offenders.

The Agency is requesting Base Level of \$4,000,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 86Y - Best Practices

Funding Sources: TBP - Best Practices Trust

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Community Correction Prgm	5900046	2,476,478	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Total		2,476,478	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Funding Sources										
Fund Balance	4000005	4,836,150	4,710,218		3,310,218	3,310,218	3,310,218	1,910,218	1,910,218	1,910,218
Special Revenue	4000030	2,350,546	2,600,000		2,600,000	2,600,000	2,600,000	2,600,000	2,600,000	2,600,000
Total Funding		7,186,696	7,310,218		5,910,218	5,910,218	5,910,218	4,510,218	4,510,218	4,510,218
Excess Appropriation/(Funding)		(4,710,218)	(3,310,218)		(1,910,218)	(1,910,218)	(1,910,218)	(510,218)	(510,218)	(510,218)
Grand Total		2,476,478	4,000,000		4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000

Appropriation Summary

Appropriation: F76 - Drug Courts

Funding Sources: HCP - Department of Community Correction Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Drug Courts 5900046	0	0	500,000	0	0	0	0	0	0
Total	0	0	500,000	0	0	0	0	0	0

APPROPRIATION NOT REQUESTED FOR THE 2015-2017 BIENNIUM

DEPARTMENT OF CORRECTION

Enabling Laws

Act 284 of 2014
A.C.A. §12-27-101 et seq.

History and Organization

In 1838, Governor James S. Conway signed legislation establishing the State Penitentiary. Today, the Department of Correction is responsible for overall management of the state correctional institutions, executing the orders of the criminal courts of the State of Arkansas, and providing for treatment, rehabilitation and restoration of applicable adult offenders to return to the community as useful, law-abiding citizens. The Mission Statement for the Arkansas Department of Correction (ADC) is to:

- ♦ Provide public safety by carrying out the mandates of the courts;
- ♦ Provide a safe, humane environment for staff and inmates;
- ♦ Provide programs to strengthen the work ethic; and
- ♦ Provide opportunities for spiritual, mental, and physical growth.

The Board of Corrections has constitutional and supervisory power and control over the ADC. The Board has seven voting members including the Chair of the Parole Board, five citizen members and one criminal justice faculty member employed at a four-year Arkansas university. Each member is appointed by the Governor and serves a seven-year term.

The ADC Director reports directly to the Board as the agency's chief executive, administrative and fiscal officer. The Director is responsible for the agency's philosophy, mission and operations. The ADC has six divisions and a Deputy or Assistant Director supervises each. The divisions and responsibilities are:

- ***Administrative Services*** provides Procurement, Accounting, Human Resources, Budget, Finance and Warehouse services to all operational units of the ADC while ensuring agency compliance with state and federal accounting, budgetary and personnel procedures;
- ***Institutional Services*** oversees various Institutions, Work Release Programs, Regional Jails, Transportation Services, Accreditation, Transportation, Pre-Release and K-9 Division;

- **Operations** oversees various Institutions, directs the Agriculture and Industry Programs, and the County Jail Contracts Program (Act 309 of 1991), and also coordinates Vocational Education programs provided by Riverside Vocational School through the Department of Workforce Education;
- **Health and Correctional Programs** is responsible for Medical and Mental Health Services, Religious Services, Substance Abuse Treatment Programs (SATP and TC), Reduction of Sexual Victimization Program (RSVP), Volunteer Services offers orientation and training to volunteers who provide a wide range of services to inmates, and Library Services provides reading materials to all inmates through unit libraries. The Health and Correctional Programs Division also coordinates educational programs provided through the Department of Correction School District, which is accredited and supervised by the Arkansas Department of Education and Workforce Education, and coordinates the Pathway to Freedom Program (PTF) operated at the Wrightsville Unit;
- **Construction and Maintenance** is responsible for ongoing and preventative maintenance programs at the various units and design and construction projects for the department. Construction of facilities is often completed with inmate labor, which costs substantially less than free-world labor;
- **Chief Deputy Director** is responsible for various Institutions, Information Systems, Classification/Records, Drug Testing, PREA (Prison Rape Elimination Act)/STTG (Security Threat Terrorist Groups) Coordinator, Inmate Grievances, Training Academy, Emergency Preparedness, and oversees the Paws in Prison Program. Research and Planning provides analytical research for informational needs, coordinates strategic planning and manages the department's policies and procedures. Constituency services works to resolves the concerns of inmate friends and family. During the 1999 Legislative Session, responsibility for assessment of sex offenders in prison and living in communities in Arkansas was assigned to ADC. A unit supervised by the Deputy Director of Health and Correctional Programs conducts the assessments as prescribed by the Sex Offender Assessment Committee whose members are appointed by the Governor and prescribed by law.

Correction Facilities of the ADC include:

Benton Unit - Capacity of 325 - Special Operations include Work Release, Education and Regional Maintenance.

Cummins Unit - Capacity of 1,850 (also operating 26 temporary beds) - Special Operations include the execution chamber, Education, Vocational Education, Mental Health Groups, Canine Unit and Horse Operation. Farm and Agriculture Programs include Livestock, Field and Edible Crops, Feed Mill, Slaughterhouse, Poultry Operations and Milk Processing. Industry Programs include Vinyl Products/Silk Screening, Engraving, Garment Factory and Furniture Refinishing.

Delta Regional Unit - Capacity of 461 (also operating 138 temporary beds and 4 jail beds) - Special Operations include Regional Maintenance, Education, Pre-Release Program, Mental Health Groups, and Jail Operations. Self-Improvement classes include Anger

Management, AA/NA, Thinking Errors, Domestic Violence and Substance Abuse Education. Also includes Janitorial Products Industry Program.

East Arkansas Regional Unit - Capacity of 1,432 (also operating 192 temporary beds and 35 jail beds) - Special Operations include Regional Maintenance, Education, Mental Health Groups, Maximum Security Unit, Jail Operation, Canine Unit, ICC Garage, PALS, Farm Operations - (Row Crops, Garden and Hay) and Industry Programs (Welding and Upholstery).

Grimes Unit - Capacity of 1,000 - Special Operations include SATP, Life Skills, Education, Regional Maintenance, PALS, Anger Management, Thinking Errors, Parenting, Story Book Projects, Inmate Council, Horse and Garden Operations, Canine Unit, ICC Garage and College Courses.

Randall L. Williams Correctional Facility - Capacity of 518 (also operating 44 temporary beds) - Special Operations include Regional Maintenance, Fast Track Substance Abuse Treatment Program, Mental Health Groups, Education, Vo-Tech - Landscape Design Vocational Education, Parenting Classes, Anger Management, Mental Health Counseling, Paws in Prison and PALS.

Maximum Security Unit - Capacity of 532 - Special Operations include Education, G.E.D. Program, PALS, Paws in Prison and U.N.I.T.Y. Program.

McPherson Unit - Capacity of 924 (female inmates) (also operating 40 temporary beds) - Special Operations include Female Inmate Intake, Substance Abuse Treatment Programs (SATP and TC), Education, Vo-Tech, Parenting, Even start, College Courses, PALS, Pre-Release, SPU (mental health), AA/NA programs, Anger Management, Domestic Violence, Inmate Council, Mi Watch, Story Book Project, Relaxation Circle, Locks of Love, Gardening Program, SOFT (Sex Offender Treatment) and Industry Program.

Mississippi County Work Release Center - Capacity of 121 - Special Operations include Work Release, Regional Maintenance and AA/NA.

North Central Unit - Capacity of 700 (also operating 100 temporary beds) - Special operations include Education, Regional Maintenance, Mental Health Groups, Pre-Release, Substance Abuse Education, Principals and Application for Life, Construction, Edible Crop Production, Horse Training and Rehabilitation, Paws in Prison, Tracking Dogs and the Story Book Project.

Northwest Arkansas Work Release Center - Capacity of 100. Work Release Program.

Ouachita River Correctional Facility - Capacity of 1,734 (also operating 32 temporary beds). Special Operations include Central Intake, Regional Maintenance, Construction, Educational Programs, Vocational Programs, Reduction of Sexual Victimization Program, Habilitation, Mental Health Groups, Principle Application Life Skills, Multiple Treatment Program (CABBI, RE-Entry, NA, AA), Livestock and Hay Operations,

Garden Operations, Paws in Prison and Dog Kennel Operations. The ORCU Special Needs Unit provides additional beds for special programs that include Hospital Services, Sheltered Living, Mental Health Residential Program Unit and Male and Female Day Clinic Services for the Arkansas Department of Correction.

Pine Bluff Unit - Capacity of 430 - Special Operations include Work Release, Pre-Release, Mental Health Groups, Pre-Release Program, Re-Entry Program, Education, Gardening, Livestock, Grounds Maintenance, Warehouse and Construction.

Texarkana Regional Correctional Center - Capacity of 128 - Special Operations include Regional Maintenance, Work Release and Education.

Tucker Unit - Capacity of 910 (also operating 54 temporary beds) - Special Operations include Substance Abuse Treatment Programs (SATP and TC), Education, Vocational Education, Mental Health Groups, PALS, Canine Unit, and the Boot Camp Program. Farm and Agriculture program includes Field and Edible Crops. Industry Programs include Mattress Manufacturing, Bus and Fire Truck Refurbishing, School Desk and Chair Repair and Athletic Equipment.

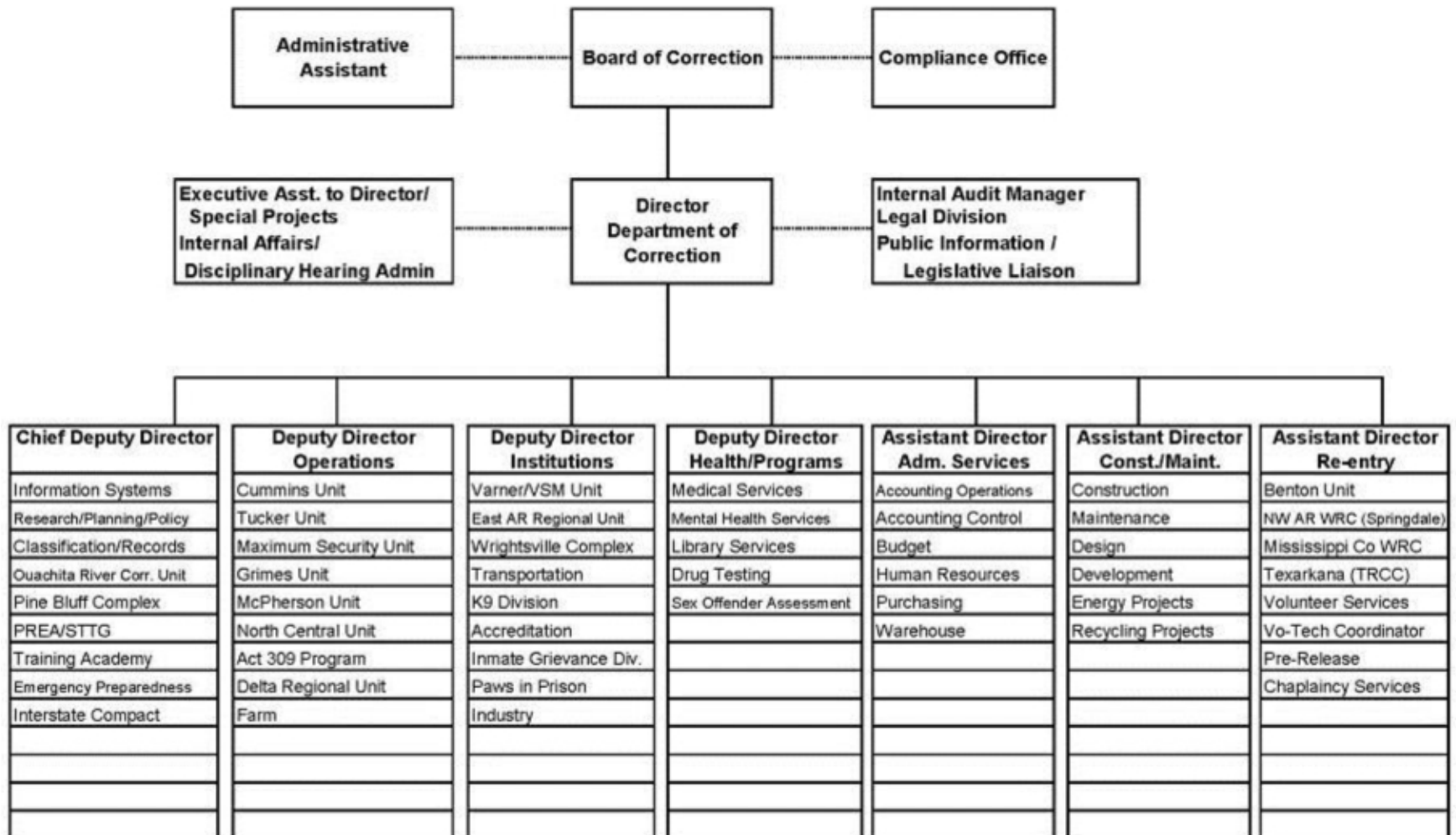
Varner Unit - Capacity of 1,586 (also operating 50 temporary beds) - Special Operations include a 486-bed Super Max Unit that includes Death Row, Regional Maintenance, Mental Health Groups, Substance Abuse Treatment Program, PALS, Education, Vocational Education and PASS Program (Prisoners of Arkansas Striving for Success). Agricultural Programs include a Vegetable Processing Plant and Field and Edible Crops. The Super Max addition was specially designed for enhanced security by restricting movement of the most violently classified inmates.

Wrightsville Unit - Capacity of 850 - Special Operations include Regional Maintenance, Substance Abuse Programs (SATP and TC), Education, PALS, Braille Program and Mental Health Groups. Also includes Beef Production Agricultural Program and Industry Programs: Graphic Arts, Data Imaging and Furniture Manufacturing. In a move to better utilize bed space, the Male Boot Camp program (now at Tucker Unit) and the Pathway to Freedom Program (Hawkins Center for Men) locations were swapped.

Additional beds located at Wrightsville:

- J. Aaron Hawkins Center for Men/Pathway to Freedom - Capacity of 200 - InnerChange Freedom Initiative.
- J. Aaron Hawkins Sr. Center for Women - Capacity of 212 including a 12-bed Special Programs Unit - Special Operations include Female Boot Camp, Paws in Prison, Education, Substance Abuse Treatment Program, Even Start Family Literacy Program, Advanced Principle Application Life Skills (APALS), Work Release and Parenting Classes.
- Roosevelt Road Barracks - Capacity of 62 - Special Operations include housing for inmates assigned to daily supervision by the Arkansas State Police with work assignments in the Little Rock area.

- The Arkansas Department of Correction is a vital part of the criminal justice system in this state. All department-owned facilities are accredited by tough, national standards of the American Correctional Association.



Agency Commentary

Like many other successful organizations, the Arkansas Department of Correction (ADC) Strategic Plan provides us with an operational framework and a systematic approach to addressing existing problems, making objective decisions about what is needed and implementing strategies needed to accomplish Goals and Objectives. All Biennial Budget Requests submitted conform to our Agency Goals, which are:

- Goal 1:** *To maintain cost effective care, custody and control over all inmates in an appropriate, safe, humane and secure environment.*
- Goal 2:** *To provide appropriate facilities for inmates sentenced by the courts.*
- Goal 3:** *To provide constructive correctional opportunities for inmates to successfully return to the community.*
- Goal 4:** *To optimize inmate assignments in work programs.*
- Goal 5:** *To attract and retain quality staff.*
- Goal 6:** *To insure compliance with all local, State and Federal laws as well as Governor's Policy Directives, Administrative Regulations and Administrative Directives and to promote accountability, integrity and efficiency for all agency operations.*

During 2013, changes in the parole policies resulted in a large increase in the number of revocations along with normal sentencing. This has pushed back up in county jails to record levels. On February 28, 2014, back up reached an all-time high of 2,884 state prisoners held in county jails. The ADC jurisdictional count also peaked at a record 17,737 on May 23, 2014. In an effort to provide relief for counties ADC opened up over 950 beds through appropriation and funding increases approved by the Governor and Legislature during the 2014 Fiscal Session and the 2014 Special Session. Projections are for continued growth.

**ARKANSAS DEPARTMENT OF CORRECTION
HISTORICAL AND PROJECTED INMATE POPULATION 2003-2024**

Year	Historical	Base	High Scenario
2003	13,109		
2004	13,470		
2005	13,338		
2006	13,698		
2007	14,285		
2008	14,686		
2009	15,171		
2010	16,176		
2011	15,035		
2012	14,627		
2013	17,211	17,211	17,211
2014		17,558	17,791
2015		17,929	18,267
2016		18,277	18,845
2017		18,553	19,286
2018		18,819	19,757
2019		19,055	20,162
2020		19,357	20,460
2021		19,640	20,775
2022		19,754	21,202
2023		19,899	21,533
2024		20,024	21,906
Numeric Diff. 2003-2013	4,102		
% Diff. 2003-2013	31.3%		
Average % Diff. 2003-2013	2.9%		
Numeric Diff. 2014-2024		2,466	4,115
% Diff. 2014-2024		14.0%	23.1%
Average % Diff. 2014-2024		1.3%	2.1%

Source: JFA Simulation Model

Operating appropriations provide for administrative and executive staff, security staffing for all correctional programs, comprehensive health care and correctional programs, general and preventative maintenance on over \$1 billion of buildings, grounds, equipment, extensive farming, industry, work release programs and ancillary activities such as operation of inmate commissaries.

Change Level Requests for each Program Area of the Department are summarized as follows:

COUNTY JAIL REIMBURSEMENT

In the event the Department of Correction cannot accept inmates from the state county jails to due the lack of bed space, the Agency reimburses the counties from the County Jail Reimbursement Fund. In order to allow the Agency to accommodate for the current outstanding liability owed to county jails throughout the state, the Agency is requesting \$26,840,999 in FY16 and \$6,317,256 in FY17.

WORK RELEASE - CASH

Eligible inmates of the department are employed in the community while residing in correctional facilities. The ADC coordinates employment opportunities for 568 inmates in work release programs located in Luxora, Springdale, Benton, Texarkana, Wrightsville and Pine Bluff. Fees received from work release participants reduce the operational costs of the program. FY14 rents from the Work Release program totaled \$3.1 million. The Agency Request for Work Release Operations includes additional operating costs increases for utilities, flex operational appropriation for unforeseen needs, and equipment for all units totaling \$2,717,790 in FY16 and \$2,580,640 in FY17.

INMATE CARE AND CUSTODY - GENERAL REVENUE

General revenue appropriation requested totals \$34,751,657 for FY16 and \$33,069,619 for FY17 with funding requested totaling \$30,512,504 in FY16 and \$28,994,524 requested in FY17. These requests are summarized in priority order as follows:

Unfunded Salary Requirements:

Over the past few years, ADC has made great strides in filling vacant positions resulting in less overtime and safer and more secure institutions. However, this has significantly reduced the amount of salary savings that have been used in the past to pay unfunded salary requirements. During the last session, with Governor Beebe's recommendation and Legislative endorsement, ADC received General Improvement Funds (Act 289 of 2014) totaling \$5 million to pay down balances of banked holiday time for security personnel. In FY14, \$5 million was paid out leaving an unpaid balance of \$8.4 million. The FY16 request is for \$10,127,813 and \$7,620,479 for FY17 with this amount being added to base level appropriation/funding to cover future needs. Explanations for each are as follows:

- **Holiday Time** - For officers working 12-hour shifts, when a holiday falls on their regular day off or on their work day they "earn" a holiday to be banked and taken at a time approved by the employee's supervisor. Most state agencies are closed on holidays. Those that require employees to work a holiday, also give them an equivalent time off at another date. In addition, most have policies that require employees use holiday time before the end of a calendar year or lose it. However, because ADC does not have sufficient staff to provide "relief" for additional time off in addition to regular leave time, ADC sought and received Special Language authority allowing payment of up to 150 hours of unused holidays exceeding a balance in the banked account of 96 hours. However, this Special Language was adjusted during the 2014 Fiscal Session and now requires the Agency to pay employees for all hours included in their holiday account following the end of the calendar year. This requirement is contingent upon approval of the Chief Fiscal Officer of the State after the Director of the Agency has determined that sufficient revenues are available for the payments to be made. Employees do retain the option to continue to bank any holiday hours accrued, but cannot exceed one hundred fifty (150) hours banked.
- **Straight Time** - Correctional Officers assigned to 12 hour shifts, work 85¾ hours every pay period. The state only funds positions for 80 hours per pay period. This pay at "Straight Time," like Overtime, is banked in accordance with State and Federal laws. Since FY99, ADC has been paying this obligation from salary savings generally on a quarterly basis. More recently, the State has made a change in how straight time will be paid in the future. To fully comply with federal requirements, straight time must be paid in the pay period earned if an employee also earned overtime during the same pay period. Otherwise, it can be banked and paid with salary savings. This has the potential for putting the agency in a difficult financial situation.

New Bed Operations:

- **Ester Unit (formerly Diagnostic)** - 356 General Population beds will be opened at the renovated Ester Unit in Pine Bluff. The request includes 124 positions, capital equipment, and related start-up and operating expenses totaling \$9,235,465 in FY16 and \$8,728,296 in FY17.
- **Tucker Boot Camp** - 24 additional beds to be added to the existing 100 beds opened with funds from the FY15 increase. This was the former Training Academy site which has been renovated to house Inmates participating in the Boot Camp program. This increase will allow ADC to fully operate the program. This request includes 11 positions and related operating costs are included in the request which totals \$522,333 in FY16 and \$525,123 in FY17.

Incremental Medical Contract Increases:

This request projects an average increase of 3% each fiscal year above the current rate of \$323.44 per month per inmate housed in an ADC facility and \$73.87 per month per inmate assigned to a county jail under Act 309 of 1991. That makes the ADC/DCC rate for FY16 approximately \$333.81 and \$343.50 for FY17. For Act 309 contract inmates, the per diem is \$76.27 for FY16 and \$78.51 for FY17. The medical contract request totals \$1,939,834 in FY16 and an additional \$3,661,786 in FY17.

General Operating Needs:

While the agency has many inflationary and documented needs, a barebones request includes inflationary increases and critical operating costs as follows:

- **Food Service** - To provide for the existing and expanding inmate population, an additional \$4.1 million each fiscal year is requested. Costs of food products has increased significantly over the past few years due to the rising cost of fuel needed to transport these items to the units. Additional beds have also been added at various locations with no increase in the budget for food. Expenditures for basic food supplies during FY14 totaled \$17.98 million - \$3.6 million over our budget for food. ADC has not received an increase in Food Purchases line item since FY07. These increases had to be met by forced savings and contribution of additional one-time cash funds. This level of spending cannot be sustained and providing food meeting dietary requirements is mandatory.
- **Unit Maintenance Budgets** - Maintaining the operational integrity of ADC facilities rests upon each unit maintenance division. A major part of the maintenance budget is used to insure the safety and security of the units by maintaining locks, gates, lighting, plumbing, HVAC, electrical and capital equipment. The maintenance budgets have not had an increase since prior to FY01. The cost of materials has risen each year and as new beds are added at existing units more demands for expanded services are required for the upkeep of the facilities. This request for \$405,000 each year would allow ADC to maintain existing facilities and equipment to prolong the life and efficiency of each facility.
- **Unit Operational Cost** - This request would cover increases in utility, gasoline and diesel, clothing, and general operational cost that have risen from price increases and an increase in inmate population. As fuel prices/labor cost have increased it causes an across the board increase in all consumable items. Included in the request is \$400,000 to provide an off-site backup system for our Information Technology Services. This request is for \$1,598,768 each year.

Position Requests:

The request is forty seven (47) flex positions for the FY16-17 Biennium to enable us to respond to unforeseen situations and to correct inequities within the system as may be required. We need the flexibility to quickly take care of security issues that may occur. In the past, we have utilized flex pool positions to meet federally imposed mandates. We also have a significant number of staff on military and family medical leave and utilize flex positions to keep staffing at necessary levels. Flex positions also assist us in keeping more of our budgeted positions filled as they can be advertised prior to employee departures. The request for the flex positions is appropriation of \$2,137,872 each year with no additional funding.

Secondly, we are requesting twenty nine (29) positions be restored for the seventy two (72) new beds opened at Ouachita River Unit in Malvern and one hundred (100) new beds opened at the McPherson women's unit at Newport. These positions were approved with the additional funding provided in the FY15 budget to open new beds, but were not budgeted at that time. The \$6.2 million approved during the Special Session of 2014 to amend the Revenue Stabilization Act to open and operate six hundred four (604) new beds did not provide any positions therefore these positions will be required to operate the additional beds. The request for all restorations totals \$1,118,679 in appropriation only for each year.

We are also requesting thirty five (35) new positions for the biennium that were funded during the Special Session. Nine (9) of these positions are to support the Tucker Boot Camp and the remaining twenty six (26) are to support the Wrightsville Satellite Unit. The Wrightsville Satellite Unit is a Pulaski County facility, but is now being operated by ADC. The new position requests for the combined units total \$1,337,272 in appropriation only for each year.

Lastly, we are requesting the reclassification of nine (9) Internal Affairs Investigator (C116) positions to Internal Affairs Investigator (C117). This request totals \$1,916 each year of the biennium.

System Wide New/Replacement Equipment:

The Agency Request combines both new and replacement institutional furnishings and equipment, medical equipment, and construction and maintenance equipment needs for the entire system. Aging buildings and equipment demand that we routinely replace essential equipment in operations such as kitchens, laundry, heating and ventilation systems, sewer plants, ground maintenance equipment, etc. This request totals \$2,226,705 in FY16 and \$1,834,428 in FY17.

INDUSTRY PROGRAM

Correctional Industries exists as a self-supporting operation within the ADC and is funded by special revenues generated by the sale of products to public agencies and nonprofit organizations. The primary goal of the Industries program is to administer and operate the various industry programs in an efficient and cost-effective manner that provides inmates with productive and significant training opportunities. More than 500 inmates participate in the various work programs. Principal operations include printing and graphic arts, digital imaging, engraving, janitorial product manufacturing, school bus/fire truck refurbishing, furniture manufacturing, refurbishing and upholstery, vinyl products and athletic equipment. A Prison Industry Enhancement (PIE) Program at the McPherson Unit is a partnership with private sector companies operating within prison fences and employing inmates at prevailing wages. FY14 sales totaled approximately \$8.2 million. Revenues from Industry program operations will fund the biennial request for increases in operation expenditures. In addition, the request includes Capital Outlay authorization for acquisition of new and existing equipment. The Industry Division request totals \$794,937 in FY16 and \$815,989 in FY17.

FARM PROGRAM - SPECIAL REVENUE

The agricultural operation of the ADC is a self-supported division of the Department. The Agricultural Division is involved in almost every area of farming imaginable. It provides fresh and frozen vegetables, meat, milk and eggs which are consumed by the inmate population and generates revenue by selling products such as soybeans, rice, cotton and wheat. The primary goal of the Farm Program is to provide useful and meaningful work for inmates, produce sufficient cost-effective food for inmate consumption, and maximize revenues from production and sales of marketable field crops and livestock. A Vegetable Processing facility is located at the Varner Unit and provides approximately 2.4 million pounds of vegetables for inmate consumption. A Cold Storage facility located at the Cummins Unit provides beef and pork products to all units for consumption. A state of the art Creamery operation is also located at the Cummins Unit and provides milk and juice products. New chicken houses are currently under construction and will allow egg production to increase in scope to provide enough eggs to supply the entire Agency's need for inmate consumption and the surplus will be sold. The revenues will cover repayment of the loan for this upgrade. Not only will eggs be produced, but two houses will be used to grow pullets for sale to commercial chicken processors. Altogether, inmate consumption totals approximately \$7 million annually. Approximately 30,000 acres are devoted to cash crops, vegetables, hay production and livestock. FY14 cash crop sales totaled approximately \$7.5 million. The Farm Program provides jobs for approximately 400 inmates. The Livestock Division consists of 2,300 beef cows, a 319-cow dairy, swine production facilities, and egg layer operation as well as responsibility for all the horses being used in the cattle operation and at various units around the state for security and regional maintenance. Revenues from Farm operations will fund the biennial request of \$3,007,853 in FY16 and \$2,096,989 in FY17.

General Operational Needs:

A total of \$760,989 in each year of the biennium is requested to provide for fuel and utility increases, Extra Help Salaries and Personal Services Matching.

Capital Equipment:

The farming operation requests Capital Outlay authorization for equipment totaling \$2,246,864 in FY16 and \$1,336,000 in FY17.

INMATE WELFARE FUND

Self-supported Pen Store (Commissary) operations within institutions provide the opportunity for inmates to purchase various supplies such as MP4 players and download songs, hygiene items, paper, and stamps as well as various snack foods. A centralized banking system manages inmate funds, and the profits from the stores are used to purchase items that benefit inmates such as tables and chairs for visitation, televisions, and recreational equipment for inmate use. The Biennial Request for this cash fund operation includes inflationary operating cost increases and anticipated needs for unit expansions. The request totals \$1,286,537 each year of the biennium.

NON-REVENUE RECEIPTS

Funds for this appropriation are derived from operation of an inmate collect calling system that began in the 1995-97 Biennium. The system allows inmates the opportunity to call family or friends and provides revenues that are used to fund inmate assistance, security equipment, long-term needs that enhance quality of life in the institutions, and general operations. The Biennial Request will provide various operational and construction appropriations needed to provide flexibility in funding priority projects. The request totals \$1,200,000 each year of the biennium.

PAWS IN PRISON

Paws in Prison is a new appropriation request for our Agency that has previously received appropriation through a cash letter request. It is funded by Marketing and Redistribution funds and outside donations. This program allows inmates to work with dogs and teach them basic obedience and social skills which help transition them into adoptive homes. This also provides an opportunity for inmates to gain internal satisfaction of helping another being while incarcerated. Paws in Prison has been a huge success providing adoptable pets for homes and assisting in inmate rehabilitation. The request totals \$150,000 each year of the biennium.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS DEPARTMENT OF CORRECTION
FOR THE YEAR ENDED JUNE 30, 2013

Findings	Recommendations
The Agency's internal controls over travel reimbursements paid from fiduciary funds were poorly designed. As a result, reimbursements were made without proper approval and in non-compliance with state travel regulations. A total of 21 travel reimbursements from the fiduciary funds were tested, with the following exceptions noted: • None of the reimbursement requests were made on a Travel Reimbursement Form (TR-1). • All but one of the reimbursement claims were made payable to the employee's credit card company and not to the individual traveler. • Three reimbursements were made without the approval of the travel administrator. • Three reimbursements were made based on claims by an employee for the meals of other Agency employees. • An employee was reimbursed for fuel purchased rather than actual mileage driven on official business. • An employee was reimbursed for the same meal twice. • An employee was reimbursed in excess of the allowable state per diem for meals. This lack of internal controls over travel reimbursements limits the Agency's ability to provide assurance that payments are made in accordance with State travel regulations. The Agency's internal controls over inventory received at the central warehouse were not operating effectively. DLA staff selected 35 purchases for testing to determine if central warehouse employees verified that all items shipped to the warehouse were received. We noted five instances in which there was no supporting documentation retained to verify that all items were received. Inconsistent application of the internal controls over receiving inventory limits the Agency's ability to account for these assets and ensure that items recorded in the ledger do exist.	Management review the State's Financial Management Guide and strengthen internal controls over fiduciary fund disbursements. Agency Response: Arkansas Department of Correction (ADC) is in the process of writing policies and procedures for Chaplaincy Services. Once these have been prepared and approved by the Director and the ADC Policy Committee, they will be immediately implemented. ADC plans to periodically review and audit the Chaplaincy travel reimbursement to ensure the policies and procedures set forth are being adhered to. Strengthen internal controls over inventory received at the central warehouse. Agency Response: ADC has implemented procedures to ensure that all items received at the central warehouse are verified and signed off on. The administrative staff is reviewing all receiving reports to ensure proper signatures are on the documents. If signatures are missing, then disciplinary action is being taken.

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2014

None

Employment Summary

	Male	Female	Total	%
White Employees	1435	584	2019	50 %
Black Employees	892	1064	1956	49 %
Other Racial Minorities	19	11	30	1 %
Total Minorities			1,986	50 %
Total Employees			4,005	100 %

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
Annual Report	ACA §12-27-107	N	Y	500	Required by Statute. Electronic copies only.	0	0.00
Inmate Handbook	ACA §12-27-106	N	Y	5,000	Required by Statute. Electronic copies only.	0	0.00

ARKANSAS DEPARTMENT OF CORRECTION
EMPLOYEE COMPENSATION REPORT
As Required by Section 19 of Act 284 of 2014

	<u>HOLIDAY</u>	<u>STRAIGHT TIME</u>	<u>OVERTIME</u>	<u>HAZARDOUS DUTY</u>
CURRENT LIABILITY AS OF JUNE 30, 2014	<u>\$8,160,042.00</u>	<u>\$1,454,488.00</u>	<u>\$57,966.00</u>	<u>\$0.00</u>
PROJECTED LIABILITY FOR FISCAL YEAR 2015	<u>4,650,000.00</u>	<u>3,350,000.00</u>	<u>350,000.00</u>	<u>4,750,000.00</u>
LESS ESTIMATED SALARY SAVINGS	<u>0.00</u>	<u>0.00</u>	<u>350,000.00</u>	<u>4,750,000.00</u>
TOTAL ESTIMATED BANKED LIABILITY AS OF JUNE 30, 2015	<u><u>\$12,810,042.00</u></u>	<u><u>\$4,804,488.00</u></u>	<u><u>\$57,966.00</u></u>	<u><u>\$0.00</u></u>

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation		2013-2014		2014-2015		2014-2015		2015-2016						2016-2017					
		Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
1MJ	County Jail Reimbursement	13,705,902	0	13,843,971	0	14,118,672	0	13,343,971	0	40,184,970	0	40,184,970	0	13,343,971	0	19,661,227	0	19,661,227	0
22V	Work Release Cash	2,684,544	0	5,169,560	0	6,896,771	0	5,169,560	0	7,887,350	0	7,376,070	0	5,169,560	0	7,750,200	0	7,238,920	0
33K	ADC Sex Offender Assessment	0	0	25,000	0	25,000	0	25,000	0	25,000	0	25,000	0	25,000	0	25,000	0	25,000	0
4HS	Fire Station Treasury Cash	4,470	0	50,000	0	50,000	0	25,000	0	25,000	0	25,000	0	25,000	0	25,000	0	25,000	0
509	Inmate Care & Custody	324,189,396	4,296	326,096,176	4,319	341,690,923	4,395	327,720,427	4,319	362,472,084	4,565	362,485,628	4,565	327,884,486	4,319	360,954,105	4,565	360,967,649	4,565
511	Prison Industry	9,122,936	46	10,791,000	60	11,281,041	60	10,755,011	60	11,549,948	60	11,549,948	60	10,755,884	60	11,571,873	60	11,571,873	60
512	Farm Operations	13,563,215	59	20,100,000	64	20,763,366	64	18,141,830	64	21,149,683	64	21,149,683	64	18,142,206	64	20,239,195	64	20,239,195	64
859	Inmate Welfare Treasury Cash	10,859,530	28	12,109,061	27	12,688,500	27	12,122,428	27	13,408,965	28	13,408,965	28	12,124,795	27	13,411,332	28	13,411,332	28
865	Non-Tax Revenue Receipts	1,922,014	0	2,837,500	0	6,440,000	0	2,772,500	0	3,972,500	0	3,972,500	0	2,772,500	0	3,972,500	0	3,972,500	0
F95	Paws in Prison	45,187	0	150,000	0	0	0	0	0	150,000	0	150,000	0	0	0	150,000	0	150,000	0
Total		376,097,194	4,429	391,172,268	4,470	413,954,273	4,546	390,075,727	4,470	460,825,500	4,717	460,327,764	4,717	390,243,402	4,470	437,760,432	4,717	437,262,696	4,717

Funding Sources			%		%			%		%		%		%		%		%
Fund Balance	4000005	14,562,599	3.7	12,658,056	3.2		4,220,056	1.1	4,220,056	0.9	4,220,056	1.0	4,346,436	1.1	1,232,842	0.3	1,194,426	0.3
General Revenue	4000010	320,451,836	82.4	335,655,267	84.9		337,369,060	85.9	394,722,563	87.7	363,069,060	86.7	337,369,060	85.8	372,680,840	87.6	362,269,060	87.3
Federal Revenue	4000020	483,835	0.1	500,000	0.1		500,000	0.1	500,000	0.1	500,000	0.1	500,000	0.1	500,000	0.1	500,000	0.1
Special Revenue	4000030	17,181,998	4.4	23,316,000	5.9		24,625,215	6.3	24,625,215	5.5	24,625,215	5.9	24,775,000	6.3	24,775,000	5.8	24,775,000	6.0
Cash Fund	4000045	17,912,541	4.6	16,563,001	4.2		19,410,660	4.9	19,460,660	4.3	19,460,660	4.6	19,574,719	5.0	19,624,719	4.6	19,624,719	4.7
Merit Adjustment Fund	4000055	3,413,878	0.9	0	0.0		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Budget Stabilization Trust	4000130	4,600,000	1.2	5,600,000	1.4		5,600,000	1.4	5,600,000	1.2	5,600,000	1.3	5,600,000	1.4	5,600,000	1.3	5,600,000	1.3
DFA Motor Vehicle Acquisition	4000184	81,731	0.0	0	0.0		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
General Improvement Fund	4000265	9,419,873	2.4	0	0.0		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Inter-agency Fund Transfer	4000316	538,256	0.1	0	0.0		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Intra-agency Fund Transfer	4000317	0	0.0	1,000,000	0.3		1,000,000	0.3	1,000,000	0.2	1,000,000	0.2	1,000,000	0.3	1,000,000	0.2	1,000,000	0.2
M & R Sales	4000340	108,703	0.0	100,000	0.0		0	0.0	0	0.0	100,000	0.0	0	0.0	0	0.0	100,000	0.0
Other	4000370	0	0.0	0	0.0		0	0.0	100,000	0.0	0	0.0	0	0.0	100,000	0.0	0	0.0
Total Funds		388,755,250	100.0	395,392,324	100.0		392,724,991	100.0	450,228,494	100.0	418,574,991	100.0	393,165,215	100.0	425,513,401	100.0	415,063,205	100.0
Excess Appropriation/(Funding)		(12,658,056)		(4,220,056)			(2,649,264)		10,597,006		41,752,773		(2,921,813)		12,247,031		22,199,491	
Grand Total		376,097,194		391,172,268		390,075,727		460,825,500		460,327,764		390,243,402		437,760,432		437,262,696		

Variance in fund balance due to unfunded appropriation in appropriations (1MJ) County Jail Reimbursement Fund, (2ZV) Cash in Treasury, (4HS) Cash in Treasury, (509) Department of Correction Inmate Care and Custody Fund, (511) Department of Correction Prison Industry Fund, (859) Cash in Treasury and (865) Cash in Treasury.

Budget exceeds Authorized in FY15 for (F95) - Paws in Prison due to appropriation establishment by cash letter.

Agency Position Usage Report

FY2012 - 2013						FY2013 - 2014						FY2014 - 2015					
Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused
	Filled	Unfilled	Total				Filled	Unfilled	Total				Filled	Unfilled	Total		
4,756	4180	249	4429	327	12.11 %	4,503	4056	447	4503	0	9.93 %	4,546	4062	408	4470	76	10.65 %

Analysis of Budget Request

Appropriation: 1MJ - County Jail Reimbursement

Funding Sources: MCJ - County Jail Reimbursement Fund

In the event the Arkansas Department of Correction cannot accept inmates from county jails due to insufficient bed space, the Agency reimburses the counties from the County Jail Reimbursement Fund at rates determined by the Chief Fiscal Officer of the State, after consultation with the Division of Legislative Audit and the Department of Correction and upon approval of the Governor, until the appropriation and funding provided for that purpose are exhausted as stipulated in A.C.A. §12-27-114. ADC serves as disbursing officer for this separate Revenue Stabilization Fund and currently pays county jails \$28 per day for housing inmates sentenced to ADC.

The Agency's Base Level appropriation totals \$13,343,971 each year of the biennium.

The Agency's Change Level Request totals \$26,840,999 in FY16 and \$6,317,256 in FY17 in appropriation and general revenue funding to reimburse counties for housing state inmates.

The Executive Recommendation provides for the Agency Request in appropriation and \$9,500,000 in general revenue funding for each year.

Appropriation Summary

Appropriation: 1MJ - County Jail Reimbursement

Funding Sources: MCJ - County Jail Reimbursement Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements	5110014	13,705,902	13,843,971	14,118,672	13,343,971	40,184,970	40,184,970	13,343,971	19,661,227	19,661,227
Total		13,705,902	13,843,971	14,118,672	13,343,971	40,184,970	40,184,970	13,343,971	19,661,227	19,661,227
Funding Sources										
Fund Balance	4000005	2,552,455	538,416		38,416	38,416	38,416	38,416	38,416	0
General Revenue	4000010	7,453,607	13,343,971		13,343,971	40,184,970	22,843,971	13,343,971	19,661,227	22,843,971
General Improvement Fund	4000265	3,700,000	0		0	0	0	0	0	0
Inter-agency Fund Transfer	4000316	538,256	0		0	0	0	0	0	0
Total Funding		14,244,318	13,882,387		13,382,387	40,223,386	22,882,387	13,382,387	19,699,643	22,843,971
Excess Appropriation/(Funding)		(538,416)	(38,416)		(38,416)	(38,416)	17,302,583	(38,416)	(38,416)	(3,182,744)
Grand Total		13,705,902	13,843,971		13,343,971	40,184,970	40,184,970	13,343,971	19,661,227	19,661,227

Inter-agency Fund Transfer reflects the transfer of unexpended funds from Department of Community Correction (2GK) - County Jail Reimbursement Fund.

Change Level by Appropriation

Appropriation: 1MJ - County Jail Reimbursement

Funding Sources: MCJ - County Jail Reimbursement Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	13,343,971	0	13,343,971	100.0	13,343,971	0	13,343,971	100.0
C01	Existing Program	26,840,999	0	40,184,970	301.1	6,317,256	0	19,661,227	147.3

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	13,343,971	0	13,343,971	100.0	13,343,971	0	13,343,971	100.0
C01	Existing Program	26,840,999	0	40,184,970	301.1	6,317,256	0	19,661,227	147.3

Justification

C01	In the event the Department of Correction cannot accept inmates from county jails due to insufficient bed space, the Department of Correction reimburses the counties from the County Jail Reimbursement Fund at rates determined by the Chief Fiscal Officer of the State, after consultation with the Division of Legislative Audit and the Department of Correction and upon approval of the Governor, until the appropriation and funding provided for that purpose are exhausted as stipulated in §12-27-114. ADC currently pays county jails \$28 per day for housing inmates sentenced to the Department. ADC projects that an additional \$26,840,999 in FY16 and \$6,317,256 in FY17 will be needed to pay counties for housing inmates. As of October 1, 2014, there are 2,186 inmates held in county jails awaiting bed space at the Department of Correction.								
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**CARRY FORWARD OF ANY REMAINING FUND BALANCES
FROM FISCAL YEAR 2014 TO FISCAL YEAR 2015**

Agency: Correction Department

Program: County Jail Reimbursement

Act #: 1207 Section(s) #: 9 & 21

Estimated Carry Forward Amount \$ 538,256.00 Funding Source: General Revenue

Accounting Information:

Business Area: 0480 Funds Center: 1MJ Fund: MCJ Functional Area: SFTY

Current law requires a written statement be submitted to the DFA Office of Budget stating the reason(s) to carry forward funding for a program or a specific line item within a program remaining on June 30th of a fiscal year.

Justification for carry forward of fund balance:

Carry Forward needed to fund FY15 County Jail Reimbursements.

Actual Funding Carry Forward Amount \$ 538,416.00

Current status of carry forward funding:

Funds will be used for County Jail Reimbursements.

Ray Hobbs
Director

10-31-2014
Date

Analysis of Budget Request

Appropriation: 2ZV - Work Release Cash

Funding Sources: NDC - Cash in Treasury

The Work Release Program allows inmates to hold paid jobs in the community while being housed at a correctional facility. Work Release participants reimburse the Department of Correction \$17 per day to offset the cost for maintenance and operation of the centers. There are currently six Work Release Centers located at Luxora, Springdale, Benton, Texarkana, Wrightsville and Pine Bluff. This is a cash funded appropriation that is supported by each inmate who participates in the Work Release Program.

The Agency's Base Level appropriation totals \$5,169,560 each year of the biennium.

The Agency's Change Level Request totals \$2,717,790 in FY16 and \$2,580,640 in FY17 and consists of the following:

- Operating Expenses of \$388,760 in FY16 and \$526,360 in FY17 including utilities, fuel purchases, mileage, food purchases, firearms, and building maintenance.
- Conference and Travel Expenses of \$11,280 each year for training of employees/staff that operate the work release units.
- Professional Fees of \$500,000 each year for increases in professional, administrative and legal fees for the work release units.
- Capital Outlay of \$1,817,750 in FY16 and \$1,543,000 in FY17 for the purchase of new equipment for two of the work release units.

The Executive Recommendation provides for the Agency Request in Operating Expenses and Capital Outlay commitment items and Base Level for Conference and Travel Expenses and Professional Fees commitment items. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 2ZV - Work Release Cash

Funding Sources: NDC - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	1,909,410	4,565,410	4,791,941	4,565,410	4,954,170	4,954,170	4,565,410	5,091,770	5,091,770
Conference & Travel Expenses	5050009	5,749	104,150	104,830	104,150	115,430	104,150	104,150	115,430	104,150
Professional Fees	5060010	120	500,000	500,000	500,000	1,000,000	500,000	500,000	1,000,000	500,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	769,265	0	1,000,000	0	1,817,750	1,817,750	0	1,543,000	1,543,000
Debt Service	5120019	0	0	500,000	0	0	0	0	0	0
Total		2,684,544	5,169,560	6,896,771	5,169,560	7,887,350	7,376,070	5,169,560	7,750,200	7,238,920
Funding Sources										
Fund Balance	4000005	4,921,462	5,370,047		1,750,487	1,750,487	1,750,487	0	0	0
Cash Fund	4000045	3,127,770	1,550,000		2,600,000	2,600,000	2,600,000	2,600,000	2,600,000	2,600,000
M & R Sales	4000340	5,359	0		0	0	0	0	0	0
Total Funding		8,054,591	6,920,047		4,350,487	4,350,487	4,350,487	2,600,000	2,600,000	2,600,000
Excess Appropriation/(Funding)		(5,370,047)	(1,750,487)		819,073	3,536,863	3,025,583	2,569,560	5,150,200	4,638,920
Grand Total		2,684,544	5,169,560		5,169,560	7,887,350	7,376,070	5,169,560	7,750,200	7,238,920

Expenditure of appropriation is contingent upon available funding.

Change Level by Appropriation

Appropriation: 2ZV - Work Release Cash
Funding Sources: NDC - Cash in Treasury

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	5,169,560	0	5,169,560	100.0	5,169,560	0	5,169,560	100.0
C01	Existing Program	2,717,790	0	7,887,350	152.6	2,580,640	0	7,750,200	149.9

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	5,169,560	0	5,169,560	100.0	5,169,560	0	5,169,560	100.0
C01	Existing Program	2,206,510	0	7,376,070	142.7	2,069,360	0	7,238,920	140.0

Justification

C01	Agency requests appropriation of \$2,717,790 in FY16 and \$2,580,640 in FY17 for additional operating cost increases for utilities, flex operational needs and equipment for all work release units.								
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Analysis of Budget Request

Appropriation: 33K - ADC Sex Offender Assessment

Funding Sources: SSC - ADC Sex Offender Assessment Fund

This appropriation request is for UAMS Juvenile Assessment. Funds for this appropriation are derived from collections by the Arkansas Crime Information Center (ACIC) of a \$250.00 fee from each individual who is required by law to register as a Level III or Level IV Sex Offender as required by provisions of ACA §12-12-910 and 12-12-911 et seq. The fees are split between ACIC and the Department of Correction.

The Agency Request is for Base Level of \$25,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 33K - ADC Sex Offender Assessment
Funding Sources: SSC - ADC Sex Offender Assessment Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	0	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		0	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Funding Sources										
Fund Balance	4000005	34,953	57,104		57,104	57,104	57,104	57,104	57,104	57,104
Special Revenue	4000030	22,151	25,000		25,000	25,000	25,000	25,000	25,000	25,000
Total Funding		57,104	82,104		82,104	82,104	82,104	82,104	82,104	82,104
Excess Appropriation/(Funding)		(57,104)	(57,104)		(57,104)	(57,104)	(57,104)	(57,104)	(57,104)	(57,104)
Grand Total		0	25,000		25,000	25,000	25,000	25,000	25,000	25,000

Analysis of Budget Request

Appropriation: 4HS - Fire Station Treasury Cash

Funding Sources: NDC - Cash in Treasury

This appropriation provides for the support of the Fire Station recently constructed at the Cummins Unit. Cash funds are collected through the Fire Protection Revolving Fund as authorized by Act 833 of 1991. The construction of the new Fire Station was completed by Department of Correction's in-house construction division utilizing inmate labor to lower the cost.

The Agency Request is for Base Level of \$25,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 4HS - Fire Station Treasury Cash

Funding Sources: NDC - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	4,470	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	25,000	25,000	0	0	0	0	0	0
Total		4,470	50,000	50,000	25,000	25,000	25,000	25,000	25,000	25,000
Funding Sources										
Fund Balance	4000005	24,119	35,370		5,370	5,370	5,370	0	0	0
Cash Fund	4000045	15,721	20,000		15,000	15,000	15,000	15,000	15,000	15,000
Total Funding		39,840	55,370		20,370	20,370	20,370	15,000	15,000	15,000
Excess Appropriation/(Funding)		(35,370)	(5,370)		4,630	4,630	4,630	10,000	10,000	10,000
Grand Total		4,470	50,000		25,000	25,000	25,000	25,000	25,000	25,000

Expenditure of appropriation is contingent upon available funding.

Analysis of Budget Request

Appropriation: 509 - Inmate Care & Custody

Funding Sources: HCA - Department of Correction Inmate Care and Custody Fund

The Arkansas Department of Correction (ADC) is responsible for administration of an efficient and humane system of correction for individuals committed to the Department by the courts. In addition to providing for basic physiological and psychological needs of inmates, the Agency operates extensive farming, industry, work release programs, inmate welfare activities, pen stores, and maintenance and construction activities. Cash and special revenues produced by these and other auxiliary activities allow the Department wide discretion in planning and operating new and expanded inmate care and custody programs as well as construction projects.

The Board of Corrections is comprised of seven voting members: five citizen members, the chairperson of the Post Prison Transfer Board and one member of a criminal justice faculty. Each member is appointed by the Governor and serves a seven-year term.

The Agency has five divisions. The divisions and responsibilities are:

Administrative Services provides support to all operational units of the ADC while ensuring Agency compliance with state and federal accounting, budgetary and personnel procedures;

Institutional Services oversees the various Institutions, Work Release Programs, Regional Jails, Transportation Services, Accreditation, Classification and Emergency Preparedness;

Operations directs the Agriculture and Industry Programs, the 309 County Jail Contracts Program (A.C.A. §12-30-401) and also coordinates inmate grievances;

Health and Correctional Programs is responsible for Medical and Mental Health Services, Religious Services, Substance Abuse Treatment Program (SATP) and Reduction of Sexual Victimization Program (RSVP). The Health and Correctional Programs Division also coordinates educational programs provided through the Department of Correction School District, which is accredited and supervised by the Arkansas Department of Education. During the 1999 Legislative Session, responsibility for assessment of sex offenders in prison and living in communities in Arkansas was assigned to ADC. A unit supervised by the Deputy Director of Health and Correctional Programs conducts the assessments as prescribed by the Sex Offender Assessment Committee whose members are appointed by the Governor and prescribed by law;

Construction and Maintenance is responsible for ongoing and preventative maintenance programs at the various units and design and construction projects for the department. Construction of facilities is often completed with inmate labor, which costs substantially less than free-world labor.

Funding for Inmate Care and Custody (ICC) is primarily from general revenue. The opening of the Jefferson and Delta Regional Jail Units in FY92 provided a new fund source for the Department. Legislation specifies that fees collected from contracting with counties for an agreed upon number of beds is to be deposited in the "Regional Facilities Operation Account" and used for payment of debt service on, or operation of, regional facilities. The operation of these facilities is funded within Inmate Care and Custody appropriation with a portion of the cost defrayed by a transfer of the cash funds to the Inmate Care and Custody Fund. The use of cash and special revenue income for Inmate Care & Custody Fund Operations allows the Agency to prepare fiscal year budgets to help meet the contingencies of population growth.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY15 line item maximum plus the previously authorized 2015 1% Cost of Living Adjustment.

The Agency's Base Level appropriation totals \$327,720,427 in FY16 and \$327,884,486 in FY17 and includes four thousand three hundred nineteen (4,319) positions.

The Agency's Change Level Request totals \$34,751,657 with general revenue funding of \$30,512,504 in FY16 and \$33,069,619 with general revenue funding of \$28,994,524 in FY17. The following is a summary of the major components of the Agency Request.

Unfunded Salary Requirements

The Agency has made it a priority to fill vacant positions to avoid overtime and to have more secure institutions. However, due to having less turnover the agency is unable to use salary savings to help offset costs for Holiday Time and Straight Time. Therefore, the Agency requests Regular Salaries and Personal Services Matching of \$10,127,813 in FY16 and \$7,620,479 in FY17 for Straight Time and Holiday Time payouts.

Medical Contract Increases

In anticipation of a projected cost increase of 3% each year of the biennium for the Agency's medical contract, the Agency requests an increase in Professional Fees of \$1,939,834 in FY16 and \$3,661,786 in FY17.

Agency General Operations

In order to provide for the administration of the system as a whole, the Agency requests the following:

- Regular Salaries and Personal Services Matching of \$4,595,739 each year which includes:
 1. Restoration of forty seven (47) "flex" positions (appropriation only).
 2. Restoration of twenty nine (29) positions that were approved and authorized by Act 284 of 2014 (appropriation only).
 3. Request of twenty six (26) new positions funded by the Special Session of 2014 (appropriation only).
 4. Request of nine (9) new positions funded by the \$6.2 million approved during the Special Session of 2014 amending the Revenue Stabilization Act (appropriation only).

- 5. Reclassification of nine (9) positions (general revenue funding and appropriation).
- Operating Expenses of \$6,103,768 each year for food costs increases, building and grounds maintenance and costs associated with supporting the positions requested.
- Capital Outlay of \$2,226,705 in FY16 and \$1,834,428 in FY17 to replace and update aging equipment in various units.

New Bed Initiatives

The Agency anticipates the following new bed openings during the 2015-2017 Biennium:

- Ester Unit (formerly the Diagnostic Unit)
Three hundred fifty-six (356) general population beds.
- Tucker Parole Bootcamp
Twenty four (24) special programs beds.

In order to accommodate these openings, the Agency requests the following:

- Regular Salaries and Personal Services Matching of \$6,175,872 each year in association with the Agency's request of one hundred thirty five (135) new positions.
- Operating Expenses of \$1,644,588 in FY16 and \$1,504,338 in FY17 for support of these positions in facilities operations.
- Professional Fees of \$1,429,023 in FY16 and \$1,473,209 in FY17 for medical expenses for the inmates housed in the new units.
- Capital Outlay of \$508,315 in FY16 and \$100,000 in FY17 for new kitchen equipment for the Ester Unit.

The Executive Recommendation provides for \$16,200,000 for FY16 and \$15,400,000 for FY17 in general revenue funding and the Agency Request in appropriation and positions only with the exception of the reclassification requests. Instead, the Executive Recommendation provides for the upgrade of the ADC/DCC Internal Affairs Investigator positions from a C116 to a C117. The Executive Recommendation also provides for the reclassification of two (2) positions based on the request for reclassification by the Department of Community Correction and following job audits by the Office of Personnel Management.

Appropriation Summary

Appropriation: 509 - Inmate Care & Custody

Funding Sources: HCA - Department of Correction Inmate Care and Custody Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	158,367,769	153,575,662	162,299,096	154,500,996	170,272,823	170,283,254	154,632,396	168,392,723	168,403,154
#Positions		4,296	4,319	4,395	4,319	4,565	4,565	4,319	4,565	4,565
Extra Help	5010001	80,757	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
#Extra Help		12	170	170	170	170	170	170	170	170
Personal Services Matching	5010003	59,274,514	59,543,256	64,464,556	60,242,173	65,369,770	65,372,883	60,274,832	64,906,595	64,909,708
Overtime	5010006	416,533	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000
Operating Expenses	5020002	49,771,753	49,372,602	49,372,602	49,372,602	57,120,958	57,120,958	49,372,602	56,980,708	56,980,708
Conference & Travel Expenses	5050009	143,981	155,398	157,288	155,398	155,398	155,398	155,398	155,398	155,398
Professional Fees	5060010	54,471,992	60,266,258	60,925,723	60,266,258	63,635,115	63,635,115	60,266,258	65,401,253	65,401,253
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	482,581	0	1,288,658	0	2,735,020	2,735,020	0	1,934,428	1,934,428
Jail Contracts	5900047	1,179,516	1,533,000	1,533,000	1,533,000	1,533,000	1,533,000	1,533,000	1,533,000	1,533,000
Total		324,189,396	326,096,176	341,690,923	327,720,427	362,472,084	362,485,628	327,884,486	360,954,105	360,967,649
Funding Sources										
General Revenue	4000010	312,998,229	322,311,296		324,025,089	354,537,593	340,225,089	324,025,089	353,019,613	339,425,089
Federal Revenue	4000020	425,584	500,000		500,000	500,000	500,000	500,000	500,000	500,000
Cash Fund	4000045	1,612,627	3,284,880		3,195,338	3,195,338	3,195,338	3,359,397	3,359,397	3,359,397
Merit Adjustment Fund	4000055	3,413,878	0		0	0	0	0	0	0
General Improvement Fund	4000265	5,719,873	0		0	0	0	0	0	0
M & R Sales	4000340	19,205	0		0	0	0	0	0	0
Total Funding		324,189,396	326,096,176		327,720,427	358,232,931	343,920,427	327,884,486	356,879,010	343,284,486
Excess Appropriation/(Funding)		0	0		0	4,239,153	18,565,201	0	4,075,095	17,683,163
Grand Total		324,189,396	326,096,176		327,720,427	362,472,084	362,485,628	327,884,486	360,954,105	360,967,649

Change Level by Appropriation

Appropriation: 509 - Inmate Care & Custody
Funding Sources: HCA - Department of Correction Inmate Care and Custody Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	327,720,427	4,319	327,720,427	100.0	327,884,486	4,319	327,884,486	100.0
C01	Existing Program	24,991,943	111	352,712,370	107.6	23,814,284	111	351,698,770	107.3
C02	New Program	9,757,798	135	362,470,168	110.6	9,253,419	135	360,952,189	110.1
C10	Reclass	1,916	0	362,472,084	110.6	1,916	0	360,954,105	110.1

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	327,720,427	4,319	327,720,427	100.0	327,884,486	4,319	327,884,486	100.0
C01	Existing Program	24,991,943	111	352,712,370	107.6	23,814,284	111	351,698,770	107.3
C02	New Program	9,757,798	135	362,470,168	110.6	9,253,419	135	360,952,189	110.1
C10	Reclass	13,544	0	362,483,712	110.6	13,544	0	360,965,733	110.1
C11	Upgrade/Downgrade	1,916	0	362,485,628	110.6	1,916	0	360,967,649	110.1

Justification

C01	Agency requests appropriation in the amount of \$24,991,943 in FY16 and \$23,814,284 in FY17. This request includes the restoration of seventy-six (76) positions and thirty five (35) new positions totaling \$4,593,823 for Regular Salaries and Personal Services Matching in each year of the biennium. Also included in Regular Salaries and Personal Services Matching request is appropriation and funding for straight time and holiday pay totaling \$10,127,813 in FY16 and \$7,620,479 in FY17. Operating Expenses request totals \$6,103,768 in both years of the biennium and includes food purchases, utility, buildings and grounds maintenance, fuel purchases and software maintenance increases for multiple units within the Department. Medical expense increases of \$1,939,834 in FY16 and \$3,661,786 in FY17 are due to incremental medical contract increases. Lastly, the request for Capital Outlay of \$2,226,705 in FY16 and \$1,834,428 includes the purchase of new equipment and the replacement of outdated equipment.
C02	Agency requests \$9,757,798 in FY16 and \$9,253,419 in FY17 for new beds housed in the Ester Unit and Tucker Parole Boot Camp. This request includes Regular Salaries and Personal Services Matching of \$6,175,872 in each year of the biennium for one hundred thirty five (135) new positions to support the new units and also includes appropriation and funding for straight time and holiday pay. Operating Expenses total \$1,644,588 in FY16 and \$1,504,338 in FY17 spanning many operational needs. Professional Fees increases of \$1,429,023 in FY16 and \$1,473,209 in FY17 include medical costs for the inmates housed in each unit. Lastly, Capital Outlay of \$508,315 in FY16 and \$100,000 in FY17 for kitchen equipment for the new Ester Unit.
C10	Agency requests the reclassification of nine (9) positions. The appropriation increase of \$1,916 reflects bringing position number 22086808 up to entry level for a C117 position.
C11	The Executive Recommendation provides for the upgrade of nine (9) Internal Affairs Investigator positions (originally requested as reclassifications by the Agency) from a C116 to a C117.

Analysis of Budget Request

Appropriation: 511 - Prison Industry

Funding Sources: SDD - Department of Correction Prison Industry Fund

Correctional Industries exists as a self-supporting operation within the ADC and is funded by special revenues generated by the sale of products to public agencies and nonprofit organizations. The primary goal of the Industries program is to administer and operate the various industry programs in an efficient and cost-effective manner that provides inmates with productive and significant training opportunities. More than 500 inmates participate in the various work programs. Principal operations include printing and graphic arts, digital imaging, engraving, janitorial product manufacturing, school bus/fire truck repair, furniture manufacturing, refinishing and upholstery, vinyl products and athletic equipment. Prison Industry Enhancement (PIE) Programs at the McPherson and Pine Bluff Units are a partnership with private sector companies operating within prison fences and employing inmates at prevailing wages. FY14 sales totaled \$8.2 million.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

The Agency's Base Level appropriation totals \$10,755,011 in FY16 and \$10,755,884 in FY17 and includes sixty (60) positions.

The Agency's Change Level Request totals \$794,937 in FY16 and \$815,989 in FY17 and includes the following:

- Extra Help and Personal Services Matching of \$10,989 each year to be used if necessary.
- Operating Expenses of \$500,000 each year for utility increases.
- Capital Outlay of \$283,948 in FY16 and \$305,000 in FY17 for the purchase of replacement equipment.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 511 - Prison Industry

Funding Sources: SDD - Department of Correction Prison Industry Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,714,265	2,134,241	2,233,453	2,150,941	2,150,941	2,150,941	2,151,641	2,151,641	2,151,641
#Positions		46	60	60	60	60	60	60	60	60
Extra Help	5010001	0	0	0	0	10,000	10,000	0	10,000	10,000
#Extra Help		0	0	0	0	0	0	0	0	0
Personal Services Matching	5010003	715,078	823,266	857,348	834,577	835,566	835,566	834,750	835,739	835,739
Overtime	5010006	3,906	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Operating Expenses	5020002	6,570,487	7,720,213	8,076,960	7,720,213	8,220,213	8,220,213	7,720,213	8,220,213	8,220,213
Conference & Travel Expenses	5050009	7,844	41,280	41,280	41,280	41,280	41,280	41,280	41,280	41,280
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	111,356	64,000	64,000	0	283,948	283,948	0	305,000	305,000
Total		9,122,936	10,791,000	11,281,041	10,755,011	11,549,948	11,549,948	10,755,884	11,571,873	11,571,873

Funding Sources										
Fund Balance	4000005	1,721,719	1,550,498		550,498	550,498	550,498	0	0	0
Special Revenue	4000030	8,907,281	9,791,000		10,100,215	10,100,215	10,100,215	10,250,000	10,250,000	10,250,000
DFA Motor Vehicle Acquisition	4000184	41,126	0		0	0	0	0	0	0
M & R Sales	4000340	3,308	0		0	0	0	0	0	0
Total Funding		10,673,434	11,341,498		10,650,713	10,650,713	10,650,713	10,250,000	10,250,000	10,250,000
Excess Appropriation/(Funding)		(1,550,498)	(550,498)		104,298	899,235	899,235	505,884	1,321,873	1,321,873
Grand Total		9,122,936	10,791,000		10,755,011	11,549,948	11,549,948	10,755,884	11,571,873	11,571,873

Change Level by Appropriation

Appropriation: 511 - Prison Industry
Funding Sources: SDD - Department of Correction Prison Industry Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	10,755,011	60	10,755,011	100.0	10,755,884	60	10,755,884	100.0
C01	Existing Program	794,937	0	11,549,948	107.4	815,989	0	11,571,873	107.6

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	10,755,011	60	10,755,011	100.0	10,755,884	60	10,755,884	100.0
C01	Existing Program	794,937	0	11,549,948	107.4	815,989	0	11,571,873	107.6

Justification

C01	Agency requests appropriation of \$794,937 in FY16 and \$815,989 in FY17. This includes \$10,989 in each year for Extra Help and Personal Services Matching, Operating Expenses increases of \$500,000 in each year for utility increases and, lastly, \$283,948 in FY16 and \$305,000 in FY17 in Capital Outlay for industry equipment needs.								
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Analysis of Budget Request

Appropriation: 512 - Farm Operations

Funding Sources: SDC - Department of Correction Farm Fund

The agricultural operation of the ADC is a self-supported division. The Agricultural Division is involved in almost every area of farming providing fresh and frozen vegetables, meat, milk and eggs which are consumed by the inmate population and generates revenue by selling products such as soybeans, rice, cotton and wheat. The primary goal of the Farm Program is to provide useful and meaningful work for inmates, produce sufficient cost-effective food for inmate consumption, and maximize revenues from production and sales of marketable field crops and livestock. A Vegetable Processing facility is located at the Varner Unit and annually provides approximately 2.4 million pounds of vegetables for inmate consumption. A Cold Storage facility located at the Cummins Unit provides beef and pork products to all units for consumption. A state of the art Creamery operation is also located at the Cummins Unit and provides milk and juice products. Approximately 30,000 acres are devoted to cash crops, vegetables, hay production and livestock. FY14 cash crop sales totaled \$7.5 million. The Farm Program provides jobs for approximately 400 inmates. The Livestock Division consists of 2,300 beef cows, a 319-cow dairy, swine production facilities, and egg layer operation as well as responsibility for all the horses being used in the cattle operation and at various units around the state for security and regional maintenance.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

The Agency's Base Level appropriation totals \$18,141,830 in FY16 and \$18,142,206 in FY17 and includes sixty four (64) positions.

The Agency's Change Level Request totals \$3,007,853 in FY16 and \$2,096,989 in FY17 and includes the following:

- Extra Help and Personal Services Matching of \$10,989 in each year of the biennium to use only as necessary.
- Operating Expenses of \$750,000 each year for fuel purchases and utility increases.
- Capital Outlay of \$2,246,864 in FY16 and \$1,336,000 in FY17 for new and replacement equipment.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 512 - Farm Operations

Funding Sources: SDC - Department of Correction Farm Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	2,400,883	2,573,061	2,662,316	2,597,433	2,597,433	2,597,433	2,597,733	2,597,733	2,597,733
#Positions		59	64	64	64	64	64	64	64	64
Extra Help	5010001	0	0	0	0	10,000	10,000	0	10,000	10,000
#Extra Help		0	0	0	0	0	0	0	0	0
Personal Services Matching	5010003	900,003	949,140	976,732	962,824	963,813	963,813	962,900	963,889	963,889
Operating Expenses	5020002	8,505,880	13,750,209	13,750,209	13,750,209	14,500,209	14,500,209	13,750,209	14,500,209	14,500,209
Conference & Travel Expenses	5050009	5,222	53,010	53,010	53,010	53,010	53,010	53,010	53,010	53,010
Professional Fees	5060010	45,297	128,354	128,354	128,354	128,354	128,354	128,354	128,354	128,354
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	1,148,330	1,996,226	2,542,745	0	2,246,864	2,246,864	0	1,336,000	1,336,000
Purchase Cattle/Meat	5900047	557,600	650,000	650,000	650,000	650,000	650,000	650,000	650,000	650,000
Total		13,563,215	20,100,000	20,763,366	18,141,830	21,149,683	21,149,683	18,142,206	20,239,195	20,239,195

Funding Sources										
Fund Balance	4000005	1,789,615	1,122,300		1,122,300	1,122,300	1,122,300	4,080,470	1,072,617	1,072,617
Special Revenue	4000030	8,252,566	13,500,000		14,500,000	14,500,000	14,500,000	14,500,000	14,500,000	14,500,000
Budget Stabilization Trust	4000130	4,600,000	5,600,000		5,600,000	5,600,000	5,600,000	5,600,000	5,600,000	5,600,000
DFA Motor Vehicle Acquisition	4000184	40,605	0		0	0	0	0	0	0
Intra-agency Fund Transfer	4000317	0	1,000,000		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
M & R Sales	4000340	2,729	0		0	0	0	0	0	0
Total Funding		14,685,515	21,222,300		22,222,300	22,222,300	22,222,300	25,180,470	22,172,617	22,172,617
Excess Appropriation/(Funding)		(1,122,300)	(1,122,300)		(4,080,470)	(1,072,617)	(1,072,617)	(7,038,264)	(1,933,422)	(1,933,422)
Grand Total		13,563,215	20,100,000		18,141,830	21,149,683	21,149,683	18,142,206	20,239,195	20,239,195

Change Level by Appropriation

Appropriation: 512 - Farm Operations
Funding Sources: SDC - Department of Correction Farm Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	18,141,830	64	18,141,830	100.0	18,142,206	64	18,142,206	100.0
C01	Existing Program	3,007,853	0	21,149,683	116.6	2,096,989	0	20,239,195	111.6

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	18,141,830	64	18,141,830	100.0	18,142,206	64	18,142,206	100.0
C01	Existing Program	3,007,853	0	21,149,683	116.6	2,096,989	0	20,239,195	111.6

Justification

C01	Agency requests appropriation of \$3,007,853 in FY16 and \$2,096,989 in FY17. This includes \$10,989 in each year of the biennium for Extra Help and Personal Services Matching. Operating Expenses of \$750,000 in each year of the biennium for electricity and fuel purchases increases. And lastly, the addition of \$2,246,864 in FY16 and \$1,336,000 in FY17 in capital outlay for the purchase of new farm equipment.								
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Analysis of Budget Request

Appropriation: 859 - Inmate Welfare Treasury Cash

Funding Sources: NDC - Cash in Treasury

Self-supported Pen Store operations within institutions provide the opportunity for inmates to purchase various commissary supplies such as hygiene items, paper and stamps as well as various snack foods. A centralized banking system manages inmate funds, and the profits from the stores are used to purchase items that benefit inmates such as tables and chairs for visitation, televisions and recreational equipment for inmate use.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

The Agency's Base Level appropriation totals \$12,122,428 in FY16 and \$12,124,795 in FY17 and includes twenty seven (27) positions.

The Agency's Change Level Request totals \$1,286,537 each year of the biennium and includes the following:

- Regular Salaries and Personal Services Matching of \$36,537 each year for one (1) Commissary Manager (C112) to be utilized at the Ester Unit.
- Operating Expenses of \$750,000 each year for the purchase of merchandise for resale.
- Capital Outlay of \$500,000 each year for the purchase of new and replacement equipment for expanded commissary operations.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 859 - Inmate Welfare Treasury Cash

Funding Sources: NDC - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	759,467	759,936	818,338	768,060	793,328	793,328	769,960	795,228	795,228
#Positions		28	27	27	27	28	28	27	28	28
Personal Services Matching	5010003	170,095	320,165	341,202	325,408	336,677	336,677	325,875	337,144	337,144
Operating Expenses	5020002	9,929,968	11,028,960	11,028,960	11,028,960	11,778,960	11,778,960	11,028,960	11,778,960	11,778,960
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	500,000	0	500,000	500,000	0	500,000	500,000
Total		10,859,530	12,109,061	12,688,500	12,122,428	13,408,965	13,408,965	12,124,795	13,411,332	13,411,332
Funding Sources										
Fund Balance	4000005	2,300,253	2,696,375		552,935	552,935	552,935	0	0	0
Cash Fund	4000045	11,255,652	9,965,621		10,800,322	10,800,322	10,800,322	10,800,322	10,800,322	10,800,322
Total Funding		13,555,905	12,661,996		11,353,257	11,353,257	11,353,257	10,800,322	10,800,322	10,800,322
Excess Appropriation/(Funding)		(2,696,375)	(552,935)		769,171	2,055,708	2,055,708	1,324,473	2,611,010	2,611,010
Grand Total		10,859,530	12,109,061		12,122,428	13,408,965	13,408,965	12,124,795	13,411,332	13,411,332

Expenditure of appropriation is contingent upon available funding.

Change Level by Appropriation

Appropriation: 859 - Inmate Welfare Treasury Cash
Funding Sources: NDC - Cash in Treasury

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	12,122,428	27	12,122,428	100.0	12,124,795	27	12,124,795	100.0
C01	Existing Program	1,250,000	0	13,372,428	110.3	1,250,000	0	13,374,795	110.3
C02	New Program	36,537	1	13,408,965	110.6	36,537	1	13,411,332	110.6

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	12,122,428	27	12,122,428	100.0	12,124,795	27	12,124,795	100.0
C01	Existing Program	1,250,000	0	13,372,428	110.3	1,250,000	0	13,374,795	110.3
C02	New Program	36,537	1	13,408,965	110.6	36,537	1	13,411,332	110.6

Justification

C01	Agency requests appropriation of \$1,250,000 in each year of the biennium spanning Operating Expenses and Capital Outlay due to inflationary operating cost increases and anticipated needs for unit expansion.
C02	Agency requests Regular Salaries and Personal Services Matching of \$36,537 in each year of the biennium to support a Commissary Manager (C112) for the Ester Unit requested in (509) Department of Correction Inmate Care and Custody.

Analysis of Budget Request

Appropriation: 865 - Non-Tax Revenue Receipts

Funding Sources: NDC - Cash in Treasury

This cash appropriation is funded by proceeds derived from contractual agreement with a telephone service provider for the operation of a coin-less telephone system that was implemented in the 1995-97 Biennium. The program allows inmates to call family or friends collect with a portion of the receipts from such calls paid to the Department of Correction by the telephone company. The appropriation is used for inmate assistance projects, security equipment, long term needs and general operations as annually approved by the Arkansas Board of Corrections.

The Agency's Base Level appropriation totals \$2,772,500 each year of the biennium.

The Agency's Change Level Request totals \$1,200,000 each year to allow flexibility in allocating available funding for general operations and other projects as may be allocated by the Board of Corrections and includes the following:

- Operating Expenses of \$750,000 each year.
- Professional Fees of \$150,000 each year.
- Capital Outlay of \$300,000 each year.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 865 - Non-Tax Revenue Receipts

Funding Sources: NDC - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	923,871	730,500	3,829,195	730,500	1,480,500	1,480,500	730,500	1,480,500	1,480,500
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	50,000	200,000	50,000	200,000	200,000	50,000	200,000	200,000
Construction	5090005	896,146	1,992,000	2,010,805	1,992,000	1,992,000	1,992,000	1,992,000	1,992,000	1,992,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	101,997	65,000	400,000	0	300,000	300,000	0	300,000	300,000
Total		1,922,014	2,837,500	6,440,000	2,772,500	3,972,500	3,972,500	2,772,500	3,972,500	3,972,500
Funding Sources										
Fund Balance	4000005	1,218,023	1,203,241		78,241	78,241	78,241	105,741	0	0
Federal Revenue	4000020	58,251	0		0	0	0	0	0	0
Cash Fund	4000045	1,848,981	1,712,500		2,800,000	2,800,000	2,800,000	2,800,000	2,800,000	2,800,000
Total Funding		3,125,255	2,915,741		2,878,241	2,878,241	2,878,241	2,905,741	2,800,000	2,800,000
Excess Appropriation/(Funding)		(1,203,241)	(78,241)		(105,741)	1,094,259	1,094,259	(133,241)	1,172,500	1,172,500
Grand Total		1,922,014	2,837,500		2,772,500	3,972,500	3,972,500	2,772,500	3,972,500	3,972,500

Expenditure of appropriation is contingent upon available funding.

Change Level by Appropriation

Appropriation: 865 - Non-Tax Revenue Receipts
Funding Sources: NDC - Cash in Treasury

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	2,772,500	0	2,772,500	100.0	2,772,500	0	2,772,500	100.0
C01	Existing Program	1,200,000	0	3,972,500	143.3	1,200,000	0	3,972,500	143.3

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	2,772,500	0	2,772,500	100.0	2,772,500	0	2,772,500	100.0
C01	Existing Program	1,200,000	0	3,972,500	143.3	1,200,000	0	3,972,500	143.3

Justification

C01	Agency requests appropriation of \$1,200,000 in each year of the biennium for various operational and construction needs. The increases include \$750,000 in Operating Expenses, \$150,000 in Professional Fees and \$300,000 in Capital Outlay.								
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Analysis of Budget Request

Appropriation: F95 - Paws in Prison

Funding Sources: NDC - Cash in Treasury

This cash appropriation is funded by marketing and distribution proceeds and cash donations. This non-profit program supports the training of rescue dogs by inmates and allows for the dogs to eventually be adopted as pets.

The Agency's Request includes \$150,000 in each year of the biennium for operational needs and support.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: F95 - Paws in Prison
Funding Sources: NDC - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Paws in Prison	5900046	45,187	150,000	0	0	150,000	150,000	0	150,000	150,000
Total		45,187	150,000	0	0	150,000	150,000	0	150,000	150,000
Funding Sources										
Fund Balance	4000005	0	84,705		64,705	64,705	64,705	64,705	64,705	64,705
Cash Fund	4000045	51,790	30,000		0	50,000	50,000	0	50,000	50,000
M & R Sales	4000340	78,102	100,000		0	0	100,000	0	0	100,000
Other	4000370	0	0		0	100,000	0	0	100,000	0
Total Funding		129,892	214,705		64,705	214,705	214,705	64,705	214,705	214,705
Excess Appropriation/(Funding)		(84,705)	(64,705)		(64,705)	(64,705)	(64,705)	(64,705)	(64,705)	(64,705)
Grand Total		45,187	150,000		0	150,000	150,000	0	150,000	150,000

Budget exceeds Authorized in FY15 due to appropriation establishment by cash letter. Expenditure of appropriation is contingent upon available funding.

Change Level by Appropriation

Appropriation: F95 - Paws in Prison
Funding Sources: NDC - Cash in Treasury

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	0	0	0	0.0	0	0	0	0.0
C01	Existing Program	150,000	0	150,000	100.0	150,000	0	150,000	100.0

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	0	0	0	0.0	0	0	0	0.0
C01	Existing Program	150,000	0	150,000	100.0	150,000	0	150,000	100.0

Justification

C01	Agency requests appropriation of \$150,000 in each year of the biennium for Paws in Prison. The appropriation is funded from Marketing and Redistribution proceeds and cash donations.								
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COUNTY AID

Enabling Laws

Act 265 of 2014
A.C.A. §19-5-602

History and Organization

Established by A.C.A. §19-5-602, the County Aid Fund consists of:

- General revenues provided under the Revenue Stabilization Law;
- Special revenues including:
 - Arkansas Highway Revenue Distribution Law - A.C.A. §27-70-201 et seq.
 - Special revenues specified in A.C.A. §19-6-301 subdivisions (74) and (117)
 - 34% of those special revenues as specified in subdivision (20) of A.C.A. §19-6-301
 - 25% of all severance taxes other than those imposed upon saw timber and timber products as set out in subdivision (18) of A.C.A. §19-6-301 of the Revenue Classification Law

All distributions of general and special revenues are to be made within ten (10) days after the close of each calendar month to the respective counties.

General revenue is distributed with seventy-five percent (75%) divided equally among the seventy-five (75) counties of the state and twenty-five percent (25%) distributed on the basis of population according to the most recent federal decennial or special census, with each county to receive the proportion that its population bears to the total population of the state. The funds are received by the County Treasurer and are to be credited to the County General Fund to be used for general county purposes, unless otherwise appropriated by the Quorum Court.

The biennial budget request for the County Aid Fund is prepared and submitted by the Director of the Arkansas Association of Counties.

Agency Commentary

In order to assist counties with the ever-increasing costs of providing mandated services, the General Assembly created and funded a County Aid Fund beginning with the 1953/54 biennium. Since that time turn back dollars have increased very gradually. But, the percentage of state

general revenue the counties receive has declined sharply - while at the same time the costs of delivering state mandated services have risen dramatically.

Unlike highway revenue turnback, which has a built-in mechanism for revenue growth - general revenue aid to counties is an arbitrary appropriation. That appropriation, for all practical purposes, was flat for a quarter of a century - from 1981 through 2006. For example: If county government had received a simple 3% annual adjustment in their county aid appropriation since 1981 the appropriation for 2014 would have been \$48,720,088 instead of the current \$25,645,067 (\$21,645,067 from the state's General Revenue Fund and \$4,000,000 from the surplus of the Property Tax Relief Fund).

Another point of concern is the amount of per capita funding that county government receives. This can best be illustrated below:

<u>County General Revenue Aid</u>	
• Annual Gross General Revenue Funding	\$ 21,645,067.00
• Annual Additional Funding / Property Tax Relief Fund	\$ 4,000,000.00
• Less Property Reappraisal Deduction	\$ 2,280,000.00
• Less Deputy Prosecutor Salary Deduction	<u>\$ 5,459,621.28</u>
• Net Available for Use by Counties	\$ 17,905,445.72
• Per Capita Funding (Net Available Divided by County Population =\$17,905,445.72 / 2,915,918 =\$6.14 per capita)	\$6.14

This per capita number has dropped following the 2010 census, with many more citizens accessing services from county government which are often largely state functions but administered at a local level. The Association of Arkansas Counties respectfully ask that the State of

A partial list of the mandates on county government for which the State of Arkansas should bear responsibility include: (1) the administration of justice through the court system; (2) court records management; (3) responsibility for a portion of Deputy Prosecutor salaries (which are a deduction from the General County Aid); (4) funding of office operations for Deputy Prosecutors and to some degree Prosecutors; (5) funding of office operations for Public Defenders; (6) law enforcement as it relates to the court system; and (7) the cost of the General Election.

The Association of Arkansas Counties is therefore respectfully requesting that county aid be funded for the 2015/2016 biennium at present levels with an additional request as follows: Act 1044 of 1999 began a shift of deputy prosecutor salaries from county government to the state. However, at present the county general turnback is reduced by \$5,459,621.28 per year, reducing the net turnback received by our counties by over 25%. Within act 1044 it is stated that 'it is the intent of the General Assembly, in the transition to a state-funded deputy prosecuting attorney system, to provide an appropriate and adequate level of legal representation through deputy prosecuting attorneys in all areas of the state'. We therefore will respectfully request that the state continue the transition to a state-funded deputy prosecuting attorney system through state funding, in full, of the deputy prosecutor salaries.

Also, there was \$4,000,000 approved in the last budget cycle for reimbursement to counties out of the surplus in the Property Tax Relief Fund. However, this was funded at only \$2,000,000. We request that the funding for this be restored to the \$4,000,000 if property tax relief funds exist to support this increase.

Therefore, we respectfully submit our budget request of the following amounts - this includes the requested continuation of funds from the property tax relief fund:

FY 2016	\$25,645,067
FY 2017	\$25,645,067

Finally, the county road turnback (special revenue) appropriation is funded by receiving a 15% allocation of revenues through the highway distribution law. We request that this base level budget of \$200,000,000 remain the same for both years.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT

AUDIT OF :
COUNTY AID

Findings

Recommendations

The Division of Legislative Audit does not perform an audit for this agency.

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2014

None

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
N/A	N/A	N	N	0	N/A	0	0.00

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation		2013-2014		2014-2015		2014-2015		2015-2016						2016-2017					
		Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
073	General Revenue to Counties	16,569,221	0	21,645,067	0	21,645,067	0	21,645,067	0	21,645,067	0	21,645,067	0	21,645,067	0	21,645,067	0	21,645,067	0
074	Special Revenue to Counties	129,931,960	0	200,000,000	0	200,000,000	0	200,000,000	0	200,000,000	0	200,000,000	0	200,000,000	0	200,000,000	0	200,000,000	0
190	Mineral Lease	7,732,590	0	20,000,000	0	20,000,000	0	20,000,000	0	20,000,000	0	20,000,000	0	20,000,000	0	20,000,000	0	20,000,000	0
738	Real Property Tax Reduction-Counties	231,930,975	0	250,000,000	0	250,000,000	0	250,000,000	0	250,000,000	0	250,000,000	0	250,000,000	0	250,000,000	0	250,000,000	0
738A	Property Tax Relief - Counties	2,000,000	0	2,000,000	0	4,000,000	0	2,000,000	0	4,000,000	0	2,000,000	0	2,000,000	0	4,000,000	0	2,000,000	0
Total		388,164,746	0	493,645,067	0	495,645,067	0	493,645,067	0	495,645,067	0	493,645,067	0	493,645,067	0	495,645,067	0	493,645,067	0

Funding Sources			%		%			%		%		%		%		%		%
General Revenue	4000010	16,569,221	4.3	21,645,067	4.4		21,645,067	4.4	21,645,067	4.4	21,645,067	4.4	21,645,067	4.4	21,645,067	4.4	21,645,067	4.4
Federal Revenue	4000020	7,732,590	2.0	20,000,000	4.1		20,000,000	4.1	20,000,000	4.0	20,000,000	4.1	20,000,000	4.1	20,000,000	4.0	20,000,000	4.1
Special Revenue	4000030	129,931,960	33.5	200,000,000	40.5		200,000,000	40.5	200,000,000	40.4	200,000,000	40.5	200,000,000	40.5	200,000,000	40.4	200,000,000	40.5
Trust Fund	4000050	233,930,975	60.3	252,000,000	51.0		252,000,000	51.0	254,000,000	51.2	252,000,000	51.0	252,000,000	51.0	254,000,000	51.2	252,000,000	51.0
Total Funds		388,164,746	100.0	493,645,067	100.0		493,645,067	100.0	495,645,067	100.0	493,645,067	100.0	493,645,067	100.0	495,645,067	100.0	493,645,067	100.0
Excess Appropriation/(Funding)		0		0			0		0		0		0		0		0	
Grand Total		388,164,746		493,645,067			493,645,067		495,645,067		493,645,067		493,645,067		495,645,067		493,645,067	

Agency Position Usage Report

FY2012 - 2013						FY2013 - 2014						FY2014 - 2015					
Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused
	Filled	Unfilled	Total				Filled	Unfilled	Total				Filled	Unfilled	Total		
0	0	0	0	0	0.00 %	0	0	0	0	0	0.00 %	0	0	0	0	0	0.00 %

Analysis of Budget Request

Appropriation: 073 - General Revenue to Counties

Funding Sources: MLC - County Aid Fund

This appropriation provides spending authority for the Treasurer's Office to distribute general revenues designated for the counties.

The Base Level for General Revenue to Counties (073) is \$21,645,067 for each year of the biennium.

The Association requests Base Level.

The Executive Recommendation provides for the Association's request.

Appropriation Summary

Appropriation: 073 - General Revenue to Counties

Funding Sources: MLC - County Aid Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	16,569,221	21,645,067	21,645,067	21,645,067	21,645,067	21,645,067	21,645,067	21,645,067	21,645,067
Total		16,569,221	21,645,067	21,645,067	21,645,067	21,645,067	21,645,067	21,645,067	21,645,067	21,645,067

Funding Sources										
General Revenue	4000010	16,569,221	21,645,067		21,645,067	21,645,067	21,645,067	21,645,067	21,645,067	21,645,067
Total Funding		16,569,221	21,645,067		21,645,067	21,645,067	21,645,067	21,645,067	21,645,067	21,645,067
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		16,569,221	21,645,067		21,645,067	21,645,067	21,645,067	21,645,067	21,645,067	21,645,067

**CARRY FORWARD OF ANY REMAINING FUND BALANCES
FROM FISCAL YEAR 2014 TO FISCAL YEAR 2015**

Agency: County Aid, Treasurer of State

Program: General Revenue to Counties

Act #: 927 Section(s) #: 3 & 12

Estimated Carry Forward Amount \$ 0.00 Funding Source: General Revenue

Accounting Information:

Business Area: 0074 Funds Center: 073 Fund: MLC Functional Area: CNST

Current law requires a written statement be submitted to the DFA Office of Budget stating the reason(s) to carry forward funding for a program or a specific line item within a program remaining on June 30th of a fiscal year.

Justification for carry forward of fund balance:

No Carry Forward.

Actual Funding Carry Forward Amount \$ 0.00

Current status of carry forward funding:

All funding was spent in FY2014.

Chris Villines

Director

08-19-2014

Date

Analysis of Budget Request

Appropriation: 074 - Special Revenue to Counties

Funding Sources: MLC - County Aid Fund

This appropriation provides spending authority for the Treasurer's Office to distribute special revenues designated for the counties.

The Base Level for Special Revenue to Counties (074) is \$200,000,000 each year of the biennium.

The Association requests Base Level.

The Executive Recommendation provides for the Association's request.

Appropriation Summary

Appropriation: 074 - Special Revenue to Counties

Funding Sources: MLC - County Aid Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	129,931,960	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000
Total		129,931,960	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000

Funding Sources										
Special Revenue	4000030	129,931,960	200,000,000		200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000
Total Funding		129,931,960	200,000,000		200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		129,931,960	200,000,000		200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000

Analysis of Budget Request

Appropriation: 190 - Mineral Lease

Funding Sources: MLC - County Aid Fund

This appropriation provides spending authority for the Treasurer's Office to distribute monies received from the federal government to those counties to which such monies are allocated by law.

The Association requests Base Level of \$20,000,000 for each year of the 2015-2017 Biennium.

The Executive Recommendation provides for the Association's request.

Appropriation Summary

Appropriation: 190 - Mineral Lease

Funding Sources: MLC - County Aid Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	7,732,590	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Total		7,732,590	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000

Funding Sources										
Federal Revenue	4000020	7,732,590	20,000,000		20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Total Funding		7,732,590	20,000,000		20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		7,732,590	20,000,000		20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000

Analysis of Budget Request

Appropriation: 738 - Real Property Tax Reduction-Counties

Funding Sources: TPR - Property Tax Relief Trust

Amendment 79 to the Arkansas Constitution proposed limiting the increase in the assessed value of a taxpayer's real property after a countywide reappraisal and a required property tax credit of at least three hundred dollars (\$300) on homestead property. This amendment was adopted at the November 2000 general election and became effective January 1, 2001.

This appropriation provides spending authority for the Treasurer's Office to distribute special revenue to counties based upon a property tax reduction.

The Association of requests Base Level of \$250,000,000 for each year of the 2015-2017 Biennium.

The Executive Recommendation provides for the Association's request.

Appropriation Summary

Appropriation: 738 - Real Property Tax Reduction-Counties

Funding Sources: TPR - Property Tax Relief Trust

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements	5110014	231,930,975	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000
Total		231,930,975	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000

Funding Sources										
Trust Fund	4000050	231,930,975	250,000,000		250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000
Total Funding		231,930,975	250,000,000		250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		231,930,975	250,000,000		250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000

Analysis of Budget Request

Appropriation: 738A - Property Tax Relief - Counties

Funding Sources: TPR - Property Tax Relief Trust Fund

Amendment 79 to the Arkansas Constitution proposed limiting the increase in the assessed value of a taxpayer's real property after a countywide reappraisal and a required property tax credit of at least three hundred dollars (\$300) on homestead property. This amendment was adopted at the November 2000 general election and became effective January 1, 2001.

This appropriation provides spending authority for the Treasurer's Office to distribute special revenue to counties based upon a property tax reduction.

Base Level for this appropriation is \$2,000,000 for each year of the biennium.

The Association requests \$4,000,000 in appropriation and funding for each year of the 2015-2017 Biennium.

The Executive Recommendation provides for Base Level.

Appropriation Summary

Appropriation: 738A - Property Tax Relief - Counties

Funding Sources: TPR - Property Tax Relief Trust Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements 5110014	2,000,000	2,000,000	4,000,000	2,000,000	4,000,000	2,000,000	2,000,000	4,000,000	2,000,000
Total	2,000,000	2,000,000	4,000,000	2,000,000	4,000,000	2,000,000	2,000,000	4,000,000	2,000,000

Funding Sources									
Trust Fund 4000050	2,000,000	2,000,000		2,000,000	4,000,000	2,000,000	2,000,000	4,000,000	2,000,000
Total Funding	2,000,000	2,000,000		2,000,000	4,000,000	2,000,000	2,000,000	4,000,000	2,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	2,000,000	2,000,000		2,000,000	4,000,000	2,000,000	2,000,000	4,000,000	2,000,000

Change Level by Appropriation

Appropriation: 738A - Property Tax Relief - Counties
Funding Sources: TPR - Property Tax Relief Trust Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	2,000,000	0	2,000,000	100.0	2,000,000	0	2,000,000	100.0
C01	Existing Program	2,000,000	0	4,000,000	200.0	2,000,000	0	4,000,000	200.0

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	2,000,000	0	2,000,000	100.0	2,000,000	0	2,000,000	100.0
C01	Existing Program	0	0	2,000,000	100.0	0	0	2,000,000	100.0

ARKANSAS COURT OF APPEALS

Enabling Laws

Act 140 of 2014
A.C.A. §16-21-101 et seq.
Constitution of Arkansas, Amendment 58

History and Organization

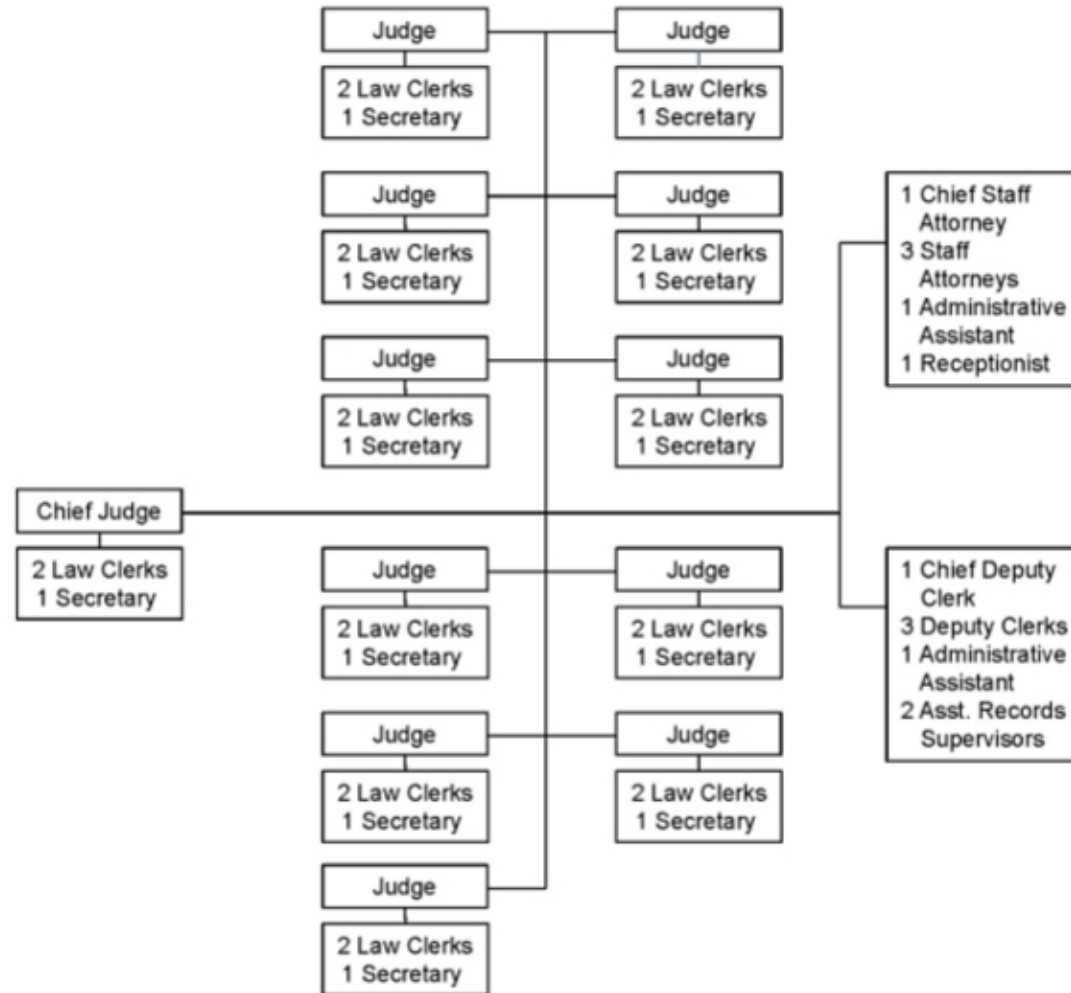
The Arkansas Court of Appeals is a court of appellate jurisdiction that was established pursuant to the provisions of Amendment 58 to the Arkansas Constitution to help alleviate the tremendous caseload of the Arkansas Supreme Court.

Act 208 of 1979 (A.C.A. §16-12-101 et seq.) created the Court of Appeals pursuant to the provisions of Amendment 58 of the Arkansas Constitution. Act 1085 of 1993 provided for the increase of the number of sitting judges on the Court of Appeals from six to twelve; Act 11 of the First Extraordinary Session of 1995 repealed certain sections of Act 1085 and allowed for the appointment of the six additional judges. Act 889 of 1999 provided for the election of an additional judge from each of the existing Court of Appeal districts to replace the six judges appointed pursuant to Act 1085. Act 1812 of 2003 reapportioned the Court of Appeals into seven new electoral districts in recognition of population shifts that had occurred since 1979. Act 140 of 2014 established the Court of Appeals appropriation for the biennial year of 2014-15.

With certain exceptions, all cases previously appealable to the Supreme Court are now appealed to the Court of Appeals. Jurisdiction of the Court of Appeals is established by the Supreme Court pursuant to its rule-making authority and is embodied in its per curiam In re Supreme Court Rule 1-2, 329 AR Appx. 657 (June 30, 1997), which requires that appeals be filed in the Court of Appeals except for specific exceptions. Such exceptions include, but are not necessarily limited to, cases involving interpretation or construction of the Constitution of the State of Arkansas; criminal cases where the death penalty or life imprisonment has been imposed; petitions for quo warranto, prohibition, injunction, or mandamus; election cases; cases involving discipline of attorneys; appeals involving the discipline and disability of judges; and subsequent appeals of a case that was decided by the Supreme Court. All other cases are appealed to the Court of Appeals for resolution; however, any case is subject to reassignment to the Supreme Court. No appeal as a right lies from the Court of Appeals to the Supreme Court, although the Supreme Court may exercise its discretion to review an appeal decided by the Court of Appeals in limited situations.

At its inception the Court of Appeals was made up of six sitting judges but through the above-referenced legislation the size of the court was increased to twelve sitting judges elected to eight year terms from seven districts. The Chief Justice of the Arkansas Supreme Court designates one of the twelve judges to serve as Chief Judge of the Court of Appeals. The Court of Appeals FY15 appropriation authorized 49

regular employees. The court employs one chief deputy clerk, one assistant chief deputy, a records' manager, a finance officer, and three deputy clerks to assist the Supreme Court Clerk in managing court records and AASIS data entry. In addition, the Court employs a chief staff attorney, a deputy chief staff attorney and two staff attorneys, all experienced lawyers, an executive assistant, and a receptionist-administrative assistant to assist the court in administration, research projects, and docket management. Each judge employs two law clerks and a judicial administrative assistant.



Agency Commentary

Regular Salaries (Commitment Item 5010000): Salary requests for the Court's 49 positions for FY16 reflect the same base level as FY15. The Court of Appeals requests that if a COLA increase is awarded during the next biennium, the Court of Appeals personnel receive the same increase as other state employees.

Extra Help (Commitment Item 50100001): The Court is asking for its FY15 authorized appropriation of \$25,000 for FY16 and FY17. These funds allow the Court to hire temporary personnel when necessary because of employee illness or injury.

Personal Services Matching (Commitment Item 50100003): The Court is requesting for FY16 and FY17 an amount in proportion to its salary requests, increase insurance contributions, and increased retirement contributions.

Operating Expenses (Commitment Item 50200002): The Court is requesting an increase of \$30,000 over its FY15 authorized appropriation of \$221,129 for FY16 and FY17 for a total annual Operating appropriation of \$251,129 for FY16 and FY17. This increase will be used to continue the Court's conversion to the E-filing system and replacement of the Court's oldest computers.

Conference and Travel Fees (Commitment Item 50500009): This request of \$68,900 for FY16 and FY17 has not increased from FY15 authorized levels.

Capital Outlay (Commitment Item 51200011): The Court is requesting that its FY15 appropriation of \$15,000 be restored for FY16 and FY17 to allow the Court to replace high-valued equipment as necessary.

Legal Counsel (Commitment Item 5900040): The Court is requesting its FY15 authorized appropriation of \$260,000. This appropriation is used to the pay fees of attorneys appointed to represent indigent appellants in criminal appeals.

Special Judges (Commitment Item 5900046): The Court is requesting its FY15 authorized appropriation of \$17,044 for FY16 and FY17. The Court's judges sit in four three-judge panels. In the event a judge is absent from the court because of illness, accident, or other emergency, these funds are used to pay a special judge to fill in for the absent judge so that panel can continue to operate.

Mileage Reimbursement (Commitment Item 5900047): The Court is requesting its FY15 appropriation of \$60,000 for FY16 and FY17. This allowance is used to reimburse its judges, whose official residence is outside of Pulaski County, for their travel expense from their official residence to the Justice Building.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS COURT OF APPEALS
FOR THE YEAR ENDED JUNE 30, 2013

Findings	Recommendations
None	None

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2014

None

Employment Summary

	Male	Female	Total	%
White Employees	7	37	44	92 %
Black Employees	1	3	4	8 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			4	8 %
Total Employees			48	100 %

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
Arkansas Reports	ACA 16-11-201; AR Supreme Court Rule 5-2	N	N	0	Publication of the Court of Appeals opinions ceased with volume 375 Ark/104 Ark. App. These opinions are now published online. IN RE: Arkansas Supreme Court and Court of Appeals Rule 5-2 (May 28, 2009)	0	0.00

Agency Position Usage Report

FY2012 - 2013						FY2013 - 2014						FY2014 - 2015					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total				Filled	Unfilled	Total				Filled	Unfilled	Total		
49	48	1	49	0	2.04 %	49	49	0	49	0	0.00 %	49	48	1	49	0	2.04 %

Appropriation Summary

Appropriation: 111 - Court of Appeals
Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	2,614,329	2,684,243	2,684,243	2,684,243	2,684,243	0	2,684,243	2,684,243	0
#Positions		49	49	49	49	49	0	49	49	0
Extra Help	5010001	0	25,000	25,000	25,000	25,000	0	25,000	25,000	0
#Extra Help		0	2	2	2	2	0	2	2	0
Personal Services Matching	5010003	831,065	832,199	832,199	852,037	852,037	0	852,037	852,037	0
Operating Expenses	5020002	218,183	221,129	221,129	221,129	251,129	0	221,129	251,129	0
Conference & Travel Expenses	5050009	46,175	68,900	68,900	68,900	68,900	0	68,900	68,900	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	15,000	15,000	0	15,000	0	0	15,000	0
Legal Counsel	5900040	231,490	260,000	260,000	260,000	260,000	0	260,000	260,000	0
Special Judges	5900046	0	17,044	17,044	17,044	17,044	0	17,044	17,044	0
Mileage Reimbursement	5900047	45,558	60,000	60,000	60,000	60,000	0	60,000	60,000	0
Total		3,986,800	4,183,515	4,183,515	4,188,353	4,233,353	0	4,188,353	4,233,353	0
Funding Sources										
State Central Services	4000035	3,986,800	4,183,515		4,188,353	4,233,353	0	4,188,353	4,233,353	0
Total Funding		3,986,800	4,183,515		4,188,353	4,233,353	0	4,188,353	4,233,353	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		3,986,800	4,183,515		4,188,353	4,233,353	0	4,188,353	4,233,353	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 111 - Court of Appeals
Funding Sources: HSC - State Central Services

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	4,188,353	49	4,188,353	100.0	4,188,353	49	4,188,353	100.0
C01	Existing Program	45,000	0	4,233,353	101.1	45,000	0	4,233,353	101.1

SCHOOL FOR THE DEAF

Enabling Laws

Act 194 of 2014
A.C.A. §21-5-101; and A.C.A. §21-5-301 - 320

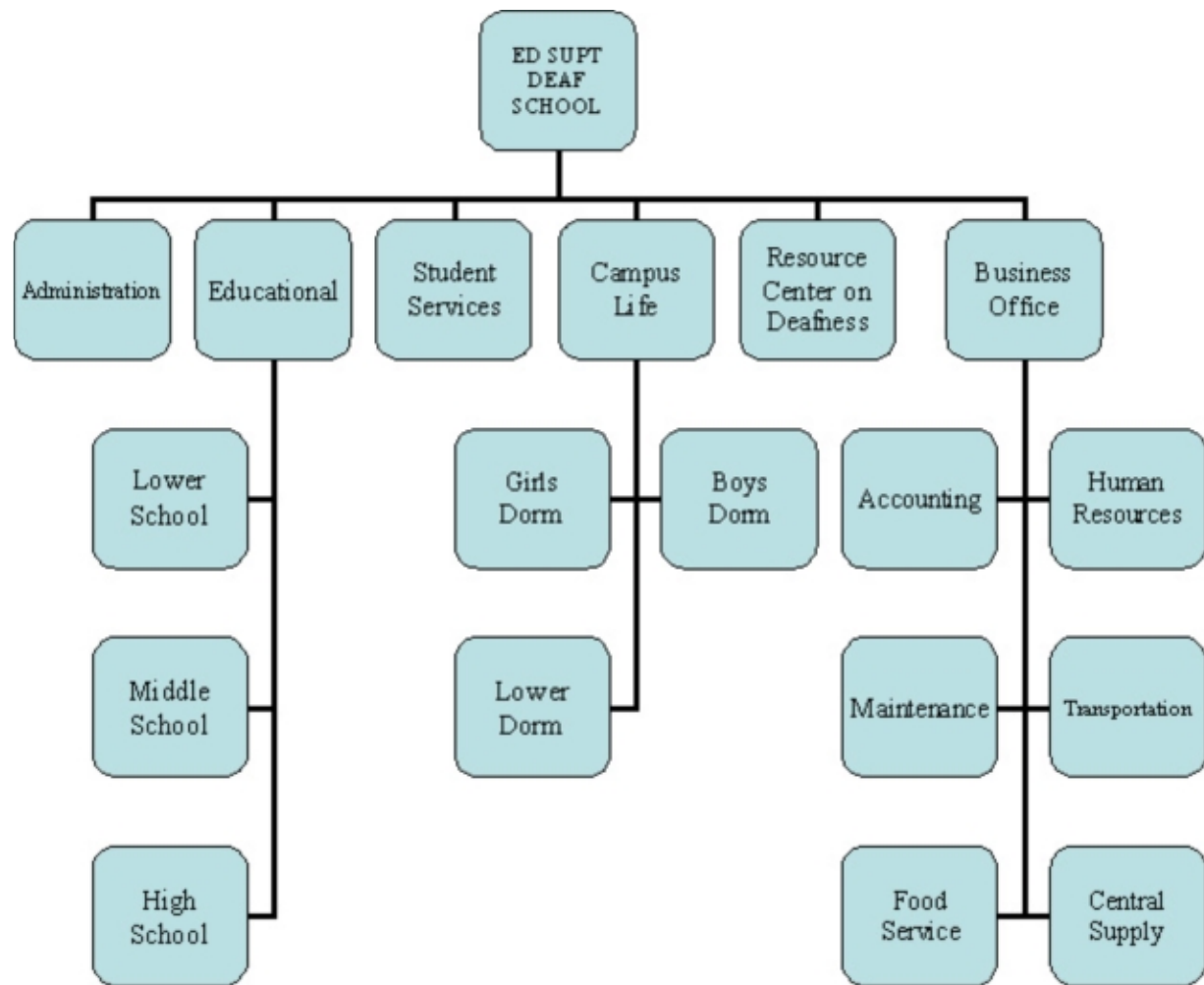
History and Organization

The Board of Trustees, a five-member board appointed by the Governor, for the Arkansas School for the Blind and the Arkansas School for the Deaf has oversight responsibilities for the Arkansas School for the Deaf. This responsibility is set forth in A.C.A. §6-43-101 and §6-43-102 (Title 6 of the Arkansas Code of 1987). The Board has approved the following mission statement for the Arkansas School for the Deaf (ASD): "Working Together to Create Learning Opportunities for Academic Excellence and Personal Independence." Approximately 500 individuals receive education, services and training through the various programs offered by ASD.

In 1850, the first class for deaf students was offered in the City of Clarksville. In 1868, Governor Powell Clayton recommended in his message to the General Assembly that a School for the Deaf, supported inadequately at the time by private subscriptions and funds given by the City of Little Rock, be taken over as a State Institution. Two tracts of land were donated to the Institute. One tract is now part of the site of the present location of the State Capitol. The other tract, which is the Capitol grounds owned by the School for the Deaf, was sold in 1871 to raise funds for the construction of a building for girls. The General Assembly approved Act 36 on July 17, 1868 giving the school the title of "The Arkansas Deaf Mute Institution". Act 462 of 1923 changed the name of the Institution to the "Arkansas School for the Deaf".

The Arkansas Department of Education, Advanced Ed, the parent organization of the North Central Association, and the Conference of Educational Administrators Serving the Deaf accredit the Arkansas School for the Deaf (ASD). The Arkansas School for the Deaf (ASD) operates under the direction and rules and regulations of the Department of Education as a day school with residential facilities and provides educational services and opportunities for students birth through the age of 21. Programming includes services in the following areas: academic, vocational, social-emotional, transition, residential, extra-curricular, and family training. Other services provided by the school are: audiological services, physical therapy, occupational therapy, tutoring, speech-language therapy, psychological services, health services, nutritional meals, and special training for children with additional disabilities. Daily transportation is provided by local school districts for non-residential students. By law, ASD provides weekly statewide transportation for residential students of both the ASD and the Arkansas School for the Blind (ASB) to and from home each weekend.

ASD functions as the Statewide Resource Center on Deafness, coordinating programs that identify and provide services to students who are deaf and hard of hearing throughout the State through partnerships with agencies such as Department of Career Education, Department of Education, Arkansas Rehabilitation Services, University of Arkansas at Little Rock, and the Little Rock Adult Education Center. The Arkansas School for the Deaf coordinates a statewide program which provides early intervention services to families and consultation services for students in early intervention programs. Research has shown that early intervention potentially holds the key to success for children/students who are deaf/hard of hearing and that the development of communication, language, social/emotional, and cognitive skills at the earliest possible age is fundamental to subsequent educational growth for children birth to five who are deaf/hard of hearing. The ASD early intervention program provides training to the families of these children through on-campus services and home visits by parent advisors throughout the State. ASD is committed to providing these services which are free and available to all families in Arkansas.



Agency Commentary

The Arkansas School for the Deaf (ASD) operates under the direction of the Department of Education as a day school with residential facilities and provides educational services and opportunities for students from birth through the age of 21. Programming includes services in the following areas: academic, vocational, social-emotional, transition, residential, extra-curricular, and family training. ASD functions as the

Resource Center on Deafness, coordinating programs that identify and provide services to students that are deaf and hard of hearing throughout the State through partnerships with agencies such as Department of Career Education, Department of Education, Arkansas Rehabilitation Services, University of Arkansas at Little Rock, Arkansas Children's Hospital, Centers for Youth and Family Services, and the Little Rock Adult Education Center. Daily transportation is provided by local school districts for non-residential students. By law, ASD provides weekly statewide transportation for residential students for both ASD and the Arkansas School for the Blind (ASB) to and from home each weekend. ASD also provides maintenance and security services for ASB. Joint services for business, accounting, human resources, and capital equipment accountability are provide to bot h schools through the use of a Board approved paying account permitting the pooling of funds from each agency based on a ratio of student population at each school.

Change Level requests for each year of the biennium include small increases in regular salaries. Restoration of Operating Expenses, Special Maintenance, and Capital Outlay to Authorized Level is also requested.

Restoration of authority and funding, as well as a minimal increase of less than 6%, is needed for each year of the biennium in **Operating Expenses** to help cover inflationary increases primarily caused by higher fuel cost and supplies. Unfortunately, higher prices are also being passed on to us by vendors providing maintenance, supplies, and other necessary services to ASD. Restoration of **Special Maintenance** to Authorized Level is requested for each year of the biennium to permit ASD to continue the never ending battle of preventive maintenance on 20 buildings, of which one is relatively new, two are in the 30 years of age range, most are in the 40 to 50 years of age range, and a few are in the 70 to 80 years of age range. Restoration of **Capital Outlay** to Authorized Level is requested for each year of the biennium to permit the purchase of new or replacement equipment for items beyond repair, obsolete, or too expensive to maintain.

An increase of \$15,000 in FY2015-2016 and \$20,000 in FY2016-2017 authority and funding is requested in **SCPI/ASL**. ASD is requesting that all staff become fluent in American Sign Language. Employees are encouraged to take a proficiency test in this area. Upon passage of this test, employees are granted a percentage increase of between 2.5% and 10% of their base pay. The number of employees passing this test has been increasing in recent years, so additional authority and funding is necessary to cover these increased costs.

An increase of \$15,000 in authority and funding is needed for each year of the biennium in **Miscellaneous Activities**. ASD offers a Summer Enrichment Program (Summer School) each year in June. As the number of students attending increases, an increase in the number of staff, as well as the classification of staff, have increased. Therefore, an increase in authority and funding is necessary to fund the cost of these additional staff.

SHARED SERVICES

The DFA- Offices of Accounting, Budget and Personnel Management conducted a study of the shared services agreement between the Arkansas School for the Blind and the Arkansas School for the Deaf due to concerns related to the adequacy of the facility maintenance, transportation, security and personnel services being provided to the School for the Blind under the special language authority required by Section 12 of Act 194 of 2014.

The conclusions were:

- 1) The School for the Deaf has not been providing for adequate maintenance, transportation, and security expenses for the School for the Blind.
- 2) The School for the Deaf returns unused general revenues on average in excess of \$700,000 per year, while facility needs of both schools are neglected.
- 3) Shared services employees report only to School for the Deaf administrators, and can be unresponsive to the needs of the School for the Blind.
- 4) The 2013-2015 Executive Recommendation that the Board of Trustees consider discontinuing the shared services fund transfer from the School for the Blind to the School for the Deaf was not addressed by the Board.
- 5) Management has demonstrated an inability to work together to resolve these issues.

It was the determination of the Board upon review of numerous financial documents that the shared services between the Arkansas School for the Blind and the Arkansas School for the Deaf be terminated so that each school could be cared for adequately.

The Board, working in conjunction with the DFA- Offices of Budget and Personnel Management, made the the following determination as to the reallocation of positions, appropriation, and funding from the Arkansas School for the Deaf to the Arkansas School for the Blind:

- Transfer of 9 positions from ASD to ASB.
- Transfer of \$259,171 from ASD to ASB in Operating Expenses to cover transportation, security, and maintenance costs.
- Transfer of \$65,000 in Special Maintenance.
- Deletion of all Special Language pertaining to shared services.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF EDUCATION – ARKANSAS SCHOOL FOR THE DEAF
FOR THE YEAR ENDED JUNE 30, 2012

Findings	Recommendations
The Agency did not tag or uniquely identify all equipment items adequately and did not maintain a current equipment listing. In a sample of 20 items, the Agency was unable to locate one item, and an additional four items were not properly tagged. Without proper identification of assets and the lack of current equipment listing, the ability to track and maintain a record of the Agency's capital assets in accordance with the State's Financial Guide R1-19-1503 has been jeopardized and could lead to misappropriation of assets.	Provide training to employees on capital asset policies and procedures. In addition, we recommend a full inventory be completed to determine that all equipment records are accurate and each item has a unique, identifiable number attached. <u>Agency Response:</u> The Arkansas School for the Deaf acknowledges the Capital Asset Finding contained in our Compliance Assessment Report for the period ended June 30, 2012. The following information is submitted to show our plan to correct this deficiency. • The school completed a physical inventory of all capital assets during the summer of 2013. This was a long, arduous project and was ongoing for approximately one and a half years. During this project, we found many items that, for whatever reason, did not have a unique identification or tag number. In these cases, where we could identify the number that had previously been assigned to it, the number was handwritten with a permanent marker to properly identify them. In those cases where we could not identify a previously issued identification number, a new number was assigned and these items will need to be added to our equipment listing. • When the school initiated this complete physical inventory, it was determined that we needed an individual assigned to this project on a full time basis. This position was initially established as a temporary position; however, it was subsequently converted to a full time, permanent position, due to the sheer magnitude of the duties required to properly account for the multitude of capital assets owned by both schools. In addition, other employees were tasked to assist with this project on a part time basis. • The school is now in the process of reconciling our manual physical inventory with our capital asset listing in AASIS. This is anticipated to be another long-term, labor intensive project. • The school is in the process of obtaining suitable AASIS navigation training and also materials management training for our full time

DIVISION OF LEGISLATIVE AUDIT
 AUDIT OF :
 DEPARTMENT OF EDUCATION – ARKANSAS SCHOOL FOR THE DEAF
 FOR THE YEAR ENDED JUNE 30, 2012

Findings

Recommendations

employee assigned to this task. In addition, we will need to also complete revised capital asset policies and procedures and provide training to all staff on their responsibilities in this process.

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2014

None

Employment Summary

	Male	Female	Total	%
White Employees	25	74	99	65 %
Black Employees	17	31	48	32 %
Other Racial Minorities	2	3	5	3 %
Total Minorities			53	35 %
Total Employees			152	100 %

Cash Fund Balance Description as of June 30, 2014

Fund Account	Balance	Type	Location
1370000	\$283,736	Checking, Investments	Centennial Bank, Little Rock, AR, State Treasury

Statutory/Other Restrictions on use:

Arkansas Code 19-4-801 establishes that the agency can use these funds for operating expenses

Statutory Provisions for Fees, Fines, Penalties:

none

Revenue Receipts Cycle:

National School Lunch and breakfast reimbursements are collected throughout the year as well as meals ticket sales, some royalties, interests, rental income, and donations

Fund Balance Utilization:

Funds are collected on an irregular basis throughout the year. Since collections cannot be accurately projected, these funds are not used for on-going expenses. They are used as needed for food and other miscellaneous items none

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
NONE	N/A	N	N	0	N/A	0	0.00

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2013-2014		2014-2015		2014-2015		2015-2016						2016-2017					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
056 School for the Deaf-State Operations	10,559,207	163	11,207,937	170	11,260,632	167	11,068,642	167	10,881,228	158	10,877,808	158	11,073,187	167	10,890,650	158	10,887,230	158
058 School for the Deaf-Federal Operations	336,304	2	859,317	3	958,655	3	729,354	3	729,354	3	729,354	3	730,091	3	730,091	3	730,091	3
A10 School for the Deaf-Cash Operations	93,115	0	442,136	0	442,136	0	442,136	0	442,136	0	442,136	0	442,136	0	442,136	0	442,136	0
Total	10,988,626	165	12,509,390	173	12,661,423	170	12,240,132	170	12,052,718	161	12,049,298	161	12,245,414	170	12,062,877	161	12,059,457	161

Funding Sources			%		%			%		%		%		%		%		%
Fund Balance	4000005	279,706	2.5	283,736	2.3		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
General Revenue	4000010	10,127,124	89.8	10,875,424	86.9		10,959,622	92.4	10,772,208	92.2	10,253,788	91.9	10,959,622	92.4	10,777,085	92.2	10,253,788	91.9
Federal Revenue	4000020	410,121	3.6	957,829	7.7		827,866	7.0	827,866	7.1	827,866	7.4	828,603	7.0	828,603	7.1	828,603	7.4
Cash Fund	4000045	23,328	0.2	59,888	0.5		36,841	0.3	36,841	0.3	36,841	0.3	36,841	0.3	36,841	0.3	36,841	0.3
Inter-agency Fund Transfer	4000316	290,078	2.6	291,017	2.3		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Other	4000370	142,005	1.3	41,496	0.3		41,496	0.3	41,496	0.4	41,496	0.4	41,496	0.3	41,496	0.4	41,496	0.4
Total Funds		11,272,362	100.0	12,509,390	100.0		11,865,825	100.0	11,678,411	100.0	11,159,991	100.0	11,866,562	100.0	11,684,025	100.0	11,160,728	100.0
Excess Appropriation/(Funding)		(283,736)		0			374,307		374,307		889,307		378,852		378,852		898,729	
Grand Total		10,988,626		12,509,390			12,240,132		12,052,718		12,049,298		12,245,414		12,062,877		12,059,457	

Budget Number of Positions may exceed the Authorized Number due authorized shared services agreement between ASB and ASD.

Agency Position Usage Report

FY2012 - 2013						FY2013 - 2014						FY2014 - 2015					
Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused
	Filled	Unfilled	Total				Filled	Unfilled	Total				Filled	Unfilled	Total		
170	144	27	171	-1	15.29 %	170	154	16	170	0	9.41 %	170	151	22	173	-3	11.18 %

Budgeted Number of Positions exceeds the Authorized Number in FY13 and FY15 due to a transfer of positions from the Arkansas School for the Blind to the shared paying account between the School for the Blind and the School for the Deaf.

Analysis of Budget Request

Appropriation: 056 - School for the Deaf-State Operations

Funding Sources: EVA - State Operations - School for the Deaf

The Arkansas School for the Deaf (ASD) provides a variety of educational programs for the deaf and hard of hearing students through the age of 21. The State Operations appropriation is used to provide for all security, transportation, and administrative needs of both the Schools for the Deaf and Blind. The security needs of both schools include patrolling a campus of 92 acres and 35 buildings. Maintenance work is necessary for these buildings. Daily transportation is provided through local school districts for non-residential students. Transportation involves bussing all residential students home each weekend and returning them to school on Sunday afternoon. Joint services for such administrative functions as business, accounting, personnel, etc. are provided to both schools through the use of a Board approved paying account permitting the pooling of funds from each agency based on student ratio population at each school. Legislation approved by the General Assembly provides for the use of the shared services arrangement. The primary source of funding for this appropriation is general revenue.

Base Level Regular Salaries and Personal Services Matching include continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY15 line item maximum plus the previously authorized 2015 1% Cost of Living Adjustment. The Base Level request for Regular Salaries includes board member stipend payments.

The Base Level Request is \$11,068,642 in FY16 and \$11,073,187 in FY17 with \$10,959,622 each year in general revenue.

The Agency's Change Level Requests total (\$187,414) in FY16 and (\$182,537) in FY17 and are summarized as follows:

- Regular Salaries and Personal Services Matching of (\$378,243) in FY16 and (\$378,366) in FY17 for the following:
 - \$3,420 each year in appropriation and funding for an increase in Regular Salaries and Personal Services Matching.
 - Transfer of appropriation and funding of (\$381,663) in FY16 and (\$381,786) in FY17 from the Arkansas School for the Deaf to the Arkansas School for the Blind to cover costs associated with the transfer of 9 positions.
- Operating Expenses of \$829 each year for the following:
 - \$260,000 in appropriation and funding due to inflationary increases caused primarily by higher fuel costs, as well as general increases in the cost of necessary supplies and materials.
 - (\$259,171) transfer of appropriation and funding from the Arkansas School for the Deaf to the Arkansas School for the Blind for transportation, security, and maintenance costs.

- Capital Outlay of \$75,000 each year in appropriation and funding to purchase new and replacement items for equipment beyond repair, obsolete, or too expensive to maintain in areas such as food services, library holdings, and maintenance.
- Special Maintenance of \$85,000 each year for the following:
 - \$150,000 in appropriation and funding to purchase new and replacement items for equipment beyond repair, obsolete, or too expensive to maintain in areas such as food services, library holdings, and maintenance.
 - (\$65,000) transfer of appropriation from the Arkansas School for the Deaf to the Arkansas School for the Blind.
- SCPI/ASL of \$15,000 in FY16 and \$20,000 in FY17 in appropriation and funding due to more employees passing the proficiency test.
- Miscellaneous Activities of \$15,000 each year in appropriation and funding due to an increase in the number and classification of staff necessary for the Summer Enrichment Program.

The Executive Recommendation provides for the Agency Request with the exception of the following:

- *Reclassification of (4) Administrative Specialist II to Administrative Specialist III.* The Executive Recommendation alternatively provides for the reclassification of ASD/ASB Business Manager (C126) to a Fiscal Support Manager (C123), Personnel Manager (C121) to a Assistant Personnel Manager (C118), ASD/ASB Transportation Services Coordinator (C119) to a Transit Operations Supervisor (C115).
- *No new general revenue funding.*

Appropriation Summary

Appropriation: 056 - School for the Deaf-State Operations
Funding Sources: EVA - State Operations - School for the Deaf

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	5,768,770	6,302,830	6,027,943	6,217,812	5,946,867	5,944,084	6,221,512	5,950,467	5,947,684
#Positions		163	170	167	167	158	158	167	158	158
Extra Help	5010001	69,760	100,525	99,325	99,325	99,325	99,325	99,325	99,325	99,325
#Extra Help		13	51	51	51	51	51	51	51	51
Personal Services Matching	5010003	2,187,794	2,290,128	2,280,474	2,277,051	2,169,753	2,169,116	2,277,896	2,170,575	2,169,938
Overtime	5010006	5,777	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Operating Expenses	5020002	1,803,268	1,665,454	1,808,890	1,665,454	1,666,283	1,666,283	1,665,454	1,666,283	1,666,283
Conference & Travel Expenses	5050009	17,441	21,500	21,500	21,500	21,500	21,500	21,500	21,500	21,500
Professional Fees	5060010	92,075	80,000	100,000	80,000	80,000	80,000	80,000	80,000	80,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	72,889	40,000	65,000	0	75,000	75,000	0	75,000	75,000
Special Maintenance	5120032	169,408	300,000	450,000	300,000	385,000	385,000	300,000	385,000	385,000
Vocational Workstudy	5900046	2,419	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
SCPI/ASL	5900047	261,348	265,000	265,000	265,000	280,000	280,000	265,000	285,000	285,000
Miscellaneous Activities	5900048	108,258	110,000	110,000	110,000	125,000	125,000	110,000	125,000	125,000
Total		10,559,207	11,207,937	11,260,632	11,068,642	10,881,228	10,877,808	11,073,187	10,890,650	10,887,230
Funding Sources										
General Revenue	4000010	10,127,124	10,875,424		10,959,622	10,772,208	10,253,788	10,959,622	10,777,085	10,253,788
Inter-agency Fund Transfer	4000316	290,078	291,017		0	0	0	0	0	0
Other	4000370	142,005	41,496		41,496	41,496	41,496	41,496	41,496	41,496
Total Funding		10,559,207	11,207,937		11,001,118	10,813,704	10,295,284	11,001,118	10,818,581	10,295,284
Excess Appropriation/(Funding)		0	0		67,524	67,524	582,524	72,069	72,069	591,946
Grand Total		10,559,207	11,207,937		11,068,642	10,881,228	10,877,808	11,073,187	10,890,650	10,887,230

Budget exceeds authorized positions, Regular Salaries, Extra Help and Personal Services Matching due to the authorized shared services paying account for ASB and ASD.

Change Level by Appropriation

Appropriation: 056 - School for the Deaf-State Operations
Funding Sources: EVA - State Operations - School for the Deaf

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	11,068,642	167	11,068,642	100.0	11,073,187	167	11,073,187	100.0
C01	Existing Program	515,000	0	11,583,642	104.7	520,000	0	11,593,187	104.7
C04	Reallocation	(324,171)	0	11,259,471	101.7	(324,171)	0	11,269,016	101.8
C07	Agency Transfer	(381,663)	(9)	10,877,808	98.3	(381,786)	(9)	10,887,230	98.3
C10	Reclass	3,420	0	10,881,228	98.3	3,420	0	10,890,650	98.4

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	11,068,642	167	11,068,642	100.0	11,073,187	167	11,073,187	100.0
C01	Existing Program	515,000	0	11,583,642	104.7	520,000	0	11,593,187	104.7
C04	Reallocation	(324,171)	0	11,259,471	101.7	(324,171)	0	11,269,016	101.8
C07	Agency Transfer	(381,663)	(9)	10,877,808	98.3	(381,786)	(9)	10,887,230	98.3
C10	Reclass	0	0	10,877,808	98.3	0	0	10,887,230	98.3

Justification

C01	Restoration of authority and funding is needed in Operating Expenses to help cover inflationary increases caused primarily by higher fuel costs, as well as general increases in the cost of necessary supplies and materials. Restoration of Capital Outlay to current authorized level is requested for each year of the biennium to purchase new and replacement items for equipment beyond repair, obsolete, or too expensive to maintain in areas such as food services, library holdings, and maintenance. Restoration of authority and funding in Special Maintenance is needed to help maintain a never ending battle of preventative maintenance and repairs on 20 buildings, one of which is eight years old, most of which were built in the 1970's and 1960's and three of which were built in 1931. An increase in authority and funding is needed in SCPI/ASL due to more employees passing the proficiency test. An increase in authority and funding is needed in Miscellaneous Activities due to an increase in the number and classification of staff necessary for the Summer Enrichment Program.
C04	Transfer of Operating Expenses and Special Maintenance due to the Board of Trustee request to terminate the shared services agreement.
C07	Transfer of 9 positions from the Arkansas School for the Deaf to the Arkansas School for the Blind due to the Board of Trustees request to terminate the shared services agreement.
C10	Change Level requests for each year of the biennium include small increases in regular salaries and related matching.

Analysis of Budget Request

Appropriation: 058 - School for the Deaf-Federal Operations

Funding Sources: FEB - Federal Operations - School for the Deaf

This appropriation represents the primary federal operations support for the Arkansas School for the Deaf (ASD). Essential funding for this appropriation is received from the State Department of Education Area Services, a Carl Perkins Vocational Grant from the Department of Workforce Education, and Chapter VI-B Pass-Through. Medicaid reimbursements are also received and are used to assist in providing for the administrative needs of the Agency.

Base Level Regular Salaries and Personal Services Matching include continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

The Base Level and total Agency Request is \$729,354 in FY16 and \$730,091 in FY17.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 058 - School for the Deaf-Federal Operations
Funding Sources: FEB - Federal Operations - School for the Deaf

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	57,469	88,378	138,617	88,905	88,905	88,905	89,505	89,505	89,505
#Positions		2	3	3	3	3	3	3	3	3
Extra Help	5010001	21,971	14,500	40,000	14,500	14,500	14,500	14,500	14,500	14,500
#Extra Help		3	4	4	4	4	4	4	4	4
Personal Services Matching	5010003	31,213	37,719	61,318	36,729	36,729	36,729	36,866	36,866	36,866
Operating Expenses	5020002	130,142	240,909	240,909	240,909	240,909	240,909	240,909	240,909	240,909
Conference & Travel Expenses	5050009	33,921	62,111	62,111	62,111	62,111	62,111	62,111	62,111	62,111
Professional Fees	5060010	61,588	286,200	286,200	286,200	286,200	286,200	286,200	286,200	286,200
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	129,500	129,500	0	0	0	0	0	0
Total		336,304	859,317	958,655	729,354	729,354	729,354	730,091	730,091	730,091
Funding Sources										
Federal Revenue	4000020	336,304	859,317		729,354	729,354	729,354	730,091	730,091	730,091
Total Funding		336,304	859,317		729,354	729,354	729,354	730,091	730,091	730,091
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		336,304	859,317		729,354	729,354	729,354	730,091	730,091	730,091

Analysis of Budget Request

Appropriation: A10 - School for the Deaf-Cash Operations

Funding Sources: 137 - Cash Operations - School for the Deaf

The Arkansas School for the Deaf (ASD) uses their cash appropriation to meet needs associated with the cafeteria as well as any other institutional services deemed necessary for the students. Cash funds are primarily received from USDA Breakfast and School Lunch reimbursements, interest on cash investments, and legacy donations.

Th Base Level and total Agency Request is \$442,136 each year of the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: A10 - School for the Deaf-Cash Operations

Funding Sources: 137 - Cash Operations - School for the Deaf

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	88,169	147,136	147,136	147,136	147,136	147,136	147,136	147,136	147,136
Conference & Travel Expenses	5050009	4,946	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Professional Fees	5060010	0	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Special Maintenance	5120032	0	220,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000
Total		93,115	442,136	442,136	442,136	442,136	442,136	442,136	442,136	442,136
Funding Sources										
Fund Balance	4000005	279,706	283,736		0	0	0	0	0	0
Federal Revenue	4000020	73,817	98,512		98,512	98,512	98,512	98,512	98,512	98,512
Cash Fund	4000045	23,328	59,888		36,841	36,841	36,841	36,841	36,841	36,841
Total Funding		376,851	442,136		135,353	135,353	135,353	135,353	135,353	135,353
Excess Appropriation/(Funding)		(283,736)	0		306,783	306,783	306,783	306,783	306,783	306,783
Grand Total		93,115	442,136		442,136	442,136	442,136	442,136	442,136	442,136

Expenditure of appropriation is contingent upon available funding.

DOE - General Education

Enabling Laws

Act 291 of 2014
Act 292 of 2014
Act 293 of 2014 (PSF)
A.C.A. §6-5-301 et seq.
A.C.A. §6-10-101 thru §6-26-305
A.C.A. §6-42-101 et seq.
A.C.A. §6-45-101 et seq.
A.C.A. §6-47-201 et seq.
A.C.A. §26-80-101 et seq.
A.C.A. §25-6-101 et seq.

History and Organization

HISTORY OF PUBLIC EDUCATION IN ARKANSAS

Provisions were made within the framework of the Constitution of the State of Arkansas for free public education; directing the legislature to pass needed laws related to education; creating funding for public schools; providing local taxing units for school purposes; designing a method of levying a tax for maintenance and operation of local school districts; and providing authority for local school board members to carry out programs of the State's public education department.

The Arkansas Territorial Legislature in 1829 passed the first law for public education by requiring county judges to appoint a trustee for the sixteenth section of land in each township granted to education. The territory was organized in 1819. In 1853, the office of the County School Commissioner was created by the legislature. With various title changes and added responsibilities, this particular individual is now called the County School Supervisor.

In 1931, the Arkansas General Assembly established a reorganization law whereby consolidation of districts occurred only by the majority of the electors of those districts. In 1948, the Arkansas voters created the District Reorganization Bill that reduced the number of school districts from 1,500 to 424.

From 1875 to 1931, the office of the State's Superintendent of Public Instruction was reestablished. In 1931, the elected office of State Superintendent was abolished, and the State Board of Education was given the power to select a Commissioner of Education.

In 1965, the improvement of elementary and secondary schools was emphasized during a Presidential message on education. Within months after the message, Congress passed the Elementary and Secondary Education Act, which was to strengthen and improve the quality of education and increased educational opportunities in the public schools. The educational opportunities provided for in this federal act are currently being paid from federal funds.

Act 38 of 1971 changed the title of the Commissioner of Education to the Director of Education but kept the duties and powers of the office the same. The Director of Education was to be confirmed by the Governor and served at the pleasure of the Governor.

Act 64 of 1981 divided the Department of Education into two major divisions, the General Education Division and the Vocational and Technical Education Division with each Division having a separate director.

Act 445 of 1983, known as "The Quality Education Act of 1983," provided for the establishment of minimum standards for accrediting public elementary and secondary schools in the State. As a result, the **Standards for Accreditation of Arkansas Public Schools** were developed and adopted by the State Board of Education on February 22, 1984. School districts had until June 1, 1987, to meet the Standards or risk consolidation or annexation. In 1984, there were 367 school districts in the State. As of June 30, 2000, there were 310 school districts in the State. These Standards have been revised once since they were put into place. The revision occurred in 1993.

Act 34 of 1983, First Extraordinary Session, created a new funding formula for local school districts known as "The School Finance Act of 1984." This particular formula provided funding to school districts known as Minimum Foundation Program Aid. The main focus of the 1983 First Extraordinary Session was education. The Arkansas General Assembly passed a one-cent sales tax which helped to increase the revenue available to school districts and to fund many new programs for education.

The legislation passed in the 1983 Regular Session and the 1983 First Extraordinary Session was considered to be the "first wave" of educational reform for Arkansas public schools. Examples of reforms include: required elementary school counselors; established smaller class sizes; created curriculum content guides which listed requirements for courses to be taught; increased advanced course offerings; required yearly testing of students in grades 3, 6, and 8 in the basic skills, Minimum Performance Test (MPT); required all public school districts to develop and file a six-year plan for improving its educational programs; established an Advisory Council for the Education of Gifted and Talented Children; implemented Act 76 of 1983, First Extraordinary Session, requiring teachers, administrators, and other certified personnel to undergo testing in regard to functional academic skills and knowledge of subject areas; implemented an effective schools project as a model of excellence for Arkansas public schools; and provided for the implementation of computer-based educational projects in the public schools, later known as the Instructional Microcomputer Project for Arkansas Classrooms (IMPAC).

In 1985-86, the Arkansas General Assembly adopted an array of additional legislation such as the establishment of a statewide system of Education Service Cooperatives; the authorization of parents to provide home schooling for their children; the amendment to the Arkansas Teacher Retirement System laws to establish an optional noncontributory plan for its members; the authorization of the Department of Education, General Division, to develop and implement a program of health services; the creation of a commission to study the disparity in teacher salaries; and the requirement for school districts to establish a drug abuse prevention program.

In 1987-88, the Arkansas General Assembly provided the state education system with acts such as establishing residency requirements for persons attending public schools; providing waivers from the teacher salary requirement due to a one time increase in new current revenue; establishing guidelines for reporting data on students leaving high school prior to graduation; establishing the Commission on Teaching Excellence; and changing the date of the annual school election to the third Tuesday in September.

In 1989-90, the Arkansas General Assembly set up the Office of Accountability to assess the performance of schools and to publish a School Report Card by December 1 of each year, the School Choice program enabling students to attend a public school in a district other than the one in which the student resides but subject to certain restrictions and conditions, the Arkansas Early Childhood Commission, the suspension of a student's learner's permit or driver's license if no longer attending school if under 17, and a mandatory kindergarten law.

In 1991-92, the Arkansas General Assembly created an Educational Excellence Trust Fund to target to all of education the funds from a 1/2 cent sales tax increase; established a statewide computer network for education, later known as the Arkansas Public School Computer Network (APSCN), which is a computer link up with all schools in the State to facilitate data collection and reduce paperwork; established the Arkansas School for Mathematics and Sciences; established the Academy for Leadership Training and School-based Management; and passed a major restructuring act, Act 236 of 1991, which called for the reorganization of the Department of Education, General Division, to provide more support and less regulation to school districts as well as defining what Arkansas public schools must do in preparing students to be internationally competitive. The Department established the Comprehensive Outcomes Evaluation Program as a method for evaluation of the public schools every five years as mandated by the Standards for Accreditation. School vehicle insurance was added to the insurance program as a self-insurance program for schools.

In 1993-94, the legislature combined the appropriations for the Department of Education to a few appropriations for greater flexibility in reaching the goals of Act 236 of 1991. Grant programs were set up for Writing Assessments to assist in the development and piloting of writing portfolios and Curriculum Frameworks for school districts to develop exemplary local curricula to serve as statewide models. An appropriation was also set up for Workers Compensation to help school districts with worker compensation payments on school personnel. In addition, the K-3 Initiative was started with the passage of Act 1139 of 1993 which provided free summer school and summer school transportation to K-3 students who did not perform at grade level during the regular school year. In order for these students to be eligible for promotion to the next grade, they had to attend this specially designed summer school program.

In 1995-96, the Arkansas General Assembly enacted a new funding formula for the public schools that provided more equity in school funding. Minimum Foundation Program Aid was replaced by Equalization Funding. The legislature also funded At-risk Programs, Growth Facilities Funding, Additional Base Funding, and Debt Service Funding Supplements to assist districts with the cost of facilities. Technology centers were appropriated for the Education Service Cooperative to assist local school districts. Fiscal Crisis Relief Funding also provided assistance to districts adversely affected by the implementation of the new funding formula. Other legislation passed in 1995 included: an act to require criminal background checks for all teachers and administrators seeking an Arkansas teaching license for the first time; an act to ensure that a fiscal or academic crisis will not interrupt educational services provided to students (Academic and Fiscal Distress); an act known as the School Bus Safety Act of 1995; an act to establish the Arkansas Advanced Placement Incentive Program; an act to expand the K-3 Initiative of 1993 to include grades K-5; and an act to increase the number of State Board of Education members from nine (9) to twelve (12).

In 1997-98, the Arkansas General Assembly passed legislation which provided for one core curriculum for all students in Arkansas public schools; required the Director to develop a plan to allow all school districts to utilize distance learning through a distance learning network; amended the laws concerning home-schooled students; provided a clearinghouse for information on nonsectarian practices in character and citizenship education; amended the laws relative to Arkansas education goals and performance accountability; required criminal background checks as a condition for employment in a public school district for all non-certified staff positions; expanded the requirement for background checks on teachers and administrators; allowed Teacher Retirement System members to retire with 28 years of service rather than 30; and Act 803 of 1997 abolished the Vocational and Technical Division of the Department of Education and created the Department of Workforce Education as a separate state agency with its own State Board of Workforce Education and Career Opportunities. The State Board of Education and the Department of Education continued for the general supervision of the public K-12 schools in the State.

In 1999-2000, the Arkansas General Assembly passed legislation which provided for teacher incentives to seek the National Board for Professional Teaching Standards (NBPTS) Certification to pay full tuition cost and bonuses; annual individual school performance reports and for the distribution of these reports to all parents or guardians of children enrolled in Arkansas public schools; the reduction in the number of State Board of Education members from twelve (12) to nine (9) over a three-year period; a new Charter School Law which allows for open-enrollment and school district conversion forms of charter schools with the new law completely replacing the 1995 law; the establishment for an accountability program for schools across the State referred to as the Arkansas Comprehensive Testing Assessment and Accountability Program (ACTAAP); and the elimination of the antiquated county boards of education in all 75 counties of the State over time.

In 2001-2002, the Arkansas General Assembly created the Arkansas Blue Ribbon Commission on Public Education to define an equitable and adequate system of free public education in the State as mandated under the "general, suitable and efficient" components of the Arkansas Constitution; directed the State Board of Education to conduct a study of public education, its structure, financial needs, and funds needed for improvement; adopted ethical guidelines to prohibit self-dealing in transactions between public educational entities and board members, administrators, or employees; passed the Educator Compensation Act to supplement traditional pay increases for the State's teachers; authorized the Department of Education to conduct a study of grade inflation within the State's high schools and to notify schools of such finding; established procedures for identifying critical teacher shortage areas and granting retired teachers a waiver of earnings limitations to

return to active employment to help meet the needs of these areas; and clarified the State's ethics law to allow teachers and other school employees to receive gifts or compensation which recognize the employee's contribution to education.

In 2003-2004, the General Assembly addressed four major areas in the public education system of Arkansas: structure of the K-12 system, public school funding, public school facilities, and the structure of the Arkansas Department of Education. During the Regular Session, the legislature enacted the Omnibus Quality Education Act, requiring all school districts to meet the Standards for Accreditation with sanctions for non-compliance; established requirements for school districts to create plans for more parental involvement in public schools; and created the Joint Committee on Educational Facilities to assess all of the State's K-12 facilities and equipment. During the 2nd Extraordinary Session, the General Assembly required administrative consolidation of public school districts serving less than 350 students into districts that would have in excess of 350 students; adopted the Arkansas Student Assessment and Educational Accountability Act of 2004; created the Public School Funding Act, which designated a base of \$5,400 per student as the amount necessary for students to receive an adequate education; enacted a variety of revenue measures to raise the necessary funds to implement the new Public School Funding Act. The legislature also provided for the division of the Arkansas Department of Education into three divisions: General Education, Accountability and Educational Facilities with each division having its own director who answers independently to the State Board of Education. Other significant actions taken by the 84th General Assembly included the creation of a Teacher Housing Program; master's program for school principals; mandatory professional development for teachers and administrators and an appropriation to increase the number of early childhood programs offered in the State.

In 2005-06, the Arkansas General Assembly focused primarily on education reform as a result of directives and requirements of the Arkansas Supreme Court in *Lake View School District No. 25, et al. v. Mike Huckabee, et al.* The Court outlined the State's responsibility to identify and fund an adequate education for all students in Arkansas. Accordingly, legislation that provided additional funding in the amount of \$436.6 million over the biennium was implemented. The Legislature also funded and commissioned an Adequacy Study to determine future educational needs. Legislation established the Division of Public School Facilities and Transportation that will identify, assess and fund the State's facilities needs. In the area of teacher recruitment and retention, the General Assembly increased teacher salaries, took steps to strengthen the teacher health insurance program and provided for programs to enhance teaching and learning. The General Assembly also complied with the Court's mandate to track expenditures by expanding current coding methods, providing for in-service training for fiscal staff, strengthening financial accountability, and outlining penalties for non-compliance. The General Assembly continued to enhance and enrich curriculum standards and upgraded the capacity of the State's technology network. Legislation was enacted to change the structure of the Arkansas Department of Education (ADE). The ADE was also given more flexibility in personnel policies. The General Assembly again increased funding for early childhood programs to serve additional children. The Governor called the First Extraordinary Session of the 85th General Assembly to implicitly deal with the Court's mandates, providing an additional \$132.5 million for education funding.

In 2007-2008, the work conducted by the 86th General Assembly successfully freed the state from litigation in the Lake View case. On May 31, 2007, the Arkansas Supreme Court ruled that "...our system of public-school financing is now in constitutional compliance..." It further stated in the conclusion of the opinion:

"What is especially meaningful to this court is the Maters' finding that the General Assembly has expressly shown that constitutional compliance in the field of education is an ongoing task requiring constant study, review, and adjustment. In this court's view, Act 57 of the Second Extraordinary Session of 2003 requiring annual adequacy review by legislative committees, and Act 108 of the Second Extraordinary Session of 2003, establishing education as the State's first funding priority, are the cornerstones for assuring future compliance."

The legislature expanded upon Act 57 requirements, passing Act 1204 of 2007. Act 1204 set forth an outline of the work to be performed in preparation for the 2009 legislative session. Among other things it required the review of fiscal, academic, and facilities distress programs; a comparison of Arkansas teacher salaries with surrounding states and Southern Regional Education Board member states; review of expenditures from isolated schools; national school lunch student funding; declining enrollment funding; student growth funding; special education funding. Act 1204 also required an expenditure analysis and resource allocation review each biennium. The Department of Education budget total was \$760.3 million in FY08 and \$764.7 million in FY09.

At the beginning of the 2009 legislative session, Governor Mike Beebe challenged the Arkansas General Assembly to rise above the current economic circumstances and find ways to continue Arkansas's educational progress. The General Assembly responded to this challenge, and through careful budgeting and responsible legislation, found a way to continue to fully fund public education in Arkansas. Act 1474 of 2009 established the state per-pupil foundation funding amount at \$5,905 for the 2009-2010 school year and \$6,023 for the 2010-2011 school year.

The 2009 General Assembly enhanced educational standards by passing laws that created high-stakes end-of-course assessments, changed the requirements and age for kindergarten enrollment, and allowed increased parental access to public school data. Other measures passed by the General Assembly included the Arkansas Smart Core Funding Incentive Program and grants for after-school programs. The General Assembly also implemented early interventions for school districts in danger of entering fiscal or facilities distress.

In 2010, the Arkansas General Assembly convened its first fiscal session. During this historic session, the General Assembly continued its steadfast support for education in Arkansas by allocating \$1,849,659,072 to the Department of Education Public School Fund. Through its actions, the Arkansas General Assembly maintained its commitment to fund education first.

Governor Beebe and the Arkansas Legislature passed a large number of education bill during the 88th General Assembly that support the Governor's goal to improve education in the state of Arkansas. These include improvements to teacher testing and licensure, improving college and career readiness, removing caps on Charter schools, and providing more safety protections for the children of Arkansas. Laws regarding school books were reformed to reflect the increased use of virtual education. Safety of children was improved with bullying legislation and school guidance counselors being required to report abuse of children. Parents were offered assistance with school expenses via the "tax-free holiday" and flexibility in school start dates. The legislature also approved a nearly \$4.6 billion general fund budget for 2011-2012. Funding for K-12 education rose 2.9 percent to more than \$2 billion and included \$1.9 billion in formula funding for schools.

Act 1209 addressed the evaluation of Arkansas public school teachers, established the Teacher Excellence and Support System and sought to increase public awareness of effective teachers.

Act 1178 amended Arkansas teacher licensure and reciprocity.

Act 743 established the Arkansas College and Career Readiness Standard, and called for development of criteria to evaluate, support, promote and fund Arkansas Career and Technical Education.

Act 288 amended school textbook requirements to include digital resources.

Act 987 removed the limitation on the number of open-enrollment charter schools in the state.

Act 993 amended provisions of Arkansas's law to require charter schools to submit periodic reports, amended various provisions and sought to protect charter schools from certain liabilities.

Act 784 requires child abuse hotlines to accept reports of intellectual, emotional or psychological injury to a child from a guidance counselor licensed as a teacher.

Act 907 clarifies Arkansas's antibullying laws for public school students and states requirements for actions on the part of a school principal.

Act 65 allows school districts flexibility in the school start dates while limiting the start dates to no earlier than August 14 and no later than August 26. The board of directors of the school district will determine the beginning of the school year.

Act 757 sought to reduce school expenses for parents by creating a "sales tax holiday" during which back-to-school related purchases are exempted from the sales tax.

In 2012, the Arkansas General Assembly began its second fiscal session primarily on state budget issues. The General Assembly considered Governor Beebe's call for \$114 million in new allocations for the state's Human Services Department to pay for growth in Medicaid. Governor Beebe also requested \$56 million in additional funding for Arkansas's public schools for the coming year very similar to the Joint Budget Committee's proposal. The General Assembly approved and the Governor signed the \$4.7 billion budget (an increase of 3.6 percent) from the general revenue fund for fiscal year 2012-2013. Elementary and secondary education will operate with 2.8 percent increase in state funds, to \$2.1 billion. Of that, \$2 billion was allocated to fund the public school formula. This reflects a 3 percent increase.

In 2013, the Arkansas legislature convened its 89th General Assembly. One hundred twenty-one acts concerning K-12 Education were enacted. Act 509 designated a panel of Department of Education employees to review, approve or deny charter applications. Relative to school safety, Act 484 calls for an annual requirement for training of school staff and students and school safety assessments. Act 1227 amended the public school choice act to require every district to participate in the state choice program and school districts are required to inform parents about choice opportunities. Districts would not be required to participate in school choice if it conflicts with a desegregation order or plan. Act 1280 will require public schools to offer, and each high school student to take, at least one digital course for graduation beginning with the entering ninth grade class of 2014-2015 school year. Relative to licensure, the general assembly passed a act to allow for temporary licensure certification for spouses of active duty service members. Act 413 amended the non-traditional teacher licensure law to require a passing score on a basic skills assessment. Regarding accountability, low-performing schools and innovation, the general assembly enacted Act 696 to set out in detail the grading system ("A" through "F") for school improvement and performance. Act 601 created the new district of innovation program the permits a school council including educators, other school employees, parents, community members and at least two students, to develop a plan to improve academic performance and learning for all students. As a focus on students graduating from high school, college and career ready. Act 585 created the Council on Postsecondary Education and Career Readiness to facilitate a unified strategy to reduce remediation rates and improve postsecondary graduation rates.

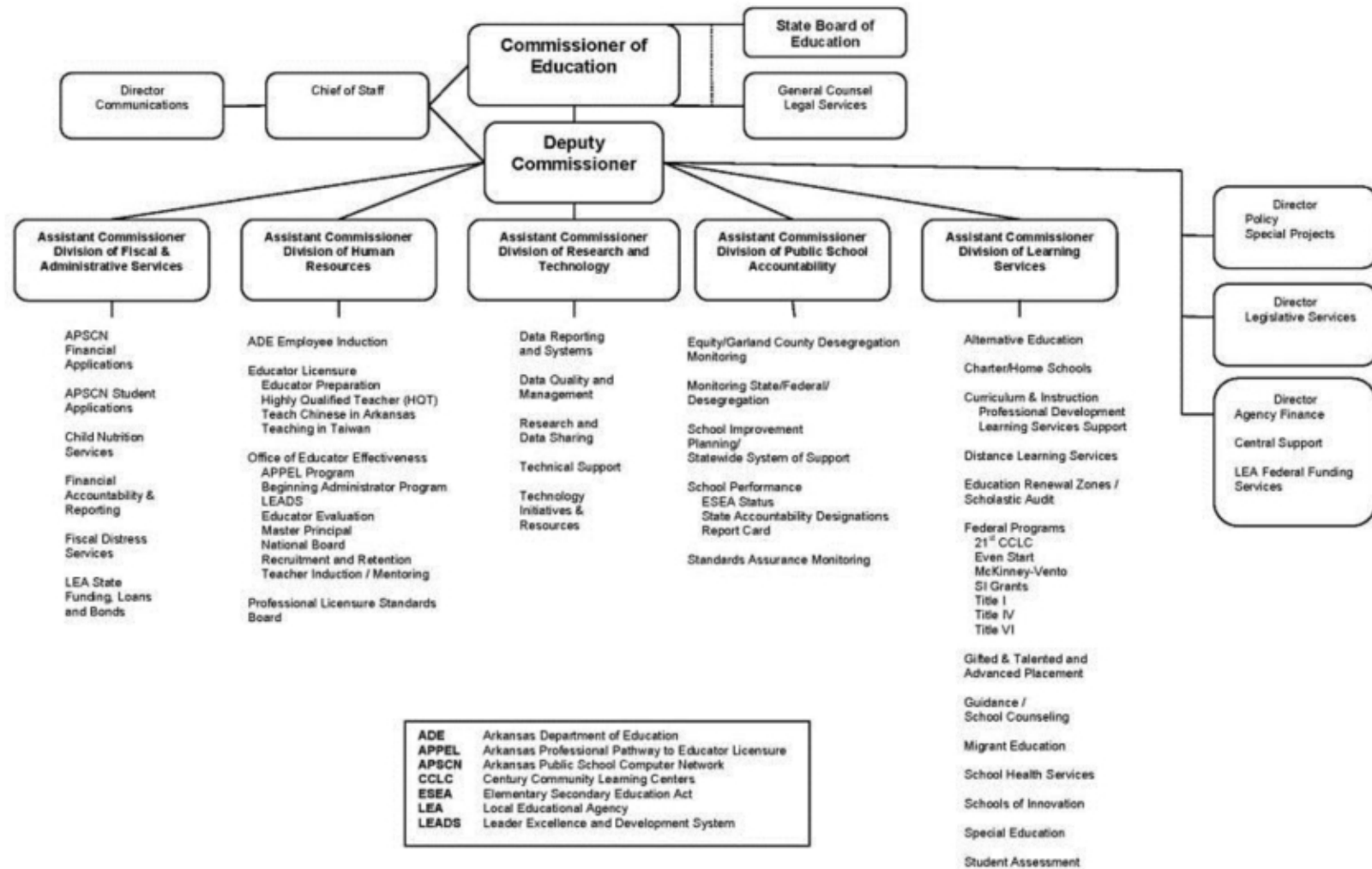
In 2014, the Arkansas General Assembly met in its third fiscal session and approved a \$5 billion state-funded budget (an increase of 2.1 percent) for fiscal year 2014-15. Elementary and secondary education will operate with 3.1 percent increase in state funds, to over \$2.1 billion. Most of this amount is state aid to school districts. Act 297 provided \$5 million for the Open Enrollment Public Charter School Facilities Loan Fund in 2013-14. Any unused funds at the end of the school year will roll over to 2014-15.

STATE BOARD OF EDUCATION - OVERSIGHT AND AUTHORITY

Statutory authority for the Arkansas State Board of Education is found in Ark. Code Ann. §6-11-101 (1999 Repl.). As set forth in various subsections of this code cite, the State Board of Education reduced the number of its members from twelve (12) to nine (9) members over a three-year period ending with the nine-member board as of July 1, 2001, two from each Congressional district of the State and the remainder to be appointed at large from within the State. The term of office is set at six (6) years with the terms of outgoing member(s) expiring on June 30 of each year. The Governor, subject to the confirmation of the Senate, appoints the members of the State Board of Education. The members take the oath of office prescribed by the Constitution of the State of Arkansas for officers.

The State Board of Education's powers and duties are outlined in Ark. Code Ann. §6-11-105 (1999 Repl.). These powers and duties include such things as general supervision of the public schools of the State, recommending courses of study for the public schools, issuing licenses to qualified persons to teach in the public schools, and performing "all other functions which may now or hereafter be delegated to the State Board of Education by law."

In addition, "the State Board of Education may organize and, from time to time, change and alter the Department of Education into such branches or sections as may be found necessary and desirable by the Director of the Department of Education . . ." These changes are to be brought forward in order for the Department of Education ". . . to perform all proper functions and to render maximum service relating to the operation and improvement of general education programs of the State."



Agency Commentary

GENERAL DIVISION 2015-2017 BIENNIAL BUDGET REQUEST

The following is a summary of Change Level requests by appropriation:

STATE OPERATIONS (620)

The State Operations appropriation provides the state funded support for 266 positions and associated operating expenses of the various units of the Arkansas Department of Education (ADE). The major units supported by this appropriation are: Central Administration, Division of Fiscal and Administrative Services, Division of Human Resources, Division of Learning Services, Division of Academic Accountability and Division of Research and Technology.

The Base Level appropriation is \$23,577,841 in FY16 and \$23,587,052 in FY17. The Change Level requests are for restoration of four (4) Pool Positions that were established by the authority of Section 25 of Act 1310 of 2013. This same authority requires that if the agency requests the continuation of Pool Positions in the next fiscal year, it must request the positions as new positions. The Pool Positions being requested to continue include: four N908 ADE Special Advisor positions. The first position is necessary to fulfill the agency's growing information technology needs. This position leads the programming and development operations of the agency's core educational information systems, including: Statewide Information Systems, which collects both certified and uncertified data from school districts that is used for ad hoc data-driven decision making and web-based dashboards; ADE State Data Warehouse, which is a statewide, longitudinal repository of district certified data received since 2004 that is used for all forms of ad-hoc, state and federal reporting; Standards Annual Accreditation System, which enables the public to view school district accreditation reports and enables school districts to view data which forms the annual accreditation report; and Arkansas Educator Licensure System, which allows licensed educators to update their contact information and to view their license, license activity and all information accessible through the public view. Educators may also use the login to start a new application online, and the system has a public site which allows public access to educator licensure data. The second position is needed to handle the expansion of work involving Educator Effectiveness to lead the work with teacher evaluation, principal evaluation, superintendent evaluation, teacher mentoring and induction, administrator mentoring, National Board certified teachers, and teacher recruitment and retention. The third position is needed to handle the expansion of work involving Educator Licensure and Educator Preparation. The position ensures: that all licensure avenues, traditional and non-traditional routes, are implemented with the highest effectiveness; that all licensure avenues are resulting in educators that can produce college and career ready learners by ensuring that all licensure exams are appropriate for the respective position, and that all candidates applying for licensure meet requirements and background checks; and that there is more accountability for educator preparation programs by reporting data on all educator programs in the state and

providing the areas of need with support and interventions to improve the programs. The fourth position is needed to convert a current unclassified position to a classified position on the Professional and Executive Pay Plan. The position is for an ADE Deputy General Counsel. The ADE's legal services office maintains an extremely high workload, including: representing the ADE and the State Board of Education in state and federal court, before legislative committees and other state boards and commissions; addressing constituent complaints and legal questions from school district superintendents and educational leaders from across the state; researching and drafting legislation and rules/regulations related to education; and reviewing and approving Freedom of Information Act requests submitted to the ADE. Currently, the Legal Services office employs only four attorneys, including this position, to address all of the legal needs of the ADE. The General Counsel is often called away to legislative meetings, department leadership meetings, board meetings and court hearings. The Deputy General Counsel provides needed continuity of leadership and supervision in the absence of the General Counsel. The total change level request to restore these pool positions is \$436,620. Also, the base level appropriation for Extra Help of \$14,998 is not sufficient to meet ADE's needs. With eight Extra Help positions authorized, an appropriation of only \$14,998 allows for a total of approximately \$1,875 that can be spent per position. The ADE is requesting unfunded Extra Help appropriation to allow for the expenditure of up to \$20,000 per Extra Help position. This represents an increase of \$156,197 unfunded appropriation over base level per year. The ADE requests unfunded appropriation of \$100,000 to be added to the Professional Fees & Services line item due to increasing needs for curriculum frameworks meetings, scholastic audit training, and other projects for which the ADE needs to bring in experts to be of maximum benefit for school districts and charter schools. Unfunded appropriation in the grants line item is requested in the amount of \$413,830 to continue supporting programs affiliated with the National Math and Science Initiative to support the Advanced Placement Training and Incentive Program. Additionally, the ADE requests unfunded appropriation of \$100,000 each year for unforeseen Capital Outlay needs that may occur in the 2015-2017 biennium.

The ADE also requests reclassification of two positions. The first is 2207-7347 from a C122 Systems Analyst to a C126 ADE Systems Administrator. This change is necessary due to specialized skill sets that the incumbent of the position must possess, such as programming languages Microsoft C#.NET, VB.NET, ASP.NET, ASP.NET MVC, XHTML, SQL server, ADO.NET, and general relational database knowledge. The second position is 2208-2920, a C122 Systems Analyst to a C126 Systems Analyst. This change is necessary due to specialized skill sets that the incumbent of the position must possess, including Informix 4GL, Informix ESQ.L.C Genero Business Development Language, C#.Net.

PULASKI COUNTY DESEGREGATION CASE COST (35U)

In compliance with the settlement agreement approved on January 13, 2014 regarding state desegregation funding, all funds in this appropriation were disbursed to the parties named in the settlement during FY14. This appropriation is no longer needed.

VISION SCREENING AND CARE (35V)

This request is to restore appropriation based on the FY15 amount that was budgeted subsequent to the biennial budget request process. It is to support vision screenings for students in public schools and public charter schools, pursuant to ACA 6-18-1501

CHILD NUTRITION (637)

This program assists schools in making school breakfasts, lunches and snacks available to all school children and to encourage the domestic consumption of nutritious agricultural commodities. Federally-funded appropriation is requested for currently authorized position 2208-2883, which was not budgeted in the FY15 Annual Operations Plan. Subsequent to the FY15 budget process, it was determined that this position was needed in order to accommodate the increased work load due to Child Nutrition performance-based funding and community eligibility. Position 2208-2835, a grade C109 position, was also not budgeted in the FY15 budget process, but the position was subsequently filled. The ADE is requesting restoration of this position in the biennial budget, and is requesting that position 2208-2820, also a grade C109 position, be unbudgeted in the biennial budget. The total request for adding two previously unbudgeted positions and deleting one previously budgeted position is a net increase of \$26,188. The ADE also requests an increase in federally-funded appropriation of \$500,000 in the Operations line item, due to the continuation of the Meal Pattern Grant into FY16 and FY17, which provides federal funds for the Child Nutrition Unit to implement requirements of the Healthy, Hunger Free Kids Act of 2010. Funds from this grant are intended to allow state agencies to assist local program operators to improve the quality of school meals and ensure compliance with new regulations. MFG requests were done in FY14 and FY15 to begin implementation of the Meal Pattern Grant. The ADE is also requesting federally-funded appropriation of \$50,000 each year for unforeseen Capital Outlay needs of the Child Nutrition program that may occur in the 2015-2017 biennium. Additionally, the ADE is requested federally-funded appropriation in the amount of \$20,000,000 in the grants line item to accommodate increased participation in the performance based program and the community eligibility provision that uses information from other programs to allow schools that serve predominately low-income children to offer free school meals to all students.

FEDERAL ELEMENTARY & SECONDARY EDUCATION (650)

The Federal Elementary and Secondary Education appropriation provides federally-funded programs that meet a variety of needs within the Arkansas public school districts and charter schools. The ADE requests the restoration of two pool positions that were established by the authority of Section 25 of Act 1310 of 2013. This same authority requires that if the agency requests the continuation of a Pool Position in the next fiscal year, it must be requested as a new position. The Pool Positions being requested to continue are G012C ADE Assistant to Director, Grade C129 positions. The first Assistant to Director position is needed to ensure that the ADE complies with the United States Department of Education guidelines regarding the responsibilities under the Partnership for Assessment of Readiness for College and Careers. The position assists the Assistant Commissioner of Learning Services in overseeing Arkansas' involvement and contributions to PARCC/state assessments. This position is completely supported by federal dollars at no cost to the agency or the State of Arkansas. The second Assistant to Director position is needed to assist the Director of Federal Programs in duties related to implementing the requirements of the multi-million dollar 1003(g) school improvement grant. This position is completely supported by federal dollars at no cost to the agency or the State of Arkansas. The pool positions represent a total change level of \$170,273 per year of the biennium. Additionally, the ADE is requesting ARRA (federally funded) appropriation of \$400,000 for each year of the biennium to continue one ARRA program (PARCC); and federally funded appropriation of \$200,000 each year for unforeseen Capital Outlay needs for federal programs that may occur in the 2015-2017 biennium.

FEDERAL INDIRECT COST (435)

This appropriation funds the functions within ADE that support federal programs but that cannot be readily identified with a grant or project. Indirect cost functions benefit the agency as a whole rather than being assigned to a specific federal program. Funds are drawn down from

multiple federal grants quarterly using the USDE approved indirect cost rate of 12%, and deposited into the agency's indirect cost fund. The ADE requests an increase in unfunded appropriation in the Professional Fees line item to pay for increasing costs for single audits and compliance audits of federal programs that do not have adequate administrative funds to cover audit costs. The increase requested is \$200,000. This will be added to base level of \$60,000, for a total line item appropriation of \$260,000.

MULTIPLE GRANT AWARD PROGRAM (885)

The ADE receives grants and awards from private foundations or individuals for programs such as Teacher of the Year, Play it Again Arkansas, and Milken Educator Awards. Unfunded capital outlay appropriation in the amount of \$100,000 is requested to meet unforeseen capital outlay needs for private grant programs that may occur in the 2015-17 biennium. The multiple grant award program is a cash fund and has funding available to support this change level request.

PROFESSIONAL LICENSURE STANDARDS BOARD (56P)

The Professional Licensure Standards Board (PLSB) was created by Act 846 of 2007 (original act and amendments are codified at Ark. Code §§ 6-17-422 and 6-17-428). Pursuant to Ark. Code Ann. § 6-17-422, the Professional Licensure Standards Board develops minimum college level preparatory and grade point average requirements for all teachers. With the assistance of the Department of Education and the Department of Higher Education, the Board reviews the audits of the teacher education programs in the state to determine if the programs allow graduates to become licensed. The Board also maintains a code of ethics for administrators and teachers in educational environments for students in pre-kindergarten through grade 12. The Code of Ethics is administered by a five-member ethics subcommittee composed of PLSB members. The Code of Ethics is governed by Ark. Code Ann. § 6-17-428 and the administrative rules adopted by the State Board of Education set forth the procedures for receiving, considering, and investigating complaints regarding the unethical behavior of licensed school personnel. The Professional Licensure Standards Board makes recommendations for enforcement to the State Board of Education. PLSB requests an increase in unfunded appropriation in capital outlay in the amount of \$275,000. This request is necessary due to increasing reliance on technology for background checks and investigations. An increase in unfunded appropriation in the amount of \$50,000 in maintenance and operations is requested due to increasing costs associated with maintaining equipment. PLSB also requests an increase in the Grants and Aids line item in the amount of \$100,000 to have the ability to issue grants to institutions of higher education for the edTPA program, a pre-service assessment process designed to determine a new teacher's readiness for the job, and can be used as part of the teacher licensure process.

The PLSB is requesting two additional Senior Investigator (C123) positions. These positions are needed because the PLSB workload has increased significantly in recent years, and employees with higher skill sets are required to handle the laws and rules that govern the PLSB complaint process; the investigation of allegations of ethical violations by educators; the high degree of confidentiality required; the interviewing of children who may have been a victim of abuse, harassment, or injury perpetrated by an educator; and sensitive and complex investigations into alleged violations of the Code of Ethics for Arkansas Educators.

The PLSB requests the transfer of position 2208-3056 from the State Operations (620) appropriation to the PLSB (56P) appropriation. PLSB is requesting that the out-of-family crossgrade on this position be maintained at Managing Attorney, C129. The transfer is needed to provide the PLSB with an attorney with a high level of knowledge of the laws and rules that govern the PLSB complaint process.

The PLSB is also requesting the reclassification of the following positions: Position 2215-0720 is requested to be reclassified from a C109 Administrative Specialist II to a C112 Administrative Specialist III; Position 2214-8282 is requested to be reclassified from a C112 Administrative Specialist III to a C115 Administrative Analyst; and Position 22148279 is requested to be re-titled and upgraded from a C125 Education Chief Investigator to a C126 ADE PLSB Chief Investigator. The Administrative Specialist position reclassifications are needed to provide a higher level of office support functions to maintain the confidentiality and integrity of the handling of ethics complaints. The reclassification of the Chief Investigator position is needed in order to provide stronger leadership for the investigative unit in resolving issues with specific investigations and for the performance of subordinate investigators that is critical to the proper handling and resolution of ethics complaints, and the ultimate decision by the PLSB and State Board for sanctions on educators' licenses.

The PLSB appropriation is in a cash fund and has funding available to support these change level requests.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF EDUCATION
FOR THE YEAR ENDED JUNE 30, 2013

Findings	Recommendations
None	None

Findings Covering Programs Audited by Other External Auditors

U.S. Department of Agriculture

Finding Number: 13-500-01
State/Educational Agency(s): Arkansas Department of Education
CFDA Number(s) and Program Title(s): 10.553 - School Breakfast Program
10.555 - National School Lunch Program
10.559 - Summer Food Service Program for Children
(Child Nutrition Cluster)
Federal Award Number(s): 2013IN109946
Federal Award Year(s): 2013

Recommendation:
We recommend the Agency strengthen controls to ensure proper review and approval of manual transactions. We also recommend the Agency adjust the 2012 and 2013 grant awards to properly reflect expenditures from each award. It may be necessary for the Agency to contact the federal awarding agency to assist with the adjustments.

Views of Responsible Officials and Planned Corrective Action:
As mentioned above, this error involved a manual payment outside of our usual automated process. The manual process in this instance was performed by the same person who both drew down the Federal funds and processed the payment document. We have since

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF EDUCATION
FOR THE YEAR ENDED JUNE 30, 2013

Findings		Recommendations
Compliance Requirement(s) Affected: Type of Finding:	Period of Availability of Federal Funds Noncompliance	split those duties so that the person drawing down the funds is a different person from the one processing the payment documents. The correcting adjustments have been made both in AASIS, and with the federal awarding agency.
Criteria: In accordance with Title 34 § 80.23 and the A-102 Common Rule, federal awards may specify a time period during which the non-federal entity may use the federal funds. When a funding period is specified, a non-federal entity may charge to the award only costs resulting from obligations incurred during the funding period and any pre-award costs authorized by the federal awarding agency. Also, if authorized by the federal program, unobligated balances may be carried over and charged for obligations of a subsequent funding period. "Obligation" means the amounts of orders placed, contracts and subgrants awarded, goods and services received, and similar transactions during a given period that will require payment by the non-federal entity during the same or a future period.		Anticipated Completion Date: Complete
Condition and Context: We reviewed manual and adjusting entries related to program reimbursement claims. Our review revealed that expenditures from August and September 2012 totaling \$36,470 had been improperly drawn from the 2013 grant award for lunch meals. Funding for the 2013 grant begins on October 1, 2012. Therefore, these expenditures were obligated prior to the funding date and drawn outside the period of availability.		Contact Person: Ron Byrns Controller Department of Education 4 Capitol Mall, Room 204A Little Rock, AR 72201 (501) 683-4740 Ron.Byrns@Arkansas.gov
Questioned Costs: \$36,470		
Cause: Agency grants and aid expenditures are identified by program and grant year through accounting funds, cost centers, and WBS elements in the Arkansas Administrative Statewide Information System (AASIS). The Agency utilizes a conversion program for electronically uploading the majority of reimbursement claims data from its TeraTerm Claims System into AASIS for payment. The TeraTerm System codes the claims data based on a two-digit numeric code that changes every year. Occasionally, a manual warrant is requested by program management for claims from a prior grant year and subsequently entered in AASIS in the Finance Office. The improper draw from the 2013 Child Nutrition grant award appears to have resulted from a coding error in the Agency Finance Office.		
Effect:		

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF EDUCATION
FOR THE YEAR ENDED JUNE 30, 2013

Findings	Recommendations
The funds were drawn outside the period of availability.	
<u>U.S. Department of Agriculture (Continued)</u>	
Finding Number:	13-500-02
State/Educational Agency(s):	Arkansas Department of Education
CFDA Number(s) and Program Title(s):	10.553 - School Breakfast Program 10.555 - National School Lunch Program 10.559 - Summer Food Service Program for Children (Child Nutrition Cluster)
Federal Award Number(s):	2013IN109946
Federal Award Year(s):	2013
Compliance Requirement(s) Affected:	Reporting
Type of Finding:	Noncompliance and Significant Deficiency
Criteria: In accordance with 7 CFR §§ 210.5(d)(1), 210.8(4), the FNS-10 Report of School Program Operations captures meals served under the National School Lunch Program (NSLP) and School Breakfast Program (SBP), as well as half-pints of milk served under the Special Milk Program for Children (SMP). The agency administering the NSLP, SBP, and SMP compiles the data gathered on its subrecipients' claims for reimbursement into monthly reports to its FNS regional office. A final report containing only actual participation data is due 90 days after the close of the report data. Revisions to the data presented in a 90-day report must be submitted by the last day of the quarter in which they are identified. However, the agency must immediately submit an amended report if, at any time following the submission of the 90-day report, identified changes to the data cause the agency's level of funding to change by more than (plus or minus) 0.5%.	
Condition and Context: The Agency failed to report revisions in its FNS-10 90-day reports during fiscal year 2013. The Agency's NSLP additional 6 cents performance-based reimbursement data were not reported in the 90-day reports until October 29, 2013, when control testing revealed the omission. The additional 6 cents expenditures during fiscal year 2013 for lunch meals served were \$1,432,517 or 0.89% of total program expenditures. This data change should have been reported immediately after the level of funding varied by more than 0.5%.	
Recommendation: We recommend the Agency strengthen controls to ensure required reports are properly reviewed, accurate, and submitted timely.	
<u>Views of Responsible Officials and Planned Corrective Action:</u> There were three or more revisions by the USDA in their lengthy guidance regarding the new 6 cents performance-based reimbursement reporting process. This significant change in the program, communications issues connected with the government shutdown, the retirement of our long-time Child Nutrition Program Director in August of 2013, and health problems by key personnel in the Child Nutrition Unit all contributed to our reporting delays. The problems that resulted in these reporting delays have been rectified, and controls are in place to ensure timely and accurate reporting in the future.	
Anticipated Completion Date: Complete	
Contact Person: Ron Byrns Controller Department of Education 4 Capitol Mall, Room 204A Little Rock, AR 72201 (501) 683-4740 Ron.Byrns@Arkansas.gov	

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF EDUCATION
FOR THE YEAR ENDED JUNE 30, 2013

Findings

Revisions to the October 2012 90-day report were also reported on October 29, 2013, which was after the last day of the quarter in which they were identified. ADE payments to School Food Authorities (SFA) for October - December 2012 NSLP claims of additional 6 cents were disbursed in February 2013.

Questioned Costs:

None

Cause:

The Agency has historically reported meals served in FNS-10 Reports of School Program Operations, which capture meals served under the NSLP and SBP and half-pints of milk served under the SMP from data obtained through the TeraTerm Claims System. However, the additional 6 cents performance-based reimbursement data only began in October 2012 and were not built into the TeraTerm Claims System for payment. Therefore, it appears that, during fiscal year 2013, controls were not implemented by the Agency to ensure inclusion of the additional 6 cents performance-based reimbursement data with the regular NSLP, SBP, and SMP data reported in the TeraTerm Claims System.

Effect:

The Agency's fiscal year 2013 NSLP additional 6 cents performance-based reimbursement data were not reported in its FNS-10 90-day reports until October 29, 2013, when control testing revealed the omission. ADE's additional 6 cents expenditures during fiscal year 2013 for lunch meals served were \$1,432,517 or 0.89% of total program expenditures. This information should have been reported immediately after the level of funding changed by more than 0.5% or submitted by the last day of the quarter in which they were identified.

U.S. Department of Education

Finding Number:

13-500-03

State/Educational Agency(s):

Arkansas Department of Education

CFDA Number(s) and Program Title(s):

**84.027 - Special Education_Grants to States
84.173 - Special Education_Preschool Grants
(Special Education Cluster)
84.391 - ARRA - Special Education, Grants to
States**

Recommendations

Recommendation:

We again recommend that knowledgeable Agency personnel adequately review, test, and approve allocation worksheets used to distribute federal funding to LEAs and that documentation supporting the allocation of grant awards be retained and readily available for audit purposes.

Views of Responsible Officials and Planned Corrective Action:

Following the previous audit finding in this regard, we assigned clear responsibility to an appropriate supervisor to review the allocation figures that are prepared by their employee.

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF EDUCATION
FOR THE YEAR ENDED JUNE 30, 2013

Findings		Recommendations
Federal Award Number(s):	H027A090018; H027A100018; H027A120018; H173A100021; H173A110021; H173A1200021; H391A090018	The supervisor was also instructed to acknowledge in writing that the review had been performed, that any errors identified had been corrected, and to ensure all information and documentation regarding the allocations and distributions of Special Education funds were readily available for audit purposes. This supervisor failed to perform these assignments, and we failed to follow-up to ensure we received the written acknowledgements of their completion. We are taking appropriate personnel actions to rectify this breakdown in controls and apologize for our oversight.
Federal Award Year(s):	2010, 2011, 2012, and 2013	
Compliance Requirement(s) Affected:	Matching, Level of Effort, Earmarking	
Type of Finding:	Material Weakness	
Criteria: As noted in OMB Circular A-133 § 300(b), the auditee shall maintain internal control over federal programs that provides reasonable assurance that the auditee is managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its federal programs. Also, 34 CFR § 300.705 requires the agency to allocate any funds under the Special Education program that the State Education Agency (SEA) does not retain for administration and other state-level activities to eligible Local Education Agencies (LEAs) in accordance with program guidelines.		Contact Person: Ron Byrns Controller Department of Education 4 Capitol Mall, Room 204A Little Rock, AR 72201 (501) 683-4740 <u>Ron.Byrns@Arkansas.gov</u>
Condition and Context: The methodologies and formulas to be implemented for the allocation and distribution of Special Education funds to the LEAs are very complex. One employee at the Agency is responsible for the allocation of these funds, but there is no review of the allocations by another knowledgeable individual. Additionally, information and documentation to support the allocations and distributions were not readily available for audit purposes.		
Questioned Costs: Unknown		
Cause: The Agency did not establish internal controls to adequately review and ensure that Special Education calculations and allocations were in accordance with program requirements or that supporting documentation was retained and readily available.		
Effect: Inappropriate allocations could result in an improper payment to an LEA.		

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF EDUCATION
FOR THE YEAR ENDED JUNE 30, 2013

Findings	Recommendations
U.S. Department of Education (Continued) Finding Number: 13-500-04 State/Educational Agency(s): Arkansas Department of Education CFDA Number(s) and Program Title(s): 84.367 - Improving Teacher Quality State Grants Federal Award Number(s): S367A100004; S367A110004; S367A120004 Federal Award Year(s): 2011, 2012, and 2013 Compliance Requirement(s) Affected: Cash Management; Eligibility; Matching, Level of Effort, Earmarking; Period of Availability of Federal Funds; Reporting Type of Finding: Material Weakness Criteria: As noted in OMB Circular A-133 § 300(b), the auditee shall maintain internal control over federal programs that provides reasonable assurance that the auditee is managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its federal programs. Condition and Context: The Agency failed to properly design and maintain internal controls related to the administration of the above-noted federal grant awards. There were no known instances of noncompliance. However, the Agency's failure to identify risk, verify distribution calculations, and review program activities during the year under audit decreases the likelihood that errors or instances of noncompliance would have been prevented, detected, or corrected timely. Questioned Costs: None Cause: The Agency experienced turnover among management and other key positions over the last few years and did not establish strong controls to assess risk, monitor and document the review of employee activities, or perform independent reviews of calculations.	Recommendation: We recommend the Agency review program requirements, assess risk, and design controls that would mitigate to a relatively low level the risk of noncompliance with program requirements. Views of Responsible Officials and Planned Corrective Action: We recognized this weakness and had been implementing corrective action before the finding was written. We have moved this function directly under our Finance Office and have conducted two rounds of interviews in an attempt to fill the position with a well-qualified candidate. We have also implemented procedures where review and approval of all grant payments are obtained from the responsible program area. Additionally, we are updating calculation processes to enable effective supervisory monitoring and review. Anticipated Completion Date: We hope to have a person hired and in place by June 30, 2014. At that point we plan to implement further controls, including redundant processes that will help to ensure data integrity. We hope to complete all training and development and achieve full implementation by June 30, 2015. Contact Person: Ron Byrns Controller Department of Education 4 Capitol Mall, Room 204A Little Rock, AR 72201 (501) 683-4740 Ron.Byrns@Arkansas.gov

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF EDUCATION
FOR THE YEAR ENDED JUNE 30, 2013

Findings

Recommendations

Effect:

Errors in the calculations related to federal awards to subrecipients could result in improper distributions or amounts required to be reported to federal agencies. Additionally, a lack of oversight could cause the Agency to err in the timing of its acquisition or use of federal funds.

Performance Audit Findings

DEPARTMENT OF EDUCATION

Findings and Conclusions:

Review of Arkansas Medicaid Program School Services and Reimbursements

Arkansas Department of Education (ADE)

Review Period: July 1, 2012 - June 30, 2013

Report Issued: June 6, 2014

Findings and Conclusions:

- School districts tested by DLA
 - Did not maintain adequate documentation to support reimbursement requests or request reimbursement for all Medicaid-eligible services provided.
 - Did not deliver services as prescribed by physicians, although the services were deemed medically-necessary.
 - Did not obtain consent forms from non-Medicaid parents for release of hearing and vision screening information to Medicaid in the Schools (MITS) for determination of Medicaid eligibility and reimbursement, which may constitute a violation of the Family Educational Rights and Privacy Act (FERPA).
 - Were not in compliance with the federal "free care" principle because they did not seek reimbursement from private insurance for covered students.
 - Did not maintain therapists' active qualification information. In numerous instances, therapist qualifications on file with the district had been expired for several years. Also, districts did not maintain adequate documentation that all personnel providing Medicaid services had undergone the required criminal background and child maltreatment checks.
- A Southeast Arkansas Education Service Cooperative (SEARK) employee who served as MITS director until January 2013 was associated with the Individual Student Educational Plan (ISEP) since its inception in 2008 until he resigned from employment with SEARK in January 2013. This relationship between a SEARK employee and ISEP may conflict with ethical guidelines found in Ark. Code Ann. § 6-24-107.

Recommendations:

- ADE should assist school districts in developing or strengthening internal controls over the Medicaid reimbursement process.
- ADE should develop policies and procedures to ensure delivery of Medicaid services to Arkansas students as prescribed.
- ADE should propose to school districts that student handbooks be modified to require parental consent to release information regarding hearing and vision screenings for Medicaid reimbursement purposes to ensure that FERPA standards are not violated.
- ADE should collaborate with school districts to develop policies to comply with the "free care" principle.
- ADE should develop policies and procedures for reviewing and monitoring MITS activities.
- ADE should ensure that employees involved with MITS comply with ethics laws.

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2014

None

Employment Summary

	Male	Female	Total	%
White Employees	84	184	268	69 %
Black Employees	23	84	107	28 %
Other Racial Minorities	6	5	11	3 %
Total Minorities			118	31 %
Total Employees			386	100 %

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
Academic Support Centers - Report regarding the Establishment of Academic Support Centers and their Effectiveness	A.C.A. §6-13-1612	N	Y	75	Required by Law to the House and Senate Committees on Education	80	7.20
ADE & ADH shall jointly report progress in implementing nutrition and physical education standards	A.C.A. §20-7-135	N	N	4	Required by Law to the Chairs of the House & Senate Committees on Public Health, Welfare, and Labor and the House and Senate Committees on Education	8	0.72
ALE Status Report	A.C.A. §6-48-104(d)	N	Y	75	Required by Law to the Senate Committee on Education and the House Committee on Education	80	0.72
Annual Results of Statewide Assessment Program	A.C.A. §6-15-2101(a)(1)	N	N	100	Required by law to make hard copies available to parents upon request.	0	0.00
Annual Statistical Report	HCR 58 of 1961	Y	N	700	Required by Resolution	0	0.00
Approved digital learning providers listing	Act 1280 of 2013	N	Y	75	Required by Law by the House and Senate Committees on Education.	240	2.16
Arkansas Advisory Council for the Education of Gifted and Talented Children	A.C.A. §6-42-104(h)(4)(A)	Y	Y	7	Required by law to the Governor, General Assembly, State Board of Education, the Commissioner and the news media	290	2.61
Arkansas Commission on Eye & Vision Care of School Age Children	A.C.A. 6-18-1803(b)	Y	Y	105	Required by Law to the Governor, Legislative Council, House and Senate Committees on Public Health, Welfare and Labor	388	3.49
Arkansas Title II State Report	Title II Sec 207 & 208 Higher Education Act	Y	Y	5	Federal Mandate to Publish	0	0.00
Arkansas Youth at Risk Survey	CDC, DASH	N	N	1,500	School districts for prevention programming and writing grants	0	0.00

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
Assessment of Educational Progress of Students from Districts Consolidated/ Annexed under Act 60	A.C.A. §6-13-1606(d)	Y	Y	105	Required by Law to the Governor, Chairs of the House and Senate Committees on Education and the Secretary of Legislative Council	8	0.72
Average Teacher Salary	Act 293 of 2014 §30, Special Language	N	Y	75	Required by Law to the House and Senate Interim Committees on Education	0	0.00
Best Financial Management Practices Review	A.C.A. §6-15-2301(k)(2)(A)	N	Y	58	Required by Law to the Arkansas Legislative Council	232	62.64
Changes in the calculation of state aid to public school districts	A.C.A. §10-3-1405(d)(2)	N	N	1	Required by Law to the Office of Economic & Tax Policy	0	0.00
Comprehensive study of service providers on methods for establishing and maintaining infrastructure and bandwidth to deliver quality digital learning environment in each school district/public charter	A.C.A. 6-16-1403(b)(1)	N	Y	75	Required by Law to the House and Senate Committees on Education. Required no later than June 1 of each year.	0	0.00
Evaluation of the Pilot Program for Mobile Learning Technology in Public Schools	A.C.A. §6-19-124(g)(1)	N	Y	75	Required by Law to the House and Senate Committees on Education	150	40.50
Findings and recommendations as a result of study regarding education and assistance of students physically unable to attend school	Act 1182 of 2013	N	Y	75	Required by Law by the House and Senate Committees on Education.	80	18.00
Free Textbook Act Compliance Report	A.C.A. §6-21-403(d)	N	Y	75	Required by Law to the House and Senate Committees on Education	0	0.00
Grade Inflation Report	A.C.A. §6-15-421(d)(2)(A)	N	Y	130	Required by Law to the state board and General Assembly	286	2.57

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
Impact of National School Lunch students categorical funding provided under A.C.A. §6-20-2305(b)(4) on closing the achievement gap	A.C.A. §6-20-2305(b)(4)(E)	N	Y	75	Required by Law to the House and Senate Committees on Education	40	1.80
Impending Layoff Report	A.C.A. §21-12-504(a)	N	N	60	Required by Law to the Arkansas Legislative Council & the Office of Personnel Management of the Division of Management Services of DFA	0	0.00
Individual Schools Annual Improvement & Performance Category Level Designations & Ratings	A.C.A. §6-15-2105(b)(1)	N	N	100	Required by Law to be published on ADE website and available in printed form upon request.	0	0.00
Justification for the Need to Allocate Titles from Growth Pool Positions	Act 291 of 2014, §25, Special Language	N	Y	41	Required by Law to the Chief Fiscal Officer of the State and the Legislative Council	448	4.03
Lifetime Teaching License Compliance Report	A.C.A. §6-17-2606	N	Y	135	Required by Law to the General Assembly	268	24.12
List of all contracts in excess of \$50,000 awarded to minority-owned businesses	A.C.A. §25-36-104(c)(1)	N	Y	58	Required by Law to the Governor and Co-Chairs of the Arkansas Legislative Council, and to the Legislative Joint Auditing Committee and the Minority Business Advisory Council.	0	0.00
List of all financial accountability reports and due dates	A.C.A. §6-20-2202(e)(1)	N	N	255	Required by Law to school districts	0	0.00
List of reports of noncompliance following school district audit	A.C.A. §6-13-635	N	Y	75	Required by Law by the House and Senate Committees on Education.	80	0.72
Net maximum number of school choice transfers for the current school year	A.C.A. §6-18-1906(c)(2)	N	N	255	Required by Law to each school district.	80	7.20

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
Position Vacancy Report	A.C.A. §19-4-609(1)(2)	N	N	1	Required by Law to the Bureau of Legislative Research	0	0.00
Progress Report on Equal Employment Hiring	A.C.A. §21-3-101(b)(1)	N	Y	58	Required by Law to the Arkansas Legislative Council	112	1.01
Progress Report on implementation of Pulaski County School Desegregation Case Settlement Agreement	A.C.A. §10-3-1504(c)	N	Y	75	Required by Law to the House & Senate Committees on Education	8	2.88
Public School and Public School District expenditures required by law	A.C.A. §6-20-2208(d)(4)	Y	Y	105	Required by law to the Governor, the Senate Interim Committee on Education and the House Interim Committee on Education	82	288.56
Public School Student Access to Postsecondary Preparatory Programs Reports	A.C.A. §6-16-601(d)(2)(C), A.C.A. §6-15-441(e)	N	Y	75	Required by law to the House Committee on Education and the Senate Committee on Education	0	0.00
Pulaski County Desegregation Case Settlement Agreement and any future desegregation litigation involving the State of Arkansas	A.C.A. §10-3-1504(a)	N	Y	10	Required by Law to the Desegregation Litigation Oversight Subcommittee	80	7.20
Report of the whole child - whole community recognition working group	Act 1326 of 2013	N	Y	75	Required by Law to the House and Senate Committees on Education and Arkansas Legislative Council.	0	0.00
Report on implementation and availability of Automatic External Defibrillators on each campus	A.C.A. §6-10-122(c)	N	Y	6	Required by Law to the Senate and House Committees on Public Health, Welfare and Labor	80	0.72
Results of Required Examination	A.C.A. §6-15-404	N	N	1,000	Required by Law	0	0.00

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
Results of statewide assessment program which describe student achievement in the state, each school district, each school as well as the school performance category level	A.C.A. §6-15-2101(a)(1) Act 1429 of 2013	N	N	100	Required by Law to make hard copies available to parents upon request.	0	0.00
Review of Arkansas Academic Content Standards and Curriculum Frameworks	A.C.A. §6-15-1504(a) and (c)	N	N	10	Required by Law	18	1.62
Review of school districts under state authority	A.C.A. 6-13-112	N	Y	135	Required by Law to each member of the General Assembly who represents an area in which the school district is located.	0	0.00
Revision of Arkansas History Course Guidelines	A.C.A. §6-16-124(b)(2)	N	Y	75	Required by Law to the House and Senate Committees on Education	80	14.40
Rules Regarding Physical Education or Physical Activity Standards for Grades Kindergarten through Grade 12 (K-12) developed pursuant to this section	A.C.A. §6-16-132(f)	N	Y	75	Required by Law to the House and Senate Interim Committees on Education	0	0.00
School Choice Report	A.C.A. §6-18-227(f) Act 1138 of 2013	Y	Y	75	Required by Law to the State Board of Education, Governor and Arkansas Legislative Council	65	2.93
School Districts Textbook Requirements to include digital resources compliance report	A.C.A. §6-21-403(d)(2)	Y	Y	134	Required by law to the Governor, the Arkansas Legislative Council, the House and Senate	0	0.00
School Performance Reports	A.C.A. §6-15-1402	N	Y	100	Required by law to the House Committee on Education and the Senate Committee on Education. Required by law to be published on ADE website.	80	4700.00

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
School's annual improvement and performance category level designations and ratings	A.C.A. §6-15-2105(b)(1)	N	N	450,000	Required by Law on ADE's Website and to parents and guardians of students K-12	0	0.00
Standards of Accreditation	A.C.A. §6-15-202(d)	N	Y	75	Required by Law to the House and Senate Committees on Education	40	1.80
Status of Open-Enrollment Public Charter School Programs	A.C.A. §6-23-310	N	Y	135	Required by Law to the General Assembly each biennium and to the General Assembly and to the House and Senate Committees on Education during the interim	134	6.03
Student Services Status Report	A.C.A. §6-18-1007(a)	Y	Y	50	Required by Law to the Governor, State Board of Education, the Senate Committee on Education and the House Committee on Education.	100	4.50
Teacher Recruitment Publications	A.C.A. §6-17-310	N	N	100	Required by law	0	0.00
The state of the Division of Youth Services system of education	A.C.A. §9-28-205(f) (Act 972 of 2009)	N	Y	42	Required by Law from DHS and ADE to the House Committee on Aging, Children and Youth, Legislative and Military Affairs and the Senate Intirim Committee on Children and Youth	80	0.72
The use of NSLA state categorical funding and the status of chronically underperforming schools	A.C.A. §6-15-2701(c)(3)	N	Y	75	Required by Law to the House and Senate Committees on Education	80	7.20

Department Appropriation Summary

Historical Data								Agency Request and Executive Recommendation											
Appropriation		2013-2014		2014-2015		2014-2015		2015-2016						2016-2017					
		Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
1XY	Fish/Wildlife Conservation	632,088	0	800,000	0	800,000	0	800,000	0	800,000	0	800,000	0	800,000	0	800,000	0	800,000	0
2DD	Conference-Treasury	174,430	0	475,000	0	475,000	0	475,000	0	475,000	0	475,000	0	475,000	0	475,000	0	475,000	0
35U	Pulaski County Deseg Case Costs	803,976	0	894,671	0	894,671	0	894,671	0	0	0	0	0	894,671	0	0	0	0	0
35V	Vision Screening Program	0	0	0	0	1,000,000	0	0	0	5,508	0	5,508	0	0	0	5,508	0	5,508	0
435	Federal Grants Administration	744,151	10	741,065	7	713,897	7	745,942	7	945,942	7	945,942	7	746,794	7	946,794	7	946,794	7
4HF	Medicaid Adm-Cash in Treasury	14,999,788	0	15,000,000	0	15,000,000	0	15,000,000	0	15,000,000	0	15,000,000	0	15,000,000	0	15,000,000	0	15,000,000	0
56P	Professional Licensure Standards Board	1,016,665	9	862,937	10	899,154	10	867,849	10	1,520,755	13	1,520,755	13	868,701	10	1,521,607	13	1,521,607	13
620	State Operations	21,753,906	257	23,827,366	266	24,794,455	269	23,577,841	262	24,692,988	265	24,692,988	265	23,587,052	262	24,702,199	265	24,702,199	265
630	Building Maintenance	0	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0
631	Revolving Loan Certification	211,177	1	13,096,608	1	13,097,512	1	13,097,234	1	13,097,234	1	13,097,234	1	13,097,234	1	13,097,234	1	13,097,234	1
637	Child Nutrition	167,591,382	22	168,062,676	19	167,677,799	19	167,604,448	19	188,231,036	20	188,231,036	20	167,605,308	19	188,231,896	20	188,231,896	20
650	Fed Elem & Sec Education	349,326,405	53	524,319,017	53	559,201,832	53	523,375,206	51	524,145,479	53	524,145,479	53	523,376,309	51	524,146,582	53	524,146,582	53
85J	Open Enrollment Charter School Closure	0	0	300,000	0	300,000	0	300,000	0	300,000	0	300,000	0	300,000	0	300,000	0	300,000	0
885	Multiple Grant Award Program	829,371	0	2,626,375	0	2,626,375	0	2,626,375	0	2,726,375	0	2,726,375	0	2,626,375	0	2,726,375	0	2,726,375	0
893	Medicaid Reimbursement	0	0	5,010,500	0	5,010,500	0	5,010,500	0	5,010,500	0	5,010,500	0	5,010,500	0	5,010,500	0	5,010,500	0
899	Alternative Certification Program	537,941	0	1,349,212	0	1,349,212	0	1,349,212	0	1,349,212	0	1,349,212	0	1,349,212	0	1,349,212	0	1,349,212	0
Total		558,621,280	352	757,865,427	356	794,340,407	359	756,224,278	350	778,800,029	359	778,800,029	359	756,237,156	350	778,812,907	359	778,812,907	359

Funding Sources			%		%			%		%		%		%		%		%
Fund Balance	4000005	32,306,565	5.5	31,633,755	4.0		31,643,288	4.0	31,643,288	3.9	31,643,288	3.9	32,260,144	4.1	30,831,703	3.8	30,486,583	3.8
General Revenue	4000010	16,578,345	2.8	16,587,878	2.1		16,328,820	2.1	16,673,940	2.1	16,328,820	2.0	16,338,031	2.1	16,683,151	2.1	16,338,031	2.0
Federal Revenue	4000020	517,661,938	87.7	693,122,758	87.8		691,725,596	87.8	713,322,457	88.1	713,322,457	88.1	691,728,411	87.8	713,325,272	88.2	713,325,272	88.3
Cash Fund	4000045	21,701,583	3.7	26,424,024	3.3		27,045,792	3.4	27,145,792	3.4	27,145,792	3.4	27,046,644	3.4	27,146,644	3.4	27,146,644	3.4
Trust Fund	4000050	1,097,813	0.2	13,596,608	1.7		13,597,234	1.7	13,597,234	1.7	13,597,234	1.7	13,597,234	1.7	13,597,234	1.7	13,597,234	1.7
Educational Adequacy Fund	4000210	6,266,222	1.1	6,266,222	0.8		6,266,222	0.8	6,266,222	0.8	6,266,222	0.8	6,266,222	0.8	6,266,222	0.8	6,266,222	0.8
Educational Excellence Fund	4000220	955,791	0.2	982,799	0.1		982,799	0.1	982,799	0.1	982,799	0.1	982,799	0.1	982,799	0.1	982,799	0.1
Interest	4000300	188,788	0.0	0	0.0		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Intra-agency Fund Transfer	4000317	(44,635)	0.0	894,671	0.1		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
M & R Sales	4000340	21,935	0.0	0	0.0		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Miscellaneous Adjustments	4000345	54,817	0.0	0	0.0		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Transfer frm General Education	4000535	(411,215)	(0.1)	0	0.0		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Transfer to Medicaid Match	4000660	(6,122,912)	(1.0)	0	0.0		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Total Funds		590,255,035	100.0	789,508,715	100.0		787,589,751	100.0	809,631,732	100.0	809,286,612	100.0	788,219,485	100.0	808,833,025	100.0	808,142,785	100.0
Excess Appropriation/(Funding)		(31,633,755)		(31,643,288)			(31,365,473)		(30,831,703)		(30,486,583)		(31,982,329)		(30,020,118)		(29,329,878)	
Grand Total		558,621,280		757,865,427			756,224,278		778,800,029		778,800,029		756,237,156		778,812,907		778,812,907	

FY15 Budget exceeds the authorized amount in Federal Grants Administration (435) due to salary adjustments during the 2013-2015 Biennium.
FY15 Budget exceeds the authorized amount in Child Nutrition (637) due to a transfer from the Miscellaneous Federal Grant Holding Account.
Variance in Fund Balance is due to unfunded appropriation.

Agency Position Usage Report

FY2012 - 2013						FY2013 - 2014						FY2014 - 2015					
Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused
	Filled	Unfilled	Total				Filled	Unfilled	Total				Filled	Unfilled	Total		
357	303	52	355	2	15.13 %	356	312	44	356	0	12.36 %	356	314	42	356	0	11.80 %

Analysis of Budget Request

Appropriation: 1XY - Fish/Wildlife Conservation

Funding Sources: NED - Cash in Treasury

Act 799 of 2003 redirected money collected from Game and Fish Commission fines to educational programs in the counties in which the fines were collected. The act required the Arkansas Department of Education to serve as the pass through Agency for distributing the funds from the Commission to the counties.

The Agency requests Base Level for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 1XY - Fish/Wildlife Conservation

Funding Sources: NED - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	632,088	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000
Total		632,088	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000
Funding Sources										
Cash Fund	4000045	632,088	800,000		800,000	800,000	800,000	800,000	800,000	800,000
Total Funding		632,088	800,000		800,000	800,000	800,000	800,000	800,000	800,000
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		632,088	800,000		800,000	800,000	800,000	800,000	800,000	800,000

Analysis of Budget Request

Appropriation: 2DD - Conference-Treasury

Funding Sources: NED-Cash in Treasury

This appropriation is used to pay expenses of conferences sponsored by the Department. Funding is provided from registration fees charged to participants.

The Agency requests Base Level for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 2DD - Conference-Treasury

Funding Sources: NED-Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	166,988	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
Conference & Travel Expenses	5050009	4,192	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Professional Fees	5060010	3,250	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		174,430	475,000	475,000	475,000	475,000	475,000	475,000	475,000	475,000
Funding Sources										
Fund Balance	4000005	632,741	641,447		641,447	641,447	641,447	641,447	641,447	641,447
Cash Fund	4000045	183,136	475,000		475,000	475,000	475,000	475,000	475,000	475,000
Total Funding		815,877	1,116,447		1,116,447	1,116,447	1,116,447	1,116,447	1,116,447	1,116,447
Excess Appropriation/(Funding)		(641,447)	(641,447)		(641,447)	(641,447)	(641,447)	(641,447)	(641,447)	(641,447)
Grand Total		174,430	475,000		475,000	475,000	475,000	475,000	475,000	475,000

Analysis of Budget Request

Appropriation: 35U - Pulaski County Deseg Case Costs

Funding Sources: EGA - Department of Education-State Operations

This program, established in Act 395 of 2007, allows for the Department of Education, in consultation with the Attorney General to have the authority to enter into agreements with the three (3) Pulaski County school districts to reimburse the school districts for legal fees incurred for seeking unitary status. To be eligible for possible reimbursement for legal fees, the school districts were to file motions seeking unitary status no later than October 30, 2007 and the school districts must be declared unitary or at least partially unitary by the federal district court no later than December 31, 2009 (A.C.A. 6-20-416).

In compliance with the settlement agreement approved on January 13, 2014 regarding state desegregation funding, all funds in this appropriation were disbursed to the parties named in the settlement during FY14.

The Agency Request is to decrease the remaining appropriation.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 35U - Pulaski County Deseg Case Costs

Funding Sources: EGA - Department of Education-State Operations

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Pulaski County Deseg Case Cost: 5900046	803,976	894,671	894,671	894,671	0	0	894,671	0	0
Total	803,976	894,671	894,671	894,671	0	0	894,671	0	0
Funding Sources									
Fund Balance 4000005	848,611	0		0	0	0	0	0	0
Intra-agency Fund Transfer 4000317	(44,635)	894,671		0	0	0	0	0	0
Total Funding	803,976	894,671		0	0	0	0	0	0
Excess Appropriation/(Funding)	0	0		894,671	0	0	894,671	0	0
Grand Total	803,976	894,671		894,671	0	0	894,671	0	0

Expenditure of appropriation is contingent upon available funding carried forward from the previous fiscal year.

Change Level by Appropriation

Appropriation: 35U - Pulaski County Deseg Case Costs
Funding Sources: EGA - Department of Education-State Operations

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	894,671	0	894,671	100.0	894,671	0	894,671	100.0
C03	Discontinue Program	(894,671)	0	0	0.0	(894,671)	0	0	0.0

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	894,671	0	894,671	100.0	894,671	0	894,671	100.0
C03	Discontinue Program	(894,671)	0	0	0.0	(894,671)	0	0	0.0

Justification

C03	In compliance with the settlement agreement approved on January 13, 2014 regarding state desegregation funding, all funds in this appropriation were disbursed to the parties named in the settlement during FY14.
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**CARRY FORWARD OF ANY REMAINING FUND BALANCES
FROM FISCAL YEAR 2014 TO FISCAL YEAR 2015**

Agency: Education Department-General Education

Program: Pulaski County Deseg Case Costs

Act #: 1310 Section(s) #: 28

Estimated Carry Forward Amount \$ 894,671.00 Funding Source: General Revenue

Accounting Information:

Business Area: 0500 Funds Center: 35U Fund: EGA Functional Area: EDUC

Current law requires a written statement be submitted to the DFA Office of Budget stating the reason(s) to carry forward funding for a program or a specific line item within a program remaining on June 30th of a fiscal year.

Justification for carry forward of fund balance:

Section 28 of Act 1310 of 2013 requires the Department of Education to utilize any unexpended balance of funds transferred to the Department of Education in the 2007-2009 biennium for the purpose of providing funds for the Pulaski County Desegregation Case Costs incurred by the Department of Education and the three (3) Pulaski County School Districts to comply with the provisions of Arkansas Code 6-20-415 and 6-20-416.

Actual Funding Carry Forward Amount \$ 0.00

Current status of carry forward funding:

In compliance with the settlement agreement approved on January 13, 2014 regarding state desegregation funding, all funds in this appropriation were disbursed to the parties named in the settlement during FY14.

Mr. Tony Wood
Commissioner of Education

08-11-2014
Date

Analysis of Budget Request

Appropriation: 35V - Vision Screening Program

Funding Sources: SCV - School Age Child Eyecare

This appropriation for the Vision Screening Program provides operating expenses for the Arkansas Commission on Eye and Vision Care of School Age Children. The Commission was established for the Department of Health in Act 755 of 2003. However, during the 2007-2009 Biennium the operating appropriation for the Commission was transferred from the Department of Health to the Department of Education by Act 1243 of 2007. Additionally, the Commission was extended to exist through June 30, 2011 in Act 138 of 2007.

The duties of the Commission are to study the vision needs of children, evaluate screening programs in schools, determine whether children are receiving adequate vision care, and to study the effects of inadequate vision on classroom performance.

The Agency requests a Change Level of \$5,508 appropriation to restore appropriation.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 35V - Vision Screening Program

Funding Sources: SCV - School Age Child Eyecare

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
Vision Screening and Care 5900046	0	0	1,000,000	Base Level 0	Agency 5,508	Executive 5,508	Base Level 0	Agency 5,508	Executive 5,508
Total	0	0	1,000,000	0	5,508	5,508	0	5,508	5,508

Funding Sources									
Fund Balance 4000005	5,508	5,508		5,508	5,508	5,508	5,508	0	0
Total Funding	5,508	5,508		5,508	5,508	5,508	5,508	0	0
Excess Appropriation/(Funding)	(5,508)	(5,508)		(5,508)	0	0	(5,508)	5,508	5,508
Grand Total	0	0		0	5,508	5,508	0	5,508	5,508

Expenditure of appropriation is contingent upon available funding carried forward from the previous fiscal year.

Change Level by Appropriation

Appropriation: 35V - Vision Screening Program
Funding Sources: SCV - School Age Child Eyecare

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
C01	Existing Program	5,508	0	5,508	100.0	5,508	0	5,508	100.0

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
C01	Existing Program	5,508	0	5,508	100.0	5,508	0	5,508	100.0

Justification

C01	This request is to restore appropriation based on the FY15 amount that was budgeted subsequent to the biennial budget request process. It is to support vision screenings for students in public schools and public charter schools, pursuant to ACA 6-18-1501.
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Analysis of Budget Request

Appropriation: 435 - Federal Grants Administration

Funding Sources: FHA - Federal Indirect Costs

This appropriation for the Department of Education provides administration, accounting, purchasing and record keeping services for federal programs. It is funded by indirect cost charges levied against the federal programs operated by the Department.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Bases level salaries will not include Merit Pay Increases.

The Base Level Request is \$745,945 in FY16 and \$746,794 in FY17.

The Agency Change Level provides for Professional Fees of \$200,000 each year for increasing costs associated with audits of federal programs.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 435 - Federal Grants Administration

Funding Sources: FHA - Federal Indirect Costs

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	380,532	474,025	443,936	477,341	477,341	477,341	478,041	478,041	478,041
#Positions		10	7	7	7	7	7	7	7	7
Personal Services Matching	5010003	113,149	137,398	140,319	138,959	138,959	138,959	139,111	139,111	139,111
Operating Expenses	5020002	13,124	49,970	49,970	49,970	49,970	49,970	49,970	49,970	49,970
Conference & Travel Expenses	5050009	0	19,672	19,672	19,672	19,672	19,672	19,672	19,672	19,672
Professional Fees	5060010	237,346	60,000	60,000	60,000	260,000	260,000	60,000	260,000	260,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		744,151	741,065	713,897	745,942	945,942	945,942	746,794	946,794	946,794
Funding Sources										
Federal Revenue	4000020	744,151	741,065		745,942	945,942	945,942	746,794	946,794	946,794
Total Funding		744,151	741,065		745,942	945,942	945,942	746,794	946,794	946,794
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		744,151	741,065		745,942	945,942	945,942	746,794	946,794	946,794

FY15 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2013-2015 Biennium.

Change Level by Appropriation

Appropriation: 435 - Federal Grants Administration
Funding Sources: FHA - Federal Indirect Costs

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	745,942	7	745,942	100.0	746,794	7	746,794	100.0
C01	Existing Program	200,000	0	945,942	126.8	200,000	0	946,794	126.8

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	745,942	7	745,942	100.0	746,794	7	746,794	100.0
C01	Existing Program	200,000	0	945,942	126.8	200,000	0	946,794	126.8

Justification

C01	This appropriation funds the functions within ADE that support federal programs but that cannot be readily identified with a grant or project. Indirect cost functions benefit the agency as a whole rather than being assigned to a specific federal program. Funds are drawn down from multiple federal grants quarterly using the USDE approved indirect cost rate of 12%, and deposited into the agency's indirect cost fund. The ADE requests an increase in appropriation in the Professional Fees line item to pay for increasing costs for single audits and compliance audits of federal programs that do not have adequate administrative funds to cover audit costs. The increase requested is \$200,000. This will be added to base level of \$60,000, for a total line item appropriation of \$260,000.								
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Analysis of Budget Request

Appropriation: 4HF - Medicaid Adm-Cash in Treasury

Funding Sources: NED - Cash in Treasury

Medicaid Administrative Claiming is a federally funded program administered by the Centers for Medicare and Medicaid Services (CMS). This program provides school districts with the ability to receive reimbursement for certain administrative activities. School districts will be reimbursed for administrative costs incurred which directly support the Arkansas Medicaid program. The program includes all students.

The Agency requests Base Level for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 4HF - Medicaid Adm-Cash in Treasury

Funding Sources: NED - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
AR Medicaid Admin Claims	5900046	14,999,788	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Total		14,999,788	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Funding Sources										
Fund Balance	4000005	3,426,760	1,063,952		1,063,952	1,063,952	1,063,952	1,063,952	1,063,952	1,063,952
Cash Fund	4000045	12,636,980	15,000,000		15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Total Funding		16,063,740	16,063,952		16,063,952	16,063,952	16,063,952	16,063,952	16,063,952	16,063,952
Excess Appropriation/(Funding)		(1,063,952)	(1,063,952)		(1,063,952)	(1,063,952)	(1,063,952)	(1,063,952)	(1,063,952)	(1,063,952)
Grand Total		14,999,788	15,000,000		15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000

Analysis of Budget Request

Appropriation: 56P - Professional Licensure Standards Board

Funding Sources: NED - Cash in Treasury

Act 846 of 2007 created the Professional Licensure Standards Board (PLSB). As part of the legislation, the PLSB was charged with creating a code of ethics for Arkansas Educators and developing and recommend for adoption by the Arkansas State Board of Education minimum college level preparatory and grade point average requirements for all teacher apply for initial or additional licensure after July 1, 2007. In June of 2008, the Arkansas State Board of Education accepted the recommendation of the PLSB and approved the Rules Governing the Code of Ethics for Arkansas Educators. Through this act, the PLSB is also in charge of investigating violations of the ethics code and to conduct audits of licensure programs of study in all Arkansas institutions of higher education.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries do not include appropriation for Merit Pay Increases.

The Base Level Request is \$867,849 in FY16 and \$868,701 in FY17.

The Agency's Change Level request for each year is \$652,906 as follows:

- Regular Salaries and Personal Services Matching of \$227,906 for a transfer from State Operations (620), a position upgrade, and two new investigator positions.
- Operating Expenses of \$50,000 for increased cost of equipment maintenance.
- Grants and Aid of \$100,000 to issue grants to institutions of higher education for the edTPA program.
- Capital Outlay of \$275,000 for increases related to background checks and investigations.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 56P - Professional Licensure Standards Board

Funding Sources: NED - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	329,869	384,412	407,044	387,462	562,277	562,277	388,162	562,977	562,977
#Positions		9	10	10	10	13	13	10	13	13
Personal Services Matching	5010003	121,090	132,695	146,280	134,557	187,648	187,648	134,709	187,800	187,800
Operating Expenses	5020002	318,323	326,325	326,325	326,325	376,325	376,325	326,325	376,325	376,325
Conference & Travel Expenses	5050009	9,882	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Professional Fees	5060010	1,692	9,505	9,505	9,505	9,505	9,505	9,505	9,505	9,505
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	0	0	0	0	100,000	100,000	0	100,000	100,000
Capital Outlay	5120011	235,809	0	0	0	275,000	275,000	0	275,000	275,000
Total		1,016,665	862,937	899,154	867,849	1,520,755	1,520,755	868,701	1,521,607	1,521,607
Funding Sources										
Fund Balance	4000005	2,267,190	2,036,258		2,036,258	2,036,258	2,036,258	2,653,114	2,000,208	2,000,208
Cash Fund	4000045	785,733	862,937		1,484,705	1,484,705	1,484,705	1,485,557	1,485,557	1,485,557
Total Funding		3,052,923	2,899,195		3,520,963	3,520,963	3,520,963	4,138,671	3,485,765	3,485,765
Excess Appropriation/(Funding)		(2,036,258)	(2,036,258)		(2,653,114)	(2,000,208)	(2,000,208)	(3,269,970)	(1,964,158)	(1,964,158)
Grand Total		1,016,665	862,937		867,849	1,520,755	1,520,755	868,701	1,521,607	1,521,607

Change Level by Appropriation

Appropriation: 56P - Professional Licensure Standards Board
Funding Sources: NED - Cash in Treasury

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	867,849	10	867,849	100.0	868,701	10	868,701	100.0
C01	Existing Program	540,288	2	1,408,137	162.3	540,288	2	1,408,989	162.2
C07	Agency Transfer	111,583	1	1,519,720	175.1	111,583	1	1,520,572	175.0
C10	Reclass	0	0	1,519,720	175.1	0	0	1,520,572	175.0
C11	Upgrade/Downgrade	1,035	0	1,520,755	175.2	1,035	0	1,521,607	175.2
C14	Title Change	0	0	1,520,755	175.2	0	0	1,521,607	175.2

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	867,849	10	867,849	100.0	868,701	10	868,701	100.0
C01	Existing Program	540,288	2	1,408,137	162.3	540,288	2	1,408,989	162.2
C07	Agency Transfer	111,583	1	1,519,720	175.1	111,583	1	1,520,572	175.0
C10	Reclass	0	0	1,519,720	175.1	0	0	1,520,572	175.0
C11	Upgrade/Downgrade	1,035	0	1,520,755	175.2	1,035	0	1,521,607	175.2
C14	Title Change	0	0	1,520,755	175.2	0	0	1,521,607	175.2

Justification

C01	The PLSB requests an increase in cash-funded appropriation in capital outlay in the amount of \$275,000. This request is necessary due to increasing reliance on technology for background checks and investigations. An increase in cash-funded appropriation in the amount of \$50,000 in maintenance and operations is requested due to increasing costs associated with maintaining equipment. PLSB also requests an increase in the Grants and Aids line item in the amount of \$100,000 to have the ability to issue grants to institutions of higher education for the edTPA program, a pre-service assessment process designed to determine a new teacher's readiness for the job, and can be used as part of the teacher licensure process. The PLSB is requesting three additional positions: A Managing Attorney (C129), and two Senior Investigators (C123). These positions are needed because the PLSB workload has increased significantly in recent years, and employees with higher skill sets are required to handle the laws and rules that govern the PLSB complaint process; the investigation of allegations of ethical violations by educators; the high degree of confidentiality required; the interviewing of children who may have been a victim of abuse, harassment, or injury perpetrated by an educator; and sensitive and complex investigations into alleged violations of the Code of Ethics for Arkansas Educators. The addition of the three position totals a change level request of \$144,348 cash appropriation per year of the biennium. The PLSB appropriation is in a cash fund and has funding available to support these change level requests.
C07	The PLSB requests the transfer of position 2208-3056 from the State Operations (620) appropriation to the PLSB (56P) appropriation. PLSB is requesting that the out-of-family crossgrade on this position be maintained at Managing Attorney, C129. The transfer is needed to provide the PLSB with an attorney with a high level of knowledge of the laws and rules that govern the PLSB complaint process.
C10	The PLSB is also requesting the reclassification of the following positions: Position 2215-0720 is requested to be reclassified from a C109 Administrative Specialist II to a C112 Administrative Specialist III; Position 2214-8282 is requested to be reclassified from a C112 Administrative Specialist III to a C115 Administrative Analyst; and Position 22148279 is requested to be re-titled and upgraded from a C125 Education Chief Investigator to a C126 ADE PLSB Chief Investigator. The Administrative Specialist position reclassifications are needed to provide a higher level of office support functions to maintain the confidentiality and integrity of the handling of ethics complaints. The reclassification of the Chief Investigator position is needed in order to provide stronger leadership for the investigative unit in resolving issues with specific investigations and for the performance of subordinate investigators that is critical to the proper handling and resolution of ethics complaints, and the ultimate decision by the PLSB and State Board for sanctions on educators' licenses.

Change Level by Appropriation

Justification	
C11	The reclassification of the Chief Investigator position is needed in order to provide stronger leadership for the investigative unit in resolving issues with specific investigations and for the performance of subordinate investigators that is critical to the proper handling and resolution of ethics complaints, and the ultimate decision by the PLSB and State Board for sanctions on educators' licenses.
C14	The reclassification of the Chief Investigator position is needed in order to provide stronger leadership for the investigative unit in resolving issues with specific investigations and for the performance of subordinate investigators that is critical to the proper handling and resolution of ethics complaints, and the ultimate decision by the PLSB and State Board for sanctions on educators' licenses.

Analysis of Budget Request

Appropriation: 620 - State Operations

Funding Sources: EGA - Department of Education-State Operations

This appropriation provides state funded resources for the operations of the Department of Education and assistance to Arkansas' public schools. Operational activities include legal services, information technology, public relations and fiscal management. Assistance to school districts includes the "School Report Card," fiscal and administrative support, curriculum and instruction, and special education assistance and compliance monitoring. To provide the operations of the Department and assistance to schools, the Department is separated into 6 units. These units are: (1) Central Administration, (2) Division of Fiscal and Administrative Services, (3) Division of Human Resources, (4) Division of Learning Services, (5) Division of Public School Accountability and (6) Division of Research and Technology.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries do not include appropriation for Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY15 line item maximum plus the previously authorized 2015 1% Cost of Living Adjustment. The Base Level request for Regular Salaries includes board member stipend payments.

The Base Level Request is \$23,577,841 in FY16 and \$23,587,052 in FY17, with general revenue funding of \$16,328,820 in FY16 and \$16,338,031 in FY17 .

The Agency's Change Level Request of \$1,115,147 each year in appropriation and general revenue funding reflects the following:

- Regular Salaries and Personal Services Matching of \$345,120 which includes restoration of four (4) ADE Special Advisors, reclassification of three (3) positions, and transfer of a position to Professional Licensure Standards Board (PLSB) (56P).
- Extra Help and Personal Services Matching of \$156,197 in unfunded appropriation.
- Professional Fees of \$100,000 of unfunded appropriation for curriculum frameworks meetings, scholastic audit training and other projects for school districts and charter schools.
- Grants and Aid of \$413,830 of unfunded appropriation for support of programs affiliated with the National Math and Science Initiative to support the Advanced Placement Training and Incentive Program.
- Capital Outlay of \$100,000 of unfunded appropriation for unforeseen needs.

The Executive Recommendation provides for the Agency Request appropriation only.

Appropriation Summary

Appropriation: 620 - State Operations

Funding Sources: EGA - Department of Education-State Operations

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	13,319,717	14,450,244	14,235,750	14,235,132	14,506,243	14,506,243	14,242,232	14,513,343	14,513,343
#Positions		257	266	269	262	265	265	262	265	265
Extra Help	5010001	0	14,998	14,998	14,998	160,000	160,000	14,998	160,000	160,000
#Extra Help		0	8	8	8	8	8	8	8	8
Personal Services Matching	5010003	4,192,393	4,434,412	4,652,165	4,399,999	4,485,203	4,485,203	4,402,110	4,487,314	4,487,314
Operating Expenses	5020002	2,533,145	3,479,443	3,479,443	3,479,443	3,479,443	3,479,443	3,479,443	3,479,443	3,479,443
Conference & Travel Expenses	5050009	53,434	206,530	206,530	206,530	206,530	206,530	206,530	206,530	206,530
Professional Fees	5060010	180,427	205,569	205,569	205,569	305,569	305,569	205,569	305,569	305,569
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	450,000	36,170	900,000	36,170	450,000	450,000	36,170	450,000	450,000
Capital Outlay	5120011	24,790	0	100,000	0	100,000	100,000	0	100,000	100,000
Reading Recovery	5900046	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
AR Leadership Academy	5900049	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000
Total		21,753,906	23,827,366	24,794,455	23,577,841	24,692,988	24,692,988	23,587,052	24,702,199	24,702,199

Funding Sources										
Fund Balance	4000005	6,669,012	8,375,001		8,384,534	8,384,534	8,384,534	8,384,534	7,614,507	7,269,387
General Revenue	4000010	16,578,345	16,587,878		16,328,820	16,673,940	16,328,820	16,338,031	16,683,151	16,338,031
Educational Adequacy Fund	4000210	6,266,222	6,266,222		6,266,222	6,266,222	6,266,222	6,266,222	6,266,222	6,266,222
Educational Excellence Fund	4000220	955,791	982,799		982,799	982,799	982,799	982,799	982,799	982,799
M & R Sales	4000340	15,935	0		0	0	0	0	0	0
Miscellaneous Adjustments	4000345	54,817	0		0	0	0	0	0	0
Transfer frm General Education	4000535	(411,215)	0		0	0	0	0	0	0
Total Funding		30,128,907	32,211,900		31,962,375	32,307,495	31,962,375	31,971,586	31,546,679	30,856,439
Excess Appropriation/(Funding)		(8,375,001)	(8,384,534)		(8,384,534)	(7,614,507)	(7,269,387)	(8,384,534)	(6,844,480)	(6,154,240)
Grand Total		21,753,906	23,827,366		23,577,841	24,692,988	24,692,988	23,587,052	24,702,199	24,702,199

FY15 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2013-2015 Biennium.

Change Level by Appropriation

Appropriation: 620 - State Operations
Funding Sources: EGA - Department of Education-State Operations

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	23,577,841	262	23,577,841	100.0	23,587,052	262	23,587,052	100.0
C05	Unfunded Appropriation	770,027	0	24,347,868	103.3	770,027	0	24,357,079	103.3
C06	Restore Position/Approp	436,620	4	24,784,488	105.1	436,620	4	24,793,699	105.1
C07	Agency Transfer	(111,583)	(1)	24,672,905	104.6	(111,583)	(1)	24,682,116	104.6
C10	Reclass	20,083	0	24,692,988	104.7	20,083	0	24,702,199	104.7

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	23,577,841	262	23,577,841	100.0	23,587,052	262	23,587,052	100.0
C05	Unfunded Appropriation	770,027	0	24,347,868	103.3	770,027	0	24,357,079	103.3
C06	Restore Position/Approp	436,620	4	24,784,488	105.1	436,620	4	24,793,699	105.1
C07	Agency Transfer	(111,583)	(1)	24,672,905	104.6	(111,583)	(1)	24,682,116	104.6
C10	Reclass	20,083	0	24,692,988	104.7	20,083	0	24,702,199	104.7

Justification

C05	The Base Level appropriation for Extra Help of \$14,998 is not sufficient to meet ADE's needs. With eight Extra Help positions authorized, an appropriation of only \$14,998 allows for a total of approximately \$1,875 that can be spent per position. The ADE is requesting unfunded Extra Help appropriation to allow for the expenditure of up to \$20,000 per Extra Help position. This represents an increase of \$156,197 unfunded appropriation over Base Level per year. The ADE requests unfunded appropriation of \$100,000 to be added to the Professional Fees & Services line item due to increasing needs for curriculum frameworks meetings, scholastic audit training, and other projects for which the ADE needs to bring in experts to be of maximum benefit for school districts and charter schools. Unfunded appropriation in the grants line item is requested in the amount of \$413,830 to continue supporting programs affiliated with the National Math and Science Initiative to support the Advanced Placement Training and Incentive Program. Additionally, the ADE requests unfunded appropriation of \$100,000 each year for unforeseen Capital Outlay needs that may occur in the 2015-2017 biennium.
C06	The ADE requests the continuation of four N908 ADE Special Advisor pool positions. The first position is necessary to fulfill the agency's growing information technology needs. This position leads the programming and development operations of the agency's core educational information systems. The second position is needed to handle the expansion of work involving Educator Effectiveness to lead the work with teacher evaluation, principal evaluation, superintendent evaluation, teacher mentoring and induction, administrator mentoring, National Board certified teachers, and teacher recruitment and retention. The third position is needed to handle the expansion of work involving Educator Licensure and Educator Preparation. The position ensures: that all licensure avenues, traditional and non-traditional routes, are implemented with the highest effectiveness; that all licensure avenues are resulting in educators that can produce college and career ready learners by ensuring that all licensure exams are appropriate for the respective position, and that all candidates applying for licensure meet requirements and background checks; and that there is more accountability for educator preparation programs by reporting data on all educator programs in the state and providing the areas of need with support and interventions to improve the programs. The fourth position is needed to convert a current unclassified position to a classified position on the Professional and Executive Pay Plan. The position is for an ADE Deputy General Counsel. The ADE's legal services office represents the ADE and the State Board of Education in state and federal court, before legislative committees and other state boards and commissions; addresses constituent complaints and legal questions from school district superintendents and educational leaders from across the state; researches and drafts legislation and rules/regulations related to education; and reviews Freedom of Information Act requests submitted to the ADE. Currently, the Legal Services office employs only four attorneys, including this position, to address all of the legal needs of the ADE. The General Counsel is often called away to legislative meetings, department leadership meetings, board meetings and court hearings. The Deputy General Counsel provides needed continuity of leadership and supervision in the absence of the General Counsel. The total Change Level request to restore these pool positions is \$436,620.
C07	The PLSB requests the transfer of one (1) position from the State Operations (620) appropriation to the PLSB (56P) appropriation.

Change Level by Appropriation

Justification	
C10	The ADE requests reclassification of two positions. The first position is from a C122 Systems Analyst to a C126 ADE Systems Administrator. This change is necessary due to specialized skill sets that the incumbent of the position must possess, such as programming languages Microsoft C#.NET, VB.NET, ASP.NET, ASP.NET MVC, XHTML, SQL server, ADO.NET, and general relational database knowledge. The second position is from a C122 Systems Analyst to a C126 Systems Analyst. This change is necessary due to specialized skill sets that the incumbent of the position must possess, including Informix 4GL, Informix ESQL.C Genero Business Development Language, C#.Net.

**CARRY FORWARD OF ANY REMAINING FUND BALANCES
FROM FISCAL YEAR 2014 TO FISCAL YEAR 2015**

Agency: Education Department-General Education

Program: State Operations

Act #: 1310 Section(s) #: 23

Estimated Carry Forward Amount \$ 6,250,000.00 Funding Source: General Revenue, Educational Adequacy, Educational Excellence

Accounting Information:

Business Area: 0500 Funds Center: 620 Fund: EGA Functional Area: EDUC

Current law requires a written statement be submitted to the DFA Office of Budget stating the reason(s) to carry forward funding for a program or a specific line item within a program remaining on June 30th of a fiscal year.

Justification for carry forward of fund balance:

These funds will be used to address any unforeseen circumstances that may arise in the State Operations of the Department of Education in the 2015 fiscal year.

Actual Funding Carry Forward Amount \$ 8,215,320.00

Current status of carry forward funding:

Carry forward fund balances will be utilized for any unforeseen circumstances.

Mr. Tony Wood
Commissioner of Education

08-20-2014
Date

Analysis of Budget Request

Appropriation: 630 - Building Maintenance

Funding Sources: TEB - Education Building Revolving Bond

The Building Maintenance program provides financing for building and grounds maintenance, equipment maintenance contracts, insurance and janitorial services for the various buildings in the Education complex. This appropriation is funded from rent charged to the various non-federal units at the Department.

The Agency requests Base Level for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 630 - Building Maintenance

Funding Sources: TEB - Education Building Revolving Bond

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	0	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		0	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Funding Sources										
Fund Balance	4000005	4,255,812	4,458,929		4,458,929	4,458,929	4,458,929	4,458,929	4,458,929	4,458,929
Trust Fund	4000050	187,331	500,000		500,000	500,000	500,000	500,000	500,000	500,000
Interest	4000300	15,786	0		0	0	0	0	0	0
Total Funding		4,458,929	4,958,929		4,958,929	4,958,929	4,958,929	4,958,929	4,958,929	4,958,929
Excess Appropriation/(Funding)		(4,458,929)	(4,458,929)		(4,458,929)	(4,458,929)	(4,458,929)	(4,458,929)	(4,458,929)	(4,458,929)
Grand Total		0	500,000		500,000	500,000	500,000	500,000	500,000	500,000

Analysis of Budget Request

Appropriation: 631 - Revolving Loan Certification

Funding Sources: TEM - Education Revolving Loan Certificates Fund

The Revolving Loan Certification program within the Department of Education issues revolving loan certificates through the State Treasury in order to finance loans up to \$500,000 each to school districts for construction and the purchase of equipment or buses.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries do not include appropriation for Merit Pay Increases.

The Agency requests Base Level for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 631 - Revolving Loan Certification

Funding Sources: TEM - Education Revolving Loan Certificates Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	43,199	42,465	42,464	42,881	42,881	42,881	42,881	42,881	42,881
#Positions		1	1	1	1	1	1	1	1	1
Personal Services Matching	5010003	14,319	14,143	15,048	14,353	14,353	14,353	14,353	14,353	14,353
Operating Expenses	5020002	3,126	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500
Conference & Travel Expenses	5050009	0	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Professional Fees	5060010	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Loans	5120029	150,533	13,000,000	13,000,000	13,000,000	13,000,000	13,000,000	13,000,000	13,000,000	13,000,000
Total		211,177	13,096,608	13,097,512	13,097,234	13,097,234	13,097,234	13,097,234	13,097,234	13,097,234
Funding Sources										
Fund Balance	4000005	9,908,333	10,779,355		10,779,355	10,779,355	10,779,355	10,779,355	10,779,355	10,779,355
Trust Fund	4000050	910,482	13,096,608		13,097,234	13,097,234	13,097,234	13,097,234	13,097,234	13,097,234
Interest	4000300	171,717	0		0	0	0	0	0	0
Total Funding		10,990,532	23,875,963		23,876,589	23,876,589	23,876,589	23,876,589	23,876,589	23,876,589
Excess Appropriation/(Funding)		(10,779,355)	(10,779,355)		(10,779,355)	(10,779,355)	(10,779,355)	(10,779,355)	(10,779,355)	(10,779,355)
Grand Total		211,177	13,096,608		13,097,234	13,097,234	13,097,234	13,097,234	13,097,234	13,097,234

FY15 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2013-2015 Biennium.

Analysis of Budget Request

Appropriation: 637 - Child Nutrition

Funding Sources: FHB - DOE Food Service Federal Fund

The Child Nutrition Program of the Department of Education provides administrative services and reimbursement to the local school districts that participate in the school lunch, school breakfast or special milk programs. This program also promotes nutrition education by conducting courses in methods and materials for teaching nutrition education. The Child Nutrition Program is funded with federal funds from the United States Department of Agriculture.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries do not include appropriation for Merit Pay Increases.

The Base Level Request is \$167,604,448 in FY16 and \$167,605,308 in FY17.

The Agency's Change Level Request for each year is \$20,626,588 and reflects the following:

- Regular Salaries and Personal Services Matching of \$26,188 for restoration of two (2) positions and discontinuation of one (1) position.
- Operating Expenses of \$500,000 for costs related to the Meal Pattern Grant.
- Grants and Aid of \$20,000,000 for increased program participation to allow schools that serve predominately low-income children to offer free school meals to all students.
- Refunds of \$50,400 due to the increase in grant payments.
- Capital Outlay of \$50,000 for unforeseen needs of the Child Nutrition Program.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 637 - Child Nutrition

Funding Sources: FHB - DOE Food Service Federal Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	777,728	865,504	875,851	870,437	887,812	887,812	871,037	888,412	888,412
#Positions		22	19	19	19	20	20	19	20	20
Personal Services Matching	5010003	270,143	281,472	303,248	285,311	294,124	294,124	285,571	294,384	294,384
Operating Expenses	5020002	1,050,390	1,089,100	672,100	672,100	1,172,100	1,172,100	672,100	1,172,100	1,172,100
Conference & Travel Expenses	5050009	20,840	52,600	52,600	52,600	52,600	52,600	52,600	52,600	52,600
Professional Fees	5060010	24,240	156,400	156,400	156,400	156,400	156,400	156,400	156,400	156,400
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	165,167,355	165,168,000	165,168,000	165,168,000	185,168,000	185,168,000	165,168,000	185,168,000	185,168,000
Refunds/Reimbursements	5110014	280,686	399,600	399,600	399,600	450,000	450,000	399,600	450,000	450,000
Capital Outlay	5120011	0	50,000	50,000	0	50,000	50,000	0	50,000	50,000
Total		167,591,382	168,062,676	167,677,799	167,604,448	188,231,036	188,231,036	167,605,308	188,231,896	188,231,896
Funding Sources										
Federal Revenue	4000020	167,591,382	168,062,676		167,604,448	188,231,036	188,231,036	167,605,308	188,231,896	188,231,896
Total Funding		167,591,382	168,062,676		167,604,448	188,231,036	188,231,036	167,605,308	188,231,896	188,231,896
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		167,591,382	168,062,676		167,604,448	188,231,036	188,231,036	167,605,308	188,231,896	188,231,896

Budget exceeds Authorized Appropriation in Operating Expenses due to a transfer from the Miscellaneous Federal Grant Holding Account.

Change Level by Appropriation

Appropriation: 637 - Child Nutrition

Funding Sources: FHB - DOE Food Service Federal Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	167,604,448	19	167,604,448	100.0	167,605,308	19	167,605,308	100.0
C01	Existing Program	20,667,804	2	188,272,252	112.3	20,667,804	2	188,273,112	112.3
C03	Discontinue Program	(41,216)	(1)	188,231,036	112.3	(41,216)	(1)	188,231,896	112.3

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	167,604,448	19	167,604,448	100.0	167,605,308	19	167,605,308	100.0
C01	Existing Program	20,667,804	2	188,272,252	112.3	20,667,804	2	188,273,112	112.3
C03	Discontinue Program	(41,216)	(1)	188,231,036	112.3	(41,216)	(1)	188,231,896	112.3

Justification

C01	Federally-funded appropriation is requested for currently authorized position 2208-2883, which was not budgeted in the FY15 Annual Operations Plan. Subsequent to the FY15 budget process, it was determined that this position was needed in order to accommodate the increased work load due to Child Nutrition performance-based funding and community eligibility. Position 2208-2835, a grade C109 position, was also not budgeted in the FY15 budget process, but the position was subsequently filled. The ADE is requesting restoration of this position in the biennial budget, and is requesting that position 2208-2820, also a grade C109 position, be unbudgeted in the biennial budget. The total request for adding previously unbudgeted positions is \$67,404, which is partially offset by the Change Level 03 requesting that position 2208-2820 be unbudgeted. The ADE also requests an increase in federally-funded appropriation of \$500,000 in the Operations line item, due to the continuation of the Meal Pattern Grant into FY16 and FY17, which provides federal funds for the Child Nutrition Unit to implement requirements of the Healthy, Hunger Free Kids Act of 2010. Funds from this grant are intended to allow state agencies to assist local program operators to improve the quality of school meals and ensure compliance with new regulations. MFG requests were done in FY14 and FY15 to begin implementation of the Meal Pattern Grant. The ADE is also requesting federally-funded appropriation of \$50,000 each year for unforeseen Capital Outlay needs of the Child Nutrition program that may occur in the 2015-2017 biennium. Additionally, the ADE is requested federally-funded appropriation in the amount of \$20,000,000 in the grants line item to accommodate increased participation in the performance based program and the community eligibility provision that uses information from other programs to allow schools that serve predominately low-income children to offer free school meals to all students. The ADE is also requesting a change level of \$50,400 in the refunds line item as it is anticipated that the amount of refunds to send back to USDA will increase due to an increase in grant payments.
C03	The ADE is requesting that one (1) C109 position be unbudgeted in the biennial budget, resulting in a decrease of \$41,216 per year.

Analysis of Budget Request

Appropriation: 650 - Fed Elem & Sec Education

Funding Sources: FEE - Dept of Education Federal Fund

The Federal Elementary and Secondary Education appropriation for the Department of Education contains the majority of the federal entitlement programs for elementary and secondary education. These programs include Title 1 Compensatory Education for the educationally disadvantaged, Title 2 Block Grant, Special Education programs, Early Childhood programs, AIDS Education, Drug Education, and Migrant Education.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries do not include appropriation for Merit Pay Increases.

The Base Level Request is \$523,375,206 in FY16 and \$523,376,309 in FY17.

The Agency's Change Level Request for each year is \$770,273 and reflects the following:

- Salaries and Personal Services Matching of \$170,273 for restoration of two (2) positions.
- Capital Outlay of \$200,000 for unforeseen federal program needs.
- \$400,000 to continue the Partnership for Assessment of Readiness for College and Careers (PARCC) program.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 650 - Fed Elem & Sec Education

Funding Sources: FEE - Dept of Education Federal Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	2,431,345	2,516,297	3,187,425	2,763,565	2,895,173	2,895,173	2,764,365	2,895,973	2,895,973
#Positions		53	53	48	51	53	53	51	53	53
Extra Help	5010001	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
#Extra Help		0	4	4	4	4	4	4	4	4
Personal Services Matching	5010003	776,412	783,474	1,061,534	858,768	897,433	897,433	859,071	897,736	897,736
Operating Expenses	5020002	1,663,969	3,475,900	3,475,900	3,475,900	3,475,900	3,475,900	3,475,900	3,475,900	3,475,900
Conference & Travel Expenses	5050009	130,992	710,500	710,500	710,500	710,500	710,500	710,500	710,500	710,500
Professional Fees	5060010	5,535,167	18,351,105	18,351,105	18,351,105	18,351,105	18,351,105	18,351,105	18,351,105	18,351,105
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	331,972,856	496,095,368	496,095,368	496,095,368	496,095,368	496,095,368	496,095,368	496,095,368	496,095,368
Refunds/Reimbursements	5110014	134,092	1,110,000	1,110,000	1,110,000	1,110,000	1,110,000	1,110,000	1,110,000	1,110,000
Capital Outlay	5120011	0	200,000	200,000	0	200,000	200,000	0	200,000	200,000
ARRA of 2009	5900052	6,681,572	1,066,373	35,000,000	0	400,000	400,000	0	400,000	400,000
Total		349,326,405	524,319,017	559,201,832	523,375,206	524,145,479	524,145,479	523,376,309	524,146,582	524,146,582
Funding Sources										
Federal Revenue	4000020	349,326,405	524,319,017		523,375,206	524,145,479	524,145,479	523,376,309	524,146,582	524,146,582
Total Funding		349,326,405	524,319,017		523,375,206	524,145,479	524,145,479	523,376,309	524,146,582	524,146,582
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		349,326,405	524,319,017		523,375,206	524,145,479	524,145,479	523,376,309	524,146,582	524,146,582

Budget Number of Positions may exceed the Authorized Number due to single salary section in appropriation act.

Change Level by Appropriation

Appropriation: 650 - Fed Elem & Sec Education

Funding Sources: FEE - Dept of Education Federal Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	523,375,206	51	523,375,206	100.0	523,376,309	51	523,376,309	100.0
C01	Existing Program	200,000	0	523,575,206	100.0	200,000	0	523,576,309	100.0
C06	Restore Position/Approp	170,273	2	523,745,479	100.1	170,273	2	523,746,582	100.1
C16	ARRA	400,000	0	524,145,479	100.1	400,000	0	524,146,582	100.1

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	523,375,206	51	523,375,206	100.0	523,376,309	51	523,376,309	100.0
C01	Existing Program	200,000	0	523,575,206	100.0	200,000	0	523,576,309	100.0
C06	Restore Position/Approp	170,273	2	523,745,479	100.1	170,273	2	523,746,582	100.1
C16	ARRA	400,000	0	524,145,479	100.1	400,000	0	524,146,582	100.1

Justification

C01	The ADE requests federally-funded appropriation of \$200,000 each year for unforeseen Capital Outlay needs for federal programs that may occur in the 2015-2017 biennium.
C06	The ADE requests the restoration of two pool positions that were established by the authority of Section 25 of Act 1310 of 2013. This same authority requires that if the agency requests the continuation of a Pool Position in the next fiscal year, it must be requested as a new position. The Pool Positions being requested to continue are G012C ADE Assistant to Director, Grade C129 positions. The first Assistant to Director position is needed to ensure that the ADE complies with the United States Department of Education guidelines regarding the responsibilities under the Partnership for Assessment of Readiness for College and Careers. The position assists the Assistant Commissioner of Learning Services in overseeing Arkansas' involvement and contributions to PARCC/state assessments. This position is completely supported by federal dollars at no cost to the agency or the State of Arkansas. The second Assistant to Director position is needed to assist the Director of Federal Programs in duties related to implementing the requirements of the multi-million dollar 1003(g) school improvement grant. This position is completely supported by federal dollars at no cost to the agency or the State of Arkansas. The pool positions represent a total change level of \$170,273 per year of the biennium.
C16	The ADE requests ARRA (federally-funded) appropriation of \$400,000 for each year of the biennium to continue one ARRA program (PARCC).

Analysis of Budget Request

Appropriation: 85J - Open Enrollment Charter School Closure

Funding Sources: NED-Cash in Treasury

This appropriation was established to allow the Department of Education to pay outstanding debts incurred by a closed open enrollment charter school. Anytime an open enrollment school is closed, the assets and outstanding debts of that school are transferred to the Department. The funds are collected from the school.

The Agency requests Base Level for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 85J - Open Enrollment Charter School Closure

Funding Sources: NED-Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Charter School Closure	5900046	0	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Total		0	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Funding Sources										
Fund Balance	4000005	114,510	148,786		148,786	148,786	148,786	148,786	148,786	148,786
Cash Fund	4000045	26,991	300,000		300,000	300,000	300,000	300,000	300,000	300,000
Interest	4000300	1,285	0		0	0	0	0	0	0
M & R Sales	4000340	6,000	0		0	0	0	0	0	0
Total Funding		148,786	448,786		448,786	448,786	448,786	448,786	448,786	448,786
Excess Appropriation/(Funding)		(148,786)	(148,786)		(148,786)	(148,786)	(148,786)	(148,786)	(148,786)	(148,786)
Grand Total		0	300,000		300,000	300,000	300,000	300,000	300,000	300,000

Analysis of Budget Request

Appropriation: 885 - Multiple Grant Award Program

Funding Sources: NED - Cash in Treasury

The Department of Education receives grants and awards from private foundations or individuals for program, such as, Teacher of the Year, Milken Educator Awards and Play it Again Arkansas. The Department currently administers approximately 16-20 such grants each year.

The Base Level Request is \$2,626,374 in each year.

The Agency requests a Change Level increase each year in Capital Outlay of \$100,000 to meet unforeseen needs for private grant programs.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 885 - Multiple Grant Award Program

Funding Sources: NED - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	121,369	122,000	122,000	122,000	122,000	122,000	122,000	122,000	122,000
Conference & Travel Expenses	5050009	8,904	16,500	16,500	16,500	16,500	16,500	16,500	16,500	16,500
Professional Fees	5060010	6,574	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	692,524	2,447,875	2,447,875	2,447,875	2,447,875	2,447,875	2,447,875	2,447,875	2,447,875
Capital Outlay	5120011	0	0	0	0	100,000	100,000	0	100,000	100,000
Total		829,371	2,626,375	2,626,375	2,626,375	2,726,375	2,726,375	2,626,375	2,726,375	2,726,375
Funding Sources										
Fund Balance	4000005	3,574,524	3,587,886		3,587,886	3,587,886	3,587,886	3,587,886	3,587,886	3,587,886
Cash Fund	4000045	842,733	2,626,375		2,626,375	2,726,375	2,726,375	2,626,375	2,726,375	2,726,375
Total Funding		4,417,257	6,214,261		6,214,261	6,314,261	6,314,261	6,214,261	6,314,261	6,314,261
Excess Appropriation/(Funding)		(3,587,886)	(3,587,886)		(3,587,886)	(3,587,886)	(3,587,886)	(3,587,886)	(3,587,886)	(3,587,886)
Grand Total		829,371	2,626,375		2,626,375	2,726,375	2,726,375	2,626,375	2,726,375	2,726,375

Change Level by Appropriation

Appropriation: 885 - Multiple Grant Award Program
Funding Sources: NED - Cash in Treasury

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	2,626,375	0	2,626,375	100.0	2,626,375	0	2,626,375	100.0
C01	Existing Program	100,000	0	2,726,375	103.8	100,000	0	2,726,375	103.8

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	2,626,375	0	2,626,375	100.0	2,626,375	0	2,626,375	100.0
C01	Existing Program	100,000	0	2,726,375	103.8	100,000	0	2,726,375	103.8

Justification

C01	The ADE receives grants and awards from private foundations or individuals for programs such as Teacher of the Year, Play it Again Arkansas, and Milken Educator Awards. Unfunded Capital Outlay appropriation in the amount of \$100,000 is requested to meet unforeseen Capital Outlay needs for private grant programs that may occur in the 2015-17 biennium. The multiple grant award program is a cash fund and has funding available to support this Change Level request.								
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Analysis of Budget Request

Appropriation: 893 - Medicaid Reimbursement

Funding Sources: NED - Cash in Treasury

The Department of Education collects from the various school districts their match as Medicaid providers and then transmits this quarterly to the State Medicaid Office. Reimbursements are for targeted case management and psychological services in addition to the reimbursement for speech-language pathology, physical therapy and occupational therapy.

The Agency requests Base Level for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 893 - Medicaid Reimbursement

Funding Sources: NED - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements	5110014	0	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Medicaid Admin	5900046	0	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500
Total		0	5,010,500	5,010,500	5,010,500	5,010,500	5,010,500	5,010,500	5,010,500	5,010,500
Funding Sources										
Fund Balance	4000005	10,245	8,659		8,659	8,659	8,659	8,659	8,659	8,659
Cash Fund	4000045	6,121,326	5,010,500		5,010,500	5,010,500	5,010,500	5,010,500	5,010,500	5,010,500
Transfer to Medicaid Match	4000660	(6,122,912)	0		0	0	0	0	0	0
Total Funding		8,659	5,019,159		5,019,159	5,019,159	5,019,159	5,019,159	5,019,159	5,019,159
Excess Appropriation/(Funding)		(8,659)	(8,659)		(8,659)	(8,659)	(8,659)	(8,659)	(8,659)	(8,659)
Grand Total		0	5,010,500		5,010,500	5,010,500	5,010,500	5,010,500	5,010,500	5,010,500

Analysis of Budget Request

Appropriation: 899 - Alternative Certification Program

Funding Sources: NED - Cash in Treasury

The Department of Education has developed alternative methods for certifying individuals within the State who have expertise and knowledge in particular subject areas but do not have the standard teaching certificate. The prospective teachers are charged a fee for training workshops with the funds used to pay workshop expenses.

The Agency requests Base Level for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 899 - Alternative Certification Program

Funding Sources: NED - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	130,585	515,292	515,292	515,292	515,292	515,292	515,292	515,292	515,292
Conference & Travel Expenses	5050009	369	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500
Professional Fees	5060010	31,394	125,420	125,420	125,420	125,420	125,420	125,420	125,420	125,420
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	375,593	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		537,941	1,349,212	1,349,212	1,349,212	1,349,212	1,349,212	1,349,212	1,349,212	1,349,212
Funding Sources										
Fund Balance	4000005	593,319	527,974		527,974	527,974	527,974	527,974	527,974	527,974
Cash Fund	4000045	472,596	1,349,212		1,349,212	1,349,212	1,349,212	1,349,212	1,349,212	1,349,212
Total Funding		1,065,915	1,877,186		1,877,186	1,877,186	1,877,186	1,877,186	1,877,186	1,877,186
Excess Appropriation/(Funding)		(527,974)	(527,974)		(527,974)	(527,974)	(527,974)	(527,974)	(527,974)	(527,974)
Grand Total		537,941	1,349,212		1,349,212	1,349,212	1,349,212	1,349,212	1,349,212	1,349,212

DOE - Public School Academic Facilities & Transportation

Enabling Laws

Act 292 of 2014

A.C.A. § 10-3-2201

A.C.A. § 6-19-101 et seq.

A.C.A. § 6-20-2501 et seq.

A.C.A. § 6-20-2601 et seq.

A.C.A. § 6-21-112 et seq.

History and Organization

STATUTORY AUTHORITY:

The Division of Public School Academic Facilities and Transportation (Division) was enabled under Act 90 of 2003 which constituted the Division of Public School Academic Facilities and Transportation under the Arkansas Department of Education (ADE). The Division was realigned under Act 1327 of 2005 which realigned the Division during the forming of the Commission for Public School Academic Facilities and Transportation (Commission). The responsibilities of the Division were further defined in Act 1426 and Act 2206, which sets out the programs for which the Division is responsible. The Division activities are detailed in Ark. Code Ann. §§ 6-20-2501 (Arkansas Public School Academic Facilities Funding Act); 6-21-112 (Division of Public School Academic Facilities and Transportation); 6-21-801 (Arkansas Public School Academic Facilities Program Act); 6-19-101 (Transportation).

MISSION STATEMENT:

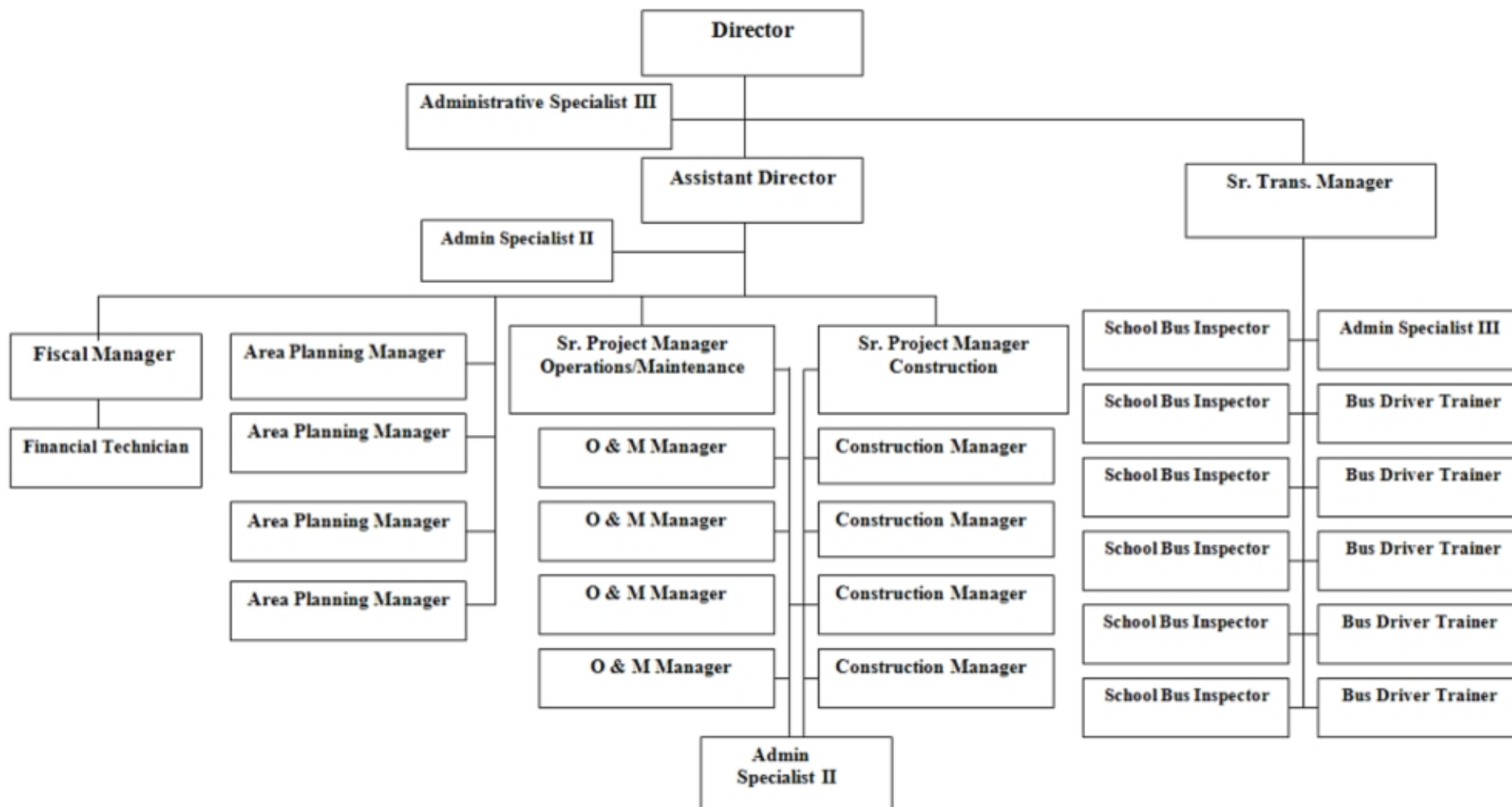
The Division's mission is to direct those activities, under the authorities given to it by law, to assist in ensuring that substantially equal access to adequate educational facilities and educational equipment is provided for all public school students in Arkansas. The Division performs the following functions:

1. Provides information/assistance to Legislative Academic Facilities Oversight Committee;
2. Establishes policies and procedures based on guidance from Academic Facilities Oversight Committee and the General Assembly;
3. Develops and implements the Arkansas Public School Academic Facilities Program Act to include, but is not limited to: development of a statewide Master Plan and legislative reporting requirements; assist school districts in developing school district Master Plans;

establish and maintain an Arkansas School Facility Manual school facility standards; establish and maintain an a Public School Facilities Custodial, Maintenance, Repair and Renovation Manual; a Public School Academic Equipment Manual; administration of the Facilities Distress Program; provide onsite inspection to ensure the adherence to Arkansas laws governing school construction and operations; administer and conduct school bus safety inspections and driver training programs;

4. Administers the programs of state financial participation in support of local academic facilities to include, but is not limited to: the bonded debt assistance program; Academic Facilities Immediate Repair Program; Academic Equipment Program; Transitional Academic Facilities Program; Academic Facilities Partnership Program; Academic Facilities Catastrophic Program; High Growth Loan Program;
5. Develops and implements an ongoing process to track the condition of all public school facilities in the state;
6. Develops a cost index methodology to compare the cost of repairing the condition of school facilities to the replacement of school facilities;
7. Conduct unannounced inspections of public school academic facilities;
8. Enforces, through planning, minimum standards for accessibility to public school academic facilities and programs for individual with disabilities;
9. Develops guidelines for competitive bidding, negotiation and other methods of procurement for public school academic facilities projects;
10. Develops incentive programs to reward school districts for innovative, effective, efficient use of local and state resources with regard to public school academic facilities;
11. Review applicable statutes, rules and regulations for conflicts with or omissions of energy related content;
12. Administers the school transportation program in the various school districts in Arkansas including without limitation, the training of school bus drivers and inspection of school buses;
13. Keeps records showing a description of each school district in the state, maps showing the school districts with current and accurate boundaries, the location of the academic facilities, and the electoral zones into which the school district has been divided;

14. Files reports to the Governor, Legislative committees on the state of condition of academic facilities statewide and the state academic facilities master plan;
15. Maintain a public access website dedicated to academic facilities;
16. Develop and implement a statewide needs priority list.



Agency Commentary

DIVISION OF ACADEMIC FACILITIES AND TRANSPORTATION

This program provides financial assistance to school districts for construction projects and transportation needs. There are no change level requests for the Division for the 2015-17 biennial budget.

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2014

None

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
On-Site Inspection Report	A.C.A. 6-21-813(b)	N	N	10	Required by Law to the Commission for Public School Academic Facilities and Transportation.	6	10.80
State Academic Facilities Master Plan	ACA 6-21-112(f)(16)	Y	Y	4	Statutory - required by October 1 of each even-numbered year.	0	0.00
Statewide State of Condition of Academic Facilities	ACA 6-21-112(f)(15)	Y	Y	4	Statutory	44	0.32

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2013-2014		2014-2015		2014-2015		2015-2016						2016-2017					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
2WB Public School Academic Facilities	2,338,211	31	2,509,106	32	2,552,126	32	2,535,088	32	2,535,088	32	2,535,088	32	2,535,940	32	2,535,940	32	2,535,940	32
2ZP Academic Facilities Partnership	56,219,864	0	150,000,000	0	150,000,000	0	150,000,000	0	150,000,000	0	231,500,000	0	150,000,000	0	150,000,000	0	231,500,000	0
4HQ Academic Facilities Catastrophic	250,552	0	3,511,538	0	3,511,538	0	3,511,538	0	3,511,538	0	3,511,538	0	3,511,538	0	3,511,538	0	3,511,538	0
4HR Academic Facilities ECP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4KT Academic Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
54Y Academic Facilities High Growth	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
F87 Charter Sch Fac Loan	0	0	5,000,000	0	25,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0
G93 School Facility & Transp Asst-89th Sess	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	58,808,627	31	161,020,644	32	181,063,664	32	161,046,626	32	161,046,626	32	242,546,626	32	161,047,478	32	161,047,478	32	242,547,478	32

Funding Sources		%		%			%		%		%		%		%		%
Fund Balance 4000005	154,117,514	63.2	184,953,054	78.4		79,795,487	60.6	79,795,487	60.6	79,795,487	37.4	5,000,000	8.8	5,000,000	8.8	5,000,000	6.8
Div of Acad Fac & Trnsp Fund 4000193	2,338,211	1.0	2,509,106	1.1		2,535,088	1.9	2,535,088	1.9	2,535,088	1.2	2,535,940	4.5	2,535,940	4.5	2,535,940	3.5
Educ Fac Partnership Fund 4000217	34,828,951	14.3	34,828,951	14.8		34,828,951	26.4	34,828,951	26.4	51,328,951	24.1	34,828,951	61.2	34,828,951	61.2	51,328,951	69.9
General Improvement Fund 4000265	25,000,000	10.3	0	0.0		0	0.0	0	0.0	65,000,000	30.5	0	0.0	0	0.0	0	0.0
Trnfr frm DOE Pub School Fund 4000525	27,477,005	11.3	13,525,020	5.7		14,560,318	11.1	14,560,318	11.1	14,560,318	6.8	14,587,616	25.6	14,587,616	25.6	14,587,616	19.9
Total Funds	243,761,681	100.0	235,816,131	100.0		131,719,844	100.0	131,719,844	100.0	213,219,844	100.0	56,952,507	100.0	56,952,507	100.0	73,452,507	100.0
Excess Appropriation/(Funding)	(184,953,054)		(74,795,487)			29,326,782		29,326,782		29,326,782		104,094,971		104,094,971		169,094,971	
Grand Total	58,808,627		161,020,644			161,046,626		161,046,626		242,546,626		161,047,478		161,047,478		242,547,478	

ECP-Extraordinary Circumstances Program

Transfer is from unexpended balances in Debt Services Funding, General Facilities Funding, and Supplemental Millage Incentive Funding. In FY15 and beyond, transfer is from unexpended balance in Debt Services Funding only. Academic Facilities ECP, Academic Equipment, and Academic Facilities High Growth are requested to continue, but without appropriation. If there is a need for these programs, appropriation will be reallocated by utilizing the Dept. of Education's reallocation special language.

Variance in Fund Balance is due to unfunded appropriation.

Agency Position Usage Report

FY2012 - 2013						FY2013 - 2014						FY2014 - 2015					
Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused
	Filled	Unfilled	Total				Filled	Unfilled	Total				Filled	Unfilled	Total		
33	31	1	32	1	6.06 %	32	29	3	32	0	9.38 %	32	29	3	32	0	9.38 %

Analysis of Budget Request

Appropriation: 2WB - Public School Academic Facilities

Funding Sources: EFT - Division of Academic Facilities and Transportation Fund

This appropriation provides resources for the operation of the Division of Public School Academic Facilities and Equipment. Act 1327 of 2005 revised the powers and duties of the Division of Public School Academic Facilities and Transportation to include developing and implementing the Arkansas Public School Academic Facilities Partnership Program and overseeing school transportation programs. The Commission for Public School Academic Facilities and Transportation is charged with overseeing the division during the implementation and operation of the Arkansas Public School Academic Facilities Program.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

The Agency requests Base Level for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2WB - Public School Academic Facilities

Funding Sources: EFT - Division of Academic Facilities and Transportation Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,450,165	1,482,503	1,491,739	1,500,694	1,500,694	1,500,694	1,501,394	1,501,394	1,501,394
#Positions		31	32	32	32	32	32	32	32	32
Extra Help	5010001	0	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
#Extra Help		0	5	5	5	5	5	5	5	5
Personal Services Matching	5010003	473,080	479,632	513,416	487,423	487,423	487,423	487,575	487,575	487,575
Operating Expenses	5020002	234,105	323,321	323,321	323,321	323,321	323,321	323,321	323,321	323,321
Conference & Travel Expenses	5050009	10,764	13,650	13,650	13,650	13,650	13,650	13,650	13,650	13,650
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Safety Training	5900046	170,097	207,500	207,500	207,500	207,500	207,500	207,500	207,500	207,500
Total		2,338,211	2,509,106	2,552,126	2,535,088	2,535,088	2,535,088	2,535,940	2,535,940	2,535,940
Funding Sources										
Div of Acad Fac & Trnsp Fund	4000193	2,338,211	2,509,106		2,535,088	2,535,088	2,535,088	2,535,940	2,535,940	2,535,940
Total Funding		2,338,211	2,509,106		2,535,088	2,535,088	2,535,088	2,535,940	2,535,940	2,535,940
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		2,338,211	2,509,106		2,535,088	2,535,088	2,535,088	2,535,940	2,535,940	2,535,940

Analysis of Budget Request

Appropriation: EFP - Programs of the Public School Academic Facilities & Transportation

Funding Sources: EFP - Educational Facilities Partnership Fund

This appropriation provides resources for The Arkansas Public School Academic Facilities Funding Act, which established the programs for the state financial participation in local projects relating to academic facilities and equipment and assisting school districts with transportation programs. The programs are the Academic Facilities Partnership Program, the Academic Equipment Program, Academic Facilities Catastrophic Program and the Academic Facilities Extraordinary Circumstances Program. Additionally, the Academic Facilities High Growth line item was added during the 2009-2011 Biennium.

State participation under any program will be based on an academic facilities wealth index. The Division of Public School Academic Facilities and Transportation establishes the formulas used for determining basic project costs on a per student basis.

The funding sources for these programs comes from fund balance, general revenue and through A.C.A. § 6-20-2503, which authorizes the transfer of savings in the Public School Fund for Debt Service Funding line item appropriations to the Partnership Fund. During the First Extraordinary Session of 2013, a portion was redirected to health insurance, and replaced by General Revenue under the Executive Recommendation.

The Agency requests Base Level for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request, as well as additional appropriation of \$81.5 million and \$16.5 million in general revenue and \$65 million in General Improvement Funds as recommended by the Adequacy Committee for FY16 and additional appropriation of \$81.5 million and \$16.5 million in general revenue for FY17.

Appropriation Summary

Appropriation: EFP - Programs of the Public School Academic Facilities & Transportation

Funding Sources: EFP - Educational Facilities Partnership Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Academic Facilities Partnership	5100004	56,219,864	150,000,000	150,000,000	150,000,000	150,000,000	231,500,000	150,000,000	150,000,000	231,500,000
Academic Facilities ECP	5900046	0	0	0	0	0	0	0	0	0
Academic Facilities High Growth	5900046	0	0	0	0	0	0	0	0	0
Academic Equipment	5900046	0	0	0	0	0	0	0	0	0
Academic Facilities Catastrophic	5900046	250,552	3,511,538	3,511,538	3,511,538	3,511,538	3,511,538	3,511,538	3,511,538	3,511,538
Total		56,470,416	153,511,538	153,511,538	153,511,538	153,511,538	235,011,538	153,511,538	153,511,538	235,011,538
Funding Sources										
Fund Balance	4000005	154,117,514	179,953,054		74,795,487	74,795,487	74,795,487	0	0	0
Educ Fac Partnership Fund	4000217	34,828,951	34,828,951		34,828,951	34,828,951	51,328,951	34,828,951	34,828,951	51,328,951
General Improvement Fund	4000265	20,000,000	0		0	0	65,000,000	0	0	0
Trnfr frm DOE Pub School Fund	4000525	27,477,005	13,525,020		14,560,318	14,560,318	14,560,318	14,587,616	14,587,616	14,587,616
Total Funding		236,423,470	228,307,025		124,184,756	124,184,756	205,684,756	49,416,567	49,416,567	65,916,567
Excess Appropriation/(Funding)		(179,953,054)	(74,795,487)		29,326,782	29,326,782	29,326,782	104,094,971	104,094,971	169,094,971
Grand Total		56,470,416	153,511,538		153,511,538	153,511,538	235,011,538	153,511,538	153,511,538	235,011,538

ECP-Extraordinary Circumstances Program

FY14 Transfer is from unexpended balances in Debt Services Funding, General Facilities Funding, and Supplemental Millage Incentive Funding. For FY15 and beyond, transfer is from unexpended balance in Debt Services Funding only.

Academic Facilities ECP, Academic Facilities High Growth, and Academic Equipment are requested to continue, but without appropriation. If there is a need for these programs, appropriation will be reallocated by utilizing the Dept. of Education's reallocation special language.

Change Level by Appropriation

Appropriation: 2ZP - Academic Facilities Partnership
Funding Sources: EFP - Educational Facilities Partnership Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	150,000,000	0	150,000,000	100.0	150,000,000	0	150,000,000	100.0

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	150,000,000	0	150,000,000	100.0	150,000,000	0	150,000,000	100.0
C19	Executive Changes	81,500,000	0	231,500,000	154.3	81,500,000	0	231,500,000	154.3

Justification

C19	The Executive Recommendation provides for additional appropriation of \$81,500,000 and general revenue funds of \$16,500,000 and general improvement funds of \$65,000,000 in FY16 and additional appropriation of \$81,500,000 and general revenue funding of \$16,500,000 in FY17.								
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Analysis of Budget Request

Appropriation: F87 - Charter Sch Fac Loan

Funding Sources: MCS - Charter Loans

This appropriation provides short-term loans to open-enrollment public charter schools. It was established in 2014, and initial funding was provided through a one-time transfer from the General Improvement Fund. The Walton Family Foundation, in partnership with the Arkansas Development Finance Authority, has agreed to provide an in-kind matching contribution of ten million dollars to secure long-term capital bond financing of up to fifty million dollars for these entities.

The Agency requests Base Level for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: F87 - Charter Sch Fac Loan

Funding Sources: MCS - Charter Loans

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Loans	5120029	0	5,000,000	25,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Total		0	5,000,000	25,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Funding Sources										
Fund Balance	4000005	0	5,000,000		5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
General Improvement Fund	4000265	5,000,000	0		0	0	0	0	0	0
Total Funding		5,000,000	5,000,000		5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Excess Appropriation/(Funding)		(5,000,000)	0		0	0	0	0	0	0
Grand Total		0	5,000,000		5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000

DOE - Public School Fund

Enabling Laws

Act 293 of 2014
A.C.A. §6-5-301 et seq.
A.C.A. §6-10-101 thru §6-26-305
A.C.A. §6-42-101 et seq.
A.C.A. §6-45-101 et seq.
A.C.A. §6-47-201 et seq.
A.C.A. §26-80-101 et seq.
A.C.A. §25-6-101 et seq.

History and Organization

See General Education Division page 1.

Agency Commentary

PUBLIC SCHOOL FUND 2015-2017 BIENNIAL BUDGET REQUEST

The following is a summary of Change Level requests by appropriation:

SMART START/SMART STEP (057)

This program provides professional development and technical assistance to schools/districts specifically in the areas of literacy, mathematics, and science. The program supports schools/districts in the goal of all students at grade level. The funds provide for literacy specialists, mathematics specialists, and science specialists housed at the ADE and at the 15 Educational Service Cooperatives. The specialists provide professional development and technical assistance in a variety of areas including content knowledge, curriculum alignment, coaching and assessment. In addition, materials such as professional texts and technology supports are provided to schools who participate in the state developed professional development. In light of the flexibility waiver from the U.S. Department of Education, funds are needed to support

the lowest achieving schools in Arkansas. The Base Level request for this program is \$8,139,934 in each year of the 2015-17 biennium. The Change Level request is for unfunded appropriation of \$2,526,369 for each year of the biennium. The request is to restore appropriation based on FY15 amounts that were budgeted subsequent to the biennial budget request process and that were paid in FY13, FY14 and FY15 from fund balances.

AT-RISK (088)

The College and Career Readiness Planning Program (CCRPP) is funded from the At Risk appropriation. The program provides remedial instruction during the summer for students entering the grades 11 and 12 whose scores on the American College Test (ACT) were below 19 in the areas of reading and/or mathematics. The students are provided 75 hours of instruction over a minimum of 20 days. At the conclusion of the program, students are given the opportunity to take the ACT, and the test cost is covered by the program. The ADE requests additional unfunded appropriation in order to disburse prior year refunds from the CCRPP program. These refunds come in July and August each year, and they do not restore appropriation since they relate to prior year payments.

ECONOMIC EDUCATION (1XE)

The Change Level request is to increase appropriation (unfunded) for Economics Arkansas by \$50,000 per year of the biennium. Economics Arkansas is a training resource for all school districts for the required high school Economics course. The number of teachers trained annually has increased from 1,000 in the 2006-07 school year to 1,724 in the 2012-13 school year.

STATE FOUNDATION FUNDING AID (2HP)

State Foundation Funding Aid is computed as the difference between the foundation funding amount per student, established by the General Assembly pursuant to Ark. Code Ann. § 6-20-2305(a)(2), times the school district's Average Daily Membership (ADM) for the previous school year, and the sum of 98% of the Uniform Rate of Tax (URT) times the property assessment of the district plus the calculated average miscellaneous funds of the district. The funding for charter schools used the same amount of per student foundation funding but used the ADM of the prior or current school year as required by law. In FY13, statewide ADM for school districts and public charter schools grew by 3,175, which required the ADE to pay approximately \$12 million from fund balances in FY14 state foundation funding aid. In FY14, statewide ADM increase again by 2,420, which required the ADE to pay approximately \$13 million from fund balances in FY15. This Change Level request assumes no increase in the FY15 per-ADM foundation funding rate of \$6,521. ADM growth for the 2015-17 biennium is projected based on a three-year average ADM growth rate of .27% for school districts and 16.7% for charter schools. This request assumes that projected growth in local URT will be sufficient to fund a portion of the projected ADM growth in FY16 and a larger portion of ADM growth in FY17. The Change Level request of \$17,744,783 in FY16 and \$14,152,155 in FY17 is to restore funding that was previously covered by fund balances for the FY13 and FY14 statewide ADM growth, and to provide funding for the projected phase-in of Majority to Minority (M to M) students into school district ADM counts for the calculation of state foundation funding aid, in compliance with the settlement agreement approved on January 13, 2014 regarding state desegregation funding.

NATIONAL SCHOOL LUNCH (2HR)

NSLA is a formula-driven program to target additional funding to school districts that have concentrations of poverty students. Districts with greater than 90% poverty will receive an additional \$1,549, those with greater than 70% and less than 90% will receive \$1,033 and those with less than 70% will receive \$517 per NSLA student identified in the previous year. The Base Level for the general revenue funded appropriation is \$213,768,543 in each year of the 2013-15 biennium. The Change Level request is for funding and appropriation for an additional \$8,886,391 in FY16 and \$18,128,630 in FY17. Growth rate is projected based on the 4.08% annual average rate of growth over the past three years, plus the projected phase-in of Majority to Minority (M to M) students into school district counts for the calculation of categorical funding, in compliance with the settlement agreement approved on January 13, 2014 regarding state desegregation funding.

PROFESSIONAL DEVELOPMENT FUNDING (2HS)

This is a formula driven program that provides up to \$32.40 per previous year Average Daily Membership (ADM) student to School Districts to provide activities and materials to improve the knowledge of teachers, administrators, and paraprofessionals. Section 26 of Act 293 of 2014 allows the Arkansas Department of Education to utilize \$4 million of the appropriation provided for this program to develop and implement statewide professional development support systems. The Base Level request for the general revenue funded appropriation is \$16,087,684 in each year of the 2015-17 biennium. The Change Level request is to provide funding and appropriation for an additional \$98,584 in FY16 and \$205,435 in FY17. This request assumes no increase in the per ADM funding rate of \$32.40; but it does provide for FY16 and FY17 projected ADM growth statewide. Growth rate is projected based on the average rate of growth of .27% for school districts and 16.7% for charter schools annually over the past three years. The projected phase-in of Majority to Minority (M to M) students into school district counts for the calculation of categorical funding, in compliance with the settlement agreement approved on January 13, 2014 regarding state desegregation funding, has also been factored into the request.

DISTANCE LEARNING OPERATIONS (2HX)

Distance learning is an educational process used to provide instruction to Arkansas students. The primary purpose of providing distance learning technologies is to assist school districts in offering students advanced high school courses, Advanced Placement courses, enriched course content, or other academic courses not otherwise available in the district. The ADE requests the restoration of appropriation that was unbudgeted in FY15 due to the delay in receiving E-rate refunds (\$1,500,000 for each year of the biennium). These E-rate refunds are expected to be restored in FY16.

SCHOOL FUNDING CONTINGENCY (2ZH)

This appropriation is an unfunded contingency appropriation for the Arkansas Department of Education to utilize to address unforeseen circumstances that occur. In order to use this appropriation, it must be transferred to a programmatic appropriation with the approval of the Chief Fiscal Officer of the State and the Arkansas Legislative Council or Joint Budget Committee. The Change Level request is for the unfunded appropriation to continue at the \$25 million appropriation level in each year of the 2013-2015 biennium.

MASTER PRINCIPAL BONUS (22M)

Pursuant to A.C.A. §6-17-1604, the ADE pays a high-need school salary bonus of \$25,000 for every school year for no more than five (5) years to any building-level principal who: Receives a master school principal designation from the Arkansas Leadership Academy; and is, at the time of receiving the bonus, employed full time as a building-level principal in an Arkansas public school district that is or was in school-improvement status or academic distress. The high-need school salary bonus is \$20,000 per year. It is projected that more principals will enter the program, and some may go to high needs school districts which will necessitate additional funds. The Change Level is requested to provide unfunded appropriation for program growth in FY16 and FY17 (\$8,000 per year of the biennium) and to restore appropriation based on FY15 amounts that were budgeted subsequent to the biennial budget request process (\$110,000 each year, paid with fund balances in FY13, FY14, and FY15), for a total unfunded Change Level request of \$118,000 per year of the biennium.

ALTERNATIVE LEARNING (311)

School districts are required to provide an alternative learning environment (ALE) for students who demonstrate an inability to function in the standard learning environment. The ALE program provides educational programs to eligible students in alternative classroom settings, as well as additional services to meet the needs of this group of at-risk students. The Department of Education calculated ALE funds in the 2014-15 school year by multiplying \$4,383 by the number of identified ALE students enrolled during the previous school year. This is an increase of \$78 per student from the FY13-14 school year. The Change Level request is to provide funding and appropriation for the growth in the number of students in the program, for a growth request of \$593,201 in the first year and \$1,200,415 in the second year of the biennium. Growth rate is projected based on the average annual rate of growth of 2.43% over the past three years. The phase-in of Majority to Minority (M to M) students into school district counts for the calculation of state categorical funding, in compliance with the settlement agreement approved on January 13, 2014 regarding state desegregation funding, has been factored into this request.

STUDENT GROWTH (332)

Due to the fact that foundation funding is calculated on prior year ADM, student growth funding is provided to school districts that experience current year ADM growth to enable them to serve the additional students for one year. A mandatory program pursuant to ACA 6-20-2305, student growth disbursements to school districts and charter schools have increased significantly in the last three fiscal years. Amounts disbursed in addition to the funded amount of \$28.5M in FY13, FY14, and FY15 were paid from fund balances. FY16 and FY17 growth was calculated by taking the average number of students funded by student growth from FY12, FY13, and FY14, and multiplying that averaged number by the FY15 foundation funding amount of \$6,521; for a Change Level request of \$9,190,144 for each year of the biennium.

DEPARTMENT OF CORRECTION (380)

In accordance with ACA 12-29-304, the cost of implementing and operating the school program in the Corrections School System shall be borne by the state and shall be paid from funds appropriated by the General Assembly from the general revenues of the state to the Department of Correction, the Department of Community Correction, and the Department of Education. The cost of facilities, equipment, and current operation in excess of the amount of grants and aids received from the Department of Education shall be borne by the Department of Correction and the Department of Community Correction as approved by the Board of Corrections. This program provides part of the required match for federal Special Education funds. The Base Level for the general revenue funded appropriation is \$5,597,675 in each year of the 2015-2017 biennium. The Change Level request is to restore appropriation (unfunded) based on FY15 amounts that were budgeted

subsequent to the biennial budget request process (\$799,100 each year, paid with fund balances in FY13, FY14, and FY15); and to provide unfunded appropriation for growth: FY16 growth is for a 2.5% COLA for instructors (\$144,372); FY17 growth is two new instructors at the Pine Bluff unit (\$100,000), plus a 2.5% COLA (\$148,360) for a FY17 total growth request of \$248,360.

RESIDENTIAL CENTERS / JUVENILE DETENTION (394)

This program provides reimbursement to school districts for educational costs associated with: (1) disabled and non-disabled students placed in approved residential psychiatric and drug and alcohol treatment facilities; (2) disabled students placed in approved residential intermediate care facilities, and (3) disabled and non-disabled students placed by the courts in juvenile detention centers. This program provides part of the required match for federal Special Education funds. The Base Level for this general revenue funded appropriation is \$15,188,254 in each year of the 2015-2017 biennium. The Change Level request is to restore unfunded appropriation based on FY15 amounts that were budgeted subsequent to the biennial budget request process (\$1,156,833) and that were paid from fund balances in FY13, FY14 and FY15.

CONSOLIDATION INCENTIVE (421)

These funds are paid to each school district that was administratively consolidated or annexed by the State Board of Education pursuant to Ark. Code Ann. § 6-11-105, § 6-13-1401 and applicable rules of the State Board of Education. One hundred percent (100%) of the incentive allowance is added to the school district's aid in the first year of consolidation/annexation. In the second year of consolidation/annexation, the district receives fifty percent (50%) of the consolidation/annexation incentive funding granted the previous year. The Change Level request is to provide unfunded appropriation for a projection of two new consolidations per year of the biennium, plus the continuation of two consolidations from the previous year. 600 ADM for two consolidations X SFF of \$6,521 = \$3,912,600; plus \$1,956,300 for the continuation of two consolidations from the prior fiscal year, for a total growth request of \$5,868,900 for each year of the biennium.

COOPERATIVE EDUCATION TECHNOLOGY CENTERS OPERATIONS (434)

This program funds the Educational Service Cooperatives Technology Coordinators. The Change Level request is to restore unfunded appropriation for Educational Service Cooperatives Technology Coordinators based on FY15 amounts that were budgeted subsequent to the biennial budget request process and that were paid from fund balances in FY13, FY14, and FY15 (\$1,200,000).

TEACHER RETIREMENT MATCHING (437)

This program provides for the employer matching contribution for employees of the Education Service Cooperatives, Vocational Centers, the Model Vocational-Technical Resource Center, Arkansas Easter Seals and the school operated by the Department of Correction. The Base Level for this general revenue funded appropriation is \$6,655,000 in each year of the 2015-2017 biennium. The Change Level request is to restore unfunded appropriation based on FY15 amounts that were budgeted subsequent to the biennial budget request process that the ADE has paid with fund balances in FY13, FY14, and FY15 (\$3,100,000); and to provide unfunded appropriation for the increase of participants in the program in the amount of \$975,500 for FY16 and \$2,048,550 for FY17; for a total FY16 Change Level request of \$4,075,500 and total FY17 Change Level request of \$5,148,550.

NATIONAL BOARD OF PROFESSIONAL TEACHING STANDARDS (438)

A.C.A. §6-17-413(a)(1)(A) calls for teacher support in three distinct areas related to state support of advanced national teacher certification: bonuses to National Board Certified Teachers (NBCT), participation fees and substitute pay required for candidacy, and a support system for those candidates. Funding consists of general revenue and revenue from the Transit Tax on the rental of motor vehicles. The Change Level request is to restore unfunded appropriation based on FY15 amounts that were budgeted subsequent to the biennial budget request process (\$4,740,600) and that were paid from fund balances in FY13, FY14 and FY15; and additional unfunded appropriation to provide for increasing costs related to candidate support, such as workshops and training sessions (\$7,500 in FY16 and \$18,500 in FY17); for a total Change Level request of \$4,748,100 in FY16 and \$4,759,100 in FY17. The number of participants in the program is not expected to increase during this biennium.

SCHOOL FOOD SERVICES (447)

This program, combined with the Surplus Commodities program, provided the State match for the total school food program in local schools. This match is required to continue to receive federal funding for the Child Nutrition program. These grants are paid to school districts at a rate based on the number of lunches served. The Change Level request is to restore unfunded appropriation based on FY15 amounts that were budgeted subsequent to the biennial budget request process (\$1,650,000) and that were paid from fund balances in FY13, FY14 and FY15.

SURPLUS COMMODITIES (450)

The Department of Human Services (DHS) administers the Surplus Commodities Program. Under an agreement with DHS, the Arkansas Department of Education reimburses transportation costs of \$780,000 for the delivery of surplus commodities to the school districts. The Base Level for this general revenue funded appropriation is \$780,000 each year of the 2015-2017 biennium. The Change Level is to provide unfunded appropriation to maintain the program at its current operating level. The Change Level requested would provide unfunded appropriation for the increased program costs that the ADE has paid with fund balances in FY13, FY14 and FY15, in the amount of \$345,065 for each year of the biennium. This program, combined with the School Food Service program, provides the State match for the total school food program in local schools. This match is required to continue to receive federal funding for the Child Nutrition program.

GIFTED AND TALENTED (457)

This program makes available approximately \$44,500 in supplemental funding to 15 Educational Services Cooperatives (\$667,500) to fund a GT Specialist. In addition, funding in the amount of approximately \$890,000 is used to fund the Governor's School. Funds in the amount of \$3,000 each for three school districts (\$9,000) that are awarded the Outstanding Gifted Program Award authorized by A.C.A. §6-42-104, 6 (A) & (B) and \$2,500 is sent to AGATE and \$1000 is sent to AAGEA. The Base Level for this general revenue funded appropriation is \$1,085,381 in each year of the 2015-2017 biennium. The Change Level request is to restore unfunded appropriation based on FY15 amounts that were budgeted subsequent to the biennial budget request process (\$250,000) and that have been paid from fund balances in FY13, FY14, and FY15.

SCHOOL WORKER DEFENSE (458)

As authorized under ACA 6-17-1113, this program provides protection against civil liability, attorney's fees, and costs of defense for acts or omissions of each employee or volunteer in the performance of his or her duties as a volunteer or his or her official duties as a school employee. The Change Level request is to restore unfunded appropriation based on FY15 amounts that were budgeted subsequent to the biennial budget request process (\$390,000) and that were paid from fund balances in FY13, FY14, and FY15.

ASSESSMENT/END OF LEVEL TESTING (459)

This program provides funds to develop and implement alternative assessments required by the Elementary and Secondary Education Act, End-of-Course Exams, and Augmented Benchmark Exams. In addition, Advanced Placement exams and incentive grants for scores of 3 or higher on AP exams are paid by this program. The program will function within base level in FY16, but in FY17 a Change Level of \$1,100,492 in unfunded appropriation is requested due to increasing costs of benchmark and end-of-course exams due to implementation of PARCC; and increasing numbers of students taking AP exams (\$1,100,492 for FY17 only).

COURT-ORDERED DESEGREGATION (460)

The state's obligation to the school districts was set at a total of \$65,794,267 per year in the desegregation settlement that was approved on January 13, 2014.

INTERVENTION BLOCK GRANTS (565)

Local school districts, education service cooperatives, institutions of higher education, and other organizations were eligible to apply for an intervention block grant. These grants were used to encourage parental involvement through the following four (4) student competitions: Arkansas Governor's Quiz Bowl, State History Day Competition, Creativity in Arkansas and Arkansas Destination Imagination. The Change Level request is to restore unfunded appropriation based on FY15 amounts that were budgeted subsequent to the biennial budget request process (\$75,000) and that were paid from fund balances in FY13, FY14, and FY15.

SERIOUS OFFENDER PROGRAM (566)

The Arkansas Department of Education established the Juvenile Treatment Centers Program (formerly Serious Offender Program) through a Memorandum of Understanding with the Department of Human Services, Division of Youth Services (DYS). The current program has been in effect since 1996 for the purpose of generating educational funds for the DYS Juvenile Treatment Centers Program (JTC). School districts were provided state funds based on the number of JTC participants in their districts. School districts in turn paid the JTC providers in their districts. This program provides part of the required match for federal Special Education funds. The Change Level request is to restore unfunded appropriation based on FY15 amounts that were budgeted subsequent to the biennial budget request process (\$665,913) and that were paid from fund balances in FY13, FY14 and FY15.

SPECIAL EDUCATION SERVICES (668)

This program provides (1) funding to support the provision of Extended School Year (ESY) services to eligible students with disabilities in need of such services, (2) special education services to children with disabilities who are wards of the State placed by the Department of Human Services (DHS) in out-of-state therapeutic treatment programs, and (3) funds to support the payment of salaries to special education supervisors. For the 2014-15 school year, funding is provided to school districts to support the salaries of special education supervisors based on the Average Daily Membership of the first three quarters of the previous year. In addition, funding is provided to school districts and education service cooperatives for ESY services. This program provides part of the required match for federal Special Education funds. The Change Level is requested to restore unfunded appropriation based on FY15 amounts that were budgeted subsequent to the biennial budget request process (\$1,657,242) and that were paid from fund balances in FY13, FY14 and FY15.

ARKANSAS PUBLIC SCHOOL COMPUTER NETWORK (APSCN) (688)

From a non-profit agency begun in 1992, APSCN became a part of the Arkansas Department of Education (ADE) in 1998. APSCN's mission is to implement a statewide data communication network that connects all Arkansas public school systems and Education Service Cooperatives with the ADE to provide electronic access to administrative computing services and remote instructional services. Schools, district offices and Cooperatives use APSCN to process financial and student data. The ADE requests the restoration of one (1) pool position that was established by the authority of Section 25 of Act 1310 of 2013. This same authority requires that if the agency requests the continuation of a Pool Position in the next fiscal year, it must be requested as a new position. The Pool Position being requested to continue is a G012C ADE Assistant to Director, Grade C129 position. This position was created to provide support and maintenance to APSCN's District Data warehouse and to build reports from both the statewide data warehouse and the district data warehouse using the Cognos Business Tools. Prior to implementing this position, ADE had a \$543,636 annual contract with DecisionEd to provide this service. It was determined that this position would save the State of Arkansas at least \$400,000 per year. The total change level request to restore this pool position is \$93,287, and the ADE is requesting this as unfunded appropriation. The ADE also requests the restoration of non-general-revenue-funded appropriation that was unbudgeted in FY15 due to the delay in receiving E-rate refunds (\$6,500,000 each year of the biennium). Funding for these E-rate refunds is expected to be restored in FY16. Additionally, the ADE is requesting unfunded appropriation of \$200,000 each year for unforeseen Capital Outlay needs of the Arkansas Public School Computer Network (APSCN) that may occur in the 2015-2017 biennium. APSCN is also requesting the reclassification of five positions. In response to the Agency's growing information technology needs and operations, the ADE requests the upgrade of the current C122; C123; C124 APSCN positions to C126; C127; C128 positions respectively. It is a significant challenge to keep up with the attrition rate and to find qualified technology staff under the current salary structure in the prevailing market. Presently, we are unable to competitively recruit at the entry pay level for several positions and an acute shortage of qualified applications exists. The Change Level request generated by these reclassifications totals \$17,797 unfunded appropriation per year of the biennium.

EARLY CHILDHOOD SPECIAL EDUCATION (697)

This program, which is authorized by A.C.A. §6-41-202 et seq., provides base funding for special education services through local education agencies for 11,500 three to five year old preschool children with disabilities. Funds are also provided to Education Services Cooperatives for behavioral intervention services to all local community preschool programs as well as to coordinate required transition activities for children

ages 0-2 that will remain in special education as 3-5 preschoolers. Also included in this program are funds for the Medicaid state match for preschool programs that bill for physical, occupational, and speech therapy services. This program provides part of the required match for federal Special Education funds. The Base Level for this general revenue funded appropriation is \$15,623,079 in each year of the 2015-2017 biennium. The Change Level request is to restore unfunded appropriation based on FY15 amounts that were budgeted subsequent to the biennial budget request process (\$1,274,841 per year of the biennium) and that were paid with fund balances in FY13, FY14, and FY15.

TEACHER LICENSURE/MENTORING (699)

This program covers the Arkansas induction program for new teachers and administrators. The change level request for \$57,000 unfunded appropriation in each year of the biennium is to implement the Teacher Cadets program. The ADE used existing funds to pilot the program with 3 districts during the 13-14 school year. Plans are to add 10 new districts per year to implement the program. To participate in the cadet program, high school students must complete a rigorous application process and meet GPA requirements of 3.0. Students enrolled in the cadet program participate in a rigorous academic program and also in field experiences. In addition to hands-on educational experience, students also earn concurrent credit per the district's agreement with a partnering Institution of Higher Education. Even if participating students do not become educators they do become advocates for education because of their participation in the program. Unfunded appropriation is requested to support this program.

INTERNATIONAL BACCALAUREATE (F82)

This program provides advanced educational courses that are easily accessible and that prepare students for admission to and success in a postsecondary educational environment. A mandatory funding provision for this program was added to during the 2013 regular session and was continued in the 2014 fiscal session (Act 293 of 2014) to provide \$75,000 annually to school districts for the International Baccalaureate program. This program was funded in FY14 and FY15 by fund balances. The ADE is requesting unfunded appropriation for this Change Level request.

BROADBAND FACILITIES MATCHING GRANT PROGRAM (M74)

This is a matching-grant program to help school districts improve Internet connectivity. The program was funded with a one-time transfer from the state General Improvement Fund to the Department of Education Public School Fund. These funds will be leveraged at the district level for up to an additional \$20 million in new E-Rate funding for local loop/WAN connectivity.

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2014

None

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
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Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2013-2014		2014-2015		2014-2015		2015-2016						2016-2017					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
057 Smart Start/Smart Step	12,222,479	0	8,139,934	0	10,666,303	0	8,139,934	0	10,666,303	0	10,666,303	0	8,139,934	0	10,666,303	0	10,666,303	0
082 English Language Learners	12,644,481	0	14,004,642	0	14,004,642	0	14,004,642	0	14,004,642	0	14,284,735	0	14,004,642	0	14,004,642	0	14,570,430	0
088 At Risk	1,732,254	0	1,688,530	0	1,688,530	0	1,688,530	0	1,988,530	0	1,988,530	0	1,688,530	0	1,988,530	0	1,988,530	0
091 Special Ed-Catastrophic	10,999,532	0	11,000,000	0	12,900,000	0	11,000,000	0	11,000,000	0	11,000,000	0	11,000,000	0	11,000,000	0	11,000,000	0
094 Youth Shelters	165,000	0	165,000	0	165,000	0	165,000	0	165,000	0	165,000	0	165,000	0	165,000	0	165,000	0
108 Tech Improvements	499,672	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0
119 Tech Grants	3,902,247	0	3,602,678	0	3,602,678	0	3,602,678	0	3,602,678	0	3,602,678	0	3,602,678	0	3,602,678	0	3,602,678	0
136 Distressed School District Support	9,665	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0
150 Home School Test	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0
1PS Non-Traditional Licensure	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0
1QV Content & Curriculum	49,999	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0
1XE Economic Education	350,000	0	350,000	0	350,000	0	350,000	0	400,000	0	400,000	0	350,000	0	400,000	0	400,000	0
2HP State Foundation Funding	1,935,334,691	0	1,961,843,724	0	1,976,072,528	0	1,961,843,724	0	1,979,588,507	0	2,009,440,423	0	1,961,843,724	0	1,975,995,879	0	2,053,194,376	0
2HR National School Lunch	201,019,585	0	213,768,543	0	213,768,543	0	213,768,543	0	222,654,934	0	224,450,590	0	213,768,543	0	231,897,173	0	235,503,568	0
2HS Prof Development Fund	24,788,402	0	16,087,684	0	25,126,997	0	16,087,684	0	16,186,268	0	16,186,268	0	16,087,684	0	16,293,119	0	16,293,119	0
2HU Supplemental Millage	1,994,215	0	10,000,000	0	10,000,000	0	10,000,000	0	10,000,000	0	10,000,000	0	10,000,000	0	10,000,000	0	10,000,000	0
2HX Distance Learning Operations	7,496,497	0	6,075,000	0	7,575,000	0	6,075,000	0	7,575,000	0	7,575,000	0	6,075,000	0	7,575,000	0	7,575,000	0
2HY Education Renewal Zones	1,269,814	4	1,456,798	5	1,475,373	5	1,460,655	5	1,460,655	5	1,460,655	5	1,461,385	5	1,461,385	5	1,461,385	5
2JA Content Standards	124,407	0	161,000	0	161,000	0	161,000	0	161,000	0	161,000	0	161,000	0	161,000	0	161,000	0
2JC Teacher Recruitment	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0
2ZH School Funding Contingency	0	0	0	0	25,000,000	0	0	0	25,000,000	0	25,000,000	0	0	0	25,000,000	0	25,000,000	0
2ZK Leadership Acdmy-Mstr Principal	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0
2ZM Master Principal Bonus	164,000	0	90,000	0	200,000	0	90,000	0	208,000	0	208,000	0	90,000	0	208,000	0	208,000	0
2ZS Special Needs Isolated Funding	8,205,066	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0
311 Alternative Learning	22,109,450	0	23,733,153	0	23,733,153	0	23,733,153	0	24,326,354	0	24,812,881	0	23,733,153	0	24,933,568	0	25,940,361	0
326 General Facilities Funding	1,617,839	0	8,100,000	0	8,100,000	0	8,100,000	0	8,100,000	0	8,100,000	0	8,100,000	0	8,100,000	0	8,100,000	0
331 Isolated Funding	2,690,925	0	7,896,000	0	7,896,000	0	7,896,000	0	7,896,000	0	7,896,000	0	7,896,000	0	7,896,000	0	7,896,000	0
332 Student Growth	37,275,518	0	28,500,000	0	28,500,000	0	28,500,000	0	37,690,144	0	37,690,144	0	28,500,000	0	37,690,144	0	37,690,144	0
336 Bonded Debt Assistance	15,466,325	0	28,455,384	0	28,455,384	0	28,455,384	0	28,455,384	0	28,455,384	0	28,455,384	0	28,455,384	0	28,455,384	0
34N 98% URT Actual Collection Adj	19,448,927	0	34,500,000	0	34,500,000	0	34,500,000	0	34,500,000	0	34,500,000	0	34,500,000	0	34,500,000	0	34,500,000	0
380 Dept of Correction	6,220,892	0	5,597,675	0	6,396,775	0	5,597,675	0	6,541,147	0	6,541,147	0	5,597,675	0	6,645,135	0	6,645,135	0
394 Residential Ctrs/Juv Detention	16,344,571	0	15,188,254	0	16,345,087	0	15,188,254	0	16,345,087	0	16,345,087	0	15,188,254	0	16,345,087	0	16,345,087	0
421 Consolidation Incentive	1,917,900	0	0	0	5,640,300	0	0	0	5,868,900	0	5,868,900	0	0	0	5,868,900	0	5,868,900	0

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2013-2014		2014-2015		2014-2015		2015-2016						2016-2017					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
434 Coop Education Tech Centers	1,182,916	0	0	0	1,200,000	0	0	0	1,200,000	0	1,200,000	0	0	0	1,200,000	0	1,200,000	0
437 Teacher Retirement Matching	8,480,097	0	6,655,000	0	11,112,407	0	6,655,000	0	10,730,500	0	10,730,500	0	6,655,000	0	11,803,550	0	11,803,550	0
438 Ntl Bd Prof Teaching Standards	12,329,232	0	9,106,160	0	15,016,160	0	9,106,160	0	13,854,260	0	13,854,260	0	9,106,160	0	13,865,260	0	13,865,260	0
440 Advanced Placement Incentive	823,903	0	825,000	0	825,000	0	825,000	0	825,000	0	825,000	0	825,000	0	825,000	0	825,000	0
444 Criminal Background Checks	1,781	0	25,000	0	25,000	0	25,000	0	25,000	0	25,000	0	25,000	0	25,000	0	25,000	0
445 AR Easter Seals	193,113	0	193,113	0	193,113	0	193,113	0	193,113	0	193,113	0	193,113	0	193,113	0	193,113	0
446 Public School Employee Ins	36,478,204	0	57,373,600	0	57,373,600	0	57,373,600	0	57,373,600	0	57,373,600	0	57,373,600	0	57,373,600	0	57,373,600	0
447 School Food Services	1,650,000	0	0	0	1,650,000	0	0	0	1,650,000	0	1,650,000	0	0	0	1,650,000	0	1,650,000	0
450 Surplus Commodities	1,100,000	0	780,000	0	1,349,810	0	780,000	0	1,125,065	0	1,125,065	0	780,000	0	1,125,065	0	1,125,065	0
451 Grants to School Districts	67,856	0	67,856	0	67,856	0	67,856	0	67,856	0	67,856	0	67,856	0	67,856	0	67,856	0
452 Workers' Compensation	144,831	0	450,000	0	450,000	0	450,000	0	450,000	0	450,000	0	450,000	0	450,000	0	450,000	0
454 School Food-Legislative Audit	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0
457 Gifted & Talented	1,316,244	0	1,085,381	0	1,335,381	0	1,085,381	0	1,335,381	0	1,335,381	0	1,085,381	0	1,335,381	0	1,335,381	0
458 School Worker Defense	47,704	0	0	0	390,000	0	0	0	390,000	0	390,000	0	0	0	390,000	0	390,000	0
459 Assessment/End Course Testing	18,193,198	0	22,250,189	0	24,223,861	0	22,250,189	0	22,250,189	0	22,250,189	0	22,250,189	0	23,350,681	0	23,350,681	0
460 Court Ordered Desegregation	65,789,492	0	69,814,372	0	69,814,372	0	69,814,372	0	65,794,267	0	65,794,267	0	69,814,372	0	65,794,267	0	65,794,267	0
4HM Teacher of the Year	70,932	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0
4HN Declining Enrollment	11,095,697	0	13,963,389	0	13,963,389	0	13,963,389	0	13,963,389	0	13,963,389	0	13,963,389	0	13,963,389	0	13,963,389	0
565 Intervention Block Grants	302,000	0	227,000	0	302,000	0	227,000	0	302,000	0	302,000	0	227,000	0	302,000	0	302,000	0
566 Serious Offender	1,530,306	0	1,050,946	0	1,716,859	0	1,050,946	0	1,716,859	0	1,716,859	0	1,050,946	0	1,716,859	0	1,716,859	0
59V Coord School Health	2,000,000	0	2,000,000	0	2,000,000	0	2,000,000	0	2,000,000	0	2,000,000	0	2,000,000	0	2,000,000	0	2,000,000	0
59W School Facility Joint Use	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0
59X Add Public School Employee Ins	58,000,000	0	15,000,000	0	15,000,000	0	15,000,000	0	15,000,000	0	15,000,000	0	15,000,000	0	15,000,000	0	15,000,000	0
652 Better Chance Program	111,000,000	0	111,000,000	0	111,000,000	0	111,000,000	0	111,000,000	0	111,000,000	0	111,000,000	0	111,000,000	0	111,000,000	0
668 Special Education Services	2,802,527	0	1,145,285	0	2,802,527	0	1,145,285	0	2,802,527	0	2,802,527	0	1,145,285	0	2,802,527	0	2,802,527	0
669 Human Dev Ctr Education Aid	526,150	0	526,150	0	526,150	0	526,150	0	526,150	0	526,150	0	526,150	0	526,150	0	526,150	0
670 Education Service Cooperatives	6,129,270	0	6,129,270	0	6,129,270	0	6,129,270	0	6,129,270	0	6,129,270	0	6,129,270	0	6,129,270	0	6,129,270	0
688 APSCN	20,016,059	44	16,258,757	49	22,875,544	49	16,196,101	48	23,011,203	49	23,168,900	51	16,197,561	48	23,012,794	49	23,170,491	51
697 Early Childhood Special Educ	16,897,918	0	15,623,079	0	16,897,920	0	15,623,079	0	16,897,920	0	16,897,920	0	15,623,079	0	16,897,920	0	16,897,920	0
698 Distance Learning	4,755,732	0	4,760,000	0	4,760,000	0	4,760,000	0	4,760,000	0	4,760,000	0	4,760,000	0	4,760,000	0	4,760,000	0
699 Teacher Licensing/Mentoring	5,000,245	0	5,008,758	0	5,008,758	0	5,008,758	0	5,065,758	0	5,065,758	0	5,008,758	0	5,065,758	0	5,065,758	0
F77 Safe School Init	0	0	0	0	691,500	0	0	0	0	0	0	0	0	0	0	0	0	0
F78 ALE Center-Trans	0	0	0	0	70,000	0	0	0	0	0	0	0	0	0	0	0	0	0

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation		2013-2014		2014-2015		2014-2015		2015-2016						2016-2017					
		Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
F79	Alt Learning Enviro Center - Truancy Ofcr	0	0	0	0	275,000	0	0	0	0	0	0	0	0	0	0	0	0	0
F80	Technology R&D	0	0	0	0	3,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0
F81	School Recognition	0	0	7,000,000	0	10,000,000	0	7,000,000	0	7,000,000	0	7,000,000	0	7,000,000	0	7,000,000	0	7,000,000	0
F82	Inter Baccalaureate Prgm	75,000	0	0	0	75,000	0	0	0	75,000	0	75,000	0	0	0	75,000	0	75,000	0
M74	Broadband Facilities Matching Grant Prog	0	0	0	0	10,000,000	0	0	0	5,000,000	0	5,000,000	0	0	0	5,000,000	0	5,000,000	0
Total		2,737,539,760	48	2,775,897,304	54	2,881,618,770	54	2,775,838,505	53	2,874,073,840	54	2,906,645,729	56	2,775,840,695	53	2,882,728,367	54	2,965,263,537	56

Funding Sources			%		%			%		%		%		%		%		%
Fund Balance	4000005	67,285,943	2.4	60,828,723	2.1		56,901,369	2.0	56,901,369	2.0	56,901,369	2.0	53,032,814	1.9	24,310,582	0.8	6,076,350	0.2
Court Ordered Desegregation	4000180	65,770,577	2.4	65,794,267	2.3		65,794,267	2.3	65,794,267	2.3	65,794,267	2.3	65,794,267	2.3	65,794,267	2.3	65,794,267	2.3
DOE Public School Fund	4000195	2,008,442,215	71.8	2,073,953,020	73.2		2,073,953,020	73.3	2,110,466,123	72.8	2,124,803,780	72.9	2,073,955,210	73.4	2,116,831,989	73.7	2,151,532,000	74.5
E-Rate Credit	4000207	1,059,943	0.0	0	0.0		0	0.0	8,000,000	0.3	8,000,000	0.3	0	0.0	8,000,000	0.3	8,000,000	0.3
Educational Adequacy Fund	4000210	434,031,541	15.5	434,031,542	15.3		434,031,542	15.3	434,031,542	15.0	434,031,542	14.9	434,031,542	15.4	434,031,542	15.1	434,031,542	15.0
Educational Excellence Fund	4000220	195,093,476	7.0	200,606,121	7.1		200,606,121	7.1	200,606,121	6.9	200,606,121	6.9	200,606,121	7.1	200,606,121	7.0	200,606,121	6.9
General Improvement Fund	4000265	48,000,000	1.7	0	0.0		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
M & R Sales	4000340	18,914	0.0	0	0.0		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Miscellaneous Adjustments	4000345	8,481,603	0.3	0	0.0		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
TANF Transfer	4000478	7,500,000	0.3	7,500,000	0.3		7,500,000	0.3	7,500,000	0.3	7,500,000	0.3	7,500,000	0.3	7,500,000	0.3	7,500,000	0.3
Trnfr frm DOE Pub School Fund	4000525	(38,623,904)	(1.4)	(11,115,000)	(0.4)		(11,115,000)	(0.4)	(11,115,000)	(0.4)	(11,115,000)	(0.4)	(11,115,000)	(0.4)	(11,115,000)	(0.4)	(11,115,000)	(0.4)
Transit Tax	4000700	1,308,175	0.0	1,200,000	0.0		1,200,000	0.0	1,200,000	0.0	1,200,000	0.0	1,200,000	0.0	1,200,000	0.0	1,200,000	0.0
Unfunded Appropriation	4000715	0	0.0	0	0.0		0	0.0	25,000,000	0.9	25,000,000	0.9	0	0.0	25,000,000	0.9	25,000,000	0.9
Total Funds		2,798,368,483	100.0	2,832,798,673	100.0		2,828,871,319	100.0	2,898,384,422	100.0	2,912,722,079	100.0	2,825,004,954	100.0	2,872,159,501	100.0	2,888,625,280	100.0
Excess Appropriation/(Funding)		(60,828,723)		(56,901,369)			(53,032,814)		(24,310,582)		(6,076,350)		(49,164,259)		10,568,866		76,628,257	
Grand Total		2,737,539,760		2,775,897,304			2,775,838,505		2,874,073,840		2,906,645,729		2,775,840,695		2,882,728,367		2,965,263,537	

Agency Position Usage Report

FY2012 - 2013						FY2013 - 2014						FY2014 - 2015					
Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused
	Filled	Unfilled	Total				Filled	Unfilled	Total				Filled	Unfilled	Total		
54	41	12	53	1	24.07 %	53	42	11	53	0	20.75 %	53	42	12	54	-1	20.75 %

Total Budgeted positions exceed Authorized due to positions authorized by Act 291 of 2014, Section 25.

Analysis of Budget Request

Appropriation: 2HY - Education Renewal Zones

Funding Sources: JAA - Department of Education Public School Fund

The Office of Educational Renewal Zones is responsible for developing guidelines for the approval of education renewal zone strategic plans and guidelines for the evaluation and reporting of education renewal zone activities. The purpose of an education renewal zone is to: identify and implement education and management strategies designed specifically to improve public school performance and student academic achievement, with special focus on the State's most academically distressed public schools; provide for collaboration among the State's smaller schools and districts in order to achieve some of the advantages of economies of scale in providing educational and related activities; maximize benefits and outcomes of public schooling by concentrating and coordinating the resources of Arkansas' higher education institutions, the expertise of the regional education service cooperatives, and the technical assistance of other service providers to improve public school performance and student academic achievement; and enable small, rural, and low-wealth schools to make the best use of the latest cost-effective distance learning technology to enhance curricula and professional development through two-way interactive learning environments.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries do not include appropriation for Merit Pay Increases.

The Agency requests Base Level of \$1,460,655 in FY16 and \$1,461,385 in FY17.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2HY - Education Renewal Zones
Funding Sources: JAA - Department of Education Public School Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	178,974	248,972	259,688	251,647	251,647	251,647	252,247	252,247	252,247
#Positions		4	5	5	5	5	5	5	5	5
Personal Services Matching	5010003	63,564	78,676	86,535	79,858	79,858	79,858	79,988	79,988	79,988
Operating Expenses	5020002	30,375	91,800	91,800	91,800	91,800	91,800	91,800	91,800	91,800
Conference & Travel Expenses	5050009	2,596	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000
Professional Fees	5060010	19,155	306,900	306,900	306,900	306,900	306,900	306,900	306,900	306,900
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	975,150	717,450	717,450	717,450	717,450	717,450	717,450	717,450	717,450
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		1,269,814	1,456,798	1,475,373	1,460,655	1,460,655	1,460,655	1,461,385	1,461,385	1,461,385
Funding Sources										
DOE Public School Fund	4000195	1,269,814	1,456,798		1,460,655	1,460,655	1,460,655	1,461,385	1,461,385	1,461,385
Total Funding		1,269,814	1,456,798		1,460,655	1,460,655	1,460,655	1,461,385	1,461,385	1,461,385
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		1,269,814	1,456,798		1,460,655	1,460,655	1,460,655	1,461,385	1,461,385	1,461,385

Analysis of Budget Request

Appropriation: 688 - APSCN

Funding Sources: JAA - Department of Education Public School Fund

Arkansas Public School Computer Network (APSCN) - From a non-profit Agency begun in 1992, APSCN became a part of the Department of Education in 1998. APSCN's mission is to implement a statewide data communication network that connects all Arkansas public school systems and Education Service Cooperatives with the Department of Education to provide electronic access to administrative computing services and remote instructional services. Schools, district offices and Cooperatives use APSCN to process financial and student data.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries do not include appropriation for Merit Pay Increases.

The Base Level Request is \$16,196,101 in FY16 and \$16,197,561 in FY17, with general revenue funding of \$16,196,101 in FY16 and \$16,197,561 in FY17.

The Agency requests a Change Level of unfunded appropriation of \$6,815,102 in FY16 and unfunded appropriation of \$6,815,233 in FY17 as follows:

- Regular Salaries and Personal Services Matching of \$115,102 for FY16 and \$115,233 for FY17 for restoration of one (1) position and reclassification of five (5) positions.
- Operating Expenses of \$6,500,000 to restore appropriation not budgeted in FY15 due to a delay in receipt of E-Rate refunds.
- Capital Outlay of \$200,000 for unforeseen needs that may occur in the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency request for unfunded appropriation. In addition, the Executive Recommendation provides for the transfer of two (2) positions from the Department of Information Systems to support the APSCN program.

Appropriation Summary

Appropriation: 688 - APSCN

Funding Sources: JAA - Department of Education Public School Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	2,086,170	2,435,581	2,330,477	2,383,415	2,473,712	2,594,987	2,384,615	2,474,912	2,596,187
#Positions		44	49	49	48	49	51	48	49	51
Personal Services Matching	5010003	690,085	770,087	791,978	759,597	784,402	820,824	759,857	784,793	821,215
Operating Expenses	5020002	17,233,124	12,745,839	19,245,839	12,745,839	19,245,839	19,245,839	12,745,839	19,245,839	19,245,839
Conference & Travel Expenses	5050009	6,680	7,250	7,250	7,250	7,250	7,250	7,250	7,250	7,250
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	200,000	0	200,000	200,000	0	200,000	200,000
Data Access Implementation	5900046	0	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Total		20,016,059	16,258,757	22,875,544	16,196,101	23,011,203	23,168,900	16,197,561	23,012,794	23,170,491
Funding Sources										
DOE Public School Fund	4000195	18,956,116	16,258,757		16,196,101	16,196,101	16,196,101	16,197,561	16,197,561	16,197,561
E-Rate Credit	4000207	1,059,943	0		0	6,500,000	6,500,000	0	6,500,000	6,500,000
Total Funding		20,016,059	16,258,757		16,196,101	22,696,101	22,696,101	16,197,561	22,697,561	22,697,561
Excess Appropriation/(Funding)		0	0		0	315,102	472,799	0	315,233	472,930
Grand Total		20,016,059	16,258,757		16,196,101	23,011,203	23,168,900	16,197,561	23,012,794	23,170,491

FY15 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2013-2015 Biennium.

Change Level by Appropriation

Appropriation: 688 - APSCN
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	16,196,101	48	16,196,101	100.0	16,197,561	48	16,197,561	100.0
C05	Unfunded Appropriation	6,700,000	0	22,896,101	141.4	6,700,000	0	22,897,561	141.4
C06	Restore Position/Approp	93,287	1	22,989,388	141.9	93,287	1	22,990,848	141.9
C10	Reclass	21,815	0	23,011,203	142.1	21,946	0	23,012,794	142.1

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	16,196,101	48	16,196,101	100.0	16,197,561	48	16,197,561	100.0
C05	Unfunded Appropriation	6,700,000	0	22,896,101	141.4	6,700,000	0	22,897,561	141.4
C06	Restore Position/Approp	93,287	1	22,989,388	141.9	93,287	1	22,990,848	141.9
C07	Agency Transfer	157,697	2	23,147,085	142.9	157,697	2	23,148,545	142.9
C10	Reclass	21,815	0	23,168,900	143.1	21,946	0	23,170,491	143.0

Justification

C05	The ADE requests the restoration of non-general-revenue-funded appropriation that was unbudgeted in FY15 due to the delay in receiving E-rate refunds (\$6,500,000 each year of the biennium). Funding for these E-rate refunds is expected to be restored in FY16. Additionally, the ADE is requesting unfunded appropriation of \$200,000 each year for unforeseen Capital Outlay needs of the Arkansas Public School Computer Network (APSCN) that may occur in the 2015-2017 biennium.
C06	The ADE requests the restoration of one (1) pool position that was established by the authority of Section 25 of Act 1310 of 2013. This same authority requires that if the agency requests the continuation of a Pool Position in the next fiscal year, it must be requested as a new position. The Pool Position being requested to continue is a G012C ADE Assistant to Director, Grade C129 position. This position was created to provide support and maintenance to APSCN's District Data warehouse and to build reports from both the statewide data warehouse and the district data warehouse using the Cognos Business Tools. Prior to implementing this position, ADE had a \$543,636 annual contract with DecisionEd to provide this service. It was determined that this position would save the State of Arkansas at least \$400,000 per year. The total change level request to restore this pool position is \$93,287, and the ADE is requesting this as unfunded appropriation.
C07	The Executive Recommendation provides for a transfer of two (2) positions from the Department of Information Systems to the Department of Education Public School Fund APSCN appropriation (688).
C10	APSCN is also requesting the reclassification of five positions. In response to the Agency's growing information technology needs and operations, the ADE requests the upgrade of the current C122; C123; C124 APSCN positions to C126; C127; C128 positions respectively. It is a significant challenge to keep up with the attrition rate and to find qualified technology staff under the current salary structure in the prevailing market. Presently, the ADE is unable to competitively recruit at the entry pay level for several positions and an acute shortage of qualified applications exists. The change level request generated by these reclassifications totals \$17,797 per year of the biennium, and the ADE is requesting this as unfunded appropriation.

Analysis of Budget Request

Appropriation: PSF - Public School Fund

Funding Sources: JAA - Department of Education Public School Fund

The Department of Education Public School Fund provides the primary State financial assistance to Arkansas' public elementary and secondary schools. For FY15 the major projected funding sources are: General Revenue of approximately \$2.073 billion, the Educational Excellence Trust Fund \$200.6 million and the Educational Adequacy Fund \$434 million. The following summarizes the fiscal status and change level requests for each program in the Department of Education Public School Fund.

Smart Start/Smart Step Assessment (057) - This is a comprehensive initiative that focuses on improving the academic achievement of Kindergarten through fourth grade students in the areas of reading and mathematics. This program has been expanded to include Smart Step and Next Step which covers grades five through eight. A state network of literacy and mathematics specialists assist schools with professional development to maintain a highly qualified teaching staff. The program provides professional development opportunities and a variety of resources to all K-12 educators through statewide conferences, regional workshops and satellite delivered meetings.

The Agency requests unfunded appropriation of \$2,526,369 each year to restore appropriation to previously authorized levels.

The Executive Recommendation provides for the Agency Request.

English Language Learners (082) - English Language Learners serves students identified as not being proficient in the English language. This program helps school districts to provide specially-trained staff, instructional materials and training for teachers of these qualified students. Summer training academies are offered to teachers desiring additional training in teaching and assisting these students. A.C.A. §6-20-2305(3)(b)(A) states that beginning with the 2012-2013 school year English language learners funding shall be \$317 for each identified English language learner.

The Agency requests Base Level appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for additional appropriation and general revenue funding of \$280,093 in FY16 and additional appropriation of \$565,788 and general revenue funding of \$285,695 in FY17.

At Risk (088) - The College Preparatory Enrichment Program (CPEP) is funded from the At Risk appropriation. The program provides remedial instruction during the summer for students entering the eleventh and twelfth grade whose scores on the American College Test (ACT) are below 19 in the areas of reading and/or mathematics. The students are provided 75 hours of instruction over a minimum of twenty days. At the conclusion of the program, students are given the opportunity to take the ACT; the cost is covered by the program. This is a special administration of the ACT for students who have successfully completed the CPEP program. This program has been replaced by the College and Career Readiness Planning Program (CCRPP).

The Agency requests unfunded appropriation of \$300,000 each year to disburse prior year refunds from the College and Career Readiness Planning Program (CCRPP).

The Executive Recommendation provides for the Agency Request.

Special Education - Catastrophic (091) - This provides for state funding to school districts for local occurrences when costs of special education and related services required by an individual child are unduly expensive, extraordinary, or beyond the routine and normal costs associated with special education. Reimbursement from this program for an individual child can be sought only after eligible costs equal or exceed \$30,000 for the special education child. Medicaid and other third party funding is obtained prior to requesting state catastrophic funding.

The Agency requests Base Level appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Youth Shelters (094) - The Department of Human Services (DHS) maintains contracts with community providers for operation of 10 youth shelters with approximately 250 beds. This program partially reimburses school districts for the additional costs of providing educational services to students placed in these facilities by DHS.

The Agency requests Base Level appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Technology Improvements (108) - This program is used to update the technology hardware and software available to Educational Service Cooperatives and local school districts. The funds are also used to make educational technology resources available through statewide projects such as APSCN and joint efforts with the state library system.

The Agency requests Base Level appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Technology Grants (119) - This program provides technology grants to school districts for such programs as the Environmental and Spatial Technology (EAST) Initiative. The EAST program has received high praise from local school administrators and parents as well as national recognition. Through the schools' EAST labs, students use technology, training, and knowledge to solve real-world problems facing their communities.

The Agency requests Base Level appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Distressed School District Support (136) - The Arkansas Academic Distress Program was legislated by Act 915 of 1995 to improve the capacity of local school districts whose students are not achieving at academically desired levels by school through targeted assistance coordinated by the Department of Education.

The Agency requests Base Level appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Home School Testing (150) - Each student enrolled in a home school program who is considered to be at grade level or no more than two (2) years beyond the normal age for the appropriate grade for which the state mandates norm-referenced tests for public school students shall be tested using a nationally recognized norm-referenced achievement test selected by the State Board of Education.

The Agency requests Base Level appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Non-Traditional Licensure Grants (1PS) - This program supplements the cash funded Alternative Certification program which was developed by the Department of Education for certifying individuals that have expertise and knowledge in a particular subject, but do not have the standard teaching certificate, to teach.

The Agency requests Base Level appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Content Standards and Curriculum Frameworks Revision (1QV) - Act 1706 of 2003 grants appropriation for expenses associated with the development of a comprehensive plan to revise content standards and curriculum frameworks in the core academic areas of reading, writing, mathematics, science, history, geography, and civics.

The Agency requests Base Level appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Economic Education (1XE) - The objective of this program is to integrate economics into the K-12 curriculum by training teachers and administrators in economic principles.

The Agency requests unfunded appropriation of \$50,000 due to the increase in the number of teachers trained from 1,000 during the 2006-2007 school year to 1,724 during the 2012-2013 school year.

The Executive Recommendation provides for the Agency Request.

State Foundation Funding (2HP) - State Foundation Funding is the amount of state financial aid provided to each school district. Act 59 of the Second Extraordinary Session of 2003 changed the process by which aid is distributed to school districts. Act 1467 of 2013 amended A.C.A. § 6-20-2305(a) to establish the Foundation Funding amount as \$6,521 in FY15 multiplied by the school district's average daily membership (ADM) for the previous school year.

The amount paid as State Foundation Funding is computed as the difference between the Foundation Funding amount established by the General Assembly (\$6,521 for FY15) times the ADM of the previous school year and less the sum of 98% of the uniform rate of tax (25 mills) times the property assessment of the school district plus 100% of miscellaneous funds (average over a 5 year period) of the school district. Open-Enrollment Charter Schools are also funded from the Foundation Funding line item at the Foundation amount times the current year ADM of the school.

The Agency requests a Change Level of \$17,744,783 in FY16 and \$14,152,155 in FY17 to restore appropriation and to provide funding for the projected phase-in of Majority to Minority (M to M) students into school district ADM counts for the calculation of state foundation funding aid in compliance with the settlement agreement approved January 2014 regarding state desegregation funding.

The Executive Recommendation provides for the Agency Request appropriation only; and additional appropriation of \$29,851,916 and general revenue funding of \$47,596,699 in FY16 and additional appropriation of \$77,198,497 and general revenue funding of \$73,554,240 in FY17.

National School Lunch Student Funding (2HR) - Funding for national school lunch students is based on the number of students eligible for free or reduced-price lunch program under the National School Lunch Act (NSLA) identified on the Arkansas Public School Computer Network Cycle Two Report.

The current rates for the NLSA as listed in A.C.A. § 6-20-2305(b)(4)(A), are:

- School districts in which 90% or greater of the enrolled students are national school lunch students, funding shall be \$1,549;
- For school districts in which at least 70% but less than 90% of the enrolled students are national school lunch students, funding shall be \$1,033; and
- For school districts in which less than 70% of the enrolled students are national school lunch students, funding shall be \$517.

The Agency requests a Change Level for general revenue funding and appropriation of \$8,886,391 in FY16 and \$18,128,630 in FY17 is for projected growth in NSLA for the biennium.

The Executive Recommendation provides for the Agency Request appropriation only and provides general revenue funding of \$1,795,656 in FY16 and additional appropriation of \$3,606,395 and general revenue funding of \$1,810,739 in FY17.

Professional Development Funding (2HS) - This aid, through A.C.A. § 6-20-2305(b)(5), is a formula driven program that provides \$32.50 per the previous year ADM students to school districts for professional development activities. Professional development is used to provide activities and materials to improve the knowledge of teachers and administrators to ensure all students demonstrate proficiency in the state academic standards.

The Agency requests a Change Level for general revenue funding and appropriation of \$98,594 for FY16 and \$205,435 for FY17 for projected Average Daily Membership growth in charter schools.

The Executive Recommendation provides for additional appropriation and general revenue funding of \$98,584 in FY16 and \$205,435 in FY17.

Supplemental Millage Incentive Funding (2HU) - Act 1 of the First Extraordinary Session of 2013 allowed the savings of this program during each fiscal year be transferred to the Employee Benefits Division of the Department of Finance and Administration for the exclusive benefit of public school employee participants in the State and Public School Life and Health Insurance Program.

The Agency requests Base Level appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Distance Learning Operating Grants (2HX) - These grants provide funding for acquiring and or leasing equipment and telecommunications services, and operating expenses necessary for school districts to have two-way interactive television for distance learning education. This enables school districts to receive advanced high school courses, advanced placement courses, enriched course content, or other academic courses not otherwise available in the school district.

The Agency requests unfunded appropriation of \$1,500,000 to restore appropriation for E-Rate refunds. The refunds are expected to be restored in FY16.

The Executive Recommendation provides for the Agency Request.

Content Standards Revision (2JA) - This is for the associated cost of the periodic review and revision of Academic Content Standards as required by A.C.A. §6-15-404(c). Academic Content Standards are documents that specify what a student enrolled in a public school should know and be able to do. The Academic Content Standards also provide the foundation for the development of the State assessment system.

The Agency requests Base Level appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Teacher Recruitment High-Priority District (2JC) - A.C.A. §6-17-811 requires the Department of Education provide a system of incentives for teacher recruitment and retention in high-priority districts. A "high-priority district" is one that has 1,000 or fewer students in which 80% or more public school students are eligible for the free or reduced-price lunch program under the National School Lunch Act and have a three-quarter ADM of 1,000 or fewer for the 2003-2004 school year. Beginning in the 2004-2005 school year, a teacher licensed by the state board who teaches in a school in a high-priority district shall receive, in addition to all other salary and benefits, bonus payments as specified by law.

The Agency requests Base Level appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

School Funding Contingency (2ZH) - This unfunded appropriation is used to address unforeseen problems that arise during the course of a biennium. Special language allows the transfer of this appropriation to address problem areas.

The Agency requests \$25,000,000 of unfunded appropriation in each year to enable the Department of Education to address unforeseen circumstances that may arise in each fiscal year.

The Executive Recommendation provides for the Agency Request.

Leadership Academy - Master Principal (2ZK) - The Arkansas Leadership Academy is responsible for administration of the Master School Principal Program which provides training programs and opportunities to expand the knowledge base and leadership skills of public school principals, teachers, superintendents and other administrators, and school board members.

The Agency requests Base Level appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Master Principal Bonus (2ZM) - This provides incentive bonuses for principals achieving Master Principal status through the Arkansas Leadership Academy; it allows for \$9,000 annually for five years while serving as a full-time principal in a public school in Arkansas; and provides for \$25,000 annually while working as a full time principal in an Arkansas "low-performing" school.

The Agency requests unfunded appropriation of \$118,000 each year restore appropriation and to provide for program growth during the biennium.

The Executive Recommendation provides for Agency Request.

Special Needs Isolated (22S) - Act 1452 of 2005 created this program for certain isolated schools and certain school districts with a low student density. The program allows these schools that meet the eligibility criteria set by the Department to receive additional funding to provide for an adequate education for the students.

The Agency requests Base Level appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Alternative Learning (311) - A.C.A. §6-18-508 requires every school district to establish an alternative learning environment (ALE) for students who have shown an inability to function in a standard learning environment. It requires the Department establish an incentive program for districts whose ALE programs meet Department guidelines. ALE's must provide all educational programs available in other classrooms, and must provide services to meet the needs of this group of at-risk children. Additionally, A.C.A. §6-20-2305(b)(2)(A)(i) establishes the ALE funding amount for FY2015 shall be \$4,383 multiplied by the number of identified ALE students enrolled during a school district's previous school year.

The Agency requests a Change Level of \$593,201 for FY16 and \$1,200,415 in FY17 to provide for the growth in the number of students in Alternative Learning.

The Executive Recommendation provides for the Agency Request appropriation only and additional appropriation of \$486,527 and general revenue funding of \$1,079,728 in FY16 and additional appropriation of \$520,266 and general revenue funding of \$1,720,681 in FY17.

General Facilities Funding (326) - Act 1 of the First Extraordinary Session of 2013 allowed the savings of this program during each fiscal year be transferred to the Employee Benefits Division of the Department of Finance and Administration for the exclusive benefit of public school employee participants in the State and Public School Life and Health Insurance Program.

The Agency requests Base Level appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Isolated Funding (331) - Due to location or geographic barriers, some districts are not able to share resources with other districts or may have unusual transportation needs. These districts under 350 Average Daily Membership (ADM) are termed "isolated" and receive additional funding. Act 65 of the Second Extraordinary Session of 2003 established 56 "isolated" school districts and set a per student dollar amount to be paid to each district for the 2003-04 school year. Beginning in the 2004-05 school year, and each year thereafter, isolated funding will be provided to each district in an amount equal to the prior year three-quarter average daily membership of the isolated school area multiplied by the per student isolated funding amount set for the 2003-04 school year.

The Agency requests Base Level appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Student Growth Funding (332) - This program provides supplemental funding to school districts that have a growth in students over the previous school year. Pursuant to Act 272 of 2007, student growth funding is comprised of four calculations. One quarter (1/4) of the per student foundation funding is multiplied by any increase in the school district's: (1) first quarter current year Average Daily Membership (ADM) over the 3-quarter ADM of the previous school year; (2) second quarter current year ADM over the 3-quarter ADM of the previous school year; (3) third quarter current year ADM over the 3-quarter ADM of the previous school year; and (4) fourth quarter current year ADM over the 3-quarter ADM of the previous school year, excluding any increase resulting solely from consolidation or annexation with another district.

The Agency requests a Change Level of \$9,190,144 each year based upon the average number of students funded by student growth from FY12, FY13, and FY14, and multiplying that average by the FY15 foundation funding amount of \$6,521.

The Executive Recommendation provides for the Agency Request appropriation only.

Bonded Debt Assistance (336) - A.C.A. §6-20-2503 created the Bonded Debt Assistance Program to enable the Division of Public School Academic Facilities and Transportation to provide eligible school districts with financial assistance to retire outstanding bonded indebtedness in existence as of January 1, 2005. The Commission for Public School Academic Facilities and Transportation directs the Division to work with the Department of Education to determine the amount of financial assistance for each eligible school district. The Division is responsible for ascertaining the scheduled debt payment on a fiscal year basis from the principal and interest payment in effect and on file with the Department. The available funding after final payments have been made for this program are then transferred to the Education Partnership Fund.

The Agency requests Base Level appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

98% URT Actual Collection Adjustment (34N) - To insure every public school district receives the full amount of Foundation Funding, the 86th General Assembly created Act 272 of 2007, amending A.C.A. §6-20-2305(a)(4)(A), which states by the end of each school year, for a school district whose net revenues are less than the sum of 98% of the uniform rate of tax (URT) multiplied by the property tax assessment of the school district, the Department of Education shall distribute to the school district the difference between the net revenues of the school district and the sum of 98% of the URT multiplied by the property assessment of the school district.

The Agency requests Base Level appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Department of Correction (380) - A.C.A. §12-29-301 et seq. established the Department of Correction School District and established a formula to determine the funding level and states that the cost of running the Department of Correction School District shall be borne by the Department of Correction and the Department of Education.

The Agency requests unfunded appropriation of \$943,472 in FY16 and \$1,047,460 in FY17 to restore appropriation to previously authorized levels and provide for growth in the program during the biennium.

The Executive Recommendation provides for the Agency Request.

Residential Centers/Juvenile Detention (394) - This program provides reimbursement to school districts for educational costs associated with disabled and non-disabled students placed in approved residential psychiatric and drug and alcohol treatment facilities or juvenile detention centers.

The Agency requests unfunded appropriation of \$1,156,833 to restore appropriation to previously authorized levels.

The Executive Recommendation provides for Agency Request.

Consolidation Incentive (421) - These additional funds are provided to schools created as a result of consolidation of existing school districts. These unrestricted funds may be used at the discretion of the local school district.

The Agency requests unfunded appropriation of \$5,868,900 for two (2) projected consolidations each year.

The Executive Recommendation provides for the Agency Request.

Cooperative Education Tech Centers (434) - Technology Coordinators in the Education Service Cooperatives assist local school districts by providing technology training, advising school districts in software/hardware purchases and overseeing technology initiatives. This program provides grants to each of the State's 15 Education Service Cooperatives.

The Agency requests unfunded appropriation of \$1,200,000 to restore appropriation to previously authorized levels.

The Executive Recommendation provides for the Agency Request.

Teacher Retirement Matching (437) - This is the employer matching for employees of the Education Service Cooperatives, Vocational Centers, the Model Vocational-Technical Resource Center, Arkansas Easter Seals and the school operated by the Department of Correction.

The Agency requests unfunded appropriation of \$4,075,500 in FY16 and \$5,148,550 in FY17 to restore appropriation and provide for the increase in the number of participants in the program.

The Executive Recommendation provides for the Agency Request.

National Board of Professional Teaching Standards (438) - A.C.A. §6-17-413(a)(1)(A) requires teacher support in three distinct areas related to state support of advanced national teacher certification: bonuses to National Board Certified Teachers (NBCT), participation fees and substitute pay required for candidacy, and a support system for those candidates.

The Agency requests unfunded appropriation of \$4,748,100 in FY16 and \$4,759,100 in FY17 to restore appropriation and to provide for increasing candidate support costs.

The Executive Recommendation provides for the Agency Request.

Advanced Placement Incentive (440) - This is to establish advanced placement courses that are easily accessible and will prepare students for admission to, and success in, a postsecondary educational environment. The major aspect to this incentive program is for support for professional development of AP and Pre-AP teachers.

The Agency requests Base Level appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Criminal Background Checks (444) - This program covers the cost of both state and federal criminal background checks for the first renewal of non-expired licenses for certified personnel. The checks cost \$15 for the State Police check and \$24 for the FBI.

The Agency requests Base Level appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Arkansas Easter Seals (445) - This program funds partially the cost of educational services provided by the Easter Seal Society to children ages 3 to 21 who have orthopedic and/or communicative disorders. This funding reduces the amount local school districts must pay for these educational services and qualifies the facility federally as "state supported" and are eligible for federal funds, further reducing the cost to local school districts.

The Agency requests Base Level appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Public School Employee Insurance (446) - This program pays the state contribution for insurance premiums for employees of the Education Service Cooperatives, Vocational Centers, the Model Vocational-Technical Resource Center, Arkansas Easter Seals, and the school operated by the Department of Correction, and \$151 per month for each eligible employee electing to participate in the public school employee health insurance program.

The Agency requests Base Level appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

School Food Services (447) - This program combined with the Surplus Commodities program provides the State match for the total school food program in local schools. Grants are awarded to school districts based on the number of lunches served.

The Agency requests unfunded appropriation of \$1,650,000 to restore appropriation to previously authorized levels.

The Executive Recommendation provides for the Agency Request.

Surplus Commodities (450) - The Department of Human Services administers the Surplus Commodities Program. School districts currently receive a large share of the commodities. By agreement with DHS, the Department of Education provides funding to supplement transportation costs resulting from delivery of the goods to the school districts.

The Agency requests unfunded appropriation of \$345,065 to maintain the program at the current operating level.

The Executive Recommendation provides for the Agency Request.

Grants to School Districts (451) - Grants are awarded for educating students in North Arkansas who cannot attend their assigned district because Bull Shoals Lake separates them from their district; which would require a round trip of more than 35 miles to attend their assigned school.

The Agency requests Base Level appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Workers' Compensation (452) - Claims and administrative expenses are paid by a fund transfer to the Miscellaneous Revolving Fund based on the previous year's claims. This appropriation is for claims made before 1994-95 when districts were required by Act 862 of 1993 to provide their own workers' compensation coverage.

The Agency requests Base Level appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

School Food - Legislative Audit (454) - This is a fund transfer of up to \$75,000 each year to compensate Legislative Audit for auditing school food funds in the local school districts.

The Agency requests Base Level appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Gifted and Talented (457) - This program provides: (1) salary support for 15 Gifted and Talented supervisors in the Cooperatives; (2) funding for the Arkansas Governor's School; (3) Act 56 - Outstanding Gifted Program Awards (3 annually); and, (4) an annual contribution to the AGATE (Arkansans for Gifted and Talented Education) Conference.

The Agency requests unfunded appropriation of \$250,000 to restore appropriation to previously authorized levels.

The Executive Recommendation provides for the Agency Request.

School Worker Defense (458) - This program provides for claims and legal fees for liability suits against school personnel.

The Agency requests unfunded appropriation of \$390,000 for the 2015-2017 Biennium to restore appropriation to previously authorized levels.

The Executive Recommendation provides for the Agency Request for unfunded appropriation.

Assessment/End of Level Testing (459) - A.C.A. §6-15-404 requires standards based testing at the primary, intermediate, and middle levels, which currently is administered at grades 4, 6, and 8. It also requires end-of-course testing for Algebra, Geometry, and Literacy (grade 11). Advanced Placement exams are included in this appropriation and also awards of up to \$50 to schools for each score of 3 or better on AP exams.

The Agency requests Base Level for FY16 and unfunded appropriation of \$1,100,492 in FY17 due to increasing costs of benchmark and end-of-course exams due to implementation of PARCC and increasing numbers of students taking AP exams.

The Executive Recommendation provides for the Agency Request.

Court Ordered Desegregation (460) - This appropriation was established for costs of the Pulaski County School Desegregation Settlement Agreement and the Camden Fairview Desegregation Settlement.

The Agency requests a decrease of \$4,020,105 each year due to the settlement approved in January 2014, which set the state's obligation at \$65,794,267.

The Executive Recommendation provides for the Agency Request.

Teacher of the Year (4HM) - The Arkansas Teacher of the Year award requires the Department of Education to develop a selection process for the award and provides that the teacher shall be placed on administrative leave for the year following his or her selection to assist with improving teaching conditions in the state.

The Agency requests Base Level appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Declining Enrollment (4HN) - School districts with declining enrollment are provided additional funding equal to the difference between the average of the two immediately preceding years' average daily membership and the average daily membership for the previous school year multiplied by Foundation Funding or the special needs isolated funding under A.C.A. § 6-20-604. A school district may receive both declining enrollment funding and special needs isolated funding only if sufficient funding is available.

The Agency requests Base Level appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Intervention Block Grants (565) - Grants are provided to local school districts, schools and education cooperatives to encourage parental involvement. The grants support the Smart Start and Smart Step Initiatives by providing the child's first teacher, the parent, with resources that will support literacy and mathematics achievement.

The Agency requests unfunded appropriation of \$75,000 to restore appropriation to previously authorized levels.

The Executive Recommendation provides for the Agency Request for appropriation with no new general revenue funding.

Serious Offender Program (566) - Serious Offender Units for juveniles are operated by the Department of Human Services; but the Department of Education pays the educational costs of those located in these units through a Memorandum of Understanding (MOU) with DHS. School districts are provided funds based on the number of Serious Offender participants in the district. Currently there are Serious Offender Programs (SOP) located in Mansfield, Harrisburg, Lewisville, Palestine-Wheatley, and Dermott school districts.

The Agency requests unfunded appropriation of \$665,913 to restore appropriation to previously authorized levels.

The Executive Recommendation provides for the Agency Request for unfunded appropriation.

Coordinated School Health (59V) - This facilitates relationships between schools and communities through collaborative partnerships to provide or improve existing student health services and garner existing local resources.

The Agency requests Base Level appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

School Facility Joint Use Support (59W) - This program encourages schools to allow use of their indoor and outdoor facilities, by the public and by community members as an accessible and safe environment for community and family physical activity.

The Agency requests Base Level appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Additional Public School Employee Health Insurance (59X) - The Department of Education can pay up to \$15,000,000 in additional health insurance contributions for eligible employees electing to participate in the public school employees' health insurance program administered by the State and Public School Life and Health Insurance Board. The Department of Education is authorized to make these payments if 98% of the URT used in the calculation for State Foundation Funding Aid exceeds \$920,731,819.

The Agency requests Base Level appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Better Chance Program (652) - This funds innovative and developmentally appropriate early childhood programs for educationally deprived children aged 3-5. Act 1132 of 1997 transferred the Early Childhood Commission to the Department of Human Services with the Grants remaining with the Department of Education.

The Agency requests Base Level appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Special Education Services (668) - This provides extended year summer programs for students with disabilities, provides special education services to foster children who are wards of the State placed in out-of-state residential facilities, and provides funds for the partial reimbursement of special education supervisors.

The Agency requests unfunded appropriation of \$1,657,242 to restore appropriation to previously authorized levels.

The Executive Recommendation provides for the Agency Request for unfunded appropriation.

Human Development Center Education Aid (669) - This program provides funding for educational services to the children in the State's Human Development Centers.

The Agency requests Base Level appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Education Service Cooperatives (670) - The fifteen (15) educational cooperatives of the State facilitate sharing of resources and services between local school districts.

The Agency requests Base Level appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Early Childhood Special Education (697) - Special education services are provided through local education agencies for three to five year old preschool children with disabilities. Funds are provided to Education Service Cooperatives for behavioral intervention services to all community preschool programs as well as coordinate required transition activities for children ages 0 - 2 that will remain in special education as 3 - 5 preschoolers. This program includes the Medicaid state match for preschool programs for physical, occupational, and speech therapy services.

The Agency requests unfunded appropriation of \$1,274,841 to restore appropriation to previously authorized levels.

The Executive Recommendation provides for the Agency Request for unfunded appropriation.

Distance Learning (698) - This program provides for the establishment, organization, and administration of a distance learning program designed to improve course offerings available to students throughout the state. The program will demonstrate the efficiency of using distance learning to enhance elementary and secondary education and prepare students for greater success in a postsecondary educational environment.

The Agency requests Base Level appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Teacher Licensure/Mentoring (699) - The Arkansas Induction program is for new teachers and administrators. The Induction program provides Pathwise mentoring for support, retention, and professional growth of new educators. There are 200 mentor trainers certified statewide, and 12,000 mentors successfully trained in the Pathwise Observation mentoring model. Praxis III, a component of the Induction program is the teaching performance assessment that is conducted by a trained, site-based assessor for determining standard licensure decisions for new teachers. Currently there are 80 trained assessors.

The Agency requests unfunded appropriation of \$57,000 to implement the Teacher Cadets program.

The Executive Recommendation provides for the Agency Request of unfunded appropriation.

Safe School Initiative (F77)-Act 484 of 2013 established the Safe School Initiative Act, participating school districts are eligible for grants and aid for training and education of school district personnel, law enforcement officers, emergency management personnel and others who conduct school safety assessments and active shooter drills on a school campus.

This appropriation was not budgeted for FY15 and is not requested for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Alternative Learning Environment Center-Transportation (F78)-Provides grants and aid to local school districts that transport students to a regional community alternative learning environment center that serves three or more contiguous counties that the most recent Census indicates high rates of poverty or declining population.

This appropriation was not budgeted for FY15 and is not requested for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Alternative Learning Environment Center - Truancy Officers (F79)-Provides grants and aid to local school districts to employ one or more truancy officers for a school district with a high dropout rate.

This appropriation was not budgeted for FY15 and is not requested for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Technology Research & Development Grants (F80)-This program provides grants to the Arkansas Science and Technology Authority.

This appropriation was not budgeted for FY15 and is not requested for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

School Recognition Program (F81)-This program provides financial awards to outstanding public schools through the Arkansas School Recognition Program.

The Agency requests Base Level appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Inter Baccalaureate Program (F82)-This program provides easily accessible advanced educational courses to prepare students for admission to and success in a postsecondary educational environment. A mandatory funding provision provides \$75,000 annually to school districts for the International Baccalaureate Program.

The Agency requests unfunded appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request for unfunded appropriation.

Broadband Facilities Matching Grant Program (M74)-This program is funded by a one-time transfer from the State General Improvement Fund to the Department of Education Public School Fund. The funds will be leveraged at the district level for up to an additional \$20 million in E-Rate funding for local loop/WAN connectivity.

The Agency requests unfunded appropriation of \$5,000,000 for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request for unfunded appropriation.

Fund Transfers-In each fiscal year, \$11,115,000 is transferred from the Department of Education Public School Fund Account to various entities for the following purposes:

- (1) Act 2131 of 2005, Section 17, requires a transfer of \$200,000 during each fiscal year to the University of Arkansas at Little Rock, specifically to provide funding for the Arkansas/STRIVE Program.
- (2) Act 2090 of 2005, Section 7, states that "the Director of the Assessment Coordination Department of the State of Arkansas shall certify monthly to the Chief Fiscal Officer of the State, the amount of funding needed each month to pay counties and professional reappraisal companies for the reappraisal of real property as required by law. Upon receipt of such certification the Chief Fiscal Officer of the State shall transfer on his books and those of the State Treasurer 76% of the amounts certified from the Department of Education Public School Fund Account, 16% of the amount certified from the County Aid Fund, and 8% of the amount certified from the Municipal Aid Fund to the Arkansas Real Property Reappraisal Fund." The amount to be transferred from the Public School Fund is projected to be \$10,830,000 in FY15.
- (3) Surety Bond Transfer- This program pays for the surety bond for public school employees. The appropriation is made to the Department of Finance and Administration but paid from the Department of Education Public School Fund. The amount transferred is projected to be \$85,000 in FY15.

Appropriation Summary

Appropriation: PSF - Public School Fund

Funding Sources: JAA - Department of Education Public School Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Safe School Init	5100004	0	0	691,500	0	0	0	0	0	0
Non-Traditional Licensure	5100004	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Intervention Block Grants	5100004	302,000	227,000	302,000	227,000	302,000	302,000	227,000	302,000	302,000
Technology R&D	5100004	0	0	3,000,000	0	0	0	0	0	0
Tech Grants	5100004	3,902,247	3,602,678	3,602,678	3,602,678	3,602,678	3,602,678	3,602,678	3,602,678	3,602,678
School Recognition	5100004	0	7,000,000	10,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000
Inter Baccalaureate Prgm	5100004	75,000	0	75,000	0	75,000	75,000	0	75,000	75,000
Broadband Facilities Matching Gr.	5100004	0	0	10,000,000	0	0	0	0	0	0
Better Chance Program	5100004	111,000,000	111,000,000	111,000,000	111,000,000	111,000,000	111,000,000	111,000,000	111,000,000	111,000,000
Add Public School Employee Ins	5100004	58,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Grants to School Districts	5100004	67,856	67,856	67,856	67,856	67,856	67,856	67,856	67,856	67,856
Economic Education	5100004	350,000	350,000	350,000	350,000	400,000	400,000	350,000	400,000	400,000
Declining Enrollment	5100004	11,095,697	13,963,389	13,963,389	13,963,389	13,963,389	13,963,389	13,963,389	13,963,389	13,963,389
School Food-Legislative Audit	5900046	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
School Food Services	5900046	1,650,000	0	1,650,000	0	1,650,000	1,650,000	0	1,650,000	1,650,000
School Facility Joint Use	5900046	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
School Funding Contingency	5900046	0	0	25,000,000	0	25,000,000	25,000,000	0	25,000,000	25,000,000
Smart Start/Smart Step	5900046	12,222,479	8,139,934	10,666,303	8,139,934	10,666,303	10,666,303	8,139,934	10,666,303	10,666,303
Serious Offender	5900046	1,530,306	1,050,946	1,716,859	1,050,946	1,716,859	1,716,859	1,050,946	1,716,859	1,716,859
School Worker Defense	5900046	47,704	0	390,000	0	390,000	390,000	0	390,000	390,000
National School Lunch	5900046	201,019,585	213,768,543	213,768,543	213,768,543	222,654,934	224,450,590	213,768,543	231,897,173	235,503,568
Master Principal Bonus	5900046	164,000	90,000	200,000	90,000	208,000	208,000	90,000	208,000	208,000
Leadership Acdmy-Mstr Principal	5900046	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Ntl Bd Prof Teaching Standards	5900046	12,329,232	9,106,160	15,016,160	9,106,160	13,854,260	13,854,260	9,106,160	13,865,260	13,865,260
Residential Ctrs/Juv Detention	5900046	16,344,571	15,188,254	16,345,087	15,188,254	16,345,087	16,345,087	15,188,254	16,345,087	16,345,087
Public School Employee Ins	5900046	36,478,204	57,373,600	57,373,600	57,373,600	57,373,600	57,373,600	57,373,600	57,373,600	57,373,600
Prof Development Fund	5900046	24,788,402	16,087,684	25,126,997	16,087,684	16,186,268	16,186,268	16,087,684	16,293,119	16,293,119
Teacher Recruitment	5900046	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000
Teacher of the Year	5900046	70,932	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Teacher Licensing/Mentoring	5900046	5,000,245	5,008,758	5,008,758	5,008,758	5,065,758	5,065,758	5,008,758	5,065,758	5,065,758
Teacher Retirement Matching	5900046	8,480,097	6,655,000	11,112,407	6,655,000	10,730,500	10,730,500	6,655,000	11,803,550	11,803,550
Youth Shelters	5900046	165,000	165,000	165,000	165,000	165,000	165,000	165,000	165,000	165,000
Workers' Compensation	5900046	144,831	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000
Tech Improvements	5900046	499,672	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Special Needs Isolated Funding	5900046	8,205,066	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Special Education Services	5900046	2,802,527	1,145,285	2,802,527	1,145,285	2,802,527	2,802,527	1,145,285	2,802,527	2,802,527
Special Ed-Catastrophic	5900046	10,999,532	11,000,000	12,900,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000
State Foundation Funding	5900046	1,935,334,691	1,961,843,724	1,976,072,528	1,961,843,724	1,979,588,507	2,009,440,423	1,961,843,724	1,975,995,879	2,053,194,376
Surplus Commodities	5900046	1,100,000	780,000	1,349,810	780,000	1,125,065	1,125,065	780,000	1,125,065	1,125,065
Supplemental Millage	5900046	1,994,215	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Student Growth	5900046	37,275,518	28,500,000	28,500,000	28,500,000	37,690,144	37,690,144	28,500,000	37,690,144	37,690,144
Isolated Funding	5900046	2,690,925	7,896,000	7,896,000	7,896,000	7,896,000	7,896,000	7,896,000	7,896,000	7,896,000
Broadband Facilities Matching Gr.	5900046	0	0	0	0	5,000,000	5,000,000	0	5,000,000	5,000,000
Bonded Debt Assistance	5900046	15,466,325	28,455,384	28,455,384	28,455,384	28,455,384	28,455,384	28,455,384	28,455,384	28,455,384
At Risk	5900046	1,732,254	1,688,530	1,688,530	1,688,530	1,988,530	1,988,530	1,688,530	1,988,530	1,988,530
Consolidation Incentive	5900046	1,917,900	0	5,640,300	0	5,868,900	5,868,900	0	5,868,900	5,868,900
Coop Education Tech Centers	5900046	1,182,916	0	1,200,000	0	1,200,000	1,200,000	0	1,200,000	1,200,000
Content Standards	5900046	124,407	161,000	161,000	161,000	161,000	161,000	161,000	161,000	161,000
Content & Curriculum	5900046	49,999	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
ALE Center-Trans	5900046	0	0	70,000	0	0	0	0	0	0
Advanced Placement Incentive	5900046	823,903	825,000	825,000	825,000	825,000	825,000	825,000	825,000	825,000
98% URT Actual Collection Adj	5900046	19,448,927	34,500,000	34,500,000	34,500,000	34,500,000	34,500,000	34,500,000	34,500,000	34,500,000
Alt Learning Enviro Center - Tru	5900046	0	0	275,000	0	0	0	0	0	0
Assessment/End Course Testing	5900046	18,193,198	22,250,189	24,223,861	22,250,189	22,250,189	22,250,189	22,250,189	23,350,681	23,350,681
AR Easter Seals	5900046	193,113	193,113	193,113	193,113	193,113	193,113	193,113	193,113	193,113
Alternative Learning	5900046	22,109,450	23,733,153	23,733,153	23,733,153	24,326,354	24,812,881	23,733,153	24,933,568	25,940,361
English Language Learners	5900046	12,644,481	14,004,642	14,004,642	14,004,642	14,004,642	14,284,735	14,004,642	14,004,642	14,570,430
Education Service Cooperatives	5900046	6,129,270	6,129,270	6,129,270	6,129,270	6,129,270	6,129,270	6,129,270	6,129,270	6,129,270
Early Childhood Special Educ	5900046	16,897,918	15,623,079	16,897,920	15,623,079	16,897,920	16,897,920	15,623,079	16,897,920	16,897,920
General Facilities Funding	5900046	1,617,839	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000
Human Dev Ctr Education Aid	5900046	526,150	526,150	526,150	526,150	526,150	526,150	526,150	526,150	526,150
Home School Test	5900046	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Gifted & Talented	5900046	1,316,244	1,085,381	1,335,381	1,085,381	1,335,381	1,335,381	1,085,381	1,335,381	1,335,381
Criminal Background Checks	5900046	1,781	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Court Ordered Desegregation	5900046	65,789,492	69,814,372	69,814,372	69,814,372	65,794,267	65,794,267	69,814,372	65,794,267	65,794,267
Coord School Health	5900046	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Dept of Correction	5900046	6,220,892	5,597,675	6,396,775	5,597,675	6,541,147	6,541,147	5,597,675	6,645,135	6,645,135
Distressed School District Suppor	5900046	9,665	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Distance Learning Operations	5900046	7,496,497	6,075,000	7,575,000	6,075,000	7,575,000	7,575,000	6,075,000	7,575,000	7,575,000
Distance Learning	5900046	4,755,732	4,760,000	4,760,000	4,760,000	4,760,000	4,760,000	4,760,000	4,760,000	4,760,000
Total		2,716,253,887	2,758,181,749	2,857,267,853	2,758,181,749	2,849,601,982	2,882,016,174	2,758,181,749	2,858,254,188	2,940,631,661
Funding Sources										
Fund Balance	4000005	67,285,943	60,828,723		56,901,369	56,901,369	56,901,369	53,032,814	24,310,582	6,076,350
Court Ordered Desegregation	4000180	65,770,577	65,794,267		65,794,267	65,794,267	65,794,267	65,794,267	65,794,267	65,794,267
DOE Public School Fund	4000195	1,988,216,285	2,056,237,465		2,056,296,264	2,092,809,367	2,107,147,024	2,056,296,264	2,099,173,043	2,133,873,054
E-Rate Credit	4000207	0	0		0	1,500,000	1,500,000	0	1,500,000	1,500,000

Funding Sources									
Educational Adequacy Fund	4000210	434,031,541	434,031,542		434,031,542	434,031,542	434,031,542	434,031,542	434,031,542
Educational Excellence Fund	4000220	195,093,476	200,606,121		200,606,121	200,606,121	200,606,121	200,606,121	200,606,121
General Improvement Fund	4000265	48,000,000	0		0	0	0	0	0
M & R Sales	4000340	18,914	0		0	0	0	0	0
Miscellaneous Adjustments	4000345	8,481,603	0		0	0	0	0	0
TANF Transfer	4000478	7,500,000	7,500,000		7,500,000	7,500,000	7,500,000	7,500,000	7,500,000
Trnfr frm DOE Pub School Fund	4000525	(38,623,904)	(11,115,000)		(11,115,000)	(11,115,000)	(11,115,000)	(11,115,000)	(11,115,000)
Transit Tax	4000700	1,308,175	1,200,000		1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Unfunded Appropriation	4000715	0	0		0	25,000,000	25,000,000	0	25,000,000
Total Funding		2,777,082,610	2,815,083,118		2,811,214,563	2,874,227,666	2,888,565,323	2,807,346,008	2,848,000,555
Excess Appropriation/(Funding)		(60,828,723)	(56,901,369)		(53,032,814)	(24,625,684)	(6,549,149)	(49,164,259)	10,253,633
Grand Total		2,716,253,887	2,758,181,749		2,758,181,749	2,849,601,982	2,882,016,174	2,758,181,749	2,858,254,188

Variance in fund balance due to unfunded appropriation.

Change Level by Appropriation

Appropriation: 057 - Smart Start/Smart Step
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	8,139,934	0	8,139,934	100.0	8,139,934	0	8,139,934	100.0
C05	Unfunded Appropriation	2,526,369	0	10,666,303	131.0	2,526,369	0	10,666,303	131.0

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	8,139,934	0	8,139,934	100.0	8,139,934	0	8,139,934	100.0
C05	Unfunded Appropriation	2,526,369	0	10,666,303	131.0	2,526,369	0	10,666,303	131.0

Justification

C05	This program provides professional development and technical assistance to schools/districts specifically in the areas of literacy, mathematics, and science. The program supports schools/districts in the goal of all students at grade level. The funds provide for literacy specialists, mathematics specialists, and science specialists housed at the ADE and at the 15 Educational Service Cooperatives. The specialists provide professional development and technical assistance in a variety of areas including content knowledge, curriculum alignment, coaching and assessment. In addition, materials such as professional texts and technology supports are provided to schools who participate in the state developed professional development. In light of the flexibility waiver from the U.S. Department of Education, funds are needed to support the lowest achieving schools in Arkansas. The Base Level request for this program is \$8,139,934 in each year of the 2015-17 biennium. The Change Level request is for unfunded appropriation of \$2,526,369 for each year of the biennium. The request is to restore appropriation based on FY15 amounts that were budgeted subsequent to the biennial budget request process and that were paid in FY13, FY14 and FY15 from fund balances.								
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Change Level by Appropriation

Appropriation: 082 - English Language Learners
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	14,004,642	0	14,004,642	100.0	14,004,642	0	14,004,642	100.0

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	14,004,642	0	14,004,642	100.0	14,004,642	0	14,004,642	100.0
C19	Executive Changes	280,093	0	14,284,735	102.0	565,788	0	14,570,430	104.0

Justification

C19	The Executive Recommendation provides for additional appropriation and general revenue funding of \$280,093 in FY16 and additional appropriation of \$565,788 and general revenue funding of \$285,695 in FY17.								
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Change Level by Appropriation

Appropriation: 088 - At Risk
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	1,688,530	0	1,688,530	100.0	1,688,530	0	1,688,530	100.0
C05	Unfunded Appropriation	300,000	0	1,988,530	117.8	300,000	0	1,988,530	117.8

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	1,688,530	0	1,688,530	100.0	1,688,530	0	1,688,530	100.0
C05	Unfunded Appropriation	300,000	0	1,988,530	117.8	300,000	0	1,988,530	117.8

Justification

C05	The College and Career Readiness Planning Program (CCRPP) is funded from the At Risk appropriation. The program provides remedial instruction during the summer for students entering the grades 11 and 12 whose scores on the American College Test (ACT) were below 19 in the areas of reading and/or mathematics. The students are provided 75 hours of instruction over a minimum of 20 days. At the conclusion of the program, students are given the opportunity to take the ACT, and the test cost is covered by the program. The ADE requests additional unfunded appropriation in order to disburse prior year refunds from the CCRPP program. These refunds come in July and August each year, and they do not restore appropriation since they relate to prior year payments.								
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Change Level by Appropriation

Appropriation: 1XE - Economic Education

Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	350,000	0	350,000	100.0	350,000	0	350,000	100.0
C05	Unfunded Appropriation	50,000	0	400,000	114.3	50,000	0	400,000	114.3

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	350,000	0	350,000	100.0	350,000	0	350,000	100.0
C05	Unfunded Appropriation	50,000	0	400,000	114.3	50,000	0	400,000	114.3

Justification

C05	The Change Level request is to increase appropriation (unfunded) for Economics Arkansas by \$50,000 per year of the biennium. Economics Arkansas is a training resource for all school districts for the required high school Economics course. The number of teachers trained annually has increased from 1,000 in the 2006-07 school year to 1,724 in the 2012-13 school year.								
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Change Level by Appropriation

Appropriation: 2HP - State Foundation Funding
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	1,961,843,724	0	1,961,843,724	100.0	1,961,843,724	0	1,961,843,724	100.0
C01	Existing Program	17,744,783	0	1,979,588,507	100.9	14,152,155	0	1,975,995,879	100.7

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	1,961,843,724	0	1,961,843,724	100.0	1,961,843,724	0	1,961,843,724	100.0
C01	Existing Program	17,744,783	0	1,979,588,507	100.9	14,152,155	0	1,975,995,879	100.7
C19	Executive Changes	29,851,916	0	2,009,440,423	102.4	107,050,413	0	2,083,046,292	106.2

Justification

C01	State Foundation Funding Aid is computed as the difference between the foundation funding amount per student, established by the General Assembly pursuant to Ark. Code Ann. § 6-20-2305(a)(2), times the school district's Average Daily Membership (ADM) for the previous school year, and the sum of 98% of the Uniform Rate of Tax (URT) times the property assessment of the district plus the calculated average miscellaneous funds of the district. The funding for charter schools used the same amount of per student foundation funding but used the ADM of the prior or current school year as required by law. In FY13, statewide ADM for school districts and public charter schools grew by 3,175, which required the ADE to pay approximately \$12 million from fund balances in FY14 state foundation funding aid. In FY14, statewide ADM increase again by 2,420, which required the ADE to pay approximately \$13 million from fund balances in FY15. This Change Level request assumes no increase in the FY15 per-ADM foundation funding rate of \$6,521. ADM growth for the 2015-17 biennium is projected based on a three-year average ADM growth rate of .27% for school districts and 16.7% for charter schools. This request assumes that projected growth in local URT will be sufficient to fund a portion of the projected ADM growth in FY16, and a larger portion of ADM growth in FY17. The Change Level request of \$17,744,783 in FY16 and \$14,152,155 in FY17 is to restore funding that was previously covered by fund balances for the FY13 and FY14 statewide ADM growth, and to provide funding for the projected phase-in of Majority to Minority (M to M) students into school district ADM counts for the calculation of state foundation funding aid, in compliance with the settlement agreement approved on January 13, 2014 regarding state desegregation funding.
C19	The Executive Recommendation provides for the Agency Request appropriation only; and additional appropriation and general revenue funding of \$29,851,916 in FY16; and additional appropriation of \$77,198,497 and general revenue funding of \$73,554,240 in FY17.

Change Level by Appropriation

Appropriation: 2HR - National School Lunch
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	213,768,543	0	213,768,543	100.0	213,768,543	0	213,768,543	100.0
C01	Existing Program	8,886,391	0	222,654,934	104.2	18,128,630	0	231,897,173	108.5

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	213,768,543	0	213,768,543	100.0	213,768,543	0	213,768,543	100.0
C01	Existing Program	8,886,391	0	222,654,934	104.2	18,128,630	0	231,897,173	108.5
C19	Executive Changes	1,795,656	0	224,450,590	105.0	3,606,395	0	235,503,568	110.2

Justification

C01	NSLA is a formula driven program to target additional funding to school districts that have concentrations of poverty students. Districts with greater than 90% poverty will receive an additional \$1,549, those with greater than 70% and less than 90% will receive \$1,033 and those with less than 70% will receive \$517 per NSLA student identified in the previous year. The Base Level for the general revenue funded appropriation is \$213,768,543 in each year of the 2013-15 biennium. The Change Level request is for funding and appropriation for an additional \$8,886,391 in FY16 and \$18,128,630 in FY17. Growth rate is projected based on the 4.08% annual average rate of growth over the past three years, plus the projected phase-in of Majority to Minority (M to M) students into school district counts for the calculation of categorical funding, in compliance with the settlement agreement approved on January 13, 2014 regarding state desegregation funding.
C19	The Executive Recommendation provides for the Agency Request appropriation only; additional appropriation and general revenue funding of \$1,795,656 in FY16 and additional appropriation of \$3,606,395 and general revenue funding of \$1,810,739 in FY17.

Change Level by Appropriation

Appropriation: 2HS - Prof Development Fund
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	16,087,684	0	16,087,684	100.0	16,087,684	0	16,087,684	100.0
C01	Existing Program	98,584	0	16,186,268	100.6	205,435	0	16,293,119	101.3

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	16,087,684	0	16,087,684	100.0	16,087,684	0	16,087,684	100.0
C01	Existing Program	98,584	0	16,186,268	100.6	205,435	0	16,293,119	101.3

Justification

C01	This is a formula driven program that provides up to \$32.40 per previous year Average Daily Membership (ADM) student to School Districts to provide activities and materials to improve the knowledge of teachers, administrators, and paraprofessionals. Section 26 of Act 293 of 2014 allows the Department of Education to utilize \$4 million of the appropriation provided for this program to develop and implement statewide professional development support systems. The Base Level request for the general revenue funded appropriation is \$16,087,684 in each year of the 2015-17 biennium. The Change Level request is to provide funding and appropriation for an additional \$98,584 in FY16 and \$205,435 in FY17. This request assumes no increase in the per ADM funding rate of \$32.40; but it does provide for FY16 and FY17 projected ADM growth statewide. Growth rate is projected based on the average rate of growth of .27% for school districts and 16.7% for charter schools annually over the past three years.								
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Change Level by Appropriation

Appropriation: 2HX - Distance Learning Operations
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	6,075,000	0	6,075,000	100.0	6,075,000	0	6,075,000	100.0
C05	Unfunded Appropriation	1,500,000	0	7,575,000	124.7	1,500,000	0	7,575,000	124.7

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	6,075,000	0	6,075,000	100.0	6,075,000	0	6,075,000	100.0
C05	Unfunded Appropriation	1,500,000	0	7,575,000	124.7	1,500,000	0	7,575,000	124.7

Justification

C05	Distance learning is an educational process used to provide instruction to Arkansas students. The primary purpose of providing distance learning technologies is to assist school districts in offering students advanced high school courses, Advanced Placement courses, enriched course content, or other academic courses not otherwise available in the district. The ADE requests the restoration of appropriation that was unbudgeted in FY15 due to the delay in receiving E-rate refunds (\$1,500,000 for each year of the biennium). These E-rate refunds are expected to be restored in FY16.								
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Change Level by Appropriation

Appropriation: 2ZH - School Funding Contingency
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
C05	Unfunded Appropriation	25,000,000	0	25,000,000	100.0	25,000,000	0	25,000,000	100.0

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
C05	Unfunded Appropriation	25,000,000	0	25,000,000	100.0	25,000,000	0	25,000,000	100.0

Justification

C05	Unfunded appropriation is requested to accommodate needs that arise during a fiscal year in the public school fund, per ADE's transfer authority (Act 293 of 2014, Section 20.
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Change Level by Appropriation

Appropriation: 2ZM - Master Principal Bonus
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	90,000	0	90,000	100.0	90,000	0	90,000	100.0
C05	Unfunded Appropriation	118,000	0	208,000	231.1	118,000	0	208,000	231.1

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	90,000	0	90,000	100.0	90,000	0	90,000	100.0
C05	Unfunded Appropriation	118,000	0	208,000	231.1	118,000	0	208,000	231.1

Justification

C05	Pursuant to A.C.A. §6-17-1604, the ADE pays a high-need school salary bonus of \$25,000 for every school year for no more than five (5) years to any building-level principal who: Receives a master school principal designation from the Arkansas Leadership Academy; and is, at the time of receiving the bonus, employed full time as a building-level principal in an Arkansas public school district that is or was in school-improvement status or academic distress. The high-need school salary bonus is \$20,000 per year. It is projected that more principals will enter the program, and some may go to high needs school districts which will necessitate additional funds. The Change Level is requested to provide unfunded appropriation for program growth in FY16 and FY17 (\$8,000 per year of the biennium) and to restore appropriation based on FY15 amounts that were budgeted subsequent to the biennial budget request process (\$110,000 each year, paid with fund balances in FY13, FY14, and FY15), for a total unfunded Change Level request of \$118,000 per year of the biennium.								
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Change Level by Appropriation

Appropriation: 311 - Alternative Learning
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	23,733,153	0	23,733,153	100.0	23,733,153	0	23,733,153	100.0
C01	Existing Program	593,201	0	24,326,354	102.5	1,200,415	0	24,933,568	105.1

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	23,733,153	0	23,733,153	100.0	23,733,153	0	23,733,153	100.0
C01	Existing Program	593,201	0	24,326,354	102.5	1,200,415	0	24,933,568	105.1
C19	Executive Changes	486,527	0	24,812,881	104.5	1,006,793	0	25,940,361	109.3

Justification

C01	School districts are required to provide an alternative learning environment (ALE) for students who demonstrate an inability to function in the standard learning environment. The ALE program provides educational programs to eligible students in alternative classroom settings, as well as additional services to meet the needs of this group of at-risk students. The Department of Education calculated ALE funds in the 2014-15 school year by multiplying \$4,383 by the number of identified ALE students enrolled during the previous school year. This is an increase of \$78 per student from the FY13-14 school year. The Change Level request is to provide funding and appropriation for the growth in the number of students in the program, for a growth request of \$593,201 in the first year and \$1,200,415 in the second year of the biennium. Growth rate is projected based on the average annual rate of growth of 2.43% over the past three years. The phase-in of Majority to Minority (M to M) students into school district counts for the calculation of state categorical funding, in compliance with the settlement agreement approved on January 13, 2014 regarding state desegregation funding, has been factored into this request.
C19	The Executive Recommendation provides for the Agency Request appropriation only; additional appropriation of \$486,527 and general revenue funding of \$1,079,728 in FY16; additional appropriation of \$1,006,793 and general revenue funding of \$1,720,681 in FY17.

Change Level by Appropriation

Appropriation: 332 - Student Growth
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	28,500,000	0	28,500,000	100.0	28,500,000	0	28,500,000	100.0
C01	Existing Program	9,190,144	0	37,690,144	132.2	9,190,144	0	37,690,144	132.2

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	28,500,000	0	28,500,000	100.0	28,500,000	0	28,500,000	100.0
C01	Existing Program	9,190,144	0	37,690,144	132.2	9,190,144	0	37,690,144	132.2

Justification

C01	Due to the fact that foundation funding is calculated on prior year ADM, student growth funding is provided to school districts that experience current year ADM growth to enable them to serve the additional students for one year. A mandatory program pursuant to ACA 6-20-2305, student growth disbursements to school districts and charter schools have increased significantly in the last three fiscal years. Amounts disbursed in addition to the funded amount of \$28.5M in FY13, FY14, and FY15 were paid from fund balances. FY16 and FY17 growth was calculated by taking the average number of students funded by student growth from FY12, FY13, and FY14, and multiplying that averaged number by the FY15 foundation funding amount of \$6,521; for a Change Level request of \$9,190,144 for each year of the biennium.								
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Change Level by Appropriation

Appropriation: 380 - Dept of Correction
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	5,597,675	0	5,597,675	100.0	5,597,675	0	5,597,675	100.0
C05	Unfunded Appropriation	943,472	0	6,541,147	116.9	1,047,460	0	6,645,135	118.7

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	5,597,675	0	5,597,675	100.0	5,597,675	0	5,597,675	100.0
C05	Unfunded Appropriation	943,472	0	6,541,147	116.9	1,047,460	0	6,645,135	118.7

Justification

C05	In accordance with ACA 12-29-304, the cost of implementing and operating the school program in the Corrections School System shall be borne by the state and shall be paid from funds appropriated by the General Assembly from the general revenues of the state to the Department of Correction, the Department of Community Correction, and the Department of Education. The cost of facilities, equipment, and current operation in excess of the amount of grants and aids received from the Department of Education shall be borne by the Department of Correction and the Department of Community Correction as approved by the Board of Corrections. This program provides part of the required match for federal Special Education funds. The Base Level for the general revenue funded appropriation is \$5,597,675 in each year of the 2015-2017 biennium. The Change Level request is to restore appropriation (unfunded) based on FY15 amounts that were budgeted subsequent to the biennial budget request process (\$799,100 each year, paid with fund balances in FY13, FY14, and FY15); and to provide unfunded appropriation for growth: FY16 growth is for a 2.5% COLA for instructors (\$144,372); FY17 growth is two new instructors at the Pine Bluff unit (\$100,000), plus a 2.5% COLA (\$148,360) for a FY17 total growth request of \$248,360.								
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Change Level by Appropriation

Appropriation: 394 - Residential Ctrs/Juv Detention
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	15,188,254	0	15,188,254	100.0	15,188,254	0	15,188,254	100.0
C05	Unfunded Appropriation	1,156,833	0	16,345,087	107.6	1,156,833	0	16,345,087	107.6

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	15,188,254	0	15,188,254	100.0	15,188,254	0	15,188,254	100.0
C05	Unfunded Appropriation	1,156,833	0	16,345,087	107.6	1,156,833	0	16,345,087	107.6

Justification

C05	This program provides reimbursement to school districts for educational costs associated with: (1) disabled and non-disabled students placed in approved residential psychiatric and drug and alcohol treatment facilities; (2) disabled students placed in approved residential intermediate care facilities, and (3) disabled and non-disabled students placed by the courts in juvenile detention centers. This program provides part of the required match for federal Special Education funds. The Base Level for this general revenue funded appropriation is \$15,188,254 in each year of the 2015-2017 biennium. The Change Level request is to restore unfunded appropriation based on FY15 amounts that were budgeted subsequent to the biennial budget request process (\$1,156,833) and that were paid from fund balances in FY13, FY14 and FY15.								
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Change Level by Appropriation

Appropriation: 421 - Consolidation Incentive
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
C05	Unfunded Appropriation	5,868,900	0	5,868,900	100.0	5,868,900	0	5,868,900	100.0

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
C05	Unfunded Appropriation	5,868,900	0	5,868,900	100.0	5,868,900	0	5,868,900	100.0

Justification

C05	These funds are paid to each school district that was administratively consolidated or annexed by the State Board of Education pursuant to Ark. Code Ann. § 6-11-105, § 6-13-1401 and applicable rules of the State Board of Education. One hundred percent (100%) of the incentive allowance is added to the school district's aid in the first year of consolidation/annexation. In the second year of consolidation/annexation, the district receives fifty percent (50%) of the consolidation/annexation incentive funding granted the previous year. The Change Level request is to provide unfunded appropriation for a projection of two new consolidations per year of the biennium, plus the continuation of two consolidations from the previous year. 600 ADM for two consolidations X SFF of \$6,521 = \$3,912,600; plus \$1,956,300 for the continuation of two consolidations from the prior fiscal year, for a total growth request of \$5,868,900 for each year of the biennium.
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Change Level by Appropriation

Appropriation: 434 - Coop Education Tech Centers
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
C05	Unfunded Appropriation	1,200,000	0	1,200,000	100.0	1,200,000	0	1,200,000	100.0

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
C05	Unfunded Appropriation	1,200,000	0	1,200,000	100.0	1,200,000	0	1,200,000	100.0

Justification

C05	This program funds the Educational Service Cooperatives Technology Coordinators. The Change Level request is to restore unfunded appropriation for Educational Service Cooperatives Technology Coordinators based on FY15 amounts that were budgeted subsequent to the biennial budget request process and that were paid from fund balances in FY13, FY14, and FY15 (\$1,200,000).
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Change Level by Appropriation

Appropriation: 437 - Teacher Retirement Matching
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	6,655,000	0	6,655,000	100.0	6,655,000	0	6,655,000	100.0
C05	Unfunded Appropriation	4,075,500	0	10,730,500	161.2	5,148,550	0	11,803,550	177.4

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	6,655,000	0	6,655,000	100.0	6,655,000	0	6,655,000	100.0
C05	Unfunded Appropriation	4,075,500	0	10,730,500	161.2	5,148,550	0	11,803,550	177.4

Justification

C05	This program provides for the employer matching contribution for employees of the Education Service Cooperatives, Vocational Centers, the Model Vocational-Technical Resource Center, Arkansas Easter Seals and the school operated by the Department of Correction. The Base Level for this general revenue funded appropriation is \$6,655,000 in each year of the 2015-2017 biennium. The Change Level request is to restore unfunded appropriation based on FY15 amounts that were budgeted subsequent to the biennial budget request process that the ADE has paid with fund balances in FY13, FY14, and FY15 (\$3,100,000); and to provide unfunded appropriation for the increase of participants in the program in the amount of \$975,500 for FY16 and \$2,048,550 for FY17; for a total FY16 Change Level request of \$4,075,500 and total FY17 Change Level request of \$5,148,550.								
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Change Level by Appropriation

Appropriation: 438 - Ntl Bd Prof Teaching Standards
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	9,106,160	0	9,106,160	100.0	9,106,160	0	9,106,160	100.0
C05	Unfunded Appropriation	4,748,100	0	13,854,260	152.1	4,759,100	0	13,865,260	152.3

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	9,106,160	0	9,106,160	100.0	9,106,160	0	9,106,160	100.0
C05	Unfunded Appropriation	4,748,100	0	13,854,260	152.1	4,759,100	0	13,865,260	152.3

Justification

C05	A.C.A. §6-17-413(a)(1)(A) calls for teacher support in three distinct areas related to state support of advanced national teacher certification: bonuses to National Board Certified Teachers (NBCT), participation fees and substitute pay required for candidacy, and a support system for those candidates. Funding consists of general revenue and revenue from the Transit Tax on the rental of motor vehicles. The Change Level request is to restore appropriation based on FY15 amounts that were budgeted subsequent to the biennial budget request process (\$4,740,600) and that were paid from fund balances in FY13, FY14 and FY15; and additional appropriation to provide for increasing costs related to candidate support, such as workshops and training sessions (\$7,500 in FY16 and \$18,500 in FY17); for a total Change Level request of \$4,748,100 in FY16 and \$4,759,100 in FY17. The number of participants in the program is not expected to increase during this biennium.								
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Change Level by Appropriation

Appropriation: 447 - School Food Services
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
C05	Unfunded Appropriation	1,650,000	0	1,650,000	100.0	1,650,000	0	1,650,000	100.0

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
C05	Unfunded Appropriation	1,650,000	0	1,650,000	100.0	1,650,000	0	1,650,000	100.0

Justification

C05	This program, combined with the Surplus Commodities program, provided the State match for the total school food program in local schools. This match is required to continue to receive federal funding for the Child Nutrition program. These grants are paid to school districts at a rate based on the number of lunches served. The Change Level request is to restore unfunded appropriation based on FY15 amounts that were budgeted subsequent to the biennial budget request process (\$1,650,000) and that were paid from fund balances in FY13, FY14 and FY15.								
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Change Level by Appropriation

Appropriation: 450 - Surplus Commodities
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	780,000	0	780,000	100.0	780,000	0	780,000	100.0
C05	Unfunded Appropriation	345,065	0	1,125,065	144.2	345,065	0	1,125,065	144.2

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	780,000	0	780,000	100.0	780,000	0	780,000	100.0
C05	Unfunded Appropriation	345,065	0	1,125,065	144.2	345,065	0	1,125,065	144.2

Justification

C05	The Department of Human Services (DHS) administers the Surplus Commodities Program. Under an agreement with DHS, the Arkansas Department of Education reimburses transportation costs of \$780,000 for the delivery of surplus commodities to the school districts. The Base Level for this general revenue funded appropriation is \$780,000 each year of the 2015-2017 biennium. The Change Level is to provide unfunded appropriation to maintain the program at its current operating level. The Change Level requested would provide unfunded appropriation for the increased program costs that the ADE has paid with fund balances in FY13, FY14 and FY15, in the amount of \$345,065 for each year of the biennium. This program, combined with the School Food Service program, provides the State match for the total school food program in local schools. This match is required to continue to receive federal funding for the Child Nutrition program.								
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Change Level by Appropriation

Appropriation: 457 - Gifted & Talented
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	1,085,381	0	1,085,381	100.0	1,085,381	0	1,085,381	100.0
C05	Unfunded Appropriation	250,000	0	1,335,381	123.0	250,000	0	1,335,381	123.0

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	1,085,381	0	1,085,381	100.0	1,085,381	0	1,085,381	100.0
C05	Unfunded Appropriation	250,000	0	1,335,381	123.0	250,000	0	1,335,381	123.0

Justification

C05	This program makes available approximately \$44,500 in supplemental funding to 15 Educational Services Cooperatives (\$667,500) to fund a GT Specialist. In addition, funding in the amount of approximately \$890,000 is used to fund the Governor's School. Funds in the amount of \$3,000 each for three school districts (\$9,000) that are awarded the Outstanding Gifted Program Award authorized by A.C.A. §6-42-104, 6(A) & (B) and \$2,500 is sent to AGATE and \$1000 is sent to AGEA. The Base Level for this general revenue funded appropriation is \$1,085,381 in each year of the 2015-2017 biennium. The Change Level request is to restore unfunded appropriation based on FY15 amounts that were budgeted subsequent to the biennial budget request process (\$250,000) and that have been paid from fund balances in FY13, FY14, and FY15.								
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Change Level by Appropriation

Appropriation: 458 - School Worker Defense
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
C05	Unfunded Appropriation	390,000	0	390,000	100.0	390,000	0	390,000	100.0

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
C05	Unfunded Appropriation	390,000	0	390,000	100.0	390,000	0	390,000	100.0

Justification

C05	As authorized under ACA 6-17-1113, this program provides protection against civil liability, attorney's fees, and costs of defense for acts or omissions of each employee or volunteer in the performance of his or her duties as a volunteer or his or her official duties as a school employee. The Change Level request is to restore unfunded appropriation based on FY15 amounts that were budgeted subsequent to the biennial budget request process (\$390,000) and that were paid from fund balances in FY13, FY14, and FY15.								
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Change Level by Appropriation

Appropriation: 459 - Assessment/End Course Testing
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	22,250,189	0	22,250,189	100.0	22,250,189	0	22,250,189	100.0
C05	Unfunded Appropriation	0	0	22,250,189	100.0	1,100,492	0	23,350,681	104.9

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	22,250,189	0	22,250,189	100.0	22,250,189	0	22,250,189	100.0
C05	Unfunded Appropriation	0	0	22,250,189	100.0	1,100,492	0	23,350,681	104.9

Justification

C05	This program provides funds to develop and implement alternative assessments required by the Elementary and Secondary Education Act, End-of-Course Exams, and Augmented Benchmark Exams. In addition, Advanced Placement exams and incentive grants for scores of 3 or higher on AP exams are paid by this program. The program will function within base level in FY16, but in FY17 a Change Level of \$1,100,492 in unfunded appropriation is requested due to increasing costs of benchmark and end-of-course exams due to implementation of PARCC; and increasing numbers of students taking AP exams (\$1,100,492 for FY17 only).								
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Change Level by Appropriation

Appropriation: 460 - Court Ordered Desegregation
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	69,814,372	0	69,814,372	100.0	69,814,372	0	69,814,372	100.0
C03	Discontinue Program	(4,020,105)	0	65,794,267	94.2	(4,020,105)	0	65,794,267	94.2

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	69,814,372	0	69,814,372	100.0	69,814,372	0	69,814,372	100.0
C03	Discontinue Program	(4,020,105)	0	65,794,267	94.2	(4,020,105)	0	65,794,267	94.2

Justification

C03	The state's obligation to the school districts was set at a total of \$65,794,267 for FY15 in the desegregation settlement that was approved on January 13, 2014.
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Change Level by Appropriation

Appropriation: 565 - Intervention Block Grants
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	227,000	0	227,000	100.0	227,000	0	227,000	100.0
C05	Unfunded Appropriation	75,000	0	302,000	133.0	75,000	0	302,000	133.0

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	227,000	0	227,000	100.0	227,000	0	227,000	100.0
C05	Unfunded Appropriation	75,000	0	302,000	133.0	75,000	0	302,000	133.0

Justification

C05	Local school districts, education service cooperatives, institutions of higher education, and other organizations were eligible to apply for an intervention block grant. These grants were used to encourage parental involvement through the following four (4) student competitions: Arkansas Governor's Quiz Bowl, State History Day Competition, Creativity in Arkansas and Arkansas Destination Imagination. The Change Level request is to restore unfunded appropriation based on FY15 amounts that were budgeted subsequent to the biennial budget request process (\$75,000) and that were paid from fund balances in FY13, FY14, and FY15.
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Change Level by Appropriation

Appropriation: 566 - Serious Offender
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	1,050,946	0	1,050,946	100.0	1,050,946	0	1,050,946	100.0
C05	Unfunded Appropriation	665,913	0	1,716,859	163.4	665,913	0	1,716,859	163.4

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	1,050,946	0	1,050,946	100.0	1,050,946	0	1,050,946	100.0
C05	Unfunded Appropriation	665,913	0	1,716,859	163.4	665,913	0	1,716,859	163.4

Justification

C05	The Arkansas Department of Education established the Juvenile Treatment Centers Program (formerly Serious Offender Program) through a Memorandum of Understanding with the Department of Human Services, Division of Youth Services (DYS). The current program has been in effect since 1996 for the purpose of generating educational funds for the DYS Juvenile Treatment Centers Program (JTC). School districts were provided state funds based on the number of JTC participants in their districts. School districts in turn paid the JTC providers in their districts. This program provides part of the required match for federal Special Education funds. The Change Level request is to restore unfunded appropriation based on FY15 amounts that were budgeted subsequent to the biennial budget request process (\$665,913) and that were paid from fund balances in FY13, FY14 and FY15.								
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**CARRY FORWARD OF ANY REMAINING FUND BALANCES
FROM FISCAL YEAR 2014 TO FISCAL YEAR 2015**

Agency: Education Department-Public School Fund

Program: Better Chance Program

Act #: 1309 Section(s) #: 27

Estimated Carry Forward Amount \$ 1,412,000.00 Funding Source: General Revenue, TANF, Educational Excellence

Accounting Information:

Business Area: 0500 Funds Center: 652 Fund: JAA Functional Area: EDUC

Current law requires a written statement be submitted to the DFA Office of Budget stating the reason(s) to carry forward funding for a program or a specific line item within a program remaining on June 30th of a fiscal year.

Justification for carry forward of fund balance:

Act 1309 of 2014 requires the Department of Education to carry forward any unexpended balance of funds remaining on June 30, 2014 to be used for the Arkansas Better Chance for School Success program. The funds will be used as deemed appropriate by the Department of Human Services - Child Care and Early Childhood Education Division and the Department of Education.

Actual Funding Carry Forward Amount \$ 829,094.00

Current status of carry forward funding:

The carry forward amount has been budgeted for FY15 to maintain the current program budget level.

Mr. Tony Wood
Commissioner of Education

08-11-2014
Date

Change Level by Appropriation

Appropriation: 668 - Special Education Services
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	1,145,285	0	1,145,285	100.0	1,145,285	0	1,145,285	100.0
C05	Unfunded Appropriation	1,657,242	0	2,802,527	244.7	1,657,242	0	2,802,527	244.7

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	1,145,285	0	1,145,285	100.0	1,145,285	0	1,145,285	100.0
C05	Unfunded Appropriation	1,657,242	0	2,802,527	244.7	1,657,242	0	2,802,527	244.7

Justification

C05	This program provides (1) funding to support the provision of Extended School Year (ESY) services to eligible students with disabilities in need of such services, (2) special education services to children with disabilities who are wards of the State placed by the Department of Human Services (DHS) in out-of-state therapeutic treatment programs, and (3) funds to support the payment of salaries to special education supervisors. For the 2014-15 school year, funding is provided to school districts to support the salaries of special education supervisors based on the Average Daily Membership of the first three quarters of the previous year. In addition, funding is provided to school districts and education service cooperatives for ESY services. This program provides part of the required match for federal Special Education funds. The Change Level is requested to restore funding and appropriation based on FY15 amounts that were budgeted subsequent to the biennial budget request process (\$1,657,242) and that were paid from fund balances in FY13, FY14 and FY15.								
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Change Level by Appropriation

Appropriation: 697 - Early Childhood Special Educ
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	15,623,079	0	15,623,079	100.0	15,623,079	0	15,623,079	100.0
C05	Unfunded Appropriation	1,274,841	0	16,897,920	108.2	1,274,841	0	16,897,920	108.2

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	15,623,079	0	15,623,079	100.0	15,623,079	0	15,623,079	100.0
C05	Unfunded Appropriation	1,274,841	0	16,897,920	108.2	1,274,841	0	16,897,920	108.2

Justification

C05	This program, which is authorized by A.C.A. §6-41-202 et seq., provides base funding for special education services through local education agencies for 11,500 three to five year old preschool children with disabilities. Funds are also provided to Education Services Cooperatives for behavioral intervention services to all local community preschool programs as well as to coordinate required transition activities for children ages 0-2 that will remain in special education as 3-5 preschoolers. Also included in this program are funds for the Medicaid state match for preschool programs that bill for physical, occupational, and speech therapy services. This program provides part of the required match for federal Special Education funds. The Base Level for this general revenue funded appropriation is \$15,623,079 in each year of the 2015-2017 biennium. The Change Level request is to restore funding and appropriation based on FY15 amounts that were budgeted subsequent to the biennial budget request process (\$1,274,841 per year of the biennium) and that were paid with fund balances in FY13, FY14, and FY15.								
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Change Level by Appropriation

Appropriation: 699 - Teacher Licensing/Mentoring
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	5,008,758	0	5,008,758	100.0	5,008,758	0	5,008,758	100.0
C05	Unfunded Appropriation	57,000	0	5,065,758	101.1	57,000	0	5,065,758	101.1

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	5,008,758	0	5,008,758	100.0	5,008,758	0	5,008,758	100.0
C05	Unfunded Appropriation	57,000	0	5,065,758	101.1	57,000	0	5,065,758	101.1

Justification

C05	This program covers the Arkansas induction program for new teachers and administrators. The change level request for \$57,000 additional funding in each year of the biennium is to implement the Teacher Cadets program. The ADE used existing funds to pilot the program with 3 districts during the 13-14 school year. Plans are to add 10 new districts per year to implement the program. To participate in the cadet program, high school students must complete a rigorous application process and meet GPA requirements of 3.0. Students enrolled in the cadet program participate in a rigorous academic program and also in field experiences. In addition to hands-on educational experience, students also earn concurrent credit per the district's agreement with a partnering Institution of Higher Education. Even if participating students do not become educators they do become advocates for education because of their participation in the program.
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Change Level by Appropriation

Appropriation: F82 - Inter Baccalaureate Prgm
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
C05	Unfunded Appropriation	75,000	0	75,000	100.0	75,000	0	75,000	100.0

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
C05	Unfunded Appropriation	75,000	0	75,000	100.0	75,000	0	75,000	100.0

Justification

C05	This program provides advanced educational courses that are easily accessible and that prepare students for admission to and success in a postsecondary educational environment. A mandatory funding provision for this program was added to during the 2013 regular session and was continued in the 2014 fiscal session (Act 293 of 2014) to provide \$75,000 annually to school districts for the International Baccalaureate program. This program was funded in FY14 and FY15 by fund balances.
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Change Level by Appropriation

Appropriation: M74 - Broadband Facilities Matching Grant Prog
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
C05	Unfunded Appropriation	5,000,000	0	5,000,000	100.0	5,000,000	0	5,000,000	100.0

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
C05	Unfunded Appropriation	5,000,000	0	5,000,000	100.0	5,000,000	0	5,000,000	100.0

Justification

C05	This is a matching-grant program to help school districts improve Internet connectivity. The program was funded with a one-time transfer from the state General Improvement Fund to the Department of Education Public School Fund. These funds will be leveraged at the district level for up to an additional \$20 million in new E-Rate funding for local loop/WAN connectivity.								
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**CARRY FORWARD OF ANY REMAINING FUND BALANCES
FROM FISCAL YEAR 2014 TO FISCAL YEAR 2015**

Agency: Education Department-Public School Fund

Program: Broadband Facilities Matching Grant Prog

Act #: 298 Section(s) #: 4

Estimated Carry Forward Amount \$ 5,000,000.00 Funding Source: General Improvement Fund

Accounting Information:

Business Area: 0500 Funds Center: M74 Fund: JAA Functional Area: EDUC

Current law requires a written statement be submitted to the DFA Office of Budget stating the reason(s) to carry forward funding for a program or a specific line item within a program remaining on June 30th of a fiscal year.

Justification for carry forward of fund balance:

Act 298 of 2014 requires the Department of Education to carry forward any unexpended balance of funds remaining on June 30, 2014 to be used for the Broadband Facilities Matching Grant program. The funds will be used as deemed appropriate by the Department of Education.

Actual Funding Carry Forward Amount \$ 5,000,000.00

Current status of carry forward funding:

The carry forward amount will be utilized to provide matching funds for the Broadband Facilities Matching Grant program.

Mr. Tony Wood
Commissioner of Education

08-11-2014
Date

EDUCATIONAL TELEVISION COMMISSION

Enabling Laws

A.C.A. §6-3-101 to 6-3-113
Act 195 of 2014
Act 231 of 2014
Act 45 of 2014

History and Organization

AETN HISTORY AND ORGANIZATION

LEGISLATION CREATING THE AGENCY:

ENABLING LAWS: The Arkansas Educational Television Commission was established by Act 198 of 1961, as amended in the Arkansas Code 6-3-101 to 6-3-113. Arkansas Code 6-3-105 (a) states that AETN was organized “for the purpose of making the benefits of educational television available to and promoting its use by inhabitants of Arkansas.” AETN's Commission has eight members appointed by the governor and is charged with providing educational telecommunications services to the people of Arkansas. AETN is an affiliate of the Public Broadcasting Service (PBS) and functions statewide as a public media service with headquarters in Conway. AETN's services include distributing programs through digital technologies statewide via over-the-air broadcast, satellite and cable; compressed interactive video; web-based video streaming of local productions plus ADE approved curriculum materials for Arkansas' schools; educational workshops; and professional development training for teachers available 24/7 via the IDEAS portal in partnership with the Arkansas Department of Education. AETN's most current operations funding is appropriated by Act 178 of 2012.

HISTORY AND ORGANIZATION: The Commission began broadcasting in December of 1966 using a studio in Conway and its first transmitter (KETS) located at Redfield and licensed to Little Rock for service to Central Arkansas. Transmitters licensed to Arkadelphia/KETG and Fayetteville/KAFT were activated in 1976. Jonesboro/KTEJ was activated in 1977. A fifth transmitter at Mountain View/KEMV began broadcasting in 1980. In June 2004 AETN added digital transmitters and microwaves at each site statewide to fulfill a mandate of the Federal Communications Commission (FCC). In May 2006 AETN finished construction on a sixth new digital transmitter at El Dorado/KETZ to serve southern Arkansas. Today AETN's infrastructure includes 6 transmitters and 13 microwave relays broadcasting to almost 100% of the State.

AETN is the state's only public educational television service and the only television in Arkansas with statewide, over-the-air broadcast capability. Through a network of 13 microwave relay stations sending signals to 6 transmitters around the state, AETN covers Arkansas and provides more than 26,000 hours of non-commercial, educational programming, communications, and training services each year. As a PBS affiliate, AETN broadcasts national programming while also producing local, award-winning programs for and about Arkansas. AETN has one of the best distribution systems in the state for delivering training and information statewide through multi-media platforms. In addition, AETN has the unique capability to begin to expand federal and state emergency alert networks with our six transmitter network.

· **AETN'S MISSION STATEMENT:**

PURPOSE (Mission): The purpose of the Arkansas Educational Television Network (AETN) is to enhance and empower the lives of all Arkansans by offering lifelong learning opportunities through high-quality educational television programs and services.

PROMISE (Core statement): The Arkansas Educational Television Network (AETN) fulfills its purpose by providing: educational resources to schools and all educators; innovative and high-quality public media television programs and services that illuminate the culture and heritage of Arkansas and the world; and opportunities to engage and explore new ideas. This relevant AETN content will expand the minds of children, inform Arkansans about public affairs and current events in our state, highlight arts and culture, and invite Arkansans to explore the outdoors and the world around them.

SHARED VISION: Know more, do more, and be more with AETN

AGENCY GOALS:

- **Agency Goal #1:** AETN partners with educational entities to provide lifelong learning opportunities for all Arkansans, with special emphasis on teacher professional development and classroom resources. (Education)
- **Agency Goal #2:** AETN creates and acquires relevant programming and services designed to educate, enlighten and inspire a diverse, statewide audience. (Programs/Services)
- **Agency Goal #3:** AETN promotes its programs and services to the community of Arkansas through various activities as a recognized source of statewide educational opportunities. (Outreach)
- **Agency Goal #4:** AETN provides broad reliable distribution of programming and services to Arkansans through the innovative use of technology. (Access)
- **Agency Goal #5:** AETN uses a wide variety of resources to consistently support performance-based, fiscally-sound and mission-focused organizational decisions. (Support)

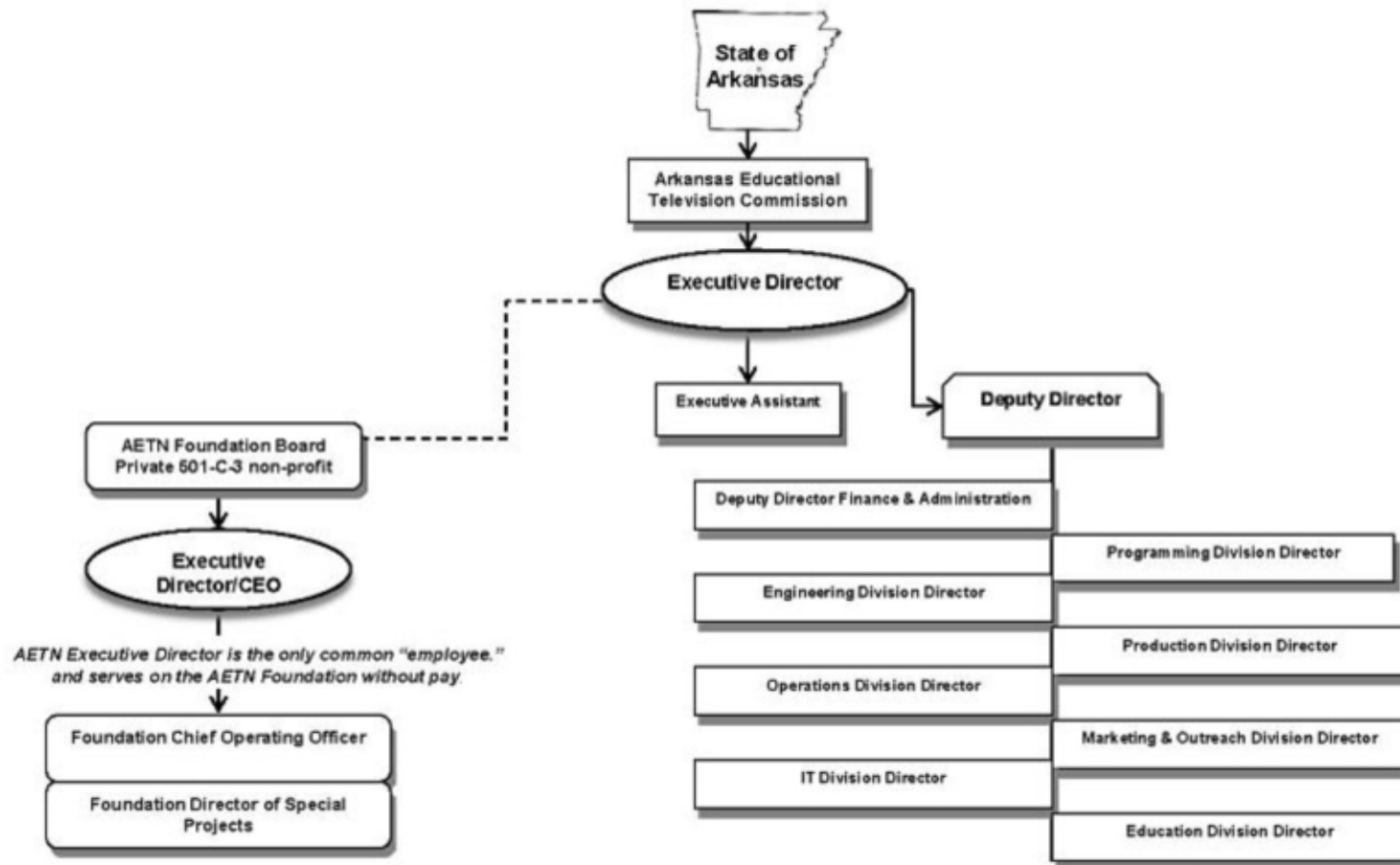
COST-EFFECTIVE SERVICE:

AETN's innovative, free and mission-based programming is increasingly not found on commercial broadcast stations or cable channels and the Network serves Arkansans for a very modest cost, and crucially receives about 40% of its current funding (\$5.4M) from state general revenue. AETN's operational budget sees revenue from various funding resources, including state and federal grants; partnerships with government, non-profits, and businesses; and individual donors who want to help provide quality, educational programs to Arkansans by donating to the affiliated, private, non-profit AETN Foundation. General audience programming is not purchased with state EMA dollars.

PUBLIC SUPPORT:

AETN is a PBS member station. For the eleventh consecutive year, national research confirmed that PBS is the most trusted institution in the United States and is considered an "excellent" use of tax dollars. Only military defense out-ranked PBS as the best value for the American tax dollar. PBS also was considered the most balanced network for news and public affairs. The research was conducted in January and February 2014 by the independent, non-partisan research companies Harris Interactive and ORC Online Caravan. In the same poll, Americans enthusiastically endorsed public broadcasting as the best place for educational programming. PBS KIDS was named the most educational TV/media brand, the safest destination for children to watch television or visit online and the top provider of content that helps children build reading and math skills.

AETN enjoys enthusiastic support for AETN in Arkansas. AETN continues to draw numerous volunteers and various partners from every corner of the state to help bring excellent, diverse programs to all Arkansans. AETN annually produces more than 160 hours of original, award-winning programs, featuring the people, places and issues of Arkansas.



Agency Commentary

AETN'S GENERAL REVENUE REQUEST:

AETN is requesting additional EMA operating funds of \$2,416,000 per fiscal year over base of \$5.398M for increased costs to maintain current statewide infrastructure and services and to be able to increase our emergency alert backbone. While Maintenance & Operations is the overwhelming need for AETN, there are a few other priority projects the network proposes. Since 2004, non-personnel related EMA funding

to AETN has declined \$400,000 while costs of maintenance, technology and other services have steadily increased. With spectrum issues and other technological changes looming it is imperative the network make up lost ground and do important maintenance that has been delayed. Even with the proposed EMA increase, the per annum cost for Arkansans is still less than \$2.80 - a tremendous value for an agency continuing to fulfill our purpose and promise.

AETN requests additional EMA general revenue operating funds for the following priorities:

- 1. MAINTENANCE & OPERATIONS & EMERGENCY MANAGEMENT (Existing Program)** - FY16 - \$1,650,000, FY17 - \$1,650,000
- 2. EARLY CHILDHOOD & ADULT EDUCATION "FAST FORWARD" (Existing Projects)** - FY16 - \$585,000, FY17 - \$585,000
- 3. VETERANS: ARKANSAS STORIES OF SERVICE INITIATIVE (Existing Project)** - FY16 -\$181,000, FY17 -\$181,000

1. MAINTENANCE & OPERATIONS & EMERGENCY MANAGEMENT (Existing Program) -

AETN is requesting EMA funding over base of FY16 - \$1,650,000 and FY17 - \$1,650,000 for **MAINTENANCE & OPERATIONS & EMERGENCY MANAGEMENT** services vital to network operation. AETN's EMA operations funding from the state has remained flat for many years, while costs like leases, equipment and building maintenance, licensing and insurance are continuing to escalate. Although AETN is very frugal and entrepreneurial in earning other revenues from partners, grantors and federal sources, grantors don't pay for personnel and infrastructure needs. AETN's EMA non-salary funding has been cut dramatically over the past decade outstripping the network's ability to do necessary maintenance.

General revenue provides the support and infrastructure for all AETN operations - distribution, engineering both at AETN and through six transmitters and eleven microwave relay sites, IT and production of Arkansas-related services, including the infrastructure necessary to support AETN's partnership with ADE for educational professional development through ArkansasIDEAS. In a unique partnership that is a model for the entire nation, AETN partners with the Arkansas Department of Education (ADE) to provide free professional development training for Arkansas' 53,199 licensed teachers through ArkansasIDEAS. **ArkansasIDEAS has delivered over 708,000 credit hours to Arkansas-licensed teachers and administrators. ArkansasIDEAS currently has over 53,500 registered users from all seventy-five counties in Arkansas as well as a large number of Arkansas-licensed users who live outside of the state.**

AETN provides four full-time digital sub-channels serving Arkansas' students, teachers, parents, citizens and the visually impaired through AETN, AETN Create, AETN Plus and the Radio Reading Service for the Visually Impaired. AETN's statewide digital infrastructure is a multi-million dollar investment for the state to use and maintain.

General revenue provides the support and infrastructure for AETN's partnerships with other state agencies, grantors, and foundations that in turn help keep operational costs lower. AETN continues to seek collaborations with state agencies and potential partners. Cash fund appropriation dollars are only expended when corresponding revenues cover the costs.

Digital equipment of the nature AETN has must be maintained and upgraded on a regular basis and we have only been able to do this on a very limited basis over the past several years. Additionally, FCC mandates like closed captioning add to ongoing costs.

AETN has met with partners in our state (State Police, National Guard, ADEM, etc.) to implement an expansive statewide and nationwide public safety communications network that, unlike other potential national services, is cost-effective and can be implemented in a much, much shorter time period than the 10 years projected in some of the proposed developing programs.

Department of Homeland Security is showing interest in evaluating how datacasting - which AETN can provide - allows data delivery to first responders now. Additionally, unlike some other potential services nationally who are backpedaling on rural coverage, AETN's state network could use our assets (six transmitters covering the state) to provide services now! Again for a cost that is several orders of magnitude less.

There is developed datacasting software and an end-to-end solution to enable a public safety entity (police, fire, DHS, FEMA, etc.) dispatcher to send encrypted, targeted audio, video and text content to multiple recipients in the field. This solution utilizes digital television (AETN's statewide coverage) as the transport layer requiring only a small portion of the unused channel capacity of AETN's network bandwidth for this application. It is important to note that this approach provides a number of benefits to the public safety community, including the ability to simultaneously send large files and video to multiple recipients (as you do with your broadcast programming), but also target specific receivers. Their existing radios do not easily handle these requirements, forcing them to utilize third party solutions that public television is better positioned to provide.

Once the system is in place, AETN's primary involvement will be the distribution backbone. This requires additional ability to maintain the crucial transmission system - transmitters, antennas, towers, etc.

Please note that PBS programming is paid for by grants and individual contributions to the AETN Foundation and, while supported through the network's infrastructure and distributed statewide via AETN's transmitters, is not purchased with general revenues.

2. EARLY CHILDHOOD & ADULT EDUCATION "FAST FORWARD" (Existing Projects) - FY16 - \$585,000, FY17 - \$585,000

AETN is requesting EMA funding over base of FY2016 - \$585,000 and FY2017 - \$585,000 to enhance the network's EARLY CHILDHOOD & ADULT EDUCATION "FAST FORWARD" (Existing Projects). AETN is enhancing our already rich content, outreach and education through on-air, web-based & in-service professional caregiver/educator training. This priority will enable AETN to partner with child care and education entities throughout the state, provide training assistance and maximize the use of AETN & PBS programming - such as SESAME STREET, CURIOUS GEORGE, WORDGIRL, PEG + CAT, WILD KRATTS, DANIEL TIGER'S NEIGHBORHOOD, DINOSAUR TRAIN,

SUPER WHY!, THE CAT IN THE HAT KNOWS A LOT ABOUT THAT, ARTHUR, CLIFFORD THE BIG RED DOG and much more. All these programs have education at the heart of what they do and all have extensive outreach materials and opportunities. AETN's outreach and education effort will focus on **Parents/Caregivers Training Field Services, expansion of AETN's Ready To Learn services.** This proposal will be to target high need areas to deliver additional and specialized training for early childhood development.

AETN is also enhancing our Adult Education services with the "Fast Forward" Pilot Project. Roughly 39,000,000 Americans - and many Arkansans - don't have enough education to go to college-or even enough to fill the jobs needed in the American workplace. They're struggling, and our communities are feeling the economic impact. The problem is too big for anyone to solve alone, but together, we can help open pathways to a brighter future. For people who didn't finish high school, educational options can be confusing and scary. The GED® test is no longer the only measure of high school equivalency. ETS has the HiSET (High School Equivalency Test) and McGraw Hill has the TASC (Test Assessing Secondary Completion).

AETN plans to pilot Fast Forward online courses for learners (with a course management system for teachers). Working with acclaimed developers from Kentucky Educational Television, the system can enable online diploma progress, enroll learners in re-usable seats, track seat time, keep up with students' progress, and generate reports. We will partner with like-minded state agencies to maximize use of this tool.

Fast Forward courses include a Teacher Toolkit offering classroom extension activities, additional instructional video segments, and correlations to GED® Assessment Targets and more. The Fast Forward courses will help learners prepare for the 2014 GED® tests, and plans call for HiSET and TASC resources to follow quickly.

3. VETERANS: ARKANSAS STORIES OF SERVICE INITIATIVE (Existing Project)

AETN is requesting to change the appropriation title from "Honoring Arkansas' War Heros" to "Arkansas Veterans' Initiative". AETN is also requesting funding of FY16 -\$181,000 and FY17 -\$181,000 to continue and enrich our **VETERANS: ARKANSAS, STORIES OF SERVICE INITIATIVE**. AETN has a long history of projects related to Arkansas veterans and is working to launch a new veterans' initiative that expands the network's "In Their Word" project - that resulted in 600 archived oral histories of Arkansas World War II veterans - featuring local on-air production and online web services (combined with national content) national content rolling out over several years, and statewide community engagement efforts to increase dialogue and solutions as our nation's veterans transition to civilian life, in addition to stories of their service. The initiative coincides with national, multi-platform content from PBS under the banner of **Stories of Service**, and a community engagement campaign backed by the Corporation for Public Broadcasting (CPB) called **Veterans Coming Home** that AETN plans to implement in our state.

The programs featured as part of **Arkansas Stories of Service** will tell compelling stories of those who have served and provide a deeper understanding of our nation's military history. As Arkansas's storyteller, we hope to spark conversations in communities and give the public an opportunity to share their personal or family story of service through local events and programs.

Arkansans will connect to these powerful stories of courage, commitment and sacrifice. They will see the veterans as people who have so much to contribute as they return to civilian life. And once they hear and see these stories, they will be compelled to respond through their local public media stations to work with local business and veterans organizations, faith based and community groups and will partner with PBS, America's public media stations, local veterans and business organizations, hoping to speak to opportunities for our troops and their families in the Arkansas communities in which they live and continue to serve.

AETN'S CASH APPROPRIATION REQUEST:

AETN is requesting additional cash appropriation of \$1.0M over base of \$7.7M in FY16 and \$1.0M over base in FY17 for continued services to the state, including expansion of AETN's professional development services now offered to teachers statewide through a partnership with the Arkansas Department of Education (ADE). During fiscal 2014 AETN's acclaimed professional development services featured compressed interactive training events with over a hundred hours of specialized training.

Since its inception in 2006 and as of Summer 2014, ArkansasIDEAS has delivered over 708,000 credit hours to Arkansas-licensed teachers and administrators. ArkansasIDEAS currently has over 53,500 registered users from all seventy-five counties in Arkansas as well as a large number of Arkansas-licensed users who live outside of the state. ArkansasIDEAS is the most reliable source of state-mandated professional development training such as child maltreatment, parental involvement, teen suicide awareness, Arkansas history, dyslexia, and autism. AETN continues to seek similar collaborations with other state agencies and potential partners.

Appropriation is needed to meet ADE's requests to improve the functionality of the IDEAS portal. This includes equipment to film courses while teachers model the objectives being taught; equipment that allows ADE to capture and web-stream professional development being presented at one of the regional co-ops or any location equipped with broadband; course content that provides professional development needs in Special Education, English as a Second Language and Gifted Education; and software redevelopment to meet current database standards giving the portal greater ability to track professional development hours. Utilizing the newest production technology to offer more expansive avenues for Arkansas educators to acquire professional development. AETN now disseminates information on multiple delivery platforms such as: live Compressed Interactive Video (CIV) productions, "face-to-face" in-studio events, and live interactive online streaming (which can be viewed on all Windows and iOS devices like iPhone and iPad).

While Arkansas IDEAS itself is a cash funded appropriation, general revenue supports the AETN infrastructure necessary to deliver such a service.

Additionally, AETN partners with other state agencies, universities, foundations and corporations to originate programs for and about Arkansas.

Cash fund appropriation dollars are only expended when corresponding revenues cover the costs.

Please note that PBS programming is paid for by grants and individual contributions to the AETN Foundation and, while supported through the network's infrastructure and distributed statewide via AETN's transmitters, is not purchased with general revenues.

PERSONNEL - AETN staff pay will remain flat for Fiscal year 2015 and while we hope for increases for biennial years FY16-17, as we are budgeting flat unless informed otherwise. But AETN will request correction of misclassified status for some of our full-time employees.

SPECIAL LANGUAGE - AETN will request continuation of current special language, with the only change reflecting the program title change from "Honoring Arkansas' War Heros" to "Arkansas Veterans' Initiative".

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS EDUCATIONAL TELEVISION COMMISSION
FOR THE YEAR ENDED JUNE 30, 2013

Findings	Recommendations
None	None

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2014

None

Employment Summary

	Male	Female	Total	%
White Employees	44	42	86	86 %
Black Employees	7	5	12	12 %
Other Racial Minorities	1	1	2	2 %
Total Minorities			14	14 %
Total Employees			100	100 %

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
None	N/A	N	N	0	N/A	0	0.00

Department Appropriation Summary

Historical Data								Agency Request and Executive Recommendation											
Appropriation		2013-2014		2014-2015		2014-2015		2015-2016						2016-2017					
		Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
127	AETN-Treasury Paying	6,653,902	29	7,735,722	35	8,249,750	35	7,039,102	35	8,082,903	35	8,055,688	35	7,039,833	35	8,083,634	35	8,056,419	35
199	AETN-State Operations	5,314,540	76	5,305,799	75	5,398,432	74	5,347,729	75	7,593,960	75	7,586,960	75	5,352,733	75	7,598,964	75	7,591,964	75
2YX	Arkansas Veterans' Initiative*	63,798	0	0	0	80,000	0	0	0	181,000	0	181,000	0	0	0	181,000	0	181,000	0
Total		12,032,240	105	13,041,521	110	13,728,182	109	12,386,831	109	15,857,863	109	15,823,648	109	12,392,566	109	15,863,598	109	15,829,383	109

Funding Sources			%		%			%		%		%		%		%		%
Fund Balance	4000005	2,554,672	17.6	2,446,917	16.6		1,687,275	11.2	1,687,275	9.7	1,687,275	11.2	2,648,173	16.6	1,604,372	9.2	1,631,587	10.9
General Revenue	4000010	5,375,503	37.1	5,305,799	36.0		5,347,729	35.6	7,774,960	44.5	5,347,729	35.6	5,352,733	33.5	7,779,964	44.8	5,352,733	35.7
Cash Fund	4000045	6,546,147	45.2	6,976,080	47.4		8,000,000	53.2	8,000,000	45.8	8,000,000	53.2	8,000,000	50.0	8,000,000	46.0	8,000,000	53.4
M & R Sales	4000340	2,835	0.0	0	0.0		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Total Funds		14,479,157	100.0	14,728,796	100.0		15,035,004	100.0	17,462,235	100.0	15,035,004	100.0	16,000,906	100.0	17,384,336	100.0	14,984,320	100.0
Excess Appropriation/(Funding)		(2,446,917)		(1,687,275)			(2,648,173)		(1,604,372)		788,644		(3,608,340)		(1,520,738)		845,063	
Grand Total		12,032,240		13,041,521			12,386,831		15,857,863		15,823,648		12,392,566		15,863,598		15,829,383	

Variance in Fund Balance is due to unfunded appropriation.

Agency Position Usage Report

FY2012 - 2013						FY2013 - 2014						FY2014 - 2015					
Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused
	Filled	Unfilled	Total				Filled	Unfilled	Total				Filled	Unfilled	Total		
113	92	17	109	4	18.58 %	109	100	9	109	0	8.26 %	109	99	10	109	0	9.17 %

Analysis of Budget Request

Appropriation: 127 - AETN-Treasury Paying

Funding Sources: NET - Cash in Treasury

Arkansas Educational Television receives funding for this cash appropriation from Grants from private foundations, earnings for programs produced from the Agency's studios, and partnerships with various educational entities, state agencies, and private groups.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

The Base Level Request is \$7,038,102 in FY16 and \$7,039,833 in FY17.

The Agency's Change Level Requests are \$1,043,801 in each year and reflect the following:

- Regular Salaries and Personal Services Matching of \$43,801 for reclassification of three (3) positions.
- Operating Expenses increase of \$400,000 for portal licensing costs related to the IDEAS portal project, which provides free professional development training for Arkansas' licensed teachers.
- Professional Fees increase of \$250,000 for software redevelopment to meet current database standards giving the portal greater ability to track professional development hours.
- Capital Outlay increase of \$350,000 for equipment utilized to film courses while teachers model the objectives being taught as well as equipment that allows the Department of Education to capture and web-stream professional development being presented at one of the regional co-ops or any location equipped with broadband.

The Executive Recommendation provides for the Agency Request with the exception of two (2) reclassifications recommended at different grades. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 127 - AETN-Treasury Paying

Funding Sources: NET - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,005,009	1,271,076	1,327,205	1,259,182	1,295,079	1,272,775	1,259,782	1,295,679	1,273,375
#Positions		29	35	35	35	35	35	35	35	35
Extra Help	5010001	66,129	127,930	118,693	118,693	118,693	118,693	118,693	118,693	118,693
#Extra Help		12	46	46	46	46	46	46	46	46
Personal Services Matching	5010003	386,435	459,474	512,312	460,711	468,615	463,704	460,842	468,746	463,835
Operating Expenses	5020002	4,494,785	4,943,973	5,934,997	4,943,973	5,343,973	5,343,973	4,943,973	5,343,973	5,343,973
Conference & Travel Expenses	5050009	42,437	56,450	56,450	56,450	56,450	56,450	56,450	56,450	56,450
Professional Fees	5060010	267,038	399,355	140,093	140,093	390,093	390,093	140,093	390,093	390,093
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Promotional Items	5090028	18,316	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Capital Outlay	5120011	373,753	417,464	100,000	0	350,000	350,000	0	350,000	350,000
Total		6,653,902	7,735,722	8,249,750	7,039,102	8,082,903	8,055,688	7,039,833	8,083,634	8,056,419

Funding Sources										
Fund Balance	4000005	2,554,672	2,446,917		1,687,275	1,687,275	1,687,275	2,648,173	1,604,372	1,631,587
Cash Fund	4000045	6,546,147	6,976,080		8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
Total Funding		9,100,819	9,422,997		9,687,275	9,687,275	9,687,275	10,648,173	9,604,372	9,631,587
Excess Appropriation/(Funding)		(2,446,917)	(1,687,275)		(2,648,173)	(1,604,372)	(1,631,587)	(3,608,340)	(1,520,738)	(1,575,168)
Grand Total		6,653,902	7,735,722		7,039,102	8,082,903	8,055,688	7,039,833	8,083,634	8,056,419

Budget exceeds Authorized Appropriation in Extra Help, Professional Fees and Capital Outlay due to a transfer from the Cash Fund Holding Account. Expenditure of appropriation is contingent upon available funding.

Change Level by Appropriation

Appropriation: 127 - AETN-Treasury Paying
Funding Sources: NET - Cash in Treasury

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	7,039,102	35	7,039,102	100.0	7,039,833	35	7,039,833	100.0
C01	Existing Program	250,000	0	7,289,102	103.6	250,000	0	7,289,833	103.6
C08	Technology	750,000	0	8,039,102	114.2	750,000	0	8,039,833	114.2
C10	Reclass	43,801	0	8,082,903	114.8	43,801	0	8,083,634	114.8

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	7,039,102	35	7,039,102	100.0	7,039,833	35	7,039,833	100.0
C01	Existing Program	250,000	0	7,289,102	103.6	250,000	0	7,289,833	103.6
C08	Technology	750,000	0	8,039,102	114.2	750,000	0	8,039,833	114.2
C10	Reclass	16,586	0	8,055,688	114.4	16,586	0	8,056,419	114.4

Justification

C01	AETN requests additional cash appropriation to improve the functionality of the IDEAS portal that provides professional development to over 53,500 registered users.
C08	AETN requests additional cash appropriation for equipment and portal licensing costs related to the IDEAS portal project.
C10	AETN requests additional cash appropriation for Salaries and Personal Services Matching for three position reclassification requests to address changes in our infrastructure since the 2009 Pay Plan implementation.

Analysis of Budget Request

Appropriation: 199 - AETN-State Operations

Funding Sources: EMA - ETV-State Operation

Arkansas Educational Television Network (AETN) is Arkansas' only statewide television network. AETN distributes a program of educational and general audience offerings that is broadcast for all citizens of Arkansas. The network's broadcast is carried from the R. Lee Reaves Center for Educational Telecommunications in Conway. In 2009, AETN terminated all analog broadcast as part of the national digital transition, but continues to serve Arkansas with six digital broadcast transmitters around the state. AETN's Second Audio Program (SAP) channel delivers the Arkansas Information Reading Service (AIRS) for the Blind as well as Descriptive Video on selected programs for those who are blind or are visually-impaired. Virtually all programs broadcast on AETN are also closed captioned for the deaf or hearing impaired. This appropriation is used for the infrastructure and operational needs of AETN. Funding for this appropriation comes from State General Revenues.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries do not include Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY15 line item maximum plus the previously authorized 2015 1% Cost of Living Adjustment.

The Base Level Request is \$5,347,729 in FY16 and \$5,352,733 in FY17 in appropriation and general revenue funding.

The Agency's Change Level Requests are \$2,246,231 in appropriation and general revenue funding in each year as follows:

- Regular Salaries and Personal Services Matching of \$11,231 for upgrades of two (2) positions to better reflect their respective responsibilities.
- Professional Fees of \$165,000 for trainers in early childhood and adult education, closed captioning for the hearing impaired, still photography archives, and production expenses.
- Operating Expenses of \$2,070,000 for network services \$40,000; printing and advertising \$95,000; various maintenance expenses \$740,000; electricity, other rent and leases, other insurance, and fuel purchases \$255,000; office, educational, photographic, and shop supplies \$255,000; software related expenses \$195,000; broadcast program license \$200,000; portal courseware license \$250,000; and low value equipment \$40,000.

The Executive Recommendation provides for appropriation only for the position upgrades, one at a lower grade for an increase of \$4,231 in Regular Salaries and Personal Services Matching, and \$2,235,000 for the increase in Operating Expenses and Professional Fees.

Appropriation Summary

Appropriation: 199 - AETN-State Operations

Funding Sources: EMA - ETV-State Operation

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	3,615,526	3,615,971	3,621,275	3,642,093	3,651,171	3,645,434	3,646,193	3,655,271	3,649,534
#Positions		76	75	74	75	75	75	75	75	75
Extra Help	5010001	7,266	8,800	8,800	8,800	8,800	8,800	8,800	8,800	8,800
#Extra Help		1	5	5	5	5	5	5	5	5
Personal Services Matching	5010003	1,170,920	1,162,049	1,249,378	1,177,857	1,180,010	1,178,747	1,178,761	1,180,914	1,179,651
Operating Expenses	5020002	520,828	518,979	518,979	518,979	2,588,979	2,588,979	518,979	2,588,979	2,588,979
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	165,000	165,000	0	165,000	165,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		5,314,540	5,305,799	5,398,432	5,347,729	7,593,960	7,586,960	5,352,733	7,598,964	7,591,964
Funding Sources										
General Revenue	4000010	5,311,705	5,305,799		5,347,729	7,593,960	5,347,729	5,352,733	7,598,964	5,352,733
M & R Sales	4000340	2,835	0		0	0	0	0	0	0
Total Funding		5,314,540	5,305,799		5,347,729	7,593,960	5,347,729	5,352,733	7,598,964	5,352,733
Excess Appropriation/(Funding)		0	0		0	0	2,239,231	0	0	2,239,231
Grand Total		5,314,540	5,305,799		5,347,729	7,593,960	7,586,960	5,352,733	7,598,964	7,591,964

Budget Number of Positions may exceed the Authorized Number due to single salary section in appropriation act.

Change Level by Appropriation

Appropriation: 199 - AETN-State Operations
Funding Sources: EMA - ETV-State Operation

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	5,347,729	75	5,347,729	100.0	5,352,733	75	5,352,733	100.0
C01	Existing Program	1,915,000	0	7,262,729	135.8	1,915,000	0	7,267,733	135.8
C08	Technology	320,000	0	7,582,729	141.8	320,000	0	7,587,733	141.8
C11	Upgrade/Downgrade	11,231	0	7,593,960	142.0	11,231	0	7,598,964	142.0

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	5,347,729	75	5,347,729	100.0	5,352,733	75	5,352,733	100.0
C01	Existing Program	1,915,000	0	7,262,729	135.8	1,915,000	0	7,267,733	135.8
C08	Technology	320,000	0	7,582,729	141.8	320,000	0	7,587,733	141.8
C11	Upgrade/Downgrade	4,231	0	7,586,960	141.9	4,231	0	7,591,964	141.8

Justification

C01	AETN requests change level appropriation to fund escalating costs in maintaining AETN's operations and distribution system. Additionally, the request will be used to help support the operations of an Emergency Management System, the Early Childhood Resource Center and Adult Education Fast Forward GED programs.
C08	AETN requests change level appropriation for internet access, licensing and software costs associated with general network operations and the Adult Education Fast Forward GED program, part of AETN's educational division.
C11	AETN requests change level appropriation for Salaries and Personal Services Matching for two position upgrade requests to address changes in our infrastructure since the 2009 Pay Plan implementation.

Analysis of Budget Request

Appropriation: 2YX - Arkansas Veterans' Initiative*

Funding Sources: EMA - ETV-State Operations

This general revenue funded appropriation is used by AETN to design documentaries honoring Arkansas' war heroes. AETN is working to launch a new veterans' initiative that expands the network's "In Their Word" project, which resulted in 600 archived oral histories of Arkansas World War II. With the use of this oral history, AETN can now offer a much more inclusive picture of the past.

Act 195 of 2014 Section 7 Special Language requires the Agency to request continuation and any increase of this appropriation as a change level request for the 2015-2017 Biennium.

AETN requests a change to the appropriation title from "Honoring Arkansas' War Heroes" to "Arkansas Veterans' Initiative".

The Agency's Change Level Request provides for appropriation and general revenue funding totaling \$181,000 in each year for the purchase of capital equipment, software, services and upgrades for the program.

The Executive Recommendation provides the Agency Request in appropriation only. This request is recommended from the General Improvement Fund.

Appropriation Summary

Appropriation: 2YX - Arkansas Veterans' Initiative*

Funding Sources: EMA - ETV-State Operations

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Honoring Arkansas' War Heroes 5900046	63,798	0	80,000	0	181,000	181,000	0	181,000	181,000
Total	63,798	0	80,000	0	181,000	181,000	0	181,000	181,000

Funding Sources									
General Revenue 4000010	63,798	0		0	181,000	0	0	181,000	0
Total Funding	63,798	0		0	181,000	0	0	181,000	0
Excess Appropriation/(Funding)	0	0		0	0	181,000	0	0	181,000
Grand Total	63,798	0		0	181,000	181,000	0	181,000	181,000

*The Agency requests to change the title of this appropriation from "Honoring Arkansas' War Heros" to "Arkansas Veterans' Initiative".

Change Level by Appropriation

Appropriation: 2YX - Arkansas Veterans' Initiative*
Funding Sources: EMA - ETV-State Operations

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	0	0	0	0.0	0	0	0	0.0
C01	Existing Program	181,000	0	181,000	100.0	181,000	0	181,000	100.0

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	0	0	0	0.0	0	0	0	0.0
C01	Existing Program	181,000	0	181,000	100.0	181,000	0	181,000	100.0

Justification

C01	AETN requests change level appropriation for costs associated with the Arkansas Veterans' Initiative, Stories of Service documentation and outreach project.								
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STATE BOARD OF ELECTION COMMISSIONERS

Enabling Laws

Act 186 of 2014

A.C.A. §7-4-101, 7-4-103, 7-4-107, 7-4-109, 7-4-118

A.C.A. §7-5-311, 7-5-415, 7-5-503, 7-5-510, 7-5-606, 7-5-707

A.C.A. §7-7-201

A.C.A. §7-10-103

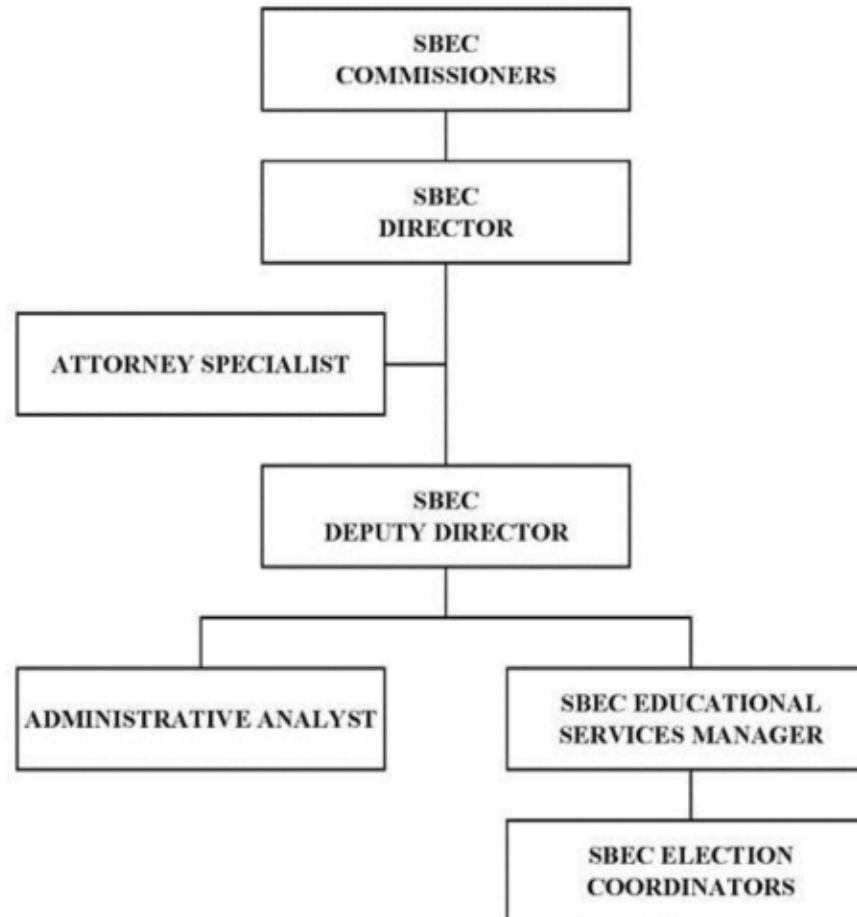
History and Organization

The State Board of Election Commissioners has existed in excess of 100 years. Legislation passed by the General Assembly during the 1995 session amended various sections of Arkansas Code Title 7 to provide for joint political party primary elections funded by the State from an appropriation made to the Board. Act 741 of 1995 amended Arkansas Code Annotated §7-4-101 to reconstitute the Board, with Act 1217 of 1995 providing funding for operations and staff to implement the Board's expanded duties and responsibilities.

The Board consists of a staff of seven serving a seven member board that is comprised of the Secretary of State as Chairperson, two members appointed by the Governor, and one member each appointed by the chair of the state Democratic party, the chair of the state Republican party, the President Pro Tempore of the Arkansas Senate, and the Speaker of the Arkansas House of Representatives.

The mission of the Board is to improve the conduct of elections in the State by promoting fair and orderly election procedures through education, assistance, and monitoring. The Board develops resources to educate and assist candidates and county election administrators, develops specialized training programs, conducts and coordinates statewide training of county election commissioners and election officials, monitors compliance by local election administrators with federal and state election laws, investigates complaints of alleged election misconduct and election law violations, and distributes funds to the counties for state-supported political party primary elections, nonpartisan judicial general elections, special primary elections, and statewide special elections.

The Board's cost effective system of reimbursement to the counties ensures statewide uniformity and consistency in distributing funds from the State to the counties for state-supported elections. The Board provides each county with comprehensive reporting forms for requesting reimbursement, distributes funds statewide following extensive auditing and reconciliation of each individual county reimbursement request, and maintains election expense databases for fiscal accountability.



Agency Commentary

The State Board of Election Commissioners requests Base Level for Operations (580) in the amount of \$637,288 for FY2016 and \$638,145 for FY2017. The Base Level request for Regular Salaries and Matching includes appropriation for Career Service Payments and board member stipend payments. The Base Level request for Operations includes reductions of \$1,060 for Wireless Telecommunication and Cable Services that are no longer utilized, a reduction of \$1,040 in Office Supplies, and an increase of \$2,100 in Network Services for annual website maintenance beginning in FY2015.

The Board requests continuation of Base Level for Election Expenses (581) in the amount of \$6,340,000 for the 2015-2017 Biennium to cover the expenses of the Board and local county boards of election commissioners to conduct state-supported political party primary elections, nonpartisan general elections, special primary elections, and statewide special elections. This request also covers expenses incurred by the Board to compensate local election administrators for mandatory statewide training attendance, to publish a handbook for candidates running for public office, and to publish educational and training materials to aid county election administrators in conducting elections in compliance with federal and state election laws, pursuant to A.C.A. § 7-4-101, 7-4-107, and 7-4-109. Special Language authorizes the carryforward of General Revenue funding from the first fiscal year of the biennium to the second fiscal year of the biennium. Expenditure of appropriation in the second fiscal year of the biennium is contingent upon the carryforward of available funding from the first fiscal year of the biennium. Special Language also authorizes the Chief Financial Officer of the State to transfer funds from the Budget Stabilization Trust Fund to the Board's Miscellaneous Agencies Fund Account to pay the expenses of state-supported elections, if funds are not available to pay for these elections. The Agency's Base Level Request for Election Expenses (581) includes the following:

	GENERAL REVENUE	BUDGET STABILIZATION TRUST FUND	TOTAL
Training Publications	75,000	0	75,000
Commissioners Training Compensation	30,000	0	30,000
Trainers' Training Compensation	35,000	0	35,000
Preferential Primary (May):	2,500,000	500,000	3,000,000
Primary Runoff (June):	1,497,000	303,000	1,800,000
Statewide Specials/Special Primaries	<u>0</u>	<u>1,400,000</u>	<u>1,400,000</u>
Total	4,137,000	2,203,000	6,340,000

The Board requests continuation of Base Level in the amount of \$1,600,000 for Nonpartisan General Elections (436) for the 2015-2017 Biennium to cover the expenses of the Board and local county boards of election commissioners to conduct state-supported elections.

Expenditure of appropriation in the second fiscal year of the biennium is contingent upon the carryforward of available funding from the first fiscal year of the biennium.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS STATE BOARD OF ELECTION COMMISSIONERS
FOR THE YEAR ENDED JUNE 30, 2012

Findings	Recommendations
None	None

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2014

None

Employment Summary

	Male	Female	Total	%
White Employees	3	3	6	86 %
Black Employees	0	1	1	14 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			1	14 %
Total Employees			7	100 %

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
"County Board of Election Commissioners Procedures Manual"	7-4-101(f)(2); 7-4-109(e)(1)	N	N	500	Statewide training of county election commissioners to assure fair and orderly election procedures	0	0.00
"Poll Workers Training Guide and Checklist for Poll Workers"	7-4-101(f)(2); 7-4-107(b)(2); 7-4-109(e)(1)	N	N	11,500	Statewide training, testing, and Board certification of trainers to train poll workers locally - Statewide training of local poll workers to assist them in executing election day duties and responsibilities	0	0.00
"Running for Public Office: A 'Plain English' Handbook for Candidates"	7-4-101(f)(1)	N	N	5,000	Statutory Requirement - to outline in a readable and understandable format the legal obligations of candidates running for public office	0	0.00

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2013-2014		2014-2015		2014-2015		2015-2016						2016-2017					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
436 Nonpartisan General Elections*	0	0	1,049,239	0	1,600,000	0	1,600,000	0	1,600,000	0	1,600,000	0	1,600,000	0	1,600,000	0	1,600,000	0
580 Election Commissioners - Operations	535,017	7	596,903	7	648,990	7	637,288	7	637,288	7	637,288	7	638,145	7	638,145	7	638,145	7
581 Election Expenses	343,088	0	3,831,224	0	6,340,000	0	6,340,000	0	6,340,000	0	6,340,000	0	6,340,000	0	6,340,000	0	6,340,000	0
Total	878,105	7	5,477,366	7	8,588,990	7	8,577,288	7	8,577,288	7	8,577,288	7	8,578,145	7	8,578,145	7	8,578,145	7

Funding Sources			%		%			%		%		%		%		%		%
Fund Balance	4000005	676,521	11.7	4,880,463	89.1		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
General Revenue	4000010	4,709,329	81.8	596,903	10.9		4,774,288	55.7	4,774,288	55.7	4,774,288	55.7	638,145	100.0	638,145	100.0	638,145	100.0
Budget Stabilization Trust	4000130	0	0.0	0	0.0		2,203,000	25.7	2,203,000	25.7	2,203,000	25.7	0	0.0	0	0.0	0	0.0
Judicial Filing Fees	4000320	372,718	6.5	0	0.0		1,600,000	18.7	1,600,000	18.7	1,600,000	18.7	0	0.0	0	0.0	0	0.0
Total Funds		5,758,568	100.0	5,477,366	100.0		8,577,288	100.0	8,577,288	100.0	8,577,288	100.0	638,145	100.0	638,145	100.0	638,145	100.0
Excess Appropriation/(Funding)		(4,880,463)		0			0		0		0		7,940,000		7,940,000		7,940,000	
Grand Total		878,105		5,477,366			8,577,288		8,577,288		8,577,288		8,578,145		8,578,145		8,578,145	

Due to the inclusion of Prosecutors, the Agency requests to rename this appropriation from "Nonpartisan Judicial General Elections" to "Nonpartisan General Elections" and the Fund from "Judicial Filing Fee Fund" to "Nonpartisan Filing Fee Fund."

Agency Position Usage Report

FY2012 - 2013						FY2013 - 2014						FY2014 - 2015					
Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused
	Filled	Unfilled	Total				Filled	Unfilled	Total				Filled	Unfilled	Total		
7	7	0	7	0	0.00 %	7	6	1	7	0	14.29 %	7	7	0	7	0	0.00 %

Analysis of Budget Request

Appropriation: 436 - Nonpartisan General Elections*

Funding Sources: MFF - Nonpartisan Filing Fee Fund*

Amendment 80, §17 and 18, to the Arkansas Constitution states that Circuit Judges, District Judges, Supreme Court Justices and Court of Appeals Judges be elected on a nonpartisan basis. This amendment went into effect July 2001. Act 1110 of 2013 made the office of the prosecuting attorney a nonpartisan office. Act 1789 of 2001 established the guidelines for the nonpartisan elections and charged the State Board of Election Commissioners with funding nonpartisan general elections and establishing reasonable filing fees for nonpartisan offices. The Board promulgates rules and regulations establishing nonpartisan office filing fees for covering the cost of election expenses paid from this appropriation.

The Agency Base Level Request includes appropriation of \$1,600,000 each year of the biennium. Due to the inclusion of prosecutors, the Agency has requested to rename this appropriation and fund striking the word judicial from both.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 436 - Nonpartisan General Elections*

Funding Sources: MFF - Nonpartisan Filing Fee Fund*

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	0	1,049,239	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000
Total		0	1,049,239	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000
Funding Sources										
Fund Balance	4000005	676,521	1,049,239		0	0	0	0	0	0
Judicial Filing Fees	4000320	372,718	0		1,600,000	1,600,000	1,600,000	0	0	0
Total Funding		1,049,239	1,049,239		1,600,000	1,600,000	1,600,000	0	0	0
Excess Appropriation/(Funding)		(1,049,239)	0		0	0	0	1,600,000	1,600,000	1,600,000
Grand Total		0	1,049,239		1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000

Base Level has been restored to the FY15 authorized amount.

Expenditure of appropriation is contingent upon available funding. Due to the inclusion of Prosecutors, the Agency requests to rename this appropriation from "Nonpartisan Judicial General Elections" to "Nonpartisan General Elections" and the Fund from "Judicial Filing Fee Fund" to "Nonpartisan Filing Fee Fund."

Analysis of Budget Request

Appropriation: 580 - Election Commissioners - Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

The State Board of Election Commissioners is a general revenue funded Agency that administers state supported political party primary and special elections. The seven member Board is comprised of the Secretary of State as Chairperson, two members appointed by the Governor, and one member each appointed by the chair of the state Democratic party, the chair of the state Republican party, the President Pro Tempore of the Arkansas Senate, and the Speaker of the Arkansas House of Representatives. Legislation passed during the 1995 session redefined the duties of the Board and created for the first time a staff and an operating appropriation.

The Board develops resources to educate and assist candidates and county election administrators, develops specialized training programs, conducts and coordinates statewide training of county election commissioners and election officials, monitors compliance by local election authorities with federal and state election laws, investigates complaints of alleged election misconduct and election law violations, and distributes funds to the counties for state-supported political party primary elections, nonpartisan general elections, special primary elections, and statewide special elections.

The responsibilities of the Board have increased each session as a result of legislation passed by the Arkansas General Assembly in an attempt to ensure public confidence in the election process.

Base Level Regular Salaries and Personal Services Matching include continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases. The Base Level request for Regular Salaries includes board member stipend payments.

The Board's Base Level Request includes appropriation and general revenue funding of \$637,288 in FY16 and \$638,145 in FY17 with seven (7) regular positions. The Board also requests a reallocation of resources, reducing wireless telecommunications, cable services and office supplies and increasing network services. The reallocation will provide for annual website maintenance.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 580 - Election Commissioners - Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	333,825	364,406	403,033	396,559	396,559	396,559	397,259	397,259	397,259
#Positions		7	7	7	7	7	7	7	7	7
Personal Services Matching	5010003	117,737	116,437	129,897	124,669	124,669	124,669	124,826	124,826	124,826
Operating Expenses	5020002	78,390	108,060	108,060	108,060	108,060	108,060	108,060	108,060	108,060
Conference & Travel Expenses	5050009	299	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Professional Fees	5060010	4,766	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		535,017	596,903	648,990	637,288	637,288	637,288	638,145	638,145	638,145
Funding Sources										
General Revenue	4000010	535,017	596,903		637,288	637,288	637,288	638,145	638,145	638,145
Total Funding		535,017	596,903		637,288	637,288	637,288	638,145	638,145	638,145
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		535,017	596,903		637,288	637,288	637,288	638,145	638,145	638,145

Change Level by Appropriation

Appropriation: 580 - Election Commissioners - Operations
Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	637,288	7	637,288	100.0	638,145	7	638,145	100.0
C04	Reallocation	0	0	637,288	100.0	0	0	638,145	100.0

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	637,288	7	637,288	100.0	638,145	7	638,145	100.0
C04	Reallocation	0	0	637,288	100.0	0	0	638,145	100.0

Justification

C04	Reductions of \$1,060 for Wireless Telecommunication and Cable Services that are no longer utilized, a reduction of \$1,040 in Office Supplies, and an increase of \$2,100 in Network Services for annual website maintenance								
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Analysis of Budget Request

Appropriation: 581 - Election Expenses

Funding Sources: HUA - Miscellaneous Agencies Fund

This general revenue funded appropriation provides reimbursement to the counties for the expenses of state supported political party primary elections, special primary elections, and statewide special elections. This appropriation also covers expenses incurred by the Board to compensate local election administrators for mandatory statewide training attendance, to publish a handbook for candidates running for public office, and to publish educational and training materials to aid county election administrators in conducting elections in compliance with federal and state election laws, pursuant to § 7-4-101, 7-4-107, and 7-4-109.

Base Level includes appropriation of \$6,340,000 each year with general revenue funding of \$4,137,000 in the first year only with Special Language authorizing the carry forward of remaining funds between fiscal years. Special Language also authorizes the Chief Financial Officer of the State to transfer funds from the Budget Stabilization Trust Fund to the Board's Miscellaneous Agencies Fund to provide for expenses for any statewide special election or special primary election if any Special Elections are required.

The Total Request includes the following:

	GENERAL REVENUE	BUDGET STABILIZATION TRUST FUND	TOTAL
Training Publications	75,000	0	75,000
Commissioners Training Compensation	30,000	0	30,000
Trainers' Training Compensation	35,000	0	35,000
Preferential Primary (May)	2,500,000	500,000	3,000,000
Primary Runoff (June)	1,497,000	303,000	1,800,000
Statewide Specials/Special Primaries	0	1,400,000	1,400,000
Total	4,137,000	2,203,000	6,340,000

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 581 - Election Expenses

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Election Expenses	5900046	343,088	3,831,224	6,340,000	6,340,000	6,340,000	6,340,000	6,340,000	6,340,000	6,340,000
Total		343,088	3,831,224	6,340,000	6,340,000	6,340,000	6,340,000	6,340,000	6,340,000	6,340,000
Funding Sources										
Fund Balance	4000005	0	3,831,224		0	0	0	0	0	0
General Revenue	4000010	4,174,312	0		4,137,000	4,137,000	4,137,000	0	0	0
Budget Stabilization Trust	4000130	0	0		2,203,000	2,203,000	2,203,000	0	0	0
Total Funding		4,174,312	3,831,224		6,340,000	6,340,000	6,340,000	0	0	0
Excess Appropriation/(Funding)		(3,831,224)	0		0	0	0	6,340,000	6,340,000	6,340,000
Grand Total		343,088	3,831,224		6,340,000	6,340,000	6,340,000	6,340,000	6,340,000	6,340,000

Special Language authorizes carry forward of funding. Expenditure of appropriation in FY17 is contingent upon the carryforward of available funding from FY16.

Base Level appropriation has been restored to the FY15 authorized amount.

**CARRY FORWARD OF ANY REMAINING FUND BALANCES
FROM FISCAL YEAR 2014 TO FISCAL YEAR 2015**

Agency: Election Commissioners Board

Program: Election Expenses

Act #: 166 Section(s) #: 5

Estimated Carry Forward Amount \$ 3,831,224.05 Funding Source: Miscellaneous Agencies

Accounting Information:

Business Area: 0232 Funds Center: 581 Fund: HUA Functional Area: PROF

Current law requires a written statement be submitted to the DFA Office of Budget stating the reason(s) to carry forward funding for a program or a specific line item within a program remaining on June 30th of a fiscal year.

Justification for carry forward of fund balance:

To enable the State Board of Election Commissioners to reimburse counties for eligible state-funded election expenses associated with conducting the 2014 Preferential Primary/ Non-Partisan Judicial General election, General Primary Election, and any special primary elections from July 1, 2014 through June 30, 2015.

Actual Funding Carry Forward Amount \$ 3,831,224.05

Current status of carry forward funding:

The carry forward balance is budgeted in FY2015 to reimburse counties for eligible state-funded election expenses associated with conducting the 2014 Preferential Primary/ Non-Partisan Judicial General election, General Primary Election, and any special primary elections from July 1, 2014 through June 30, 2015.

Justin Clay

Director

08-21-2014

Date

OFFICE OF THE GOVERNOR

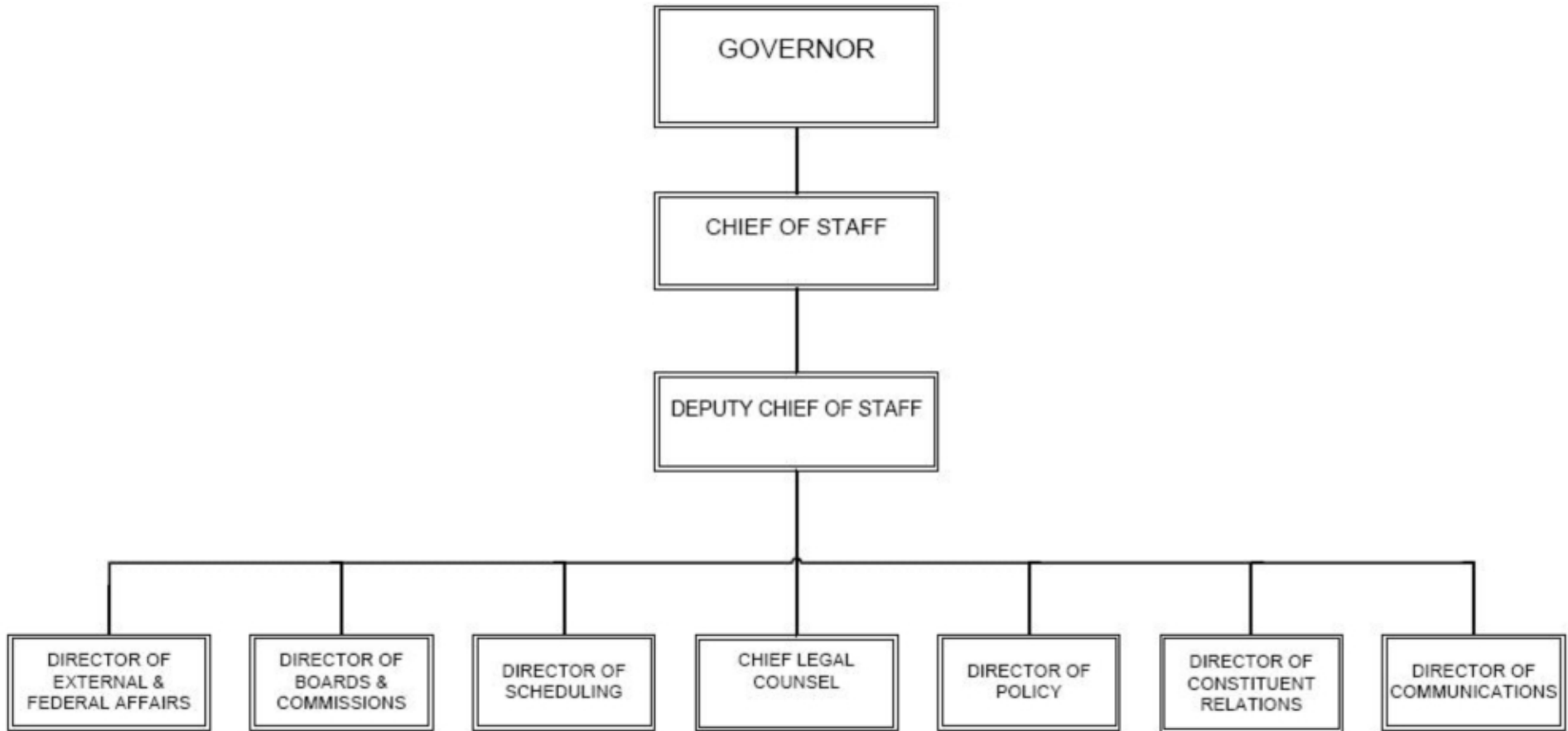
Enabling Laws

Act 74 of 2014
Constitution of Arkansas, Article 6

History and Organization

In accordance with Article 6 of the Arkansas Constitution, the Governor, as elected by the people shall be vested with the executive power of the State. The Governor must be a U.S. citizen, a resident of the State for seven (7) years and be thirty (30) years of age. As Chief Executive of the State, the Governor may require written reports from Executive Department Directors. The Governor shall see that Arkansas laws are faithfully executed.

From time to time, the Governor shall inform the General Assembly on the condition of state government. He shall also make recommendations for their consideration on such measures as he may deem appropriate. Every bill that has passed both houses of the General Assembly shall be presented to the Governor for his signature. The Governor has veto power of line items in appropriation bills authorizing the expenditure of state funds.



Agency Commentary

The Governor's Office is currently authorized sixty (60) full time positions and seven (7) Extra Help positions. All maintenance and operations line items are requested at the 2014-2015 authorized level. This authorized level includes restoring Capital Outlay in the amount of \$8,000 each year of the biennium for any unforeseen replacement of equipment/furniture.

The Governor's Emergency Fund is requested to continue at the Base Level of \$500,000 each year of the biennium.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
OFFICE OF THE GOVERNOR
FOR THE YEAR ENDED JUNE 30, 2013

Findings	Recommendations
None	None

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2014

None

Employment Summary

	Male	Female	Total	%
White Employees	14	19	33	72 %
Black Employees	4	7	11	24 %
Other Racial Minorities	1	1	2	4 %
Total Minorities			13	28 %
Total Employees			46	100 %

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
N/A	N/A	N	N	0	N/A	0	0.00

Department Appropriation Summary

Historical Data								Agency Request and Executive Recommendation											
Appropriation		2013-2014		2014-2015		2014-2015		2015-2016						2016-2017					
		Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
001	Governor's Office - Operations	4,220,058	54	5,945,043	60	5,945,043	60	5,997,206	60	6,005,206	60	0	0	6,004,019	60	6,012,019	60	0	0
181	Governor's Emergency Proclamation	0	0	500,000	0	500,000	0	500,000	0	500,000	0	0	0	500,000	0	500,000	0	0	0
Total		4,220,058	54	6,445,043	60	6,445,043	60	6,497,206	60	6,505,206	60	0	0	6,504,019	60	6,512,019	60	0	0

Funding Sources			%		%			%		%		%		%		%		%
State Central Services	4000035	4,220,058	100.0	5,945,043	92.2		5,997,206	92.3	6,005,206	92.3	0	0.0	6,004,019	92.3	6,012,019	92.3	0	0.0
Governor's Emergency Fund	4000275	0	0.0	500,000	7.8		500,000	7.7	500,000	7.7	0	0.0	500,000	7.7	500,000	7.7	0	0.0
Total Funds		4,220,058	100.0	6,445,043	100.0		6,497,206	100.0	6,505,206	100.0	0	0.0	6,504,019	100.0	6,512,019	100.0	0	0.0
Excess Appropriation/(Funding)		0		0			0		0		0		0		0		0	
Grand Total		4,220,058		6,445,043			6,497,206		6,505,206		0		6,504,019		6,512,019		0	

No Executive Recommendation made on these appropriations.

Agency Position Usage Report

FY2012 - 2013						FY2013 - 2014						FY2014 - 2015					
Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused
	Filled	Unfilled	Total				Filled	Unfilled	Total				Filled	Unfilled	Total		
60	49	11	60	0	18.33 %	60	46	14	60	0	23.33 %	60	46	14	60	0	23.33 %

Appropriation Summary

Appropriation: 001 - Governor's Office - Operations

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	2,847,181	3,984,332	3,984,332	4,010,482	4,010,482	0	4,015,582	4,015,582	0
#Positions		54	60	60	60	60	0	60	60	0
Extra Help	5010001	0	8,789	8,789	8,789	8,789	0	8,789	8,789	0
#Extra Help		0	7	7	7	7	0	7	7	0
Personal Services Matching	5010003	934,156	1,168,016	1,168,016	1,202,029	1,202,029	0	1,203,742	1,203,742	0
Operating Expenses	5020002	430,167	746,706	746,706	746,706	746,706	0	746,706	746,706	0
Conference & Travel Expenses	5050009	771	15,200	15,200	15,200	15,200	0	15,200	15,200	0
Professional Fees	5060010	0	14,000	14,000	14,000	14,000	0	14,000	14,000	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	7,783	8,000	8,000	0	8,000	0	0	8,000	0
Total		4,220,058	5,945,043	5,945,043	5,997,206	6,005,206	0	6,004,019	6,012,019	0
Funding Sources										
State Central Services	4000035	4,220,058	5,945,043		5,997,206	6,005,206	0	6,004,019	6,012,019	0
Total Funding		4,220,058	5,945,043		5,997,206	6,005,206	0	6,004,019	6,012,019	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		4,220,058	5,945,043		5,997,206	6,005,206	0	6,004,019	6,012,019	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 001 - Governor's Office - Operations
Funding Sources: HSC - State Central Services

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	5,997,206	60	5,997,206	100.0	6,004,019	60	6,004,019	100.0
C01	Existing Program	8,000	0	6,005,206	100.1	8,000	0	6,012,019	100.1

Appropriation Summary

Appropriation: 181 - Governor's Emergency Proclamation

Funding Sources: MTA - Miscellaneous Revolving Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation					
	2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	0	500,000	500,000	500,000	500,000	0	500,000	500,000	0
Total	0	500,000	500,000	500,000	500,000	0	500,000	500,000	0
Funding Sources									
Governor's Emergency Fund 4000275	0	500,000		500,000	500,000	0	500,000	500,000	0
Total Funding	0	500,000		500,000	500,000	0	500,000	500,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	500,000		500,000	500,000	0	500,000	500,000	0

Expenditure for Emergency Proclamations are reflected in the Department of Finance and Administration - Disbursing Officer appropriation (777).

No Executive Recommendation made on this appropriation.

GOVERNOR'S MANSION COMMISSION

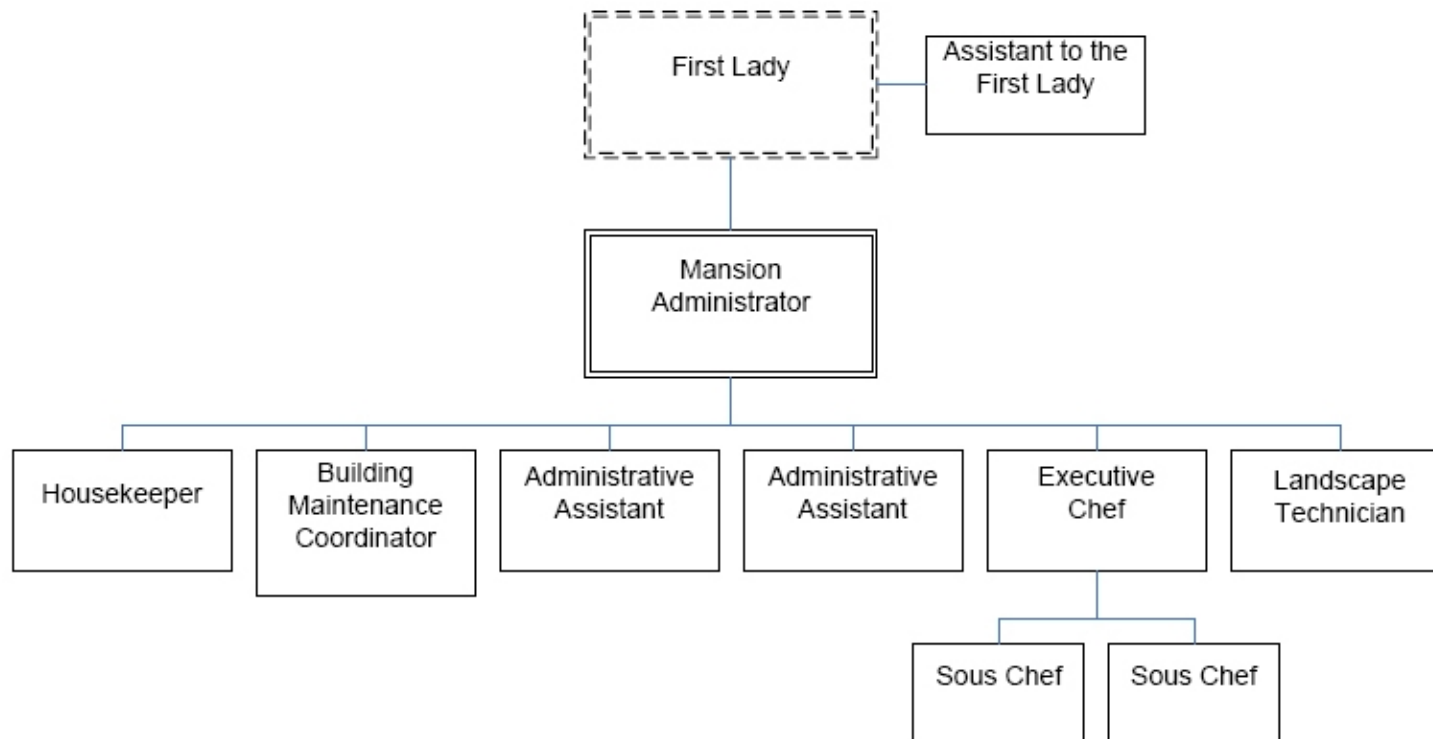
Enabling Laws

Act 173 of 2014
ACA §22-3-801

History and Organization

In accordance with ACA §22-3-801, the State of Arkansas shall furnish its Governor a mansion to live in during the term of office. The Governor's Mansion Commission is composed of eight members appointed by the Governor and is assisted by the Mansion Advisory Council. The Advisory Council is composed of three members of the Senate and House of Representatives. The duties and powers of the Commission are:

- To survey the condition of the Mansion, grounds and contents;
- To establish rules and regulations governing improvements, repairs, etc for the Mansion, grounds and contents;
- To prepare an annual report each November for the Governor and Legislative Council summarizing its findings and recommendations of necessary repairs, improvements, etc.
- To solicit and accept gifts, grants and donations for use in purchasing furnishings, plantings and artwork, etc. All gifts must be approved by the Governor and the Commission.



Agency Commentary

The Governor's Mansion Commission is currently authorized for ten (10) full time positions and four (4) Extra Help positions. The Extra Help, Uniform Allowance, Mansion Allowance, and Mansion Expense line items are requested at Base Level for the 2015-2017 Biennium. The Base Level salary of unclassified positions reflects the FY15 line item maximum.

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
GOVERNOR'S MANSION AND MANSION COMMISSION
FOR THE YEAR ENDED JUNE 30, 2013

Findings	Recommendations
None	None

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2014

None

Employment Summary

	Male	Female	Total	%
White Employees	5	3	8	100 %
Black Employees	0	0	0	0 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			0	0 %
Total Employees			8	100 %

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
N/A	N/A	N	N	0	N/A	0	0.00

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2013-2014		2014-2015		2014-2015		2015-2016						2016-2017					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
532 Governor's Mansion - Operations	865,010	10	1,111,577	10	1,109,287	10	1,119,994	10	1,119,994	10	0	0	1,119,994	10	1,119,994	10	0	0
56V Grand Hall/Mansion/Grounds - Cash in Treasury	330,659	0	500,000	0	500,000	0	500,000	0	500,000	0	0	0	500,000	0	500,000	0	0	0
Total	1,195,669	10	1,611,577	10	1,609,287	10	1,619,994	10	1,619,994	10	0	0	1,619,994	10	1,619,994	10	0	0

Funding Sources		%		%			%		%		%		%		%		%
Fund Balance 4000005	125,580	8.9	221,512	12.1		221,512	12.0	221,512	12.0	0	0.0	221,512	12.0	221,512	12.0	0	0.0
State Central Services 4000035	865,010	61.0	1,111,577	60.6		1,119,994	60.8	1,119,994	60.8	0	0.0	1,119,994	60.8	1,119,994	60.8	0	0.0
Cash Fund 4000045	426,591	30.1	500,000	27.3		500,000	27.2	500,000	27.2	0	0.0	500,000	27.2	500,000	27.2	0	0.0
Total Funds	1,417,181	100.0	1,833,089	100.0		1,841,506	100.0	1,841,506	100.0	0	0.0	1,841,506	100.0	1,841,506	100.0	0	0.0
Excess Appropriation/(Funding)	(221,512)		(221,512)			(221,512)		(221,512)		0		(221,512)		(221,512)		0	
Grand Total	1,195,669		1,611,577			1,619,994		1,619,994		0		1,619,994		1,619,994		0	

No Executive Recommendation made on these appropriations.

Agency Position Usage Report

FY2012 - 2013						FY2013 - 2014						FY2014 - 2015					
Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused
	Filled	Unfilled	Total				Filled	Unfilled	Total				Filled	Unfilled	Total		
10	9	1	10	0	10.00 %	10	8	2	10	0	20.00 %	10	8	2	10	0	20.00 %

Appropriation Summary

Appropriation: 532 - Governor's Mansion - Operations

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	408,244	561,743	561,743	567,354	567,354	0	567,354	567,354	0
#Positions		10	10	10	10	10	0	10	10	0
Extra Help	5010001	0	12,000	12,000	12,000	12,000	0	12,000	12,000	0
#Extra Help		0	4	4	4	4	0	4	4	0
Personal Services Matching	5010003	138,862	176,004	173,714	178,810	178,810	0	178,810	178,810	0
Uniform Allowance	5010016	0	500	500	500	500	0	500	500	0
Gov Mansion Allowance	5900046	60,000	60,000	60,000	60,000	60,000	0	60,000	60,000	0
Mansion Expense	5900047	257,904	301,330	301,330	301,330	301,330	0	301,330	301,330	0
Total		865,010	1,111,577	1,109,287	1,119,994	1,119,994	0	1,119,994	1,119,994	0
Funding Sources										
State Central Services	4000035	865,010	1,111,577		1,119,994	1,119,994	0	1,119,994	1,119,994	0
Total Funding		865,010	1,111,577		1,119,994	1,119,994	0	1,119,994	1,119,994	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		865,010	1,111,577		1,119,994	1,119,994	0	1,119,994	1,119,994	0

FY15 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2013-2015 Biennium.

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 56V - Grand Hall/Mansion/Grounds - Cash in Treasury

Funding Sources: NGM - Governor's Mansion Grand Hall - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grand Hall/Mansion/Grounds Exp 5900046	330,659	500,000	500,000	500,000	500,000	0	500,000	500,000	0
Total	330,659	500,000	500,000	500,000	500,000	0	500,000	500,000	0
Funding Sources									
Fund Balance 4000005	125,580	221,512		221,512	221,512	0	221,512	221,512	0
Cash Fund 4000045	426,591	500,000		500,000	500,000	0	500,000	500,000	0
Total Funding	552,171	721,512		721,512	721,512	0	721,512	721,512	0
Excess Appropriation/(Funding)	(221,512)	(221,512)		(221,512)	(221,512)	0	(221,512)	(221,512)	0
Grand Total	330,659	500,000		500,000	500,000	0	500,000	500,000	0

No Executive Recommendation made on this appropriation.

COMMISSIONER OF STATE LANDS

Enabling Laws

Act 129 of 2014
Constitution of Arkansas, Article 6
Constitution of Arkansas, Amendment 56

History and Organization

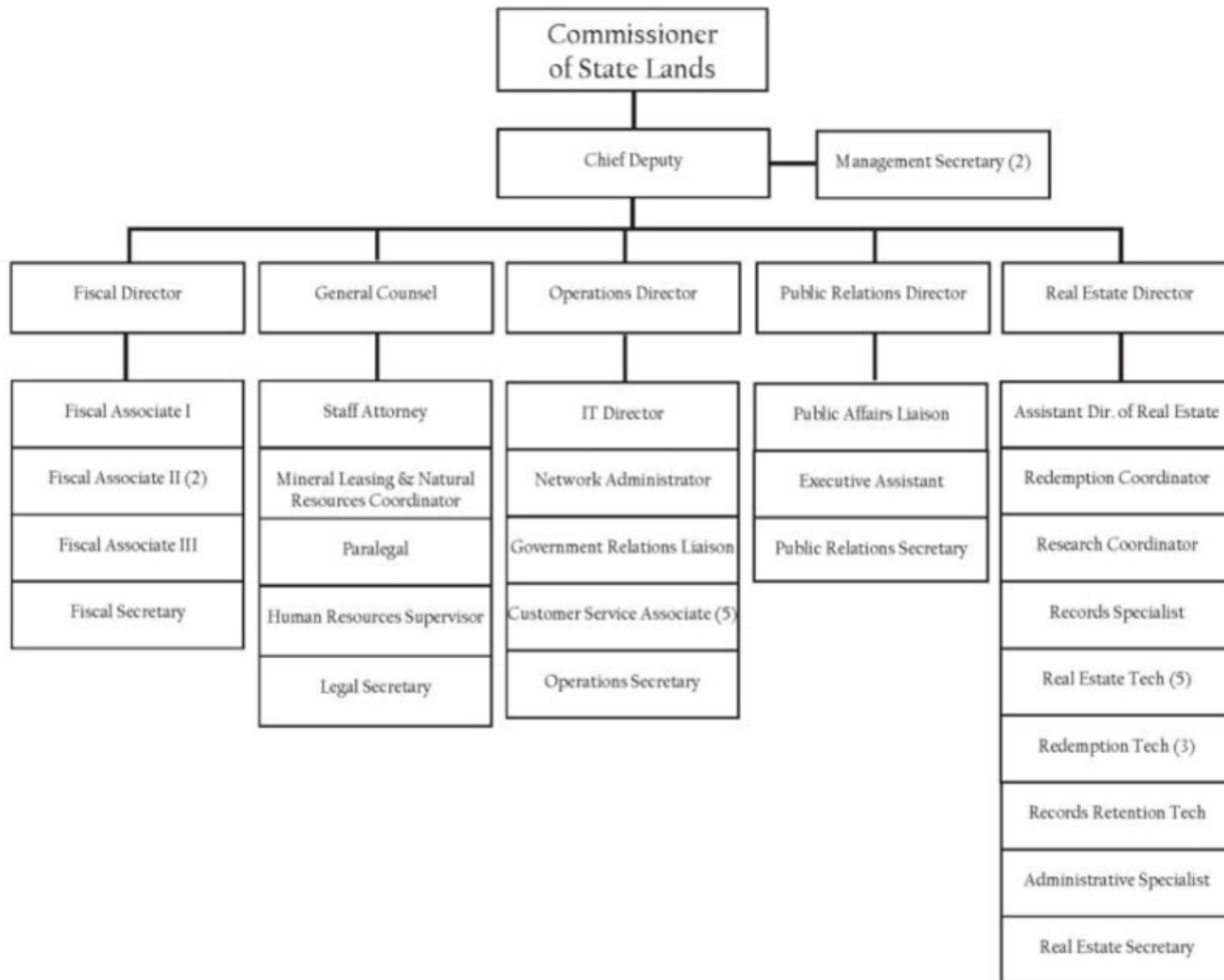
The Commissioner of State Lands is an elected official serving a four-year term of office. Constitutional Amendment 37, approved by the voters in 1946, established the Commissioner of State Lands as one of Arkansas' seven popularly elected constitutional officers.

One of the major responsibilities of the Commissioner of State Lands is to return to private ownership those lands that have been certified to the state for non-payment of ad valorem real estate taxes. The procedure used is outlined in Act 626 of 1983, as amended. Essentially, this is accomplished either by the owner of record redeeming the land by paying the taxes or by selling the property at a public sale.

The Commissioner of State Lands retains forfeited lands for two years during which time owners may redeem their property by paying all taxes, penalties, interest and costs due. During this period diligent efforts are made to make the owner aware that his taxes are delinquent, including a notice by certified mail. If the owner does not redeem his land during this time period, the office offers the parcel for sale at a public auction. These sales are held throughout the state in the county in which the property is located. This process guarantees that the lands will continue to generate the revenues required to provide essential public services.

The Commissioner of State Lands office leases the minerals on all state owned lands, including the beds of the navigable waterways in the state, with the exception of those lands held by the Arkansas Game and Fish Commission. The office currently supervises the payments on leases for oil and gas rights, as well as sand and gravel permits and brine leases within the state.

This office is directed to maintain a file of the deeds to all lands owned by the State of Arkansas or its agencies and institutions with the exception of the Arkansas Highway and Transportation Department.



Agency Commentary

The Commissioner of State Lands is responsible for the disposition of tax delinquent real property forfeited to the State from Arkansas counties following the timetable prescribed in the statutes. Once the tax delinquent land is forfeited to the State, the Commissioner of State Lands is charged with the responsibility to contact the delinquent owner, as well as any known interested parties, by certified mail or by personal service of process giving notice that the property is delinquent and that unless redeemed, it will be offered for sale at public auction. However the mission of this office is to collect the delinquent taxes prior to offering parcels for public auction. Approximately 88% of all parcels forfeited are redeemed prior to the sale or during the 10-day redemption period following the sale. Since the implementation of Act 626 of 1983 the Commissioner of State Lands office has collected over \$259 million from the redemption and sale of tax delinquent property, with less than 12% of those dollars derived from the actual sale of the property.

The Commissioner of State Lands is requesting additional appropriation of \$34,190 in Fiscal Year 2016 and \$69,405 in Fiscal Year 2017 from cash funds for operations to properly notify tax delinquent individuals in compliance with United States Supreme Court Case, Jones v. Flowers. This agency is requesting a 3% (2.4% is 10 year average Consumer Price Index) increase for FY16 and another 3% for FY17. The Commissioner of State Lands office is also requesting the increase in Professional Fees and Services from cash funds of \$970,000 for FY16 and FY17. This is to continue come in line with the funds already approved by PEER committee for Fiscal Years 2014 and 2015. This appropriation allows the office to conduct title research on all delinquent parcels to find all interested parties at time of public auction. These expenses are reimbursed back, via revenue, to the agency upon redemption of the parcel by the tax payer. Additionally, the Commissioner of State Lands office is requesting an additional appropriation of \$7,500,000.00 for Fiscal Year 2016 and 2017 in cash funds to Refunds/Reimbursements. This is also in line with funds requested through PEER committee for fiscal years 2014 and 2015. This request allows the Commissioner of State Lands office to return the funds being held in agency funds to the counties in which they are due. Finally, the Commissioner of State Lands office is requesting an initial appropriation of \$250,000.00 in cash funds for implementation of duties related to the administration of islands and submerged lands. This request will allow the Commissioner of State Lands office to comply with Act 552 of 2013. These increases will be funded from revenues generated by the Commissioner of State Lands office and not general revenue funds. These request are to bring the current line item appropriations for expected expenditures needed into the next biennium.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS STATE LAND DEPARTMENT
FOR THE YEAR ENDED JUNE 30, 2013

Findings	Recommendations
None	None

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2014

None

Employment Summary

	Male	Female	Total	%
White Employees	13	21	34	87 %
Black Employees	1	2	3	8 %
Other Racial Minorities	1	1	2	5 %
Total Minorities			5	13 %
Total Employees			39	100 %

Cash Fund Balance Description as of June 30, 2014

Fund Account	Balance	Type	Location
1170100	\$23,250,000	CDs	Various

Statutory/Other Restrictions on use:

A.C.A 26-37-205 Funds are collected through redemption and sale of tax delinquent lands. Tax amounts are returned to counties where properties are located, along with interest money collected and county costs. Penalty and costs are retained by the Commissioner of State Lands to fund on-going operations of his office.

Statutory Provisions for Fees, Fines, Penalties:

A.C.A 21-6-203 Commissioner of State Lands deposits fees, penalties, etc. into cash funds, retained by the Commissioner of State Lands to fund on-going operations of his office.

Revenue Receipts Cycle:

N/A

Fund Balance Utilization:

Fund balances are maintained to utilize as pass-through mechanism to return taxes to counties, payment of recording fees, return excess proceeds of land sales to former owners, ongoing expenses of the office, etc.

Fund Account	Balance	Type	Location
1170100	\$16,631,931	Checking	First Security Bank

Statutory/Other Restrictions on use:

A.C.A 26-37-205 Funds are collected through redemption and sale of tax delinquent lands. Tax amounts are returned to counties where properties are located, along with interest money collected and county costs. Penalty and costs are retained by the Commissioner of State Lands to fund on-going operations of his office.

Statutory Provisions for Fees, Fines, Penalties:

A.C.A 21-6-203 Commissioner of State Lands deposits fees, penalties, etc. into cash funds, retained by the Commissioner of State Lands to fund on-going operations of his office.

Revenue Receipts Cycle:

N/A

Fund Balance Utilization:

Fund balances are maintained to utilize as pass-through mechanism to return taxes to counties, payment of recording fees, return excess proceeds of land sales to former owners, ongoing expenses of the office, etc.

CASH FUND BALANCE DESCRIPTION
AS OF JUNE 30, 2014

Fund Account	Balance	Type	Location
1170100-1000	\$500,000	CD	Bank of Augusta
	\$500,000	CD	Bank of Augusta
	\$250,000	CD	Bank of Brinkley
	\$500,000	CD	Bank of Delight
	\$500,000	CD	Chambers Bank
	\$500,000	CD	Cornerstone Bank
	\$500,000	CD	Cornerstone Bank
	\$500,000	CD	Cornerstone Bank
	\$500,000	CD	Cornerstone Bank
	\$500,000	CD	Cornerstone Bank
	\$500,000	CD	Cornerstone Bank
	\$500,000	CD	Cornerstone Bank
	\$500,000	CD	Cornerstone Bank
	\$500,000	CD	Cornerstone Bank
	\$500,000	CD	Cornerstone Bank
	\$500,000	CD	Cross County Bank
	\$500,000	CD	Farmers Bank and Trust
	\$500,000	CD	Farmers Bank and Trust
	\$500,000	CD	Farmers Bank and Trust
	\$500,000	CD	Farmers Bank and Trust
	\$500,000	CD	Farmers Bank and Trust
	\$500,000	CD	Farmers Bank and Trust
	\$500,000	CD	Farmers Bank and Trust
	\$500,000	CD	Farmers Bank and Trust
	\$500,000	CD	Farmers Bank and Trust
	\$500,000	CD	Farmers Bank and Trust
	\$500,000	CD	Farmers Bank and Trust
	\$500,000	CD	First Financial Bank
	\$500,000	CD	First National Bank of Wynne
	\$500,000	CD	First State Bank of DeQueen
	\$500,000	CD	First State Bank of DeQueen
	\$500,000	CD	First State Bank of DeQueen

	\$500,000	CD	First State Bank of DeQueen
	\$500,000	CD	First State Bank of DeQueen
	\$500,000	CD	First State Bank of DeQueen
	\$500,000	CD	First State Bank of DeQueen
	\$500,000	CD	The Capitol Bank
	\$500,000	CD	The Capitol Bank
	\$500,000	CD	The Capitol Bank
	\$500,000	CD	The Capitol Bank
	\$500,000	CD	The Capitol Bank
	\$500,000	CD	The Capitol Bank
	\$500,000	CD	The Capitol Bank
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	\$500,000	CD	The Capitol Bank
	\$500,000	CD	The Capitol Bank
	\$500,000	CD	The Capitol Bank
	\$500,000	CD	The Capitol Bank
	\$500,000	CD	The Capitol Bank
	\$500,000	CD	The Capitol Bank

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
None	N/A	N	N	0	N/A	0	0.00

Department Appropriation Summary

Historical Data							Agency Request and Executive Recommendation												
Appropriation		2013-2014		2014-2015		2014-2015		2015-2016						2016-2017					
		Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
006	Operations	2,870,746	45	3,671,518	45	3,671,518	45	3,698,681	45	3,671,810	45	0	0	3,698,681	45	3,671,810	45	0	0
A14	Operating Expenses / Capital Outlay	95,278	0	267,800	0	267,800	0	267,800	0	267,800	0	0	0	267,800	0	267,800	0	0	0
B28	Delinquent Tax-Cash	31,023,658	0	27,769,651	0	27,769,651	0	27,769,651	0	36,298,841	0	0	0	27,769,651	0	36,334,056	0	0	0
C75	Islands/Submerged Lands	0	0	50,000	0	0	0	0	0	250,000	0	0	0	0	0	250,000	0	0	0
F74	Adopt a Document	0	0	250,000	0	250,000	0	250,000	0	250,000	0	0	0	250,000	0	250,000	0	0	0
Total		33,989,682	45	32,008,969	45	31,958,969	45	31,986,132	45	40,738,451	45	0	0	31,986,132	45	40,773,666	45	0	0

Funding Sources			%		%			%		%		%		%		%		%
Fund Balance	4000005	36,984,162	50.1	39,881,932	55.5		39,881,932	55.5	39,881,932	55.3	0	0.0	39,881,932	55.5	31,352,742	49.3	0	0.0
State Central Services	4000035	2,870,746	3.9	3,671,518	5.1		3,698,681	5.1	3,671,810	5.1	0	0.0	3,698,681	5.1	3,671,810	5.8	0	0.0
Cash Fund	4000045	34,016,706	46.0	28,337,451	39.4		28,287,451	39.4	28,537,451	39.6	0	0.0	28,287,451	39.4	28,537,451	44.9	0	0.0
Total Funds		73,871,614	100.0	71,890,901	100.0		71,868,064	100.0	72,091,193	100.0	0	0.0	71,868,064	100.0	63,562,003	100.0	0	0.0
Excess Appropriation/(Funding)		(39,881,932)		(39,881,932)			(39,881,932)		(31,352,742)		0		(39,881,932)		(22,788,337)		0	
Grand Total		33,989,682		32,008,969			31,986,132		40,738,451		0		31,986,132		40,773,666		0	

No Executive Recommendation made on this appropriation.

Budget exceeds Authorized Appropriation in (B28) Delinquent Tax - Cash and (C75) Islands/Sumberged Lands dur to transfers from the Cash Fund Holding Account.

Agency Position Usage Report

FY2012 - 2013						FY2013 - 2014						FY2014 - 2015					
Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused
	Filled	Unfilled	Total				Filled	Unfilled	Total				Filled	Unfilled	Total		
45	40	5	45	0	11.11 %	45	45	0	45	0	0.00 %	45	45	0	45	0	0.00 %

Appropriation Summary

Appropriation: 006 - Operations
Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	2,061,087	2,689,619	2,689,619	2,716,490	2,689,619	0	2,716,490	2,689,619	0
#Positions		45	45	45	45	45	0	45	45	0
Extra Help	5010001	22,074	40,000	40,000	40,000	40,000	0	40,000	40,000	0
#Extra Help		5	5	5	5	5	0	5	5	0
Personal Services Matching	5010003	711,634	865,899	865,899	866,191	866,191	0	866,191	866,191	0
Operating Expenses	5020002	65,996	66,000	66,000	66,000	66,000	0	66,000	66,000	0
Conference & Travel Expenses	5050009	9,955	10,000	10,000	10,000	10,000	0	10,000	10,000	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		2,870,746	3,671,518	3,671,518	3,698,681	3,671,810	0	3,698,681	3,671,810	0
Funding Sources										
State Central Services	4000035	2,870,746	3,671,518		3,698,681	3,671,810	0	3,698,681	3,671,810	0
Total Funding		2,870,746	3,671,518		3,698,681	3,671,810	0	3,698,681	3,671,810	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		2,870,746	3,671,518		3,698,681	3,671,810	0	3,698,681	3,671,810	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 006 - Operations

Funding Sources: HSC - State Central Services

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	3,698,681	45	3,698,681	100.0	3,698,681	45	3,698,681	100.0
C10	Reclass	(26,871)	0	3,671,810	99.3	(26,871)	0	3,671,810	99.3

Appropriation Summary

Appropriation: A14 - Operating Expenses / Capital Outlay

Funding Sources: 117 - Commissioner of State Lands - Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Capital Outlay/Operating Exp	5900046	95,278	267,800	267,800	267,800	267,800	0	267,800	267,800	0
Total		95,278	267,800	267,800	267,800	267,800	0	267,800	267,800	0
Funding Sources										
Fund Balance	4000005	72,384	77,107		77,107	77,107	0	77,107	77,107	0
Cash Fund	4000045	100,001	267,800		267,800	267,800	0	267,800	267,800	0
Total Funding		172,385	344,907		344,907	344,907	0	344,907	344,907	0
Excess Appropriation/(Funding)		(77,107)	(77,107)		(77,107)	(77,107)	0	(77,107)	(77,107)	0
Grand Total		95,278	267,800		267,800	267,800	0	267,800	267,800	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: B28 - Delinquent Tax-Cash

Funding Sources: 117 - Commissioner of State Lands - Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	1,105,974	1,139,651	1,139,651	1,139,651	1,173,841	0	1,139,651	1,209,056	0
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	775,995	780,000	780,000	780,000	1,750,000	0	780,000	1,750,000	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Refunds/Reimbursements	5110014	292,742	350,000	350,000	350,000	375,000	0	350,000	375,000	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Deliquent Tax Remittal/Sale Refu	5900046	28,848,947	25,500,000	25,500,000	25,500,000	33,000,000	0	25,500,000	33,000,000	0
Total		31,023,658	27,769,651	27,769,651	27,769,651	36,298,841	0	27,769,651	36,334,056	0
Funding Sources										
Fund Balance	4000005	36,911,778	39,804,825		39,804,825	39,804,825	0	39,804,825	31,275,635	0
Cash Fund	4000045	33,916,705	27,769,651		27,769,651	27,769,651	0	27,769,651	27,769,651	0
Total Funding		70,828,483	67,574,476		67,574,476	67,574,476	0	67,574,476	59,045,286	0
Excess Appropriation/(Funding)		(39,804,825)	(39,804,825)		(39,804,825)	(31,275,635)	0	(39,804,825)	(22,711,230)	0
Grand Total		31,023,658	27,769,651		27,769,651	36,298,841	0	27,769,651	36,334,056	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: B28 - Delinquent Tax-Cash
Funding Sources: 117 - Commissioner of State Lands - Cash

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	27,769,651	0	27,769,651	100.0	27,769,651	0	27,769,651	100.0
C01	Existing Program	8,529,190	0	36,298,841	130.7	8,564,405	0	36,334,056	130.8

Appropriation Summary

Appropriation: C75 - Islands/Submerged Lands

Funding Sources: 117 - Commissioner of State Lands - Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Submerged Lands	5900046	0	50,000	0	0	250,000	0	0	250,000	0
Total		0	50,000	0	0	250,000	0	0	250,000	0
Funding Sources										
Cash Fund	4000045	0	50,000		0	250,000	0	0	250,000	0
Total Funding		0	50,000		0	250,000	0	0	250,000	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		0	50,000		0	250,000	0	0	250,000	0

No Executive Recommendation made on this appropriation.

Budget exceeds Authorized Appropriation due to a transfer from the Cash Fund Holding Account.

Change Level by Appropriation

Appropriation: C75 - Islands/Submerged Lands

Funding Sources: 117 - Commissioner of State Lands - Cash

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
C01	Existing Program	250,000	0	250,000	100.0	250,000	0	250,000	100.0

Appropriation Summary

Appropriation: F74 - Adopt a Document

Funding Sources: 117 - Commissioner of State Lands - Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Adopt a Document Program Expense 5900046	0	250,000	250,000	250,000	250,000	0	250,000	250,000	0
Total	0	250,000	250,000	250,000	250,000	0	250,000	250,000	0
Funding Sources									
Cash Fund 4000045	0	250,000		250,000	250,000	0	250,000	250,000	0
Total Funding	0	250,000		250,000	250,000	0	250,000	250,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	250,000		250,000	250,000	0	250,000	250,000	0

No Executive Recommendation made on this appropriation.

LEGISLATIVE AUDIT

Enabling Laws

Act 125 of 2014

A.C.A. §10-3-401 et seq.

A.C.A. §10-4-401 et seq.

History and Organization

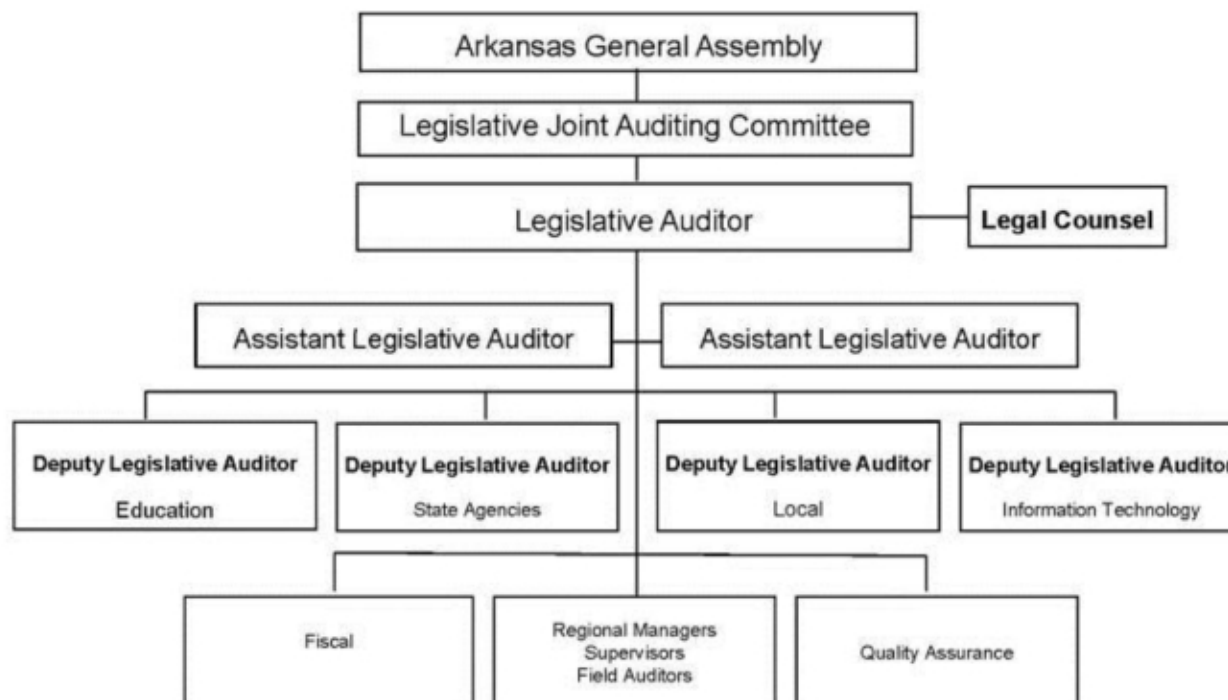
The Legislative Joint Auditing Committee and the Division of Legislative Audit were created by Acts 41 and 268 of 1953. These acts were subsequently repealed, and the Committee and Division were recreated under Act 105 of 1955. Act 2201 of 2005 amended certain provisions of Ark. Code Ann. §§ 10-3-401 - 10-3-424 regarding the Legislative Joint Auditing Committee, repealed Ark. Code Ann. §§ 10-4-101 - 10-4-119, and established revised enabling legislation for the Division of Legislative Audit at Ark. Code Ann. §§ 10-4-401 - 10-4-427.

The Legislative Joint Auditing Committee consists of up to 44 voting members: 20 from the House of Representatives, 16 from the Senate, and 8 ex-officio members.

The Division of Legislative Audit strives to serve the citizens of Arkansas by encouraging sound management, continuous improved performance, and accountability for all governmental entities. The Division serves the General Assembly by providing impartial auditing of various entities and political subdivisions of the state, independent of the executive branch of state government. The Division provides information that improves public accountability and assists those who oversee public funds in decision-making processes. The Division's goal is to effectively and efficiently communicate audit and review results to both government officials and the citizens of Arkansas, thereby promoting accountability, fiscal integrity, and professionalism.

As prescribed by the American Institute of Certified Public Accountants, the Governmental Accounting Standards Board, the United States Government Accountability Office, and other authoritative bodies, the Division's audits provide independent, impartial, and timely reporting of Arkansas's various governmental financial activities.

Under the direction of the Legislative Joint Auditing Committee and the Legislative Auditor, Division staff conduct all engagements in a nonpartisan, unbiased manner. The Division establishes an objective basis for its findings, conclusions, and recommendations, which are derived solely from reliable evidence. To provide this basis, Division staff strictly adhere to the standards of the auditing profession, striving to exhibit the highest level of ethics, integrity, independence, objectivity, and professionalism.



Agency Commentary

The Legislative Joint Auditing Committee, through the Division of Legislative Audit, is responsible for the independent auditing of entities and political subdivisions of the State. The Division performs audits of the State's financial statements (Comprehensive Annual Financial Report) and federal programs (Statewide Single Audit), as well as audits and internal control and compliance assessments of individual state agencies. In addition, the Division audits the financial statements of counties, offices of prosecuting attorneys, municipalities, school districts, and institutions of higher education. During routine audit procedures, misappropriation of public funds is often discovered. Investigations of these instances are coordinated with the respective prosecuting attorneys and appropriate law enforcement officials, reported to the Legislative Joint Auditing Committee and the entity's governing body, and formally referred to the prosecuting attorney as required by law. Through performance audits and special reports, the Division provides information of interest to the members of the General Assembly. The Division also performs audits of computer systems of applicable governmental entities in coordination with the financial and performance audits. All work is performed in accordance with applicable professional standards.

Funding for Division operations originates from a combination of sources, including the State Central Services Fund (HSC), ad valorem tax distribution, reimbursements from agencies for the costs of performing federal compliance audits, reimbursements from the Arkansas Scholarship Lottery for observing daily drawings and conducting its annual audit, and reimbursements for the costs of investigative reports and services. The Division is appropriated 290 positions in fiscal year 2015.

The Division's budget request does not ask for additional positions over fiscal year 2015. The budget request does include the following:

- Reclassification of two positions due to additional needs of the division.
- Replacement of computers used by audit staff to ensure that dependable tools are available to perform audits.
- Replacement of broken and obsolete computer network servers and related components.

The Capital Outlay portion of the budget request \$200,000 for each fiscal year.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
THE DIVISION OF LEGISLATIVE AUDIT

Findings

Recommendations

The Division of Legislative Audit does not perform an audit for this agency.

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2014

None

Employment Summary

	Male	Female	Total	%
White Employees	122	138	260	95 %
Black Employees	2	5	7	3 %
Other Racial Minorities	4	2	6	2 %
Total Minorities			13	5 %
Total Employees			273	100 %

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
Audit Reports	A.C.A. §10-4-403	N	Y	1,000	All our publications are audit reports and related matters required by law. Number of copies published and distributed varies between fiscal years. Engagement reports contain multiple copies issued.	0	0.00

Department Appropriation Summary

Historical Data						Agency Request and Executive Recommendation													
Appropriation		2013-2014		2014-2015		2014-2015		2015-2016						2016-2017					
		Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
095	Legislative Audit - Operations	31,873,561	288	40,419,203	290	40,419,203	290	40,410,470	290	40,712,670	290	0	0	40,413,072	290	40,715,272	290	0	0
NOT REQUESTED FOR THE BIENNIUM																			
F92	FY14 South Leg Conf	100,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total		31,973,561	288	40,419,203	290	40,419,203	290	40,410,470	290	40,712,670	290	0	0	40,413,072	290	40,715,272	290	0	0

Funding Sources			%		%			%		%		%		%		%		%
State Central Services	4000035	16,371,845	51.2	25,134,203	62.2		24,125,470	59.7	24,427,670	60.0	0	0.0	24,128,072	59.7	24,430,272	60.0	0	0.0
Ad Valorem Tax	4000060	12,535,683	39.2	14,000,000	34.6		15,000,000	37.1	15,000,000	36.8	0	0.0	15,000,000	37.1	15,000,000	36.8	0	0.0
Federal Audit Reimbursement	4000242	961,640	3.0	285,000	0.7		285,000	0.7	285,000	0.7	0	0.0	285,000	0.7	285,000	0.7	0	0.0
Fees	4000245	2,087,860	6.5	1,000,000	2.5		1,000,000	2.5	1,000,000	2.5	0	0.0	1,000,000	2.5	1,000,000	2.5	0	0.0
M & R Sales	4000340	16,533	0.1	0	0.0		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Total Funds		31,973,561	100.0	40,419,203	100.0		40,410,470	100.0	40,712,670	100.0	0	0.0	40,413,072	100.0	40,715,272	100.0	0	0.0
Excess Appropriation/(Funding)		0		0			0		0		0		0		0		0	
Grand Total		31,973,561		40,419,203		40,410,470		40,712,670		0		40,413,072		40,715,272		0		

No Executive Recommendations on these appropriations.

Agency Position Usage Report

FY2012 - 2013						FY2013 - 2014						FY2014 - 2015					
Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused
	Filled	Unfilled	Total				Filled	Unfilled	Total				Filled	Unfilled	Total		
290	275	15	290	0	5.17 %	290	278	12	290	0	4.14 %	290	274	16	290	0	5.52 %

Appropriation Summary

Appropriation: 095 - Legislative Audit - Operations

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	22,613,085	27,717,849	27,717,849	27,717,849	27,801,209	0	27,717,849	27,801,209	0
#Positions		288	290	290	290	290	0	290	290	0
Personal Services Matching	5010003	6,510,618	7,483,954	7,483,954	7,675,221	7,694,061	0	7,677,823	7,696,663	0
Operating Expenses	5020002	2,432,567	3,914,400	3,914,400	3,914,400	3,914,400	0	3,914,400	3,914,400	0
Conference & Travel Expenses	5050009	84,784	343,000	343,000	343,000	343,000	0	343,000	343,000	0
Professional Fees	5060010	181,254	760,000	760,000	760,000	760,000	0	760,000	760,000	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	51,253	200,000	200,000	0	200,000	0	0	200,000	0
Total		31,873,561	40,419,203	40,419,203	40,410,470	40,712,670	0	40,413,072	40,715,272	0
Funding Sources										
State Central Services	4000035	16,271,845	25,134,203		24,125,470	24,427,670	0	24,128,072	24,430,272	0
Ad Valorem Tax	4000060	12,535,683	14,000,000		15,000,000	15,000,000	0	15,000,000	15,000,000	0
Federal Audit Reimbursement	4000242	961,640	285,000		285,000	285,000	0	285,000	285,000	0
Fees	4000245	2,087,860	1,000,000		1,000,000	1,000,000	0	1,000,000	1,000,000	0
M & R Sales	4000340	16,533	0		0	0	0	0	0	0
Total Funding		31,873,561	40,419,203		40,410,470	40,712,670	0	40,413,072	40,715,272	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		31,873,561	40,419,203		40,410,470	40,712,670	0	40,413,072	40,715,272	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 095 - Legislative Audit - Operations
Funding Sources: HSC - State Central Services

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	40,410,470	290	40,410,470	100.0	40,413,072	290	40,413,072	100.0
C01	Existing Program	208,200	0	40,618,670	100.5	208,200	0	40,621,272	100.5
C10	Reclass	94,000	0	40,712,670	100.7	94,000	0	40,715,272	100.7

Appropriation Summary

Appropriation: F92 - FY14 South Leg Conf

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Various Expenses	5900046	100,000	0	0	0	0	0	0	0	0
Total		100,000	0	0	0	0	0	0	0	0
Funding Sources										
State Central Services	4000035	100,000	0		0	0	0	0	0	0
Total Funding		100,000	0		0	0	0	0	0	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		100,000	0		0	0	0	0	0	0

APPROPRIATION NOT REQUESTED FOR THE 2015-2017 BIENNIUM.

BUREAU OF LEGISLATIVE RESEARCH

Enabling Laws

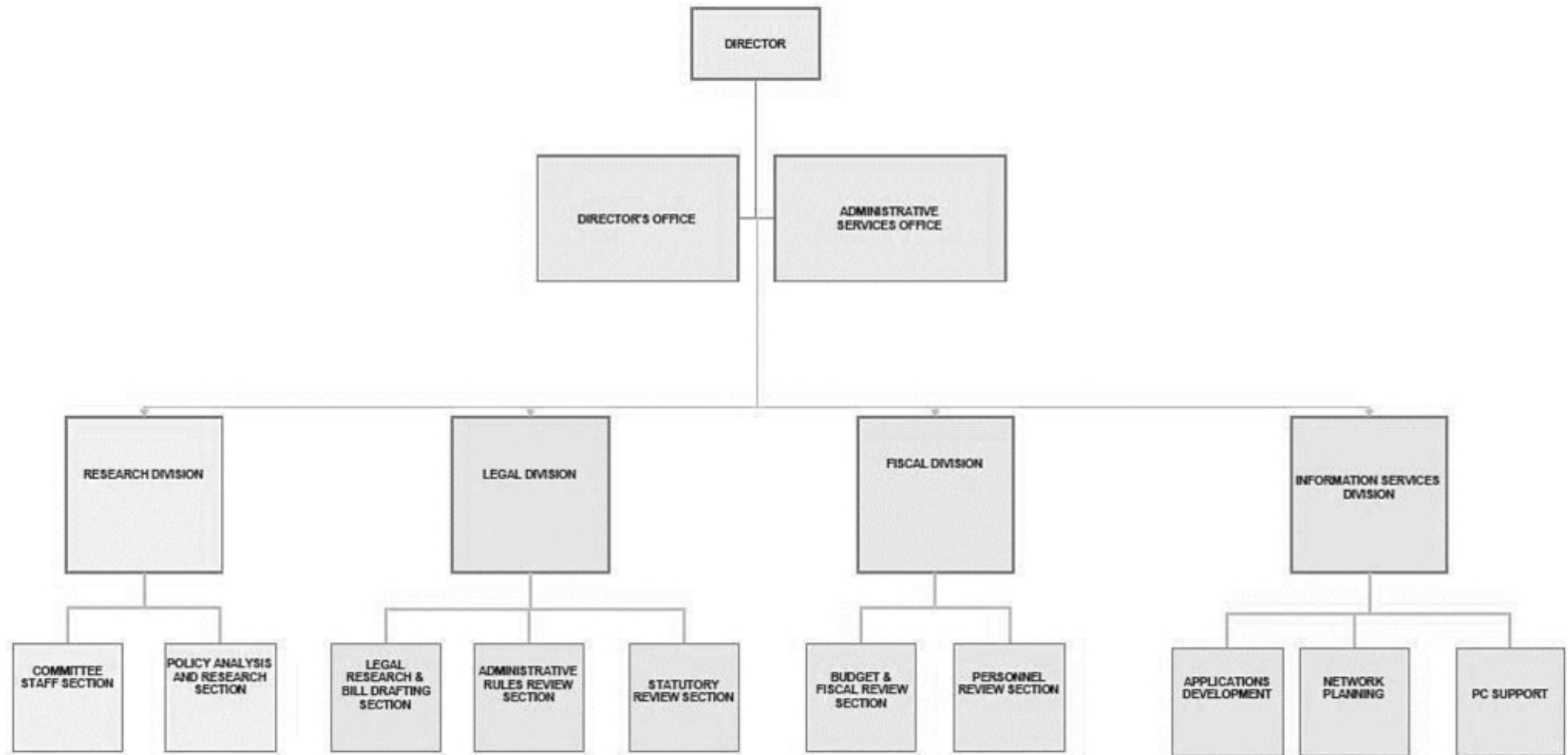
Act 61 of 2014
A.C.A. §10-3-301 et seq.

History and Organization

The Bureau of Legislative Research was first established in 1947 (Act 192 of 1947), as a service agency within the legislative department of government and its employees are employees of the Arkansas General Assembly. The Bureau of Legislative Research receives its funding from the State Central Services Fund. The Bureau of Legislative Research, under the control and direction of the Arkansas Legislative Council is charged with the following duties:

- 1) Assist all members of the General Assembly in drafting bills and resolutions, and making studies, preparing factual information, and by performing other services for members of the General Assembly as may be reasonably requested and which are in aid of the performance of the legislative duties of the members of the General Assembly;
- 2) Provide staff for legislative committees both during session and in the interim between session;
- 3) Maintain a limited legislative reference library, including current publications and data from other states and those publications and data from agencies in this state, exchange publications with comparable legislative agencies in other states, in order that the General Assembly might be fully advised of current developments in the legislatures of the various states and retain copies of bills introduced at the various legislative sessions which may or may not have been enacted by the General Assembly;
- 4) Prepare research reports and provide other staff services to the various legislative committees or subcommittees with respect to studies conducted at the direction of the General Assembly, or either house thereof, or upon request of any member of the General Assembly;
- 5) Assist the Legislative Council and Joint Budget Committee in the study of the budgetary and fiscal needs of the various state agencies and cooperate with the Department of Finance and Administration and other agencies of this state, upon direction of the Council and Joint Budget Committee, in the preparation of a budget manual reflecting the budgetary recommendations of the Legislative Council and the Joint Budget Committee to each session of the General Assembly;
- 6) Cooperate with comparable legislative service agencies in other states by exchanging information of legislative interest and participate in conferences or workshops on a regional or national basis organized for the purpose of exchanging information or discussing means and methods of improving services to legislatures and legislators in connection with the performance of their official duties;
- 7) Assist in the codification of general and permanent Acts of the General Assembly into the Arkansas Code of 1987 Annotated. This function is performed through the Statutory and Regulatory Review Section which was created when Act 1260 of 2005 transferred the staff

- of the Arkansas Code Revision Commission to the Bureau of Legislative Research. The Statutory and Regulatory Review Section also provides proofing and editorial services to the Bureau, particularly in the Bureau's bill drafting operation;
- 8) Perform any other duties and assignments as may be directed by the Legislative Council or by the General Assembly.



Agency Commentary

Bureau of Legislative Research - Operations

The Bureau of Legislative Research operations appropriation total amount requested is \$17,201,453 for Fiscal Year 2015-16 and Fiscal Year 2016-17. Capital Outlay is requested to be continued at the current fiscal year authorized and budgeted level to provide appropriation for replacement and upgrading of various equipment and software as necessary. Regular Salaries, Personal Services Matching, Conference and Travel, Professional Fees, Construction/Capital Improvements and Committee Rooms commitment items all have no change level and are requested at base level for both fiscal years.

Personnel

The Bureau of Legislative Research requests a total of 129 positions which is the current authorized level. The creation of career ladder is requested for the Attorney, Analyst and Editor positions by reclassifying existing positions with no additional position or increases for existing personnel. To create a career ladder for the (36) Legislative Analyst titles a reclassification is requested to establish (33) Senior Legislative Analyst II Grade C130, (1) Senior Legislative Analyst C128, (1) Legislative Analyst II C124 and (1) Legislative Analyst C122. To create a career ladder for (18) Legislative Attorney titles a reclassification is requested to establish (15) Senior Legislative Attorney II C130, (1) Senior Legislative Attorney C128, (1) Legislative Attorney II C126 and (1) Legislative Attorney C124. To create a career ladder for (6) Legal Editor titles a reclassification is requested to establish (1) Legal Editor Supervisor C130, (3) Senior Legal Editor C128, (1) Legal Editor II C124 and (1) Legal Editor I C122.

This request includes ten reclassifications to change job titles and grades that more accurately reflect the current assigned job duties for employees. No change level increases are requested for Regular Salary or Personal Services Matching commitment items for the nine reclassifications. The reclassifications are (1) Q007N BLR Chief Information Officer reclassified to (1) Q029U Assistant Director, (1) Q022N Application Manager N907 reclassified to (1) Q014 BLR Administrator N910, (1) Q023N Network Manager N907 reclassified to (1) Q014 BLR Administrator N910, (1) Q196C Legislative Admin Services Officer C127 reclassified to (1) Legislative Admin Services Administrator N906, (1) Q065C Office Services Supervisor C122 reclassified to (1) Q065 Office Services Supervisor C119, (1) Q061C Senior Admin Assistant to the AD C122 reclassified to (1) Q077C Admin Assistant to the AD C120, (1) Q198C Legislative Admin Services Analyst C117 reclassified to (1) Legislative Admin Services Analyst II C120, (1) Q126C Digital Research Tech II C114 reclassified to (1) Assets Manager C117, (3) Q128C Legislative Administrative Assistant C114 reclassified to (3) Q110C Legislative Administrative Assistant II C117, and (1) Q128C Legislative Administrative Assistant C114 reclassified to (1) Q118C Reference Analyst C116.

Legislative Council Disbursing Officer

The 2015-17 biennial request for the Interim Committee Study Expenses, Interim Committee Expenses and the Energy Council appropriations are all requested to be continued at the current Fiscal Year 2014-15 budgeted amounts with no change level requests.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
THE BUREAU OF LEGISLATIVE RESEARCH

Findings

Recommendations

The Division of Legislative Audit does not perform an audit for this agency.

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2014

None

Employment Summary

	Male	Female	Total	%
White Employees	33	56	89	77 %
Black Employees	0	19	19	17 %
Other Racial Minorities	1	6	7	6 %
Total Minorities			26	23 %
Total Employees			115	100 %

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
10 Year Summary of Expenditures (A Book) (Biennially)	A.C.A. §10-3-303	Y	Y	150	Only Compilation of History of State Agency Expenditures for Research.	0	0.00
Monthly and Annual Revenue Report	A.C.A. §10-3-1403	Y	Y	150	Sole Source of Information on a timely basis.	0	0.00
Selected Statistical Financial Data for Arkansas (B Book) (Biennially)	A.C.A. §10-3-303	Y	Y	250	State Finance Resource for Legislators, Schools, and Libraries.	0	0.00
Summary of Legislative Action (Produced after each Legislative Session)	A.C.A. §10-3-303	Y	Y	300	Compilation of Legislation Enacted by the General Assembly.	0	0.00
Tax Handbook (Biennially)	A.C.A. §10-3-1403(a)(6)	Y	Y	250	Only Compilations of Arkansas Taxes Available to Legislators, Schools, and Libraries.	0	0.00

Agency Position Usage Report

FY2012 - 2013						FY2013 - 2014						FY2014 - 2015					
Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused
	Filled	Unfilled	Total				Filled	Unfilled	Total				Filled	Unfilled	Total		
129	116	13	129	0	10.08 %	129	114	15	129	0	11.63 %	129	115	14	129	0	10.85 %

Appropriation Summary

Appropriation: 015 - Legislative Council - Operations

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	7,419,706	9,914,663	9,914,663	10,013,810	10,013,810	0	10,013,810	10,013,810	0
#Positions		129	129	129	129	129	0	129	129	0
Extra Help	5010001	13,310	150,000	150,000	150,000	150,000	0	150,000	150,000	0
#Extra Help		3	31	31	31	31	0	31	31	0
Personal Services Matching	5010003	2,343,723	2,810,419	2,810,419	2,838,523	2,838,523	0	2,838,523	2,838,523	0
Operating Expenses	5020002	1,588,963	2,133,686	2,133,686	2,133,686	2,133,686	0	2,133,686	2,133,686	0
Conference & Travel Expenses	5050009	90,153	218,002	218,002	218,002	218,002	0	218,002	218,002	0
Professional Fees	5060010	294,041	298,889	298,889	298,889	298,889	0	298,889	298,889	0
Construction/Capital Improvement	5090005	0	50,000	50,000	50,000	50,000	0	50,000	50,000	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	113,234	400,000	400,000	0	400,000	0	0	400,000	0
Contingency	5130018	0	893,480	893,480	893,480	893,480	0	893,480	893,480	0
Committee Rooms	5900046	0	205,063	205,063	205,063	205,063	0	205,063	205,063	0
Total		11,863,130	17,074,202	17,074,202	16,801,453	17,201,453	0	16,801,453	17,201,453	0
Funding Sources										
State Central Services	4000035	11,863,130	17,074,202		16,801,453	17,201,453	0	16,801,453	17,201,453	0
Total Funding		11,863,130	17,074,202		16,801,453	17,201,453	0	16,801,453	17,201,453	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		11,863,130	17,074,202		16,801,453	17,201,453	0	16,801,453	17,201,453	0

No Executive Recommendation on this appropriation.

Change Level by Appropriation

Appropriation: 015 - Legislative Council - Operations
Funding Sources: HSC - State Central Services

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	16,801,453	129	16,801,453	100.0	16,801,453	129	16,801,453	100.0
C01	Existing Program	400,000	0	17,201,453	102.4	400,000	0	17,201,453	102.4
C03	Discontinue Program	(217,973)	0	16,983,480	101.1	(217,973)	0	16,983,480	101.1
C10	Reclass	303,216	0	17,286,696	102.9	303,216	0	17,286,696	102.9
C11	Upgrade/Downgrade	(85,243)	0	17,201,453	102.4	(85,243)	0	17,201,453	102.4
C14	Title Change	0	0	17,201,453	102.4	0	0	17,201,453	102.4

BUREAU OF LEGISLATIVE RESEARCH - DISBURSING OFFICER

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2014

None

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
None	N/A	N	N	0	N/A	0	0.00

Department Appropriation Summary

Historical Data							Agency Request and Executive Recommendation												
Appropriation		2013-2014		2014-2015		2014-2015		2015-2016						2016-2017					
		Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
016	Interim Committee Study Expenses	36,526	0	271,060	0	271,060	0	271,060	0	271,060	0	0	0	271,060	0	271,060	0	0	0
017	Interim Committee Expenses	757,735	0	1,696,396	0	1,696,396	0	1,696,396	0	1,696,396	0	0	0	1,696,396	0	1,696,396	0	0	0
180	Energy Council	38,925	0	65,806	0	65,806	0	65,806	0	65,806	0	0	0	65,806	0	65,806	0	0	0
Total		833,186	0	2,033,262	0	2,033,262	0	2,033,262	0	2,033,262	0	0	0	2,033,262	0	2,033,262	0	0	0

Funding Sources			%	%			%		%		%		%		%		%	
State Central Services	4000035	833,186	100.0	2,033,262		100.0	2,033,262	100.0	2,033,262	100.0	0	0.0	2,033,262	100.0	2,033,262	100.0	0	0.0
Total Funds		833,186	100.0	2,033,262		100.0	2,033,262	100.0	2,033,262	100.0	0	0.0	2,033,262	100.0	2,033,262	100.0	0	0.0
Excess Appropriation/(Funding)		0		0			0		0		0		0		0		0	
Grand Total		833,186		2,033,262			2,033,262		2,033,262		0		2,033,262		2,033,262		0	

No Executive Recommendations on these appropriations.

Agency Position Usage Report

FY2012 - 2013						FY2013 - 2014						FY2014 - 2015					
Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused
	Filled	Unfilled	Total				Filled	Unfilled	Total				Filled	Unfilled	Total		
0	0	0	0	0	0.00 %	0	0	0	0	0	0.00 %	0	0	0	0	0	0.00 %

Appropriation Summary

Appropriation: 016 - Interim Committee Study Expenses

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation					
	2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Interim Committee Study Exp 5900041	36,526	271,060	271,060	271,060	271,060	0	271,060	271,060	0
Total	36,526	271,060	271,060	271,060	271,060	0	271,060	271,060	0
Funding Sources									
State Central Services 4000035	36,526	271,060		271,060	271,060	0	271,060	271,060	0
Total Funding	36,526	271,060		271,060	271,060	0	271,060	271,060	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	36,526	271,060		271,060	271,060	0	271,060	271,060	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 017 - Interim Committee Expenses

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Per Diem, Exp and Mileage	5900046	748,954	1,419,199	1,419,199	1,419,199	1,419,199	0	1,419,199	1,419,199	0
Out of State Travel	5900047	8,781	277,197	277,197	277,197	277,197	0	277,197	277,197	0
Total		757,735	1,696,396	1,696,396	1,696,396	1,696,396	0	1,696,396	1,696,396	0
Funding Sources										
State Central Services	4000035	757,735	1,696,396		1,696,396	1,696,396	0	1,696,396	1,696,396	0
Total Funding		757,735	1,696,396		1,696,396	1,696,396	0	1,696,396	1,696,396	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		757,735	1,696,396		1,696,396	1,696,396	0	1,696,396	1,696,396	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 180 - Energy Council

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
St Contrib/Member Exp	5900021	38,925	65,806	65,806	65,806	65,806	0	65,806	65,806	0
Total		38,925	65,806	65,806	65,806	65,806	0	65,806	65,806	0
Funding Sources										
State Central Services	4000035	38,925	65,806		65,806	65,806	0	65,806	65,806	0
Total Funding		38,925	65,806		65,806	65,806	0	65,806	65,806	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		38,925	65,806		65,806	65,806	0	65,806	65,806	0

No Executive Recommendation on this appropriation.

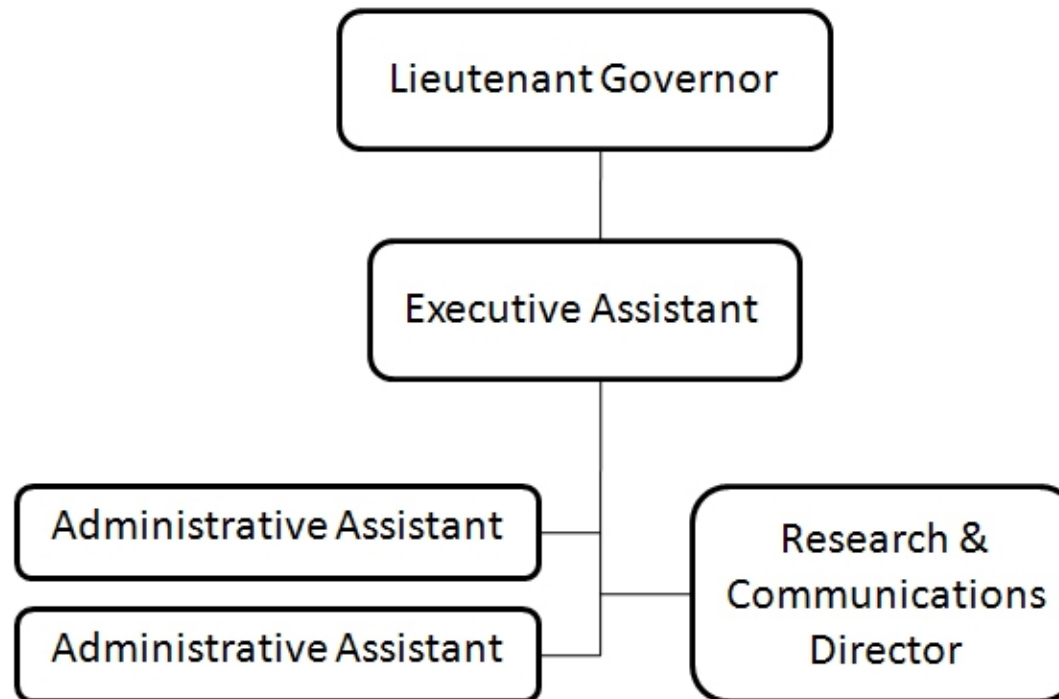
OFFICE OF THE LIEUTENANT GOVERNOR

Enabling Laws

Act 234 of 2014
Constitution of Arkansas, Article 6

History and Organization

The Office of the Lieutenant Governor fulfills the duties designated by the Arkansas Constitution, presides over the Senate when the Legislature is in session and acts as Governor when the Governor is absent from the State or incapacitated and unable to complete the duties of the Office of the Governor. In addition, by initiative of the Lieutenant Governor, the Office serves as a facilitator and spokesman for economic development for our State. The Office also serves as an ex-officio Ombudsman office assisting Arkansas citizens accessing proper authorities for possible resolutions to state agency issues.



Agency Commentary

Office vacant as of July 2014.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
OFFICE OF THE LIEUTENANT GOVERNOR
FOR THE YEAR ENDED JUNE 30, 2013

Findings	Recommendations
None	None

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2014

None

Employment Summary

	Male	Female	Total	%
White Employees	2	2	4	100 %
Black Employees	0	0	0	0 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			0	0 %
Total Employees			4	100 %

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
None	N/A	N	N	0	N/A	0	0.00

Agency Position Usage Report

FY2012 - 2013						FY2013 - 2014						FY2014 - 2015					
Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused
	Filled	Unfilled	Total				Filled	Unfilled	Total				Filled	Unfilled	Total		
4	4	0	4	0	0.00 %	4	4	0	4	0	0.00 %	4	4	0	4	0	0.00 %

Appropriation Summary

Appropriation: 002 - Lieutenant Governor - Operations

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	226,603	241,437	241,437	243,850	243,850	0	243,850	243,850	0
#Positions		4	4	4	4	4	0	4	4	0
Extra Help	5010001	1,293	10,000	10,000	10,000	10,000	0	10,000	10,000	0
#Extra Help		1	3	3	3	3	0	3	3	0
Personal Services Matching	5010003	76,494	80,914	80,914	83,264	83,264	0	83,264	83,264	0
Operating Expenses	5020002	12,158	49,359	49,359	49,359	49,359	0	49,359	49,359	0
Conference & Travel Expenses	5050009	7,882	16,695	16,695	16,695	16,695	0	16,695	16,695	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		324,430	398,405	398,405	403,168	403,168	0	403,168	403,168	0
Funding Sources										
State Central Services	4000035	324,430	398,405		403,168	403,168	0	403,168	403,168	0
Total Funding		324,430	398,405		403,168	403,168	0	403,168	403,168	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		324,430	398,405		403,168	403,168	0	403,168	403,168	0

No Executive Recommendation made on this appropriation.

MUNICIPAL AID

Enabling Laws

Act 265 of 2014
A.C.A. §19-5-601

History and Organization

Established by A.C.A. §19-5-601, the Municipal Aid Fund consists of:

- General revenues provided under the Revenue Stabilization Law;
- Special revenues including:
 - Arkansas Highway Revenue Distribution Law - A.C.A. §27-70-201 et seq.
 - Special revenues specified in A.C.A. §19-6-301 subdivision (135)

All distributions of general and special revenues are to be made within ten (10) days after the close of each calendar month to the respective cities of the first and second class and incorporated towns on the basis of population according to the most recent federal decennial or special census. The amount to be apportioned to each city or incorporated town is to be in the proportion that each population bears to the total population of all such cities and incorporated towns.

Of the moneys received by the respective cities and incorporated towns, the general revenues shall be used for general purposes of municipal government, and the special revenues derived from highway revenues shall be used as provided by the Arkansas Highway Revenue Distribution Law, A.C.A. §27-70-201 et seq.

The biennial budget request for the Municipal Aid Fund is prepared and submitted by the Arkansas Municipal League.

Agency Commentary

Revenue to fund municipal operations comes primarily from three (3) sources: Local Sales Tax, Utility Franchise Fees and State Turnback Funds. Local sales taxes are subject to voter approval and have been used by numerous municipalities over the last thirty-three years to sustain local services particularly after the loss of Federal Revenue Sharing which occurred in the mid-80s. The legislature was very wise to

provide this authority which has enabled cities and towns to take care of their basic needs, primarily the protection of public health and safety. In some municipalities, the use of local sales taxes as a funding vehicle has reached the saturation point, particularly with the state sales tax at 6.5% , an over 100% increase since the local sales tax authority was originally granted.

Utility franchise fees, once a stable, reliable and growing source of municipal revenue have significantly declined in many cases due to the volatility of energy prices and to the reduction of revenue in the telecommunications area related to increased usage of cell and smart phones. Property taxes are available, but are limited constitutionally for municipalities and are more properly and generally used as a funding vehicle for schools. Based on these facts and circumstances, the most important source of revenue stability for municipalities is municipal aid, i.e., state turnback funds. These funds provide a minimum level of revenue for local needs of municipalities and the funds are used primarily in the area of public safety. In addition, they are used for public health purposes and for local infrastructure needs.

After receiving \$21.35 per capita for general municipal aid in 1986, the amount declined during the following two decades and averaged \$17.07 in the calendar years 2001-2010 and \$16.23 since 2010 including an estimated amount for 2014 of \$16.00. These numbers would have been even lower but for one-time or temporary sources added by the General Assembly in the past 10 years. In the 2005-2007 biennium, a much needed one-time funding was allocated from the state surplus (\$12 million) and received in October 2007. In the 2007-2009 biennium, an annual allocation (\$4 million) from the Property Tax Relief Trust Fund (PTRF) was added and then continued through the current biennium. Also, in the 2009-2011 biennium, an allocation was made from the state surplus (\$2.5 million), with 75% received in October 2009 and the balance received in October 2010. This increased municipal aid produced a per capita amount in calendar 2009 of \$18.13 (with the surplus amount), but declined in calendar 2010 to a per capita amount of \$16.70 following revenue related adjustments made in the State budget during the 2010 fiscal year. After the impact of the 2010 census, the per capita turnback amount declined to an average of \$16.22 since calendar 2010. During the current biennium, one-half of the PTRF allocation (\$2 million) was added to the general turnback appropriation in anticipation of a reduction in the PTRF which did occur as expected during the 2014 fiscal year.

With the uncertainty of the PTRF and the potential of not receiving any funding from that source, we have estimated general turnback for calendar 2015 to be \$14.90, a reduction of 43% from the per capita amount of \$21.35 in 1986. Clearly, the long term per capita trend for turnback is downward and an increase in the total amount is justified to stabilize city revenues.

The Arkansas Municipal League respectfully requests that you: (1) move the 2014 amount received from the PTRF (\$2 million) to the current general turnback for an adjusted base of \$31,372,099 in order to assure the total amount received will equal the amount expected to be received in the 2014; and (2) increase this adjusted base for general turnback by 10%. We believe allocations of the requested amount would be a very wise expenditure of state general revenues and one which will assist cities and towns in providing the basic services that citizens of Arkansas utilize everyday.

We respectfully submit our budget request of the following amounts which excludes any amount of funds from the PTRF:

FY 2016 \$34,509,000

FY 2017 \$34,509,000

The street turnback (special revenue) appropriation which is funded by receiving a 15% allocation of revenues through the highway distribution law should remain at \$180 million.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT

AUDIT OF :

MUNICIPAL AID

Findings

Recommendations

The Division of Legislative Audit does not perform an audit for this agency.

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2014

None

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
N/A	N/A	N	N	0	N/A	0	0.00

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation		2013-2014		2014-2015		2014-2015		2015-2016						2016-2017					
		Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
034	General Revenue to Cities	28,708,055	0	29,372,099	0	29,372,099	0	29,372,099	0	34,509,000	0	29,372,099	0	29,372,099	0	34,509,000	0	29,372,099	0
035	Special Revenue to Cities	119,394,666	0	180,000,000	0	180,000,000	0	180,000,000	0	180,000,000	0	180,000,000	0	180,000,000	0	180,000,000	0	180,000,000	0
35X	Property Tax Relief-Cities	2,000,000	0	2,000,000	0	4,000,000	0	2,000,000	0	4,000,000	0	2,000,000	0	2,000,000	0	4,000,000	0	2,000,000	0
Total		150,102,721	0	211,372,099	0	213,372,099	0	211,372,099	0	218,509,000	0	211,372,099	0	211,372,099	0	218,509,000	0	211,372,099	0

Funding Sources			%		%			%		%		%		%		%		%
General Revenue	4000010	28,708,055	19.1	29,372,099	13.9		29,372,099	13.9	34,509,000	15.8	29,372,099	13.9	29,372,099	13.9	34,509,000	15.8	29,372,099	13.9
Special Revenue	4000030	119,394,666	79.5	180,000,000	85.2		180,000,000	85.2	180,000,000	82.4	180,000,000	85.2	180,000,000	85.2	180,000,000	82.4	180,000,000	85.2
Trust Fund	4000050	2,000,000	1.3	2,000,000	0.9		2,000,000	0.9	4,000,000	1.8	2,000,000	0.9	2,000,000	0.9	4,000,000	1.8	2,000,000	0.9
Total Funds		150,102,721	100.0	211,372,099	100.0		211,372,099	100.0	218,509,000	100.0	211,372,099	100.0	211,372,099	100.0	218,509,000	100.0	211,372,099	100.0
Excess Appropriation/(Funding)		0		0			0		0		0		0		0		0	
Grand Total		150,102,721		211,372,099			211,372,099		218,509,000		211,372,099		211,372,099		218,509,000		211,372,099	

Agency Position Usage Report

FY2012 - 2013						FY2013 - 2014						FY2014 - 2015					
Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused
	Filled	Unfilled	Total				Filled	Unfilled	Total				Filled	Unfilled	Total		
0	0	0	0	0	0.00 %	0	0	0	0	0	0.00 %	0	0	0	0	0	0.00 %

Analysis of Budget Request

Appropriation: 034 - General Revenue to Cities

Funding Sources: MLM - Municipal Aid Fund

This appropriation provides spending authority for the Treasurer's Office to distribute general revenues designated for the cities.

The Base Level for General Revenue to Cities (034), which is \$29,372,099 for each year of the biennium.

The Municipal League of Arkansas' request includes an increase of \$5,136,901 in additional appropriation and General Revenue funding for both years of the 2015-2017 Biennium.

The Executive Recommendation provides for Base Level.

Appropriation Summary

Appropriation: 034 - General Revenue to Cities

Funding Sources: MLM - Municipal Aid Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	28,708,055	29,372,099	29,372,099	29,372,099	34,509,000	29,372,099	29,372,099	34,509,000	29,372,099
Total		28,708,055	29,372,099	29,372,099	29,372,099	34,509,000	29,372,099	29,372,099	34,509,000	29,372,099

Funding Sources										
General Revenue	4000010	28,708,055	29,372,099		29,372,099	34,509,000	29,372,099	29,372,099	34,509,000	29,372,099
Total Funding		28,708,055	29,372,099		29,372,099	34,509,000	29,372,099	29,372,099	34,509,000	29,372,099
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		28,708,055	29,372,099		29,372,099	34,509,000	29,372,099	29,372,099	34,509,000	29,372,099

Change Level by Appropriation

Appropriation: 034 - General Revenue to Cities
Funding Sources: MLM - Municipal Aid Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	29,372,099	0	29,372,099	100.0	29,372,099	0	29,372,099	100.0
C01	Existing Program	5,136,901	0	34,509,000	117.5	5,136,901	0	34,509,000	117.5

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	29,372,099	0	29,372,099	100.0	29,372,099	0	29,372,099	100.0
C01	Existing Program	0	0	29,372,099	100.0	0	0	29,372,099	100.0

**CARRY FORWARD OF ANY REMAINING FUND BALANCES
FROM FISCAL YEAR 2014 TO FISCAL YEAR 2015**

Agency: Municipal Aid, Treasurer of State

Program: General Revenue to Cities

Act #: 927 Section(s) #: 1 & 12

Estimated Carry Forward Amount \$ 0.00 Funding Source: General Revenue

Accounting Information:

Business Area: 0076 Funds Center: 034 Fund: MLM Functional Area: CNST

Current law requires a written statement be submitted to the DFA Office of Budget stating the reason(s) to carry forward funding for a program or a specific line item within a program remaining on June 30th of a fiscal year.

Justification for carry forward of fund balance:

Fund balance is a result of General Revenue receipts exceeding authorized distributions.

Actual Funding Carry Forward Amount \$ 4,451.47

Current status of carry forward funding:

Pursuant to the special language of Act 265 of 2014, Section 12, \$947.02 of the carry-forward was distributed August 6, 2014. The remaining balance of \$3,504.45 is for previously outlawed warrants that have not been processed through the Claims Commission.

Don Zimmerman

Director

08-19-2014

Date

Analysis of Budget Request

Appropriation: 035 - Special Revenue to Cities

Funding Sources: MLM - Municipal Aid Fund

This appropriation provides spending authority for the Treasurer's Office to distribute special revenues designated for the cities.

The Base Level for Special Revenue to Cities (035) is \$180,000,000 each year of the biennium.

The Municipal League of Arkansas requests Base Level.

The Executive Recommendation provides for the Municipal League of Arkansas' request.

Appropriation Summary

Appropriation: 035 - Special Revenue to Cities

Funding Sources: MLM - Municipal Aid Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	119,394,666	180,000,000	180,000,000	180,000,000	180,000,000	180,000,000	180,000,000	180,000,000	180,000,000
Total		119,394,666	180,000,000	180,000,000	180,000,000	180,000,000	180,000,000	180,000,000	180,000,000	180,000,000

Funding Sources										
Special Revenue	4000030	119,394,666	180,000,000		180,000,000	180,000,000	180,000,000	180,000,000	180,000,000	180,000,000
Total Funding		119,394,666	180,000,000		180,000,000	180,000,000	180,000,000	180,000,000	180,000,000	180,000,000
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		119,394,666	180,000,000		180,000,000	180,000,000	180,000,000	180,000,000	180,000,000	180,000,000

Analysis of Budget Request

Appropriation: 35X - Property Tax Relief-Cities

Funding Sources: TPR - Property Tax Relief Trust Fund

Amendment 79 to the Arkansas Constitution proposed limiting the increase in the assessed value of a taxpayer's real property after a countywide reappraisal and a required property tax credit of at least three hundred dollars (\$300) on homestead property. This amendment was adopted at the November 2000 general election and became effective January 1, 2001.

This appropriation provides spending authority for the Treasurer's Office to distribute special revenue to counties based upon a property tax reduction. Beginning with Act 1268 of 2007, the cities have received a distribution of \$4 million each year, contingent upon available surplus funding.

The Base Level for Property Tax Relief - Cities (35X) is \$4,000,000 in appropriation and \$2,000,000 in funding for each year of the biennium.

The Municipal League of Arkansas requests Base Level.

The Executive Recommendation provides for the Municipal League of Arkansas' request.

Appropriation Summary

Appropriation: 35X - Property Tax Relief-Cities

Funding Sources: TPR - Property Tax Relief Trust Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements 5110014	2,000,000	2,000,000	4,000,000	2,000,000	4,000,000	2,000,000	2,000,000	4,000,000	2,000,000
Total	2,000,000	2,000,000	4,000,000	2,000,000	4,000,000	2,000,000	2,000,000	4,000,000	2,000,000

Funding Sources									
Trust Fund 4000050	2,000,000	2,000,000		2,000,000	4,000,000	2,000,000	2,000,000	4,000,000	2,000,000
Total Funding	2,000,000	2,000,000		2,000,000	4,000,000	2,000,000	2,000,000	4,000,000	2,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	2,000,000	2,000,000		2,000,000	4,000,000	2,000,000	2,000,000	4,000,000	2,000,000

Change Level by Appropriation

Appropriation: 35X - Property Tax Relief-Cities
Funding Sources: TPR - Property Tax Relief Trust Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	2,000,000	0	2,000,000	100.0	2,000,000	0	2,000,000	100.0
C01	Existing Program	2,000,000	0	4,000,000	200.0	2,000,000	0	4,000,000	200.0

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	2,000,000	0	2,000,000	100.0	2,000,000	0	2,000,000	100.0
C01	Existing Program	0	0	2,000,000	100.0	0	0	2,000,000	100.0

OFFICE OF THE PROSECUTOR COORDINATOR

Enabling Laws

Act 67 of 2014
A.C.A. §16-21-201

History and Organization

The Office of the Prosecutor Coordinator (PCO) was created under Act 925 of 1975. The Prosecution Coordination Commission, a seven-member board chosen by all elected prosecuting attorneys, sets the overall policy of the Coordinator's office. The mission statement for PCO is to *improve the criminal justice system by promoting professionalism in the offices of Arkansas Prosecuting Attorneys and Victim Service Providers through education, information, liaison, and advocacy*. The Office provides a broad range of technical assistance and support services for prosecuting attorneys, their deputies, and crime victim service providers. The support services include:

LEGAL RESEARCH - Upon request, the staff prepares extensive trial briefs, legal memoranda, county government opinions, sample ordinances, and basic litigation forms. Emergency assistance during a trial is a special service. The research center is especially important to deputies in rural areas who do not have ready access to a law library. In addition, PCO staff attorneys may serve as special deputy prosecuting attorneys as needed.

CONTINUING LEGAL EDUCATION - PCO sponsors continuing legal education seminars for prosecutors, deputies, victim/witness coordinators, hot check coordinators, law enforcement, and other support staff.

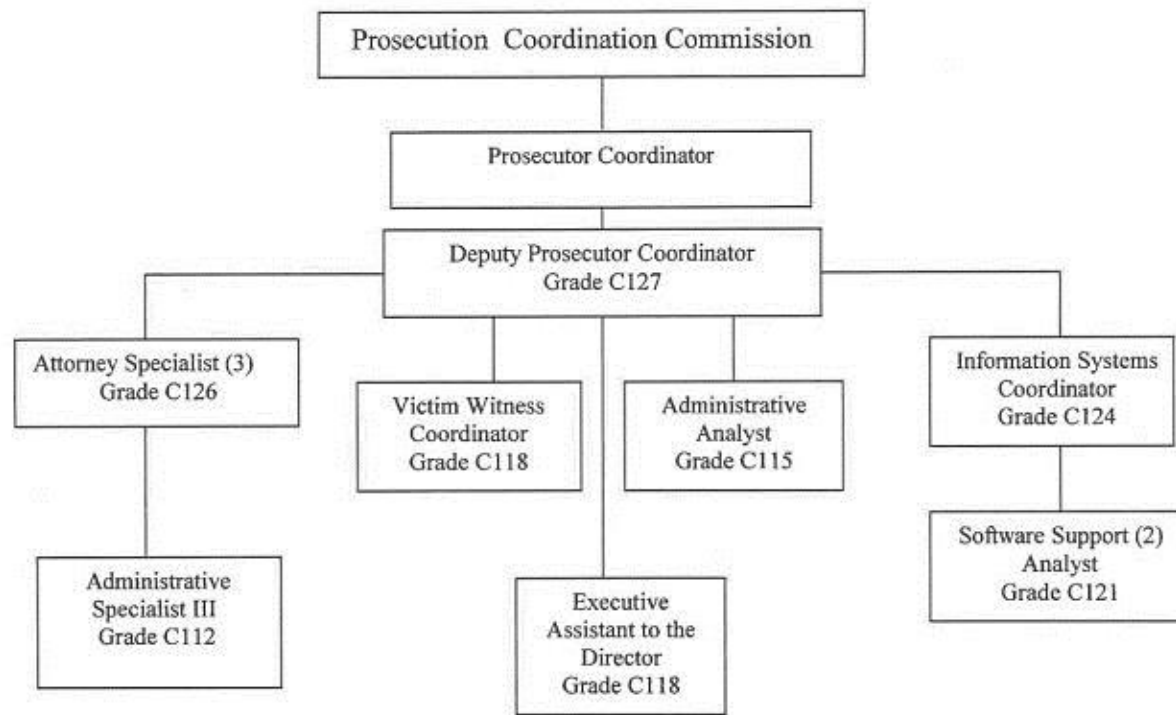
LENDING LIBRARY - A lending library of educational materials, e.g., books, videotapes, and audio cassettes is maintained.

PUBLICATIONS - Newsletters capsizing the latest appellate court opinions and other information are distributed as follows: APAA Newsletter to members of the Prosecuting Attorneys' Association; Crackdown to drug prosecutors and narcotics officers; and Advocates in Action and Family Violence Newsletter to victim services providers. Training manuals on a variety of subject matters have been developed and supplemented on an as needed basis.

CIVIL COMMITMENTS - Pursuant to Act 861 of 1989, Act 10 of the Third Extraordinary Session of 1989, and Act 911 of 1989, PCO is responsible for representing the state in all civil and criminal commitment hearings held on the State Hospital grounds.

VICTIM/WITNESS SUPPORT - A victim/witness coordinator position at PCO was established by Act 408 of 1985 to provide training and technical assistance to victim service providers and crime victims. There are currently victim assistance programs in all 28 judicial districts. Some of these districts have programs in multiple counties.

COMPUTERS - The Office of the Prosecutor Coordinator has developed programs to automate functions within the Prosecuting Attorneys' Offices. The Hot Check System handles hot check offenses which have resulted in millions of dollars in collected restitution for merchants. PCO has implemented a new case management system for tracking defendants, victims, witnesses and trial information to aid prosecutors, case coordinators and victim witness coordinators in handling cases.



Agency Commentary

Rent - The Office of the Prosecutor Coordinator is requesting \$1,125 for the first year of the biennium to provide for a 2% increase in rent charged by the Catlet-Prien Firm, bringing the rate up from \$11.77 to \$12.25 per square foot, and \$1,143 for the second year of the biennium to provide for an anticipated 2% escalator, bringing the rate up from \$12.25 per square foot to \$12.50.

Operating Expense - Additional appropriation and funding is requested by the Office of the Prosecutor Coordinator to provide for an additional \$9,600 for operating expense for each year of the biennium. This request is being made to cover the increased cost of housing state conflict attorneys.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
OFFICE OF THE PROSECUTOR COORDINATOR
FOR THE YEAR ENDED JUNE 30, 2013

Findings

None

Recommendations

None

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2014

None

Employment Summary

	Male	Female	Total	%
White Employees	3	6	9	90 %
Black Employees	0	1	1	10 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			1	10 %
Total Employees			10	100 %

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
None	N/A	N	N	0	N/A	0	0.00

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation		2013-2014		2014-2015		2014-2015		2015-2016						2016-2017					
		Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
065	Law Enforcement & Prosecutorial Programs	61,316	0	70,660	0	70,660	0	70,660	0	70,660	0	70,660	0	70,660	0	70,660	0	70,660	0
090	Prosecutor Coordinator Oprs	917,150	10	1,023,509	12	1,023,509	12	1,023,509	12	1,034,234	12	1,034,234	12	1,023,606	12	1,034,349	12	1,034,349	12
Total		978,466	10	1,094,169	12	1,094,169	12	1,094,169	12	1,104,894	12	1,104,894	12	1,094,266	12	1,105,009	12	1,105,009	12

Funding Sources		%		%			%		%		%		%		%		%
Fund Balance 4000005	1,457	0.1	8	0.0		8	0.0	8	0.0	8	0.0	8	0.0	8	0.0	8	0.0
State Central Services 4000035	917,150	93.7	1,023,509	93.5		1,023,509	93.5	1,034,234	93.6	1,034,234	93.6	1,023,606	93.5	1,034,349	93.6	1,034,349	93.6
State Administration of Justice 4000470	59,867	6.1	70,660	6.5		70,660	6.5	70,660	6.4	70,660	6.4	70,660	6.5	70,660	6.4	70,660	6.4
Total Funds	978,474	100.0	1,094,177	100.0		1,094,177	100.0	1,104,902	100.0	1,104,902	100.0	1,094,274	100.0	1,105,017	100.0	1,105,017	100.0
Excess Appropriation/(Funding)	(8)		(8)			(8)		(8)		(8)		(8)		(8)		(8)	
Grand Total	978,466		1,094,169			1,094,169		1,104,894		1,104,894		1,094,266		1,105,009		1,105,009	

Agency Position Usage Report

FY2012 - 2013						FY2013 - 2014						FY2014 - 2015					
Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused
	Filled	Unfilled	Total				Filled	Unfilled	Total				Filled	Unfilled	Total		
12	10	1	11	1	16.67 %	12	10	2	12	0	16.67 %	12	10	2	12	0	16.67 %

Analysis of Budget Request

Appropriation: 065 - Law Enforcement & Prosecutorial Programs

Funding Sources: MDT - Law Enforcement & Prosecutor Drug Enforcement Training Fund

This program is funded from a portion of those funds remitted by the cities and counties from court costs and filing fees for deposit into the State Administration of Justice Fund. A share of those funds collected is then allocated to the Office of Prosecutor Coordinator for deposit in the Law Enforcement and Prosecutor Drug Enforcement Training Fund per Arkansas Code Annotated §16-10-310. Funds are used solely for law enforcement and prosecutorial purposes.

The Agency's Base Level Request of \$70,660 for both years of the biennium provides for appropriation equal to the maximum allocation authorized by Act 285 of 2014, Section 62.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 065 - Law Enforcement & Prosecutorial Programs

Funding Sources: MDT - Law Enforcement & Prosecutor Drug Enforcement Training Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Law Enforcement/Prosecutorial 5900046	61,316	70,660	70,660	70,660	70,660	70,660	70,660	70,660	70,660
Total	61,316	70,660	70,660	70,660	70,660	70,660	70,660	70,660	70,660
Funding Sources									
Fund Balance 4000005	1,457	8		8	8	8	8	8	8
State Administration of Justice 4000470	59,867	70,660		70,660	70,660	70,660	70,660	70,660	70,660
Total Funding	61,324	70,668		70,668	70,668	70,668	70,668	70,668	70,668
Excess Appropriation/(Funding)	(8)	(8)		(8)	(8)	(8)	(8)	(8)	(8)
Grand Total	61,316	70,660		70,660	70,660	70,660	70,660	70,660	70,660

Analysis of Budget Request

Appropriation: 090 - Prosecutor Coordinator Oprs

Funding Sources: HSC - State Central Services Fund

This appropriation represents the main operating appropriation used by the Office of Prosecutor Coordinator in meeting costs associated with fulfilling the essential mission of the Agency and is funded from the State Central Services Fund.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Bases level salaries will not include Merit Pay Increases.

The Base Level salary of unclassified positions reflects the FY15 line item maximum plus the previously authorized 2015 1% Cost of Living Adjustment.

The Base Level Request is \$1,023,509 in FY16 and \$1,023,606 in FY17.

The Agency's Change Level Request is \$10,725 in FY16 and \$10,743 in FY17 in Operating Expenses for a promised two percent (2%) increase in rent for both years of the biennium and for operating expenses relating to two deputy prosecutors that are using office space belonging to the Agency. Those operating expenses include overhead, supplies, dues and subscriptions.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 090 - Prosecutor Coordinator Oprs

Funding Sources: HSC - State Central Services Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	592,474	677,117	677,117	677,117	677,117	677,117	677,214	677,214	677,214
#Positions		10	12	12	12	12	12	12	12	12
Personal Services Matching	5010003	198,140	219,856	219,856	219,856	219,856	219,856	219,856	219,856	219,856
Operating Expenses	5020002	121,844	121,844	121,844	121,844	132,569	132,569	121,844	132,587	132,587
Conference & Travel Expenses	5050009	4,692	4,692	4,692	4,692	4,692	4,692	4,692	4,692	4,692
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		917,150	1,023,509	1,023,509	1,023,509	1,034,234	1,034,234	1,023,606	1,034,349	1,034,349
Funding Sources										
State Central Services	4000035	917,150	1,023,509		1,023,509	1,034,234	1,034,234	1,023,606	1,034,349	1,034,349
Total Funding		917,150	1,023,509		1,023,509	1,034,234	1,034,234	1,023,606	1,034,349	1,034,349
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		917,150	1,023,509		1,023,509	1,034,234	1,034,234	1,023,606	1,034,349	1,034,349

Change Level by Appropriation

Appropriation: 090 - Prosecutor Coordinator Oprs
Funding Sources: HSC - State Central Services Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	1,023,509	12	1,023,509	100.0	1,023,606	12	1,023,606	100.0
C01	Existing Program	10,725	0	1,034,234	101.0	10,743	0	1,034,349	101.0

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	1,023,509	12	1,023,509	100.0	1,023,606	12	1,023,606	100.0
C01	Existing Program	10,725	0	1,034,234	101.0	10,743	0	1,034,349	101.0

Justification

C01	The Agency is requesting appropriation and funding in order to pay for increases in rent and costs associated with providing space for state conflict attorneys.
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SECRETARY OF STATE

Enabling Laws

Act 248 of 2014

Constitution of Arkansas, Article 6

History and Organization

The primary mission of the Office of the Secretary of State is to maintain official records of the State of Arkansas as authorized and required by State law. The Secretary of State's Office was established upon the adoption of the Constitution of the State of Arkansas on September 7, 1874. The Office is a branch of the Executive Department as set forth in Article Six of the Constitution. The duties of the Secretary of State include:

- Custody and maintenance of the State Capitol Building, the Capitol grounds, and all fixtures therein and thereon belonging to the State (Section 22-3-202 of the Arkansas Code of 1987 Annotated, Act 1179 of 2013).
- Maintaining a centralized filing system for secured transactions (Revised Article 9 of the Uniform Commercial Code). Act 138 of 2013 made the Secretary of State the sole filing office for security interests in collateral of transmitting utilities. Act 942 of 2009 centralized all filings, including agricultural liens and farm related security interests.
- Registration of trademarks in Arkansas (Act 1553 of 2001).
- Recording of various filings of candidates in connection with primary, general, and presidential elections as provided by Section 7-1-101 et seq. of the Arkansas Code of 1987 Annotated (Act 1389 of 2013, as amended); certification of candidates for presidential, state, and district positions and constitutional amendments and issues to County Boards of Elections; issuance of commissions to all elected officials.
- Distribution of individual copies of the official acts of the General Assembly (Act 835 of 1973, as amended).
- Collection of Corporate Franchise Tax, including the maintenance of the yearly tax reports (Act 94 of 2003, 2nd Extraordinary Session).
- Acceptance of annual non-profit corporation reports (Act 569 of 2007).

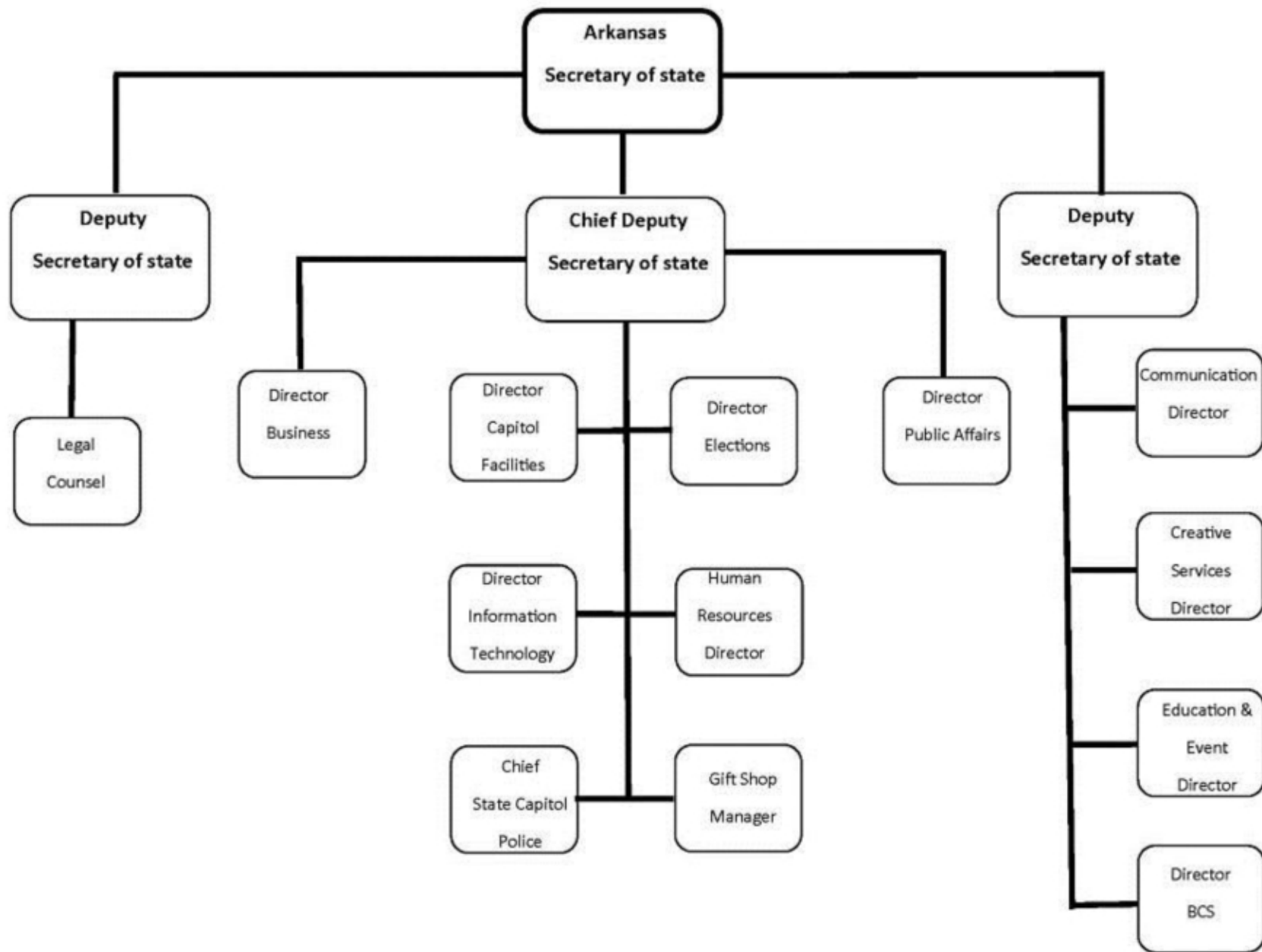
- Maintenance of the registry of International Student Exchange Visitor Placement Organizations which intend to place students in Arkansas schools (Act 966 of 2009).
- Acceptance of the filing of financial disclosure statements by committees or individuals who work to either promote or defeat any statewide initiative, referendum, or measure (Act 1114 of 1993).
- Registration of persons operating health spas (Act 264 of 1989).
- Registration of athlete agents and administration of remedies for violations committed by athlete agents (Act 1622 of 2001).
- Registration of and reporting of expenditures by lobbyists (Act 963 of 2009, as amended).
- Filing of federal tax liens and notices on corporations, trusts, and estates (Act 835 of 1989).
- Maintenance of a registry of all qualified community development corporations in the State (Act 989 of 1993).
- Establishment of a signature imaging system in the Secretary of State's Office (Act 94 of 2003, 2nd Extraordinary Session).
- Administration of the planning, development, implementation, training, and maintenance of a computerized voter registration system (Act 1480 of 2009, as amended).
- Administration of a grant program to help counties purchase, program, and maintain voting system equipment (Act 35 of 2014).

The Secretary of State is designated the Chief Election Official of the State of Arkansas, and is responsible for the coordination of state responsibilities under the National Voter Registration Act of 1993, as required by federal law (Identical Acts 947 and 964 of 1995).

- Implement Help America Vote Act (Act 1215 of 2013).
- Commission Notaries Public Act (Act 492 of 2013).

Principal functions of the Office of the Secretary of State are to:

- Maintain records of the official acts and proclamations of the Governor.
- Affix the Official Seal and attest commissions and other official acts made by the Governor.
- Record acts of the General Assembly and certify copies thereof; serve as custodian of official records of the General Assembly, including journals, bills, resolutions and proposed Constitutional amendments.
- Maintain initial filings, amendments, dissolution documents, and annual reports of all domestic and foreign for-profit and non-profit corporations, limited liability companies, limited partnerships, and other entities.
- Accept service of process on unregistered foreign entities and non-residents.
- Issue and record commissions of state, district, and county officials, members of boards and commissions, notaries public, and justices of the peace.



Agency Commentary

Appropriation 003

Election Expenses (5900049)

Agency is proposing a new Election Expenses line item to meet state and county needs. In the near future the state must make a significant election equipment outlay. Voter registration maintenance costs continue. The agency also continues to support county wired connectivity, voter registration hardware, software, maintenance, training, and compliance. Petitions technology and personnel management both come from Elections. Overall agency budget is unchanged.

Maintenance & Operations (5020002)

Agency is requesting an increase of \$1,502,543 for each year of the FY2015-2017 biennium. The increase comes from consolidating existing Base Level funding of former fund centers. The overall agency base budget is unchanged.

Conference and Travel Expenses (5050009)

Agency is requesting no change in Base Level funding for each year of the biennium.

Professional Fees (5060010)

Agency is requesting no change in Base Level funding for the biennium.

Ongoing Professional Fees include legal fees, language translation costs, engineering and architectural fees, design fees for publications, design of historical displays, and special event and professional costs.

Capitol Grounds Improvement (5090005)

Agency is requesting no change in Base Level funding for each year of the biennium. Capitol Grounds Improvements include maintenance of the outside of the Capitol complex, such as lawn care, sidewalk repair, and road resurfacing.

Capital Outlay (5120011)

Agency is requesting \$210,000 for FY2016 and \$150,000 for FY2017.

For FY2016, Agency is requesting funds for scheduled updates of IT equipment, and software licenses to improve offsite disaster recovery; and \$10,000 to trade in one vehicle.

For FY2017, Agency is requesting \$100,000 for increased IT drive storage capacity as existing capacity for archived maps and historical documents is depleted; \$30,000 for the replacement of two mowers on their scheduled replacement time; and \$20,000 to trade in of two older vehicles for replacement models.

Special Maintenance (5120032)

Agency is requesting no change in the Base Level funding for the biennium. In FY2016 the agency plans to waterproof the dome as part of scheduled maintenance of the Capitol. Ongoing costs consist of unexpected event repairs and maintenance, elevator and HVAC maintenance contracts, small painting projects, plumbing repairs and maintenance, security systems, electrical repairs and maintenance, utility and network infrastructure, and ground sprinkler system maintenance.

In FY2017 the Agency will continue with scheduled maintenance of lighting and facilities throughout the Capitol.

003 Mandatory Publications (5900034)

Agency is requesting folding the Mandatory Publications Base Level funding into its maintenance and operations. Overall Agency budget is unchanged. The Agency proposes moving to a shared digital platform for various publications and legal notice requirements. Statutorily necessitated hardcopy publications will be continued, but electronic delivery will be preferred.

003D Petition Verification (5900035)

Agency is requesting folding the Petition Verification Base Level funding into the new Elections Fund Center. Overall Agency budget is unchanged. Petition verification operations share personnel and technical resources with the Election Division of the Agency.

003D Publish Legal Notices (5900036)

Agency is requesting folding Publish Legal Notices Base Level funding into the new Elections Fund Center. Overall agency budget is unchanged.

003 Records Management (5900037)

Agency is requesting folding Records Management base level funding into agency maintenance and operations. Agency overall budget is unchanged. Business and Commercial Services Division anticipates utilizing generic technological platforms for its operations such as accounting, network operations, and phone systems. Operating costs would be shared by multiple divisions.

003D Statewide Voter Registration System (5900046)

Agency is requesting folding Statewide Voter Registration into the new Election Expenses line item. Agency overall budget is unchanged. The agency anticipates election equipment spending increases in the near future. Election Funds would continue to support Voter Registration, training, county hardware and software expenses.

003 Flags (5900048)

Agency is requesting folding Flags base level funding into general maintenance and operations. Overall agency budget is unchanged.

003 Building Insurance (5900046)

Agency is requesting folding Building Insurance Base Level funding into general maintenance and operations. Overall agency budget is unchanged.

Other Appropriations

Appropriation 1NK - Help America Vote Act (HAVA) - Federal

Agency is requesting a reduction in Base Level to better reflect the level of funding for each year of the biennium. This is a continuation of HAVA Title II procurements (Act 1466 of 2003).

Appropriation 2EK - Election Assistance for the Disabled - Federal

Agency is requesting no change in Base Level for each year of the biennium. This fund is in the support of a federal grant to the Office of the Secretary of State for Election Assistance for Individuals with Disabilities (EAID). The purpose of this grant is to improve accessibility for individuals with disabilities at polling places. Improving accessibility also includes training poll workers on how best to promote access and informing the general public about accessibility of polling places. This grant is 100% federally funded and the Agency anticipates funding to continue at the percentage.

Appropriation 2MJ - Capitol Grounds Monument and Memorial Preservation

Agency is requesting an increase in Base Level to \$104,948 for each year of the biennium. This fund was created by Act 55 of 2003. This fund was established as a vehicle by which the office of Secretary of State can be assured of funding associated with the preservation and maintenance of memorials and monuments placed on the Capitol grounds. Agency anticipates additional funding during this biennium period.

Appropriation 378 - Fee and Tax Refund (Corporate Filling & Refunds)

Agency is requesting Base Level of \$550,000 for each year of the FY2015-2017 biennium. The purpose of this appropriation is to provide a mechanism that allows the Agency to refund over-payments of various receipts processed by the Business/Commercial Services Division. This increase will aid the Business/Commercial Services Division in processing of refunds in additional customer market segments.

Appropriation 81W - Help America Vote Act (HAVA) Matching Funds

Agency is requesting lowering Base Level to better reflect the level of funding for each year of the biennium. The purpose of this appropriation is to satisfy state matching requirements of the HAVA federal program in order to continue receiving annual allotments. Adequate balances exist to fund the appropriation.

Appropriation 833 - Arkansas State Capitol Building & Grounds Restoration - Cash

Agency is requesting an increase in Base Level to \$180,000 for each year of the biennium. This increase reflects funding received above current appropriation level. This fund aids in maintaining the structural integrity and beauty of the State Capitol buildings and grounds. The appropriation is dependent upon donations and, as such, the level of actual funding is unknown at this time. Expenditure of appropriation is contingent upon available funding.

Agency B97 - Administrative and Maintenance Fund

Agency is requesting Base Level of \$375,000 for each year of the FY2015-2017 biennium. Adequate cash and investment balances currently exist to fund this request.

Appropriation F02 - CVS Grant

Agency is requesting Base Level of \$1,500,000 for each year of the FY2015-2017 biennium. This appropriation was created by Act 211 of 2012 to provide grants for updating or purchasing county voting systems.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT

AUDIT OF :

SECRETARY OF STATE

FOR THE YEAR ENDED JUNE 30, 2013

Findings

To determine if Agency internal control procedures were adequate to ensure completeness for Cash on Hand, we reviewed transactions regarding Business and Commercial Services (BCS) activity. Included in the population were all payments posted to customer accounts between July 1, 2013 and August 15, 2013 that were received prior to June 2013. Our analysis revealed the amount recorded as Cash on

Recommendations

Review internal control procedures for processing customer payments to ensure they are deposited and posted to customer accounts timely.

Agency Response:

It concurs with the audit finding and that, to some extent, it will continue to experience this issue during the time frame allotted for the next audit. This issue is primarily of a

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
SECRETARY OF STATE
FOR THE YEAR ENDED JUNE 30, 2013

Findings	Recommendations
Hand was materially correct. In additional to the review noted above, we divided the population into two sets of data. The first set included payments received and deposited prior to June 30, 2013. The second set included payments received prior to June 30, 2013 and deposited after July 1, 2013. We analyzed both sets of data to determine if the Agency (1) made timely deposits for all receipts and (2) posted the payment to the customer account timely. The first set of data contained 11,896 transactions totaling \$1,989.823, representing payments received and deposited prior to June 30, 2013, but not posted to customer accounts until after July 1, 2013. Our review revealed the following: • 140 transactions totaling \$21,441 were not deposited timely, ranging from 31 to 154 days after receipts. Against the same set of data, our review revealed the following regarding timely posting to customer accounts: • 11,870 transactions totaling \$1,985,596 were not posted to the customer account timely, ranging from 31 to 132 days after deposit. The second set of data had 2,055 transactions totaling \$187,060, representing payments received prior to June 30, 2013, but not deposited or posted to customer accounts until after July 1, 2013. Our review revealed the following: 1,570 transaction totaling \$148, 528 were not deposited timely, ranging from 31 to 210 days after receipt.	seasonal nature due to the volume of tax filing operations. Nevertheless, management is committed to mitigating the impact of the franchise tax filing deadline by re-constituting established procedures and introducing additional safeguards during the coming year. Many of the procedural alterations have already been implemented. Additionally, the filing process has become much more automated. Therefore, the risk of this issue being widespread in the future is low. Complete internal and external reviews are currently underway to finalize the necessary policies and procedures that will prevent repeat findings in this area.

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2014

None

Employment Summary

	Male	Female	Total	%
White Employees	59	50	109	72 %
Black Employees	13	20	33	22 %
Other Racial Minorities	5	4	9	6 %
Total Minorities			42	28 %
Total Employees			151	100 %

Cash Fund Balance Description as of June 30, 2014

Fund Account	Balance	Type	Location
1350300	\$215,663	Investments TMMP	State Treasury

Statutory/Other Restrictions on use:

A.C.A. 22-3-401 et seq. authorizes the Secretary of State to collect parking fees and fines.

Statutory Provisions for Fees, Fines, Penalties:

A.C.A. 22-3-401 et seq. authorizes the Secretary of State to collect parking fees and fines.

Revenue Receipts Cycle:

Fees are collected throughout the year. Interest on the balance is earned.

Fund Balance Utilization:

Funds are used for various operating and associated expenses for parking activity and security of the premises.

Fund Account	Balance	Type	Location
1350300	\$19,347	Checking	Regions Bank

Statutory/Other Restrictions on use:

A.C.A. 22-3-401 et seq. authorizes the Secretary of State to collect parking fees and fines.

Statutory Provisions for Fees, Fines, Penalties:

A.C.A. 22-3-401 et seq. authorizes the Secretary of State to collect parking fees and fines.

Revenue Receipts Cycle:

Fees are collected throughout the year. Interest on the balance is earned.

Fund Balance Utilization:

Funds are used for various operating and associated expenses for parking activity and security of the premises.

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
Acts of Arkansas	A.C.A. §25-18-206, A.C.A. §25-18-225	N	N	500	Required by law. Provides needed references for State Officials.	0	0.00
Arkansas Register	A.C.A. §25-15-205 (Act 1057 of 2013)	N	N	2,600	Required by law.	0	0.00
Election Laws of Arkansas & State Constitution	A.C.A. §25-18-225	N	N	1,400	Required by law.	0	0.00
Historical Report	ACA 25-18-223	N	Y	8,000	Required by law every 10 years	0	0.00
Lobbyist forms, financial disclosures, Leg. financial disclosures	ACA 21-8-606, et al.	N	Y	10,000	Election Process	0	0.00
Various Franchise tax forms, reports, proclamations, and receipts	ACA 26-54-105, et al.	N	N	10,000	Tax Collection Requirements	0	0.00
Voices of Arkansas	Amendment 51 Section 8	N	N	2,500	Required by law to report on the NVRA statistics.	0	0.00

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
Voter Reg. Publications, forms, UVOCA ballots, etc	Amendment 51, Sect. 5,6, & 8	N	N	10,000	Election Process	0	0.00
Website polling info, absentee ballots, voting machine instructions, Notice of Amendments, etc.	A.C.A 7-1-110, et al.	N	N	10,000	Election Process	0	0.00

Department Appropriation Summary

Historical Data								Agency Request and Executive Recommendation											
Appropriation		2013-2014		2014-2015		2014-2015		2015-2016						2016-2017					
		Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
003	Secretary of State Operations	17,756,357	152	19,255,761	162	19,255,761	162	19,184,185	162	19,394,185	161	0	0	19,184,185	162	19,334,185	161	0	0
1NK	HAVA Title 2	779,626	0	4,683,300	0	4,683,300	0	4,683,300	0	2,500,000	0	0	0	4,683,300	0	2,500,000	0	0	0
2EK	Election Assist for the Disabled	0	0	161,321	0	161,321	0	161,321	0	161,321	0	0	0	161,321	0	161,321	0	0	0
2MJ	Cap Grnds Monument Perserv	0	0	50,000	0	50,000	0	50,000	0	104,948	0	0	0	50,000	0	104,948	0	0	0
378	Corporate Filing & Refund	436,860	0	550,000	0	550,000	0	550,000	0	550,000	0	0	0	550,000	0	550,000	0	0	0
81W	HAVA St Match-Cash	41,033	0	555,000	0	619,193	0	619,193	0	515,000	0	0	0	619,193	0	515,000	0	0	0
833	Treasury Cash	0	0	25,000	0	25,000	0	25,000	0	180,000	0	0	0	25,000	0	180,000	0	0	0
B97	Parking/Cash	233,363	0	280,000	0	375,000	0	375,000	0	375,000	0	0	0	375,000	0	375,000	0	0	0
F02	CVS Grant	1,014,322	0	1,500,000	0	1,500,000	0	1,500,000	0	1,500,000	0	0	0	1,500,000	0	1,500,000	0	0	0
F39	FVAP	93,560	0	24,325	0	94,000	0	94,000	0	94,000	0	0	0	94,000	0	94,000	0	0	0
F89	Arkansas Video Service Act	0	0	50,000	0	50,000	0	50,000	0	50,000	0	0	0	50,000	0	50,000	0	0	0
Total		20,355,121	152	27,134,707	162	27,363,575	162	27,291,999	162	25,424,454	161	0	0	27,291,999	162	25,364,454	161	0	0

Funding Sources			%		%			%		%		%		%		%		%
Fund Balance	4000005	914,885	4.3	757,096	2.8		5,010	0.0	5,010	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Federal Revenue	4000020	873,186	4.1	4,868,946	17.9		4,938,621	18.1	2,755,321	10.8	0	0.0	4,938,621	18.1	2,755,321	10.9	0	0.0
State Central Services	4000035	17,750,122	84.1	19,255,761	71.0		19,184,185	70.3	19,394,185	76.3	0	0.0	19,184,185	70.3	19,334,185	76.2	0	0.0
Non-Revenue Receipts	4000040	436,860	2.1	550,000	2.0		550,000	2.0	550,000	2.2	0	0.0	550,000	2.0	550,000	2.2	0	0.0
Cash Fund	4000045	104,519	0.5	120,002	0.4		1,014,183	3.7	1,064,990	4.2	0	0.0	1,019,193	3.7	1,070,000	4.2	0	0.0
Trust Fund	4000050	0	0.0	50,000	0.2		50,000	0.2	104,948	0.4	0	0.0	50,000	0.2	104,948	0.4	0	0.0
Fees	4000245	1,026,410	4.9	1,537,912	5.7		1,550,000	5.7	1,550,000	6.1	0	0.0	1,550,000	5.7	1,550,000	6.1	0	0.0
M & R Sales	4000340	6,235	0.0	0	0.0		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Total Funds		21,112,217	100.0	27,139,717	100.0		27,291,999	100.0	25,424,454	100.0	0	0.0	27,291,999	100.0	25,364,454	100.0	0	0.0
Excess Appropriation/(Funding)		(757,096)		(5,010)		0		0		0		0		0		0		
Grand Total		20,355,121		27,134,707		27,291,999		25,424,454		0		27,291,999		25,364,454		0		

No Executive Recommendations on these appropriations.

Agency Position Usage Report

FY2012 - 2013						FY2013 - 2014						FY2014 - 2015					
Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused
	Filled	Unfilled	Total				Filled	Unfilled	Total				Filled	Unfilled	Total		
162	146	16	162	0	9.88 %	162	154	8	162	0	4.94 %	162	154	8	162	0	4.94 %

Appropriation Summary

Appropriation: 003 - Secretary of State Operations

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	6,754,450	7,838,000	7,838,000	7,916,424	7,916,424	0	7,916,424	7,916,424	0
#Positions		152	162	162	162	161	0	162	161	0
Extra Help	5010001	67,810	144,909	144,909	144,909	144,909	0	144,909	144,909	0
#Extra Help		4	45	45	45	45	0	45	45	0
Personal Services Matching	5010003	2,485,625	2,773,965	2,773,965	2,773,965	2,773,965	0	2,773,965	2,773,965	0
Overtime	5010006	0	33,000	33,000	33,000	33,000	0	33,000	33,000	0
Operating Expenses	5020002	3,792,316	3,002,396	3,002,396	3,002,396	4,504,939	0	3,002,396	4,504,939	0
Conference & Travel Expenses	5050009	43,952	65,651	65,651	65,651	65,651	0	65,651	65,651	0
Professional Fees	5060010	125,813	205,956	205,956	205,956	205,956	0	205,956	205,956	0
Capitol Grounds Improvements	5090005	161,184	401,264	401,264	401,264	401,264	0	401,264	401,264	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	88,036	150,000	150,000	0	210,000	0	0	150,000	0
Special Maintenance	5120032	682,573	700,048	700,048	700,048	700,048	0	700,048	700,048	0
Mandatory Publications	5900034	104,038	214,038	214,038	214,038	0	0	214,038	0	0
Petition Verification	5900035	84,334	350,000	350,000	350,000	0	0	350,000	0	0
Publish Legal Notices	5900036	650,000	650,000	650,000	650,000	0	0	650,000	0	0
Records Management	5900037	686,572	933,977	933,977	933,977	0	0	933,977	0	0
Statewide Voter Reg System	5900046	1,808,437	1,438,029	1,438,029	1,438,029	0	0	1,438,029	0	0
Building Insurance	5900047	165,661	223,278	223,278	223,278	0	0	223,278	0	0
Flags	5900048	55,556	131,250	131,250	131,250	0	0	131,250	0	0
Elections Expenses	5900049	0	0	0	0	2,438,029	0	0	2,438,029	0
Total		17,756,357	19,255,761	19,255,761	19,184,185	19,394,185	0	19,184,185	19,334,185	0
Funding Sources										
State Central Services	4000035	17,750,122	19,255,761		19,184,185	19,394,185	0	19,184,185	19,334,185	0
M & R Sales	4000340	6,235	0		0	0	0	0	0	0
Total Funding		17,756,357	19,255,761		19,184,185	19,394,185	0	19,184,185	19,334,185	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		17,756,357	19,255,761		19,184,185	19,394,185	0	19,184,185	19,334,185	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 003 - Secretary of State Operations
Funding Sources: HSC - State Central Services

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	19,184,185	162	19,184,185	100.0	19,184,185	162	19,184,185	100.0
C01	Existing Program	4,693,424	14	23,877,609	124.5	4,633,424	14	23,817,609	124.2
C03	Discontinue Program	(4,509,876)	(15)	19,367,733	101.0	(4,509,876)	(15)	19,307,733	100.6
C10	Reclass	2,649	0	19,370,382	101.0	2,649	0	19,310,382	100.7
C14	Title Change	0	0	19,370,382	101.0	0	0	19,310,382	100.7
C15	Ex Salary Increase	23,803	0	19,394,185	101.1	23,803	0	19,334,185	100.8

Appropriation Summary

Appropriation: 1NK - HAVA Title 2
Funding Sources: FSS - HAVA Title II - Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	779,626	4,683,300	4,683,300	4,683,300	2,500,000	0	4,683,300	2,500,000	0
Total	779,626	4,683,300	4,683,300	4,683,300	2,500,000	0	4,683,300	2,500,000	0
Funding Sources									
Federal Revenue 4000020	779,626	4,683,300		4,683,300	2,500,000	0	4,683,300	2,500,000	0
Total Funding	779,626	4,683,300		4,683,300	2,500,000	0	4,683,300	2,500,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	779,626	4,683,300		4,683,300	2,500,000	0	4,683,300	2,500,000	0

No Executive Recommendation on this appropriation.

Change Level by Appropriation

Appropriation: 1NK - HAVA Title 2
Funding Sources: FSS - HAVA Title II - Federal

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	4,683,300	0	4,683,300	100.0	4,683,300	0	4,683,300	100.0
C03	Discontinue Program	(2,183,300)	0	2,500,000	53.4	(2,183,300)	0	2,500,000	53.4

Appropriation Summary

Appropriation: 2EK - Election Assist for the Disabled

Funding Sources: FSS - Election Assistance for Disabled - Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	0	161,321	161,321	161,321	161,321	0	161,321	161,321	0
Total	0	161,321	161,321	161,321	161,321	0	161,321	161,321	0
Funding Sources									
Federal Revenue 4000020	0	161,321		161,321	161,321	0	161,321	161,321	0
Total Funding	0	161,321		161,321	161,321	0	161,321	161,321	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	161,321		161,321	161,321	0	161,321	161,321	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 2MJ - Cap Grnds Monument Perserv

Funding Sources: TCG - Capitol Grounds Monument/Memorial Fund - Trust

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Construction 5090005	0	50,000	50,000	50,000	104,948	0	50,000	104,948	0
Total	0	50,000	50,000	50,000	104,948	0	50,000	104,948	0
Funding Sources									
Trust Fund 4000050	0	50,000		50,000	104,948	0	50,000	104,948	0
Total Funding	0	50,000		50,000	104,948	0	50,000	104,948	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	50,000		50,000	104,948	0	50,000	104,948	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 2MJ - Cap Grnds Monument Perserv

Funding Sources: TCG - Capitol Grounds Monument/Memorial Fund - Trust

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	50,000	0	50,000	100.0	50,000	0	50,000	100.0
C01	Existing Program	54,948	0	104,948	209.9	54,948	0	104,948	209.9

Appropriation Summary

Appropriation: 378 - Corporate Filing & Refund
Funding Sources: MTA - Miscellaneous Revolving Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements	5110014	436,860	550,000	550,000	550,000	550,000	0	550,000	550,000	0
Total		436,860	550,000	550,000	550,000	550,000	0	550,000	550,000	0
Funding Sources										
Non-Revenue Receipts	4000040	436,860	550,000		550,000	550,000	0	550,000	550,000	0
Total Funding		436,860	550,000		550,000	550,000	0	550,000	550,000	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		436,860	550,000		550,000	550,000	0	550,000	550,000	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 81W - HAVA St Match-Cash

Funding Sources: NSS - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
HAVA State Match	5900046	41,033	555,000	619,193	619,193	515,000	0	619,193	515,000	0
Total		41,033	555,000	619,193	619,193	515,000	0	619,193	515,000	0
Funding Sources										
Fund Balance	4000005	544,473	509,998		0	0	0	0	0	0
Cash Fund	4000045	6,558	45,002		619,193	515,000	0	619,193	515,000	0
Total Funding		551,031	555,000		619,193	515,000	0	619,193	515,000	0
Excess Appropriation/(Funding)		(509,998)	0		0	0	0	0	0	0
Grand Total		41,033	555,000		619,193	515,000	0	619,193	515,000	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 81W - HAVA St Match-Cash
Funding Sources: NSS - Cash in Treasury

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	619,193	0	619,193	100.0	619,193	0	619,193	100.0
C03	Discontinue Program	(104,193)	0	515,000	83.2	(104,193)	0	515,000	83.2

Appropriation Summary

Appropriation: 833 - Treasury Cash
Funding Sources: NSS - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	0	25,000	25,000	25,000	180,000	0	25,000	180,000	0
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		0	25,000	25,000	25,000	180,000	0	25,000	180,000	0
Funding Sources										
Cash Fund	4000045	0	25,000		25,000	180,000	0	25,000	180,000	0
Total Funding		0	25,000		25,000	180,000	0	25,000	180,000	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		0	25,000		25,000	180,000	0	25,000	180,000	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 833 - Treasury Cash
Funding Sources: NSS - Cash in Treasury

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	25,000	0	25,000	100.0	25,000	0	25,000	100.0
C01	Existing Program	155,000	0	180,000	720.0	155,000	0	180,000	720.0

Appropriation Summary

Appropriation: B97 - Parking/Cash

Funding Sources: 135 - Parking Lot - Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Various Parking & Security Expen 5900046	233,363	280,000	375,000	375,000	375,000	0	375,000	375,000	0
Total	233,363	280,000	375,000	375,000	375,000	0	375,000	375,000	0
Funding Sources									
Fund Balance 4000005	370,412	235,010		5,010	5,010	0	0	0	0
Cash Fund 4000045	97,961	50,000		369,990	369,990	0	375,000	375,000	0
Total Funding	468,373	285,010		375,000	375,000	0	375,000	375,000	0
Excess Appropriation/(Funding)	(235,010)	(5,010)		0	0	0	0	0	0
Grand Total	233,363	280,000		375,000	375,000	0	375,000	375,000	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: F02 - CVS Grant

Funding Sources: MCV - County Voting System Grant Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
County Voting System Grants 5900046	1,014,322	1,500,000	1,500,000	1,500,000	1,500,000	0	1,500,000	1,500,000	0
Total	1,014,322	1,500,000	1,500,000	1,500,000	1,500,000	0	1,500,000	1,500,000	0
Funding Sources									
Fees 4000245	1,014,322	1,500,000		1,500,000	1,500,000	0	1,500,000	1,500,000	0
Total Funding	1,014,322	1,500,000		1,500,000	1,500,000	0	1,500,000	1,500,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	1,014,322	1,500,000		1,500,000	1,500,000	0	1,500,000	1,500,000	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: F39 - FVAP

Funding Sources: FSS - Voting Assistance Program - Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Research & Development	5900031	93,560	24,325	94,000	94,000	94,000	0	94,000	94,000	0
Total		93,560	24,325	94,000	94,000	94,000	0	94,000	94,000	0
Funding Sources										
Federal Revenue	4000020	93,560	24,325		94,000	94,000	0	94,000	94,000	0
Total Funding		93,560	24,325		94,000	94,000	0	94,000	94,000	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		93,560	24,325		94,000	94,000	0	94,000	94,000	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: F89 - Arkansas Video Service Act
Funding Sources: SVS - Arkansas Video Service Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Arkansas Video Service Act	5900046	0	50,000	50,000	50,000	50,000	0	50,000	50,000	0
Total		0	50,000	50,000	50,000	50,000	0	50,000	50,000	0
Funding Sources										
Fund Balance	4000005	0	12,088		0	0	0	0	0	0
Fees	4000245	12,088	37,912		50,000	50,000	0	50,000	50,000	0
Total Funding		12,088	50,000		50,000	50,000	0	50,000	50,000	0
Excess Appropriation/(Funding)		(12,088)	0		0	0	0	0	0	0
Grand Total		0	50,000		50,000	50,000	0	50,000	50,000	0

No Executive Recommendation made on this appropriation.

ARKANSAS STATE LIBRARY

Enabling Laws

Act 175 of 2014
A.C.A. §13-2-203 et seq.

History and Organization

AGENCY MISSION STATEMENT

The mission of the Arkansas State Library is to serve as the information resource center for state agencies, legislators and legislative staffs; to provide guidance and support for the development of local public libraries and library services; and to provide the resources, services, and leadership necessary to meet the educational, informational, and cultural needs of the citizens of Arkansas. The agency administers state and federal funds appropriated for libraries and library development, including State Aid To Public Libraries funds and federal Library Services and Technology Act (LSTA) funds (formerly Library Services and Construction Act).

The goals of the State Library are to develop access to libraries and information resources; provide library and information resources and services to state government, as well as to other citizens statewide; promote the development, use, and support of public libraries and information resources; foster the recruitment, training, and education of library personnel; and provide effective administration and leadership needed to improve public libraries and library services.

ENABLING LAWS

A. Enabling Legislation

Act 139 of 1935 created the Arkansas Library Commission which guided public library development in Arkansas until 1979. Act 489 of 1979 abolished the former Commission and established the Arkansas State Library with expanded duties and responsibilities. Act 489 of 1979 transferred to the Arkansas State Library and the State Library Board all powers, functions, and duties of the former Arkansas Library Commission. The State Library was created as a division of the Department of Education with the status of a Type One Agency with its own board. The library is directed by a State Librarian appointed by the State Library Board.

B. Statutory Responsibility and Primary Activities

Act 489 of 1979 provides that within the limitations of funds, facilities, and resources, the Arkansas State Library shall 1) acquire books and other library materials for reference and research use; 2) establish and maintain a collection of books and library materials pertaining to Arkansas, its people, resources, and history; 3) assist communities, institutions, agencies and groups with library services as needed; 4) direct the development of public library systems, devise and implement a certification plan for public librarians, and assist in the design and building of public library facilities; 5) hold library institutes, training, etc., and encourage the recruitment and training of library personnel; 6) cooperate with the Department of Education and the Department of Higher Education in the development of school and academic libraries; 7) receive gifts of library materials, money, and property for purposes of the Act; 8) serve as the official state library agency to administer state and federal programs of aid to libraries and undertake other activities and services that will further statewide library systems to provide efficient, effective library service for all Arkansans; 9) cooperate with the officers and agencies of state government to assure maximum utilization of library services and programs; 10) operate and maintain a collection of multi-media materials to complement book collections; 11) provide specialized services to the physically handicapped, including the blind and the institutionalized; 12) act as a regional depository for federal documents and serve as the official depository and clearinghouse for state and local documents.

HISTORY AND ORGANIZATION

The STATE LIBRARY is organized with a seven-member board appointed by the Governor, an Agency Director who serves as State Librarian and Executive Secretary to the board, and three operational program areas: administration, collection management, and library services and development.

The STATE LIBRARY BOARD establishes policies which guide the State Library in fulfilling its mission and represents the State in local, state, regional, and national library issues. The Board has seven members appointed by the governor for seven-year terms, one appointed annually. The Board establishes policies to be followed by the staff of the Arkansas State Library as the Agency carries out its mission to provide, develop, and improve library services in Arkansas.

The STATE LIBRARIAN serves as the chief executive officer of the Agency and has responsibility for overall planning and development for improved statewide library services, for directing the programs of a multi-faceted "Library for Libraries," and for communicating the need for adequate support for library programs and activities to meet the reading, information, and knowledge needs of Arkansas citizens.

Grants and Special Projects oversees the daily administration of the federal Library Services and Technology Act (LSTA) program, assists with program development for the utilization of other federal grant funds, and provides the analysis and reports of data to meet federal library program administration needs.

Information Dissemination Services develops and maintains a statewide information dissemination program, including coordination of agency publications, assistance to public libraries with information dissemination activities, and the provision of graphics, photography, duplication, and word processing services for the agency.

ADMINISTRATION is responsible for in-house administrative functions of the Agency, including disbursement of the Agency's state and federal funds, the selection and purchase of equipment and supplies, personnel administration, information technology services, staff development, mail and building maintenance.

Fiscal Services provides accounting, budget monitoring, and payroll services for the Agency, including statutory and in-house reporting for these services.

Internal Services provides purchasing and personnel services, incoming and outgoing mail distribution, and custodial services for the Agency.

Information Technology Services provides network, help desk and connectivity support for the Agency.

COLLECTION MANAGEMENT is responsible for providing professional library technical assistance and services for the Arkansas State Library and other state and public libraries.

Acquisitions Services is responsible for the development and balance of the Arkansas State Library materials collections and for promotion of a statewide collection development plan.

Cataloging Services provides access to library materials through the organization, bibliographic process, and preparation of library materials according to national standards.

Digital Services is responsible for the digitization and preservation functions of the Agency, along with organization and maintenance of the depository and Publications Clearinghouse for local and state documents and the regional depository for federal documents.

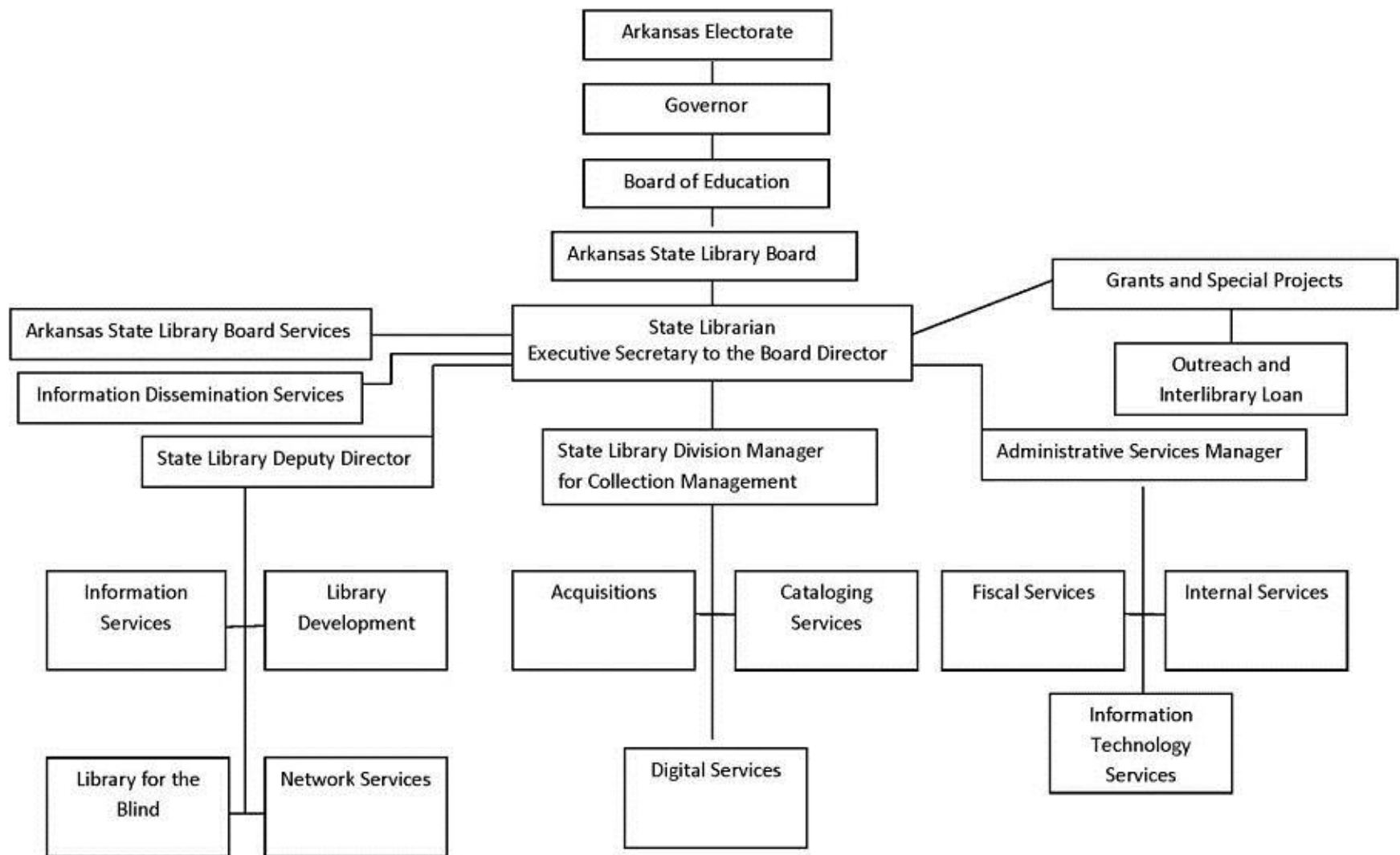
LIBRARY SERVICES AND DEVELOPMENT is responsible for the provision of library service to citizens, libraries, and state government through the resources, personnel, and services of the Arkansas State Library and through local, state, interstate, national, and international library networks; for backup reference and interlibrary loan services to support Arkansas library needs for materials and services unavailable in local communities; and for library development within the state.

Information Services is responsible for library services to state government and libraries which use the resources of the State Library and for operation of the Arkansas Reference and Interlibrary Loan Network. Program units include reference and circulation/interlibrary loan.

Library Development provides leadership and direction in the development of public library services and statewide coordination of public library programs. Consultant services are provided to assist public library trustees and staff in planning, policy making, and library governance and financial matters, and in coordination of services to specialized groups. Program units within this section include program coordinators and consultants for the institutionalized.

The Library for the Blind section provides special materials and services in cooperation with the Library of Congress to meet the needs of visually impaired and handicapped clients.

Network Services assists with the development and coordination of library networks in Arkansas, including the promotion of interlibrary cooperative resource sharing programs, and with continuing education programs for library personnel.



Agency Commentary

APPROPRIATION 054 - STATE

The mission of the Arkansas State Library is to serve as the information resource center for state agencies, legislators and legislative staffs, to provide guidance and support for the development of local public libraries and library services, and to provide the resources, services, and leadership necessary to meet the educational, informational and cultural needs of the citizens of Arkansas.

We are requesting 2 re-classifications of existing positions:

Librarian (C114) to Senior Librarian (C117) - Library for the Blind

The Arkansas State Library Services for the Blind serves 2,937 individual patrons and 245 deposit collections, with an average of 8-10 patrons per deposit collection. The library adds about 545 new patrons a year and loses an equal number to death or transfer to other states. This position enters all new patron data and assigns audio playback machines to each. He/she processes all patron transfers to and from other states and attempts to recover all playback equipment when patrons die or cancel service. This person is responsible for keeping track of over 7,000 audio playback machines provided to the program by the federal government. He/she assigns from 550 to 1,000 players a year to new patrons, with a further 500+ machines assigned for replacement of machines needing repair. There are currently 5,156 machines assigned with another 471 in repair. The Librarian also supervises 5 employees and as many as 35 volunteers involved in the processing and shelving of 30,000 new book copies a year, and the inspection, circulation, and shelving of approximately 200,000 items a year. This position makes personal contact with each new patron and stays in constant communication with patrons and the relatives of patrons. This position is requested to be reclassified due to the large amount of supervisory responsibility and work load.

Library Support Assistant (C107) to a Library Technician (C109) - Acquisitions

This position was recently shifted to a new area and has taken on a more specialized role better fitting the responsibilities of the Library Technician. This is the only reclassification where the position is currently occupied. This is a salary neutral reclassification.

APPROPRIATION 055 - FEDERAL

The Arkansas State Library administers the Library Services and Technology Act (LSTA) program in Arkansas. Purposes of LSTA, P.L. 104-208, as amended, are 1) to consolidate federal library service programs; 2) to stimulate excellence and promote access to learning and information resources in all types of libraries for individuals of all ages; 3) to promote library services that provide all users access to information through state, regional, national, and international electronic networks; 4) to provide linkages among and between libraries; and 5) to promote targeted library services to people of diverse geographic, cultural, and socioeconomic backgrounds, to individuals with disabilities, and to people with limited functional literacy or information skills.

In order to qualify for these federal funds, the State Library is required to submit and have approved a five-year plan for library services. In addition, the agency must meet matching and maintenance-of-effort requirements.

In addition to the federal appropriation base level, \$100,000 is requested in capital outlay. \$75,000 of this request is to purchase resources for the collection housed within the library and to address various capital needs as they arise throughout both fiscal years in the biennium. Additionally, \$25,000 per year is requested to purchase network equipment for use throughout the agency. This request has been approved in our technology plan under IT Support Items p. 23.

We are requesting 3 re-classifications of existing positions:

Human Resources Specialist (C113) to Computer Support Analyst (C117) - Administration

The human resources responsibilities have been shifted to the Administrative Services Manager. It is critical for the day to day operations of this agency that we have a Computer Support Analyst to assist in this area. This position will daily serve as help desk support but will also be an important back up to our network support as well. This change is important for our continuity of operations plan.

Library Technical Assistant (C105) to Library Coordinator (C119) - Digital Services

The agency is dealing with an ever expanding volume of government documents which are not always printed, they are now digital, and management of these digital resources requires more than a high school diploma. This position will be responsible for providing leadership in the organization, use, and management of the Library's federal government publications collection; promoting user awareness of and access to government information; provides coordination and outreach to other depository collections within the state and facilitates compliance with Federal Depository Library Program guidelines, policies, and practices as outlined in the Legal Requirements and Program Regulations.

Administrative Specialist I (C106) to Library Coordinator (C119) - Outreach

We have redistributed the Administrative Specialist workload throughout the agency and need this position to become an Outreach Coordinator to help our agency reach new levels of collaboration with other state agencies to encourage resource sharing, resource cost reduction through collaborative resource purchasing and evaluation of state agency database needs. This position will more than pay for itself through cost savings to the State by having a librarian on the ground at state agencies to let them know what resources we have, how to use them and reduce redundancy in resource purchases that is present currently across various state agencies.

APPROPRIATION 083 - AID TO PUBLIC LIBRARIES

Since 1937, the Arkansas Legislature has regularly appropriated funds for Aid to Public Libraries. These funds augment meager local resources of public libraries which have expenditures per capita among the lowest in the United States. The purpose of Aid to Public Libraries is to encourage local library support, promote resource sharing, and improve library resources.

Use of Arkansas's public libraries has increased throughout the recession. These local libraries are an invaluable resource for all. They provide basic services such as materials collections, licensed databases, reference services, programs along with access to essential electronic research materials to support education and economic development. Continuation of the base level for both years of the biennium is requested.

APPROPRIATION 1XV - GRANTS ADMINISTRATION

The Arkansas State Library receives grants from various sources throughout the year. This appropriation is a combination of grant programs including a grant from the Department of Education for our Traveler Database program. These databases are offered free to the academic, public, special and school libraries across the state. The Arkansas Department of Education provides additional funding each year to supplement the cost of the databases used by the schools.

The Arkansas Center for the Book program coordinator actively seeks additional funds through various grant opportunities, including the Library of Congress, to encourage the study of books and book culture by publicizing and promoting Arkansas's rich literary heritage through stimulating public interest in books, reading, libraries, and bookstores.

The library requests an unfunded cash appropriation increase of \$200,000 per year in operations and \$200,000 per year in grants and aid to maintain budget and have it available when new grant opportunities arise.

APPROPRIATION 858 - STATE LIBRARY REVOLVING FUND

The Arkansas State Library Revolving Fund is used to receive and disburse payment for lost books, interlibrary loan charges assessed by other libraries, and to deposit funds from agency coin-operated copy machines. The cash flow from these activities is usually small, but is growing. Continuation of the base level for both years of the biennium is requested.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS STATE LIBRARY
FOR THE YEAR ENDED JUNE 30, 2013

Findings	Recommendations
None	None

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2014

None

Employment Summary

	Male	Female	Total	%
White Employees	12	26	38	79 %
Black Employees	2	8	10	21 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			10	21 %
Total Employees			48	100 %

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
N/A	N/A	N	N	0	N/A	0	0.00

Department Appropriation Summary

Historical Data								Agency Request and Executive Recommendation											
Appropriation		2013-2014		2014-2015		2014-2015		2015-2016						2016-2017					
		Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
054	Library-State Operations	3,458,275	39	3,602,436	39	3,616,959	39	3,628,345	39	3,632,872	39	3,632,872	39	3,630,671	39	3,635,198	39	3,635,198	39
055	Library-Federal Operations	1,815,205	13	3,226,080	17	3,305,631	17	3,132,535	17	3,281,540	17	3,281,540	17	3,133,515	17	3,282,520	17	3,282,520	17
083	Aid to Public Library	5,700,000	0	5,700,000	0	5,700,000	0	5,700,000	0	5,700,000	0	5,700,000	0	5,700,000	0	5,700,000	0	5,700,000	0
1XV	Grants Administration - Cash in Treasury	133,964	0	214,000	0	912,709	0	214,000	0	614,000	0	614,000	0	214,000	0	614,000	0	614,000	0
858	State Library-Revolving	70	0	6,622	0	6,622	0	6,622	0	6,622	0	6,622	0	6,622	0	6,622	0	6,622	0
Total		11,107,514	52	12,749,138	56	13,541,921	56	12,681,502	56	13,235,034	56	13,235,034	56	12,684,808	56	13,238,340	56	13,238,340	56

Funding Sources			%		%			%		%		%		%		%		%
Fund Balance	4000005	174,039	1.5	183,977	1.4		117,120	0.9	117,120	0.9	117,120	0.9	114,313	0.9	114,313	0.9	114,313	0.9
General Revenue	4000010	3,458,275	30.6	3,602,436	28.0		3,628,345	28.4	3,632,872	28.1	3,632,872	28.1	3,630,671	28.4	3,635,198	28.1	3,635,198	28.1
Federal Revenue	4000020	1,815,205	16.1	3,226,080	25.1		3,132,535	24.5	3,281,540	25.3	3,281,540	25.3	3,133,515	24.5	3,282,520	25.3	3,282,520	25.3
Cash Fund	4000045	5,206	0.0	181,622	1.4		217,815	1.7	217,815	1.7	217,815	1.7	220,622	1.7	220,622	1.7	220,622	1.7
Inter-agency Fund Transfer	4000316	165,000	1.5	0	0.0		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Miscellaneous Adjustments	4000345	1,623	0.0	0	0.0		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
St Library Public School Fund	4000475	5,672,143	50.2	5,672,143	44.1		5,700,000	44.5	5,700,000	44.0	5,700,000	44.0	5,700,000	44.5	5,700,000	44.0	5,700,000	44.0
Total Funds		11,291,491	100.0	12,866,258	100.0		12,795,815	100.0	12,949,347	100.0	12,949,347	100.0	12,799,121	100.0	12,952,653	100.0	12,952,653	100.0
Excess Appropriation/(Funding)		(183,977)		(117,120)			(114,313)		285,687		285,687		(114,313)		285,687		285,687	
Grand Total		11,107,514		12,749,138			12,681,502		13,235,034		13,235,034		12,684,808		13,238,340		13,238,340	

Variance in Fund Balance is due to unfunded appropriation in Grants Administration-Cash in Treasury (1XV).

Agency Position Usage Report

FY2012 - 2013						FY2013 - 2014						FY2014 - 2015					
Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused
	Filled	Unfilled	Total				Filled	Unfilled	Total				Filled	Unfilled	Total		
56	48	8	56	0	14.29 %	56	49	7	56	0	12.50 %	56	48	8	56	0	14.29 %

Analysis of Budget Request

Appropriation: 054 - Library-State Operations

Funding Sources: EPA - State Library Account

The Arkansas State Library serves the knowledge and information needs of the people, institutions and agencies of the State by providing leadership in the development and coordination of library and information resources and services. Funding for this appropriation is provided by State General Revenues.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY15 line item maximum plus the previously authorized 2015 1% Cost of Living Adjustment.

The Base Level Request is \$3,628,345 in FY16 and \$3,630,671 in FY17 in appropriation and general revenue funding.

The Agency's Change Level Request of \$4,527 in appropriation and general revenue funding in each year provides for Salaries and Personal Services Matching for reclassification of two (2) positions.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 054 - Library-State Operations

Funding Sources: EPA - State Library Account

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,540,022	1,659,490	1,679,544	1,676,012	1,679,562	1,679,562	1,677,912	1,681,462	1,681,462
#Positions		39	39	39	39	39	39	39	39	39
Extra Help	5010001	4,538	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
#Extra Help		1	7	7	7	7	7	7	7	7
Personal Services Matching	5010003	539,300	563,837	558,306	573,224	574,201	574,201	573,650	574,627	574,627
Operating Expenses	5020002	1,128,748	1,128,409	1,128,409	1,128,409	1,128,409	1,128,409	1,128,409	1,128,409	1,128,409
Conference & Travel Expenses	5050009	7,727	7,760	7,760	7,760	7,760	7,760	7,760	7,760	7,760
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Books and Subscriptions	5900046	237,940	237,940	237,940	237,940	237,940	237,940	237,940	237,940	237,940
Total		3,458,275	3,602,436	3,616,959	3,628,345	3,632,872	3,632,872	3,630,671	3,635,198	3,635,198
Funding Sources										
General Revenue	4000010	3,458,275	3,602,436		3,628,345	3,632,872	3,632,872	3,630,671	3,635,198	3,635,198
Total Funding		3,458,275	3,602,436		3,628,345	3,632,872	3,632,872	3,630,671	3,635,198	3,635,198
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		3,458,275	3,602,436		3,628,345	3,632,872	3,632,872	3,630,671	3,635,198	3,635,198

FY15 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2013-2015 Biennium.

Change Level by Appropriation

Appropriation: 054 - Library-State Operations
Funding Sources: EPA - State Library Account

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	3,628,345	39	3,628,345	100.0	3,630,671	39	3,630,671	100.0
C10	Reclass	4,527	0	3,632,872	100.1	4,527	0	3,635,198	100.1

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	3,628,345	39	3,628,345	100.0	3,630,671	39	3,630,671	100.0
C10	Reclass	4,527	0	3,632,872	100.1	4,527	0	3,635,198	100.1

Justification

C10	An increase in Salaries and Personal Services Matching for reclassification of Librarian (C114) to Senior Librarian (C117) – Library for the Blind. This position is requested to be reclassified due to the large amount of supervisory responsibility and work load. A salary neutral reclassification of Library Support Assistant (C107) to a Library Technician (C109) – Acquisitions. This position was recently shifted to a new area and has taken on a more specialized role better fitting the responsibilities of the Library Technician.								
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**CARRY FORWARD OF ANY REMAINING FUND BALANCES
FROM FISCAL YEAR 2014 TO FISCAL YEAR 2015**

Agency: State Library

Program: Library-State Operations

Act #: 126 Section(s) #: 9

Estimated Carry Forward Amount \$ 0.00 Funding Source: General Revenue

Accounting Information:

Business Area: 0519 Funds Center: 054 Fund: EPA Functional Area: EDUC

Current law requires a written statement be submitted to the DFA Office of Budget stating the reason(s) to carry forward funding for a program or a specific line item within a program remaining on June 30th of a fiscal year.

Justification for carry forward of fund balance:

No carry forward.

Actual Funding Carry Forward Amount \$ 0.00

Current status of carry forward funding:

No carry forward.

Carolyn Ashcraft
State Librarian

07-09-2014
Date

Analysis of Budget Request

Appropriation: 055 - Library-Federal Operations

Funding Sources: FEL - State Library Fund-LSTA

Federal funds for the Arkansas State Library are provided by the U. S. Department of Education through the Institute of Museum and Library Services. The federal program - the Library Services and Technology Act (LSTA) - promotes access to information resources in all types of libraries, promotes access to library materials through electronic networks, and provides linkages between libraries.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

The Base Level Request is \$3,132,535 in FY16 and \$3,133,515 in FY17.

The Agency's Change Level Requests are \$149,005 in each year and reflects the following:

- Regular Salaries and Personal Services Matching of \$49,005 for reclassification of three (3) positions.
- Capital Outlay increase of \$100,000 to purchase resources for the collection housed in the library and to purchase network equipment. The network equipment request is included in the Agency's IT Plan under IT Support Items.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 055 - Library-Federal Operations

Funding Sources: FEL - State Library Fund-LSTA

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	382,393	425,860	490,633	429,252	469,266	469,266	430,052	470,066	470,066
#Positions		13	17	17	17	17	17	17	17	17
Extra Help	5010001	10,492	14,625	14,625	14,625	14,625	14,625	14,625	14,625	14,625
#Extra Help		1	5	5	5	5	5	5	5	5
Personal Services Matching	5010003	171,066	180,195	194,973	183,258	192,249	192,249	183,438	192,429	192,429
Operating Expenses	5020002	1,162,291	2,438,239	2,438,239	2,438,239	2,438,239	2,438,239	2,438,239	2,438,239	2,438,239
Conference & Travel Expenses	5050009	29,206	42,161	42,161	42,161	42,161	42,161	42,161	42,161	42,161
Professional Fees	5060010	0	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	59,757	100,000	100,000	0	100,000	100,000	0	100,000	100,000
Total		1,815,205	3,226,080	3,305,631	3,132,535	3,281,540	3,281,540	3,133,515	3,282,520	3,282,520
Funding Sources										
Federal Revenue	4000020	1,815,205	3,226,080		3,132,535	3,281,540	3,281,540	3,133,515	3,282,520	3,282,520
Total Funding		1,815,205	3,226,080		3,132,535	3,281,540	3,281,540	3,133,515	3,282,520	3,282,520
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		1,815,205	3,226,080		3,132,535	3,281,540	3,281,540	3,133,515	3,282,520	3,282,520

Change Level by Appropriation

Appropriation: 055 - Library-Federal Operations
Funding Sources: FEL - State Library Fund-LSTA

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	3,132,535	17	3,132,535	100.0	3,133,515	17	3,133,515	100.0
C01	Existing Program	75,000	0	3,207,535	102.4	75,000	0	3,208,515	102.4
C08	Technology	25,000	0	3,232,535	103.2	25,000	0	3,233,515	103.2
C10	Reclass	49,005	0	3,281,540	104.8	49,005	0	3,282,520	104.8

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	3,132,535	17	3,132,535	100.0	3,133,515	17	3,133,515	100.0
C01	Existing Program	75,000	0	3,207,535	102.4	75,000	0	3,208,515	102.4
C08	Technology	25,000	0	3,232,535	103.2	25,000	0	3,233,515	103.2
C10	Reclass	49,005	0	3,281,540	104.8	49,005	0	3,282,520	104.8

Justification

C01	\$75,000 increase in Capital Outlay to purchase resources for the collection housed within the library and to address various capital needs as they arise throughout both fiscal years in the biennium.
C08	\$25,000 increase in Capital Outlay per year to purchase network equipment for use throughout the agency. This request has been approved in our technology plan under IT Support Items p. 23.
C10	Increase in Salaries and Personal Services Matching due to the following position reclassifications: Reclassification of Human Resources Specialist (C113) to Computer Support Analyst (C117) – Administration. The human resources responsibilities have been shifted to the Administrative Services Manager. This position will serve as help desk support but will also be an important back-up to network support as well. This change is important for the continuity of operations plan. This request has been approved in the technology plan under IT Support, In House Labor, p. 27. A reclassification of Library Technical Assistant (C105) to Library Coordinator (C119) – Digital Services. This position will be responsible for providing leadership in the organization, use, and management of the Library's federal government publications collection; promoting user awareness of and access to government information; provides coordination and outreach to other depository collections within the state and facilitates compliance with Federal Depository Library Program guidelines, policies, and practices as outlined in the Legal Requirements and Program Regulations. A reclassification of Administrative Specialist I (C106) to Library Coordinator (C119) – Outreach. The Administrative Specialist workload has been redistributed throughout the agency, and this position is needed to become an Outreach Coordinator to help the agency reach new levels of collaboration with other state agencies to encourage resource sharing, resource cost reduction through collaborative resource purchasing and evaluation of state agency database needs.

Analysis of Budget Request

Appropriation: 083 - Aid to Public Library

Funding Sources: JSL - State Library Public School Fund

Since 1937, the Arkansas Legislature has regularly appropriated funds for Aid to Public Libraries. These funds supplement local libraries. The purpose of Aid to Public Libraries is to encourage local library support, promote resource sharing, provide professional administration, improve local library resources, promote system regionalization, and provide library services for the blind. Funding for this appropriation is received from the Public School Fund.

The Agency Request for this program is Base Level for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 083 - Aid to Public Library

Funding Sources: JSL - State Library Public School Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000
Total		5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000
Funding Sources										
Fund Balance	4000005	165,383	139,149		111,292	111,292	111,292	111,292	111,292	111,292
Miscellaneous Adjustments	4000345	1,623	0		0	0	0	0	0	0
St Library Public School Fund	4000475	5,672,143	5,672,143		5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000
Total Funding		5,839,149	5,811,292		5,811,292	5,811,292	5,811,292	5,811,292	5,811,292	5,811,292
Excess Appropriation/(Funding)		(139,149)	(111,292)		(111,292)	(111,292)	(111,292)	(111,292)	(111,292)	(111,292)
Grand Total		5,700,000	5,700,000		5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000

Analysis of Budget Request

Appropriation: 1XV - Grants Administration - Cash in Treasury

Funding Sources: NSL - Cash in Treasury

The Arkansas State Library receives grants from various sources throughout the year. This appropriation is a combination of grant programs including a grant from the Department of Education for the Traveler Database program. These databases are offered free to the academic, public, special and school libraries across the state. The Arkansas Department of Education provides additional funding each year to supplement the cost of the databases used by the schools. The Arkansas Center for the Book program coordinator actively seeks additional funds through various grant opportunities, including the Library of Congress, to encourage the study of books and book culture by publicizing and promoting Arkansas's rich literary heritage through stimulating public interest in books, reading, libraries, and bookstores.

The Base Level Request is \$214,000 in each year.

The Agency's Change Level Request is for \$400,000 in each year and reflects the following:

- Operating Expenses increase of \$200,000 in unfunded appropriation to maintain the current budget and have appropriation available for new grant opportunities.
- Grants and Aid increase of \$200,000 in unfunded appropriation to maintain the current budget and have appropriation available for new grant opportunities.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 1XV - Grants Administration - Cash in Treasury

Funding Sources: NSL - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	133,964	214,000	325,000	214,000	414,000	414,000	214,000	414,000	414,000
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	0	0	587,709	0	200,000	200,000	0	200,000	200,000
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		133,964	214,000	912,709	214,000	614,000	614,000	214,000	614,000	614,000
Funding Sources										
Fund Balance	4000005	5,618	41,807		2,807	2,807	2,807	0	0	0
Cash Fund	4000045	5,153	175,000		211,193	211,193	211,193	214,000	214,000	214,000
Inter-agency Fund Transfer	4000316	165,000	0		0	0	0	0	0	0
Total Funding		175,771	216,807		214,000	214,000	214,000	214,000	214,000	214,000
Excess Appropriation/(Funding)		(41,807)	(2,807)		0	400,000	400,000	0	400,000	400,000
Grand Total		133,964	214,000		214,000	614,000	614,000	214,000	614,000	614,000

Expenditure of appropriation is contingent upon available funding.

Change Level by Appropriation

Appropriation: 1XV - Grants Administration - Cash in Treasury
Funding Sources: NSL - Cash in Treasury

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	214,000	0	214,000	100.0	214,000	0	214,000	100.0
C05	Unfunded Appropriation	400,000	0	614,000	286.9	400,000	0	614,000	286.9

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	214,000	0	214,000	100.0	214,000	0	214,000	100.0
C05	Unfunded Appropriation	400,000	0	614,000	286.9	400,000	0	614,000	286.9

Justification

C05	\$200,000 unfunded appropriation increase per year in Operating Expenses and \$200,000 per year in Grants and Aid to maintain the budget and have appropriation available when new grant opportunities arise.								
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Analysis of Budget Request

Appropriation: 858 - State Library-Revolving

Funding Sources: TSL - State Library Revolving

The revolving fund receives and disburses payment of fines for lost books, interlibrary loan charges, reference services through online bibliographic databases, and coin-operated copy machines.

The Agency Request for this program is Base Level for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 858 - State Library-Revolving

Funding Sources: TSL - State Library Revolving

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	70	6,622	6,622	6,622	6,622	6,622	6,622	6,622	6,622
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		70	6,622	6,622	6,622	6,622	6,622	6,622	6,622	6,622
Funding Sources										
Fund Balance	4000005	3,038	3,021		3,021	3,021	3,021	3,021	3,021	3,021
Cash Fund	4000045	53	6,622		6,622	6,622	6,622	6,622	6,622	6,622
Total Funding		3,091	9,643		9,643	9,643	9,643	9,643	9,643	9,643
Excess Appropriation/(Funding)		(3,021)	(3,021)		(3,021)	(3,021)	(3,021)	(3,021)	(3,021)	(3,021)
Grand Total		70	6,622		6,622	6,622	6,622	6,622	6,622	6,622

SUPREME COURT

Enabling Laws

Act 56 of 2014

Arkansas Code Annotated 16-10-101 et seq.; 16-11-101 et seq.

Constitution of Arkansas, Article 7

Constitution of Arkansas, Amendments 9, 28, 58, 66, 77 and 80

History and Organization

The first Supreme Court of the State of Arkansas was organized in November, 1836, pursuant to the Arkansas Constitution of 1836. The Constitution of 1836 granted unto the Supreme Court appellate jurisdiction over the other courts of the state and the power to issue Writs of Error and Supersedeas, Certiorari, Habeas Corpus, Mandamus, Quo Warranto, and other remedial writs. The same or similar powers were also granted to the Supreme Court by the Arkansas Constitutions of 1864 and 1868.

The most recent authority for the organization, powers and purposes of the Supreme Court is the Constitution of 1874 and its amendments, and, specifically, Sections One, Four, Five, Six, Seven, Eight, Nine and Ten of Article Seven and Amendments 9, 28, 58, 66, 77 and 80. Pursuant to the authority of Amendment 80, the Supreme Court is composed of one Chief Justice and six Associate Justices and shall have statewide appellate jurisdiction, shall have general superintending control over all courts, the power to provide rules for all courts, authority to determine the suffering of state instructive and referendum petitions and proposed constitutional amendments, the power to answer questions certified by federal courts, and the power to issue writs in aid of its jurisdiction. Amendment 28 grants unto the Supreme Court the authority to regulate the practice of law and the professional conduct of attorneys. Amendment 66 provides the authority to appoint and receive recommendations from the Judicial Discipline and Disability Commission.

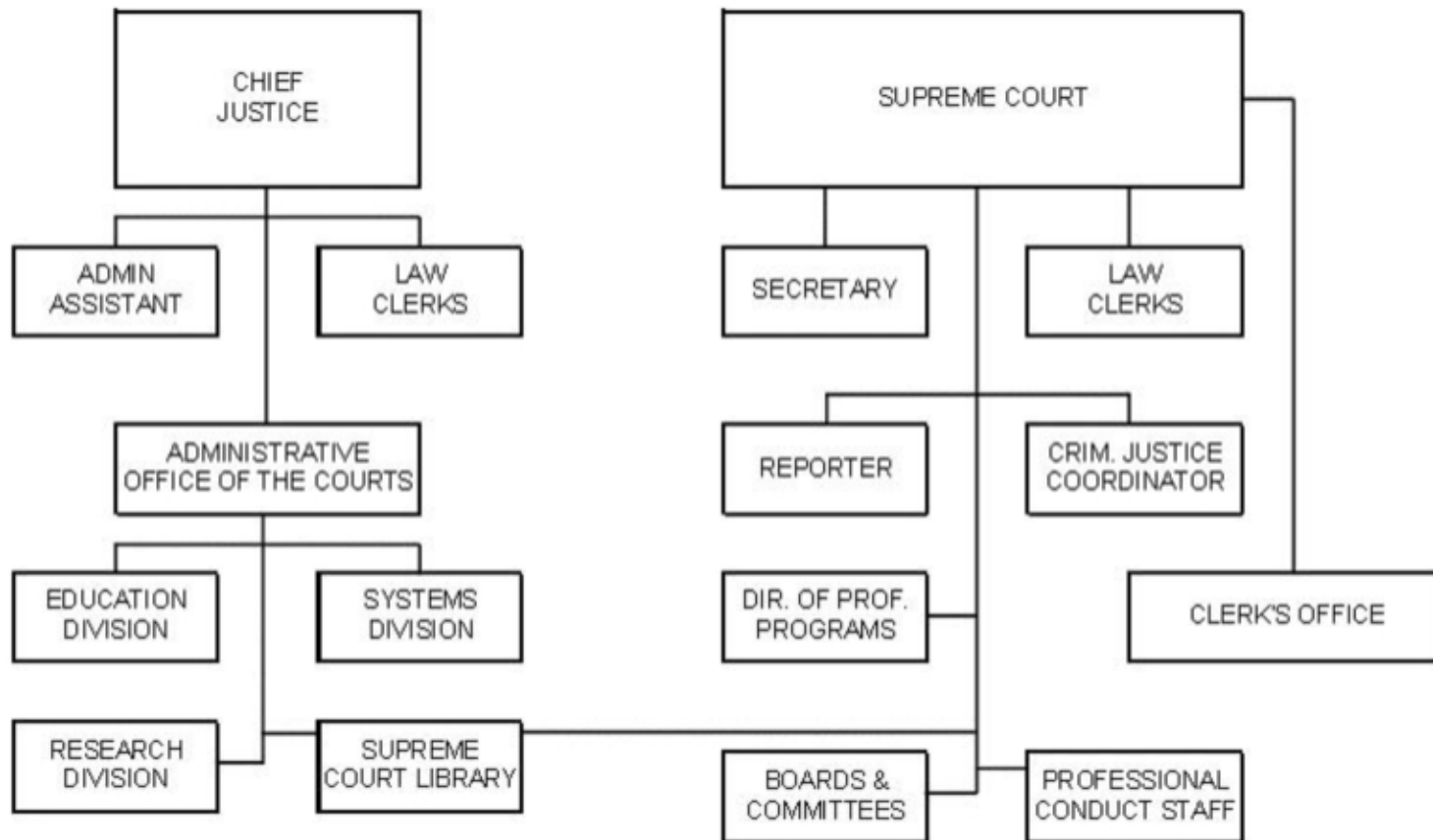
Amendment 80, Section 5, gives to the Supreme Court the power to determine the appellate jurisdiction of the Court of Appeals. The Supreme Court has, by Rule 1-2 of the Rules of the Supreme Court and Court of Appeals, provided that the Court of Appeals will have appellate jurisdiction over all cases appealed from the Circuit Courts, with the exception of the following types of cases, which are appealed to the Supreme Court:

- All cases involving the interpretation or construction of the Constitution of Arkansas;
- Criminal appeals in which the death penalty or life imprisonment has been imposed;
- Petitions for quo warranto, prohibition, injunction, or mandamus directed to the state, county, or municipal officials or to circuit

- courts;
- Appeals pertaining to elections and election procedures;
- Appeals involving the discipline of attorneys-at-law and or arising under the power of the Supreme Court to regulate the practice of law;
- Appeals involving the discipline and disability of judges;
- Second or subsequent appeals following an appeal which has been decided in the Supreme Court; and
- Appeals required by law to be heard by the Supreme Court.

Reassignment of cases. Any case is subject to reassignment by the Supreme Court, and in doing so; the Supreme Court will consider but not be limited to the following:

- Issues of first impression;
- Issues upon which there is a perceived inconsistency in the decisions of the Court of Appeals or Supreme Court;
- Issues involving federal constitutional interpretation;
- Issues of substantial public interest;
- Significant issues needing clarification or development of the law, or overruling of precedent; and
- Appeals involving substantial questions of law concerning the validity, construction, or interpretation of an act of the General Assembly, ordinance of a municipality or county, or a rule or regulation of any court, administrative agency, or regulatory body.



Agency Commentary

OPERATIONS

Regular Salaries (Commitment Item 5010000): Salary requests for the Court reflect two (2) job title changes. The Court is requesting to change job titles on two (2) of its FY15 approved positions. These new titles of Data Policy Manager and Data Research Analyst more accurately reflect the job duties for these positions.

Extra Help (Commitment Item 5010001): The Court is asking that its FY15 authorized appropriation of \$30,000 be restored each year of the

biennium. These funds are necessary to allow the Court to hire temporary personnel if necessary because of employee illness or injury.

Personal Services Matching (Commitment Item 5010003): The Court is requesting an amount in proportion to the salary appropriation request. This amount includes the monthly contribution for state employee's health insurance and retirement contributions.

Operating Expenses (Commitment Item 5020002): The Court requests that its FY15 authorized appropriation level of \$323,089 be restored each year of the biennium.

Conference and Travel Expenses (Commitment Item 5050009): The Court requests that its FY15 authorized appropriation level of \$30,000 be restored each year of the biennium.

Professional Fees (Commitment Item 5060010): The Court requests that its FY15 authorized appropriation level of \$25,000 be restored each year of the biennium.

Capital Outlay (Commitment Item 5120011): The Court requests that its FY15 authorized appropriation level of \$112,000 be restored each year of the biennium.

Arkansas Reports (Commitment Item 5900034): The Court requests that its FY15 authorized appropriation level of \$229,477 be restored each year of the biennium.

Court Appointed Attorneys (Commitment Item 5900040): The Court requests that its FY15 authorized appropriation level of \$195,000 be restored each year of the biennium.

Commissions and Committee (Commitment Item 5900041): The Court requests that its FY15 authorized appropriation level of \$20,000 be restored each year of the biennium.

Special Justices (Commitment Item 5900046): The Court requests that its FY15 authorized appropriation level of \$5,000 be restored each year of the biennium.

Judicial Education (Commitment Item 5900048): The Court requests that its FY15 authorized appropriation level of \$100,000 be restored each year of the biennium.

APPELLATE MEDIATION - CASH

Cash Holding Account (Commitment Item 5060010): The Supreme Court Clerk's Office received a grant from the Arkansas Alternative

Dispute Resolution Commission for an Appellate Mediation Pilot Program. The NSC0000 cash appropriation balance of \$9,914 should continue both years of the biennium and will be utilized for mediation purposes. Expense of appropriation is contingent upon available funding.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT	
AUDIT OF :	
ARKANSAS SUPREME COURT	
FOR THE YEAR ENDED JUNE 30, 2013	
Findings	Recommendations
None	None

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2014

None

Employment Summary

	Male	Female	Total	%
White Employees	10	33	43	96 %
Black Employees	0	2	2	4 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			2	4 %
Total Employees			45	100 %

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
Arkansas Reports/ AR Appellate Reports	ACA 16-11-201; AR Supreme Court Rule 5-2	N	N	0	Publication of the Supreme Court opinions ceased with volume 375 Ark/104 Ark. App. These opinions are now published online. IN RE: Arkansas Supreme Court and Court of Appeals Rule 5-2 (May 28, 2009)	0	0.00

Department Appropriation Summary

Historical Data								Agency Request and Executive Recommendation											
Appropriation		2013-2014		2014-2015		2014-2015		2015-2016						2016-2017					
		Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
008	Supreme Court - Operations	4,346,074	47	4,613,627	48	4,613,627	48	4,501,627	48	4,613,627	48	0	0	4,501,627	48	4,613,627	48	0	0
56S	Appellate Mediation - Cash	1,631	0	9,914	0	13,120	0	9,914	0	9,914	0	0	0	9,914	0	9,914	0	0	0
C66	SC Bar of Arkansas-Cash	0	0	0	0	6,075,000	19	0	0	6,075,000	19	0	0	0	0	6,075,000	19	0	0
Total		4,347,705	47	4,623,541	48	10,701,747	67	4,511,541	48	10,698,541	67	0	0	4,511,541	48	10,698,541	67	0	0

Funding Sources			%		%			%		%		%		%		%		%
Fund Balance	4000005	13,018	0.3	11,521	0.2		1,607	0.0	1,607	0.0	0	0.0	0	0.0	0	0.0	0	0.0
State Central Services	4000035	4,346,074	99.7	4,613,627	99.8		4,501,627	100.0	4,613,627	43.2	0	0.0	4,501,627	100.0	4,613,627	43.2	0	0.0
Cash Fund	4000045	134	0.0	0	0.0		0	0.0	6,075,000	56.8	0	0.0	0	0.0	6,075,000	56.8	0	0.0
Total Funds		4,359,226	100.0	4,625,148	100.0		4,503,234	100.0	10,690,234	100.0	0	0.0	4,501,627	100.0	10,688,627	100.0	0	0.0
Excess Appropriation/(Funding)		(11,521)		(1,607)			8,307		8,307		0		9,914		9,914		0	
Grand Total		4,347,705		4,623,541			4,511,541		10,698,541		0		4,511,541		10,698,541		0	

No Executive Recommendations on these appropriations.

Agency Position Usage Report

FY2012 - 2013						FY2013 - 2014						FY2014 - 2015					
Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused
	Filled	Unfilled	Total				Filled	Unfilled	Total				Filled	Unfilled	Total		
46	44	2	46	0	4.35 %	67	47	1	48	19	29.85 %	67	47	1	48	19	29.85 %

Appropriation Summary

Appropriation: 008 - Supreme Court - Operations

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	2,597,146	2,697,896	2,697,896	2,697,896	2,697,896	0	2,697,896	2,697,896	0
#Positions		47	48	48	48	48	0	48	48	0
Extra Help	5010001	28,306	30,000	30,000	30,000	30,000	0	30,000	30,000	0
#Extra Help		5	5	5	5	5	0	5	5	0
Personal Services Matching	5010003	836,796	845,665	845,665	845,665	845,665	0	845,665	845,665	0
Operating Expenses	5020002	318,604	323,089	323,089	323,089	323,089	0	323,089	323,089	0
Conference & Travel Expenses	5050009	26,820	30,000	30,000	30,000	30,000	0	30,000	30,000	0
Professional Fees	5060010	17,503	25,000	25,000	25,000	25,000	0	25,000	25,000	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	74,553	112,000	112,000	0	112,000	0	0	112,000	0
Arkansas Reports	5900034	228,439	229,477	229,477	229,477	229,477	0	229,477	229,477	0
Court Appointed Attorneys	5900040	101,807	195,000	195,000	195,000	195,000	0	195,000	195,000	0
Commissions and Committees	5900041	16,100	20,000	20,000	20,000	20,000	0	20,000	20,000	0
Special Justices	5900046	2,400	5,500	5,500	5,500	5,500	0	5,500	5,500	0
Judicial Education	5900048	97,600	100,000	100,000	100,000	100,000	0	100,000	100,000	0
Total		4,346,074	4,613,627	4,613,627	4,501,627	4,613,627	0	4,501,627	4,613,627	0
Funding Sources										
State Central Services	4000035	4,346,074	4,613,627		4,501,627	4,613,627	0	4,501,627	4,613,627	0
Total Funding		4,346,074	4,613,627		4,501,627	4,613,627	0	4,501,627	4,613,627	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		4,346,074	4,613,627		4,501,627	4,613,627	0	4,501,627	4,613,627	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 008 - Supreme Court - Operations
Funding Sources: HSC - State Central Services

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	4,501,627	48	4,501,627	100.0	4,501,627	48	4,501,627	100.0
C01	Existing Program	112,000	0	4,613,627	102.5	112,000	0	4,613,627	102.5
C14	Title Change	0	0	4,613,627	102.5	0	0	4,613,627	102.5

Appropriation Summary

Appropriation: 56S - Appellate Mediation - Cash

Funding Sources: NCS - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	0	0	0	0	0	0	0	0	0
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	1,631	9,914	13,120	9,914	9,914	0	9,914	9,914	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		1,631	9,914	13,120	9,914	9,914	0	9,914	9,914	0
Funding Sources										
Fund Balance	4000005	13,018	11,521		1,607	1,607	0	0	0	0
Cash Fund	4000045	134	0		0	0	0	0	0	0
Total Funding		13,152	11,521		1,607	1,607	0	0	0	0
Excess Appropriation/(Funding)		(11,521)	(1,607)		8,307	8,307	0	9,914	9,914	0
Grand Total		1,631	9,914		9,914	9,914	0	9,914	9,914	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: C66 - SC Bar of Arkansas-Cash

Funding Sources: 195 - ASC Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	0	0	1,500,000	0	1,500,000	0	0	1,500,000	0
#Positions		0	0	19	0	19	0	0	19	0
Extra Help	5010001	0	0	25,000	0	25,000	0	0	25,000	0
#Extra Help		0	0	5	0	5	0	0	5	0
Personal Services Matching	5010003	0	0	500,000	0	500,000	0	0	500,000	0
Operating Expenses	5020002	0	0	1,000,000	0	1,000,000	0	0	1,000,000	0
Conference & Travel Expenses	5050009	0	0	100,000	0	100,000	0	0	100,000	0
Professional Fees	5060010	0	0	500,000	0	500,000	0	0	500,000	0
Postage	5090005	0	0	100,000	0	100,000	0	0	100,000	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Refunds/Investments/Transfers	5110020	0	0	2,250,000	0	2,250,000	0	0	2,250,000	0
Capital Outlay	5120011	0	0	100,000	0	100,000	0	0	100,000	0
Total		0	0	6,075,000	0	6,075,000	0	0	6,075,000	0
Funding Sources										
Cash Fund	4000045	0	0		0	6,075,000	0	0	6,075,000	0
Total Funding		0	0		0	6,075,000	0	0	6,075,000	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		0	0		0	6,075,000	0	0	6,075,000	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: C66 - SC Bar of Arkansas-Cash
Funding Sources: 195 - ASC Cash

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	0	0	0	0.0	0	0	0	0.0
C01	Existing Program	4,837,055	0	4,837,055	100.0	4,836,992	0	4,836,992	100.0
C06	Restore Position/Approp	1,237,945	19	6,075,000	125.6	1,238,008	19	6,075,000	125.6

TREASURER OF STATE

Enabling Laws

Act 166 of 2014
Act 167 of 2014
Act 169 of 2014
Act 170 of 2014
Act 171 of 2014
Act 172 of 2014
Act 216 of 2014
Constitution of the State of Arkansas, Article 6
A.C.A. §25-16-601 through §25-16-615

History and Organization

Mission

The mission of the Office of the Treasurer of the State of Arkansas is guided by the words of Henry Clay who stated, *"Government is a trust, and the officers of the government are trustees, both the trust and the trustees are created for the benefit of the people."* To fulfill our constitutional and statutory responsibilities as trustees, the State Treasurer's Office shall, in a cost efficient, modern environment, provide the citizens of Arkansas uncompromising safety, operating liquidity, and wealth building yield in collecting, investing and disbursing their money while maintaining, above all, the highest ethical standards.

History

The Constitution of the State of Arkansas, Article 6, provides for the Office to the Treasurer of State, who is elected by the qualified electors of the State. Arkansas Code Annotated §25-16-601 through §25-16-615, specifies the duties of the Treasurer of State. Those duties are to receive and keep all moneys of the State not expressly required by law to be kept by some other person; to disburse the public money upon warrants drawn upon the Treasurer according to law, and not otherwise; and to keep a just, true and comprehensive account of all moneys received and disbursed in books to be kept for that purpose, in which it shall state from whom moneys have been received and on what account, and to whom and on what account disbursed.

Virtually every section of the Arkansas Code Annotated pertaining to appropriations, funds receipts and disbursements, and fiscal transactions impacts the State Treasurer's Office. It is not practical to list each and every code citing that is relevant to the operations of the Office. The

Treasurer's Office maintains a current listing and copy of these codes. In reference to the statutory responsibility of the Treasurer, the following citing of Arkansas Code Annotated covers the primary activities of the Office.

➤ State Treasury Management

State Treasury Management, as prescribed by Arkansas Code Annotated §19-3-501 through §19-3-606, provides for general provisions of State Treasury Management, the State Treasury Management Law, account composition, investment of Treasury funds, and temporary loans to local government.

➤ General and Special Revenues

Arkansas Code Annotated §19-5-202 and §19-5-203 authorizes the Treasurer to distribute on a monthly basis general and special revenues respectively.

➤ Municipal and County Aid

The responsibility for the disbursement of Municipal and County Aid is established by Arkansas Code Annotated §19-5-601 and 19-5-602 respectively.

➤ State Board of Finance

The State Treasurer serves as Secretary, Executive Officer and Disbursing Officer for the State Board of Finance as designated by Arkansas Code Annotated §19-3-701.

➤ Local Sales and Use Tax

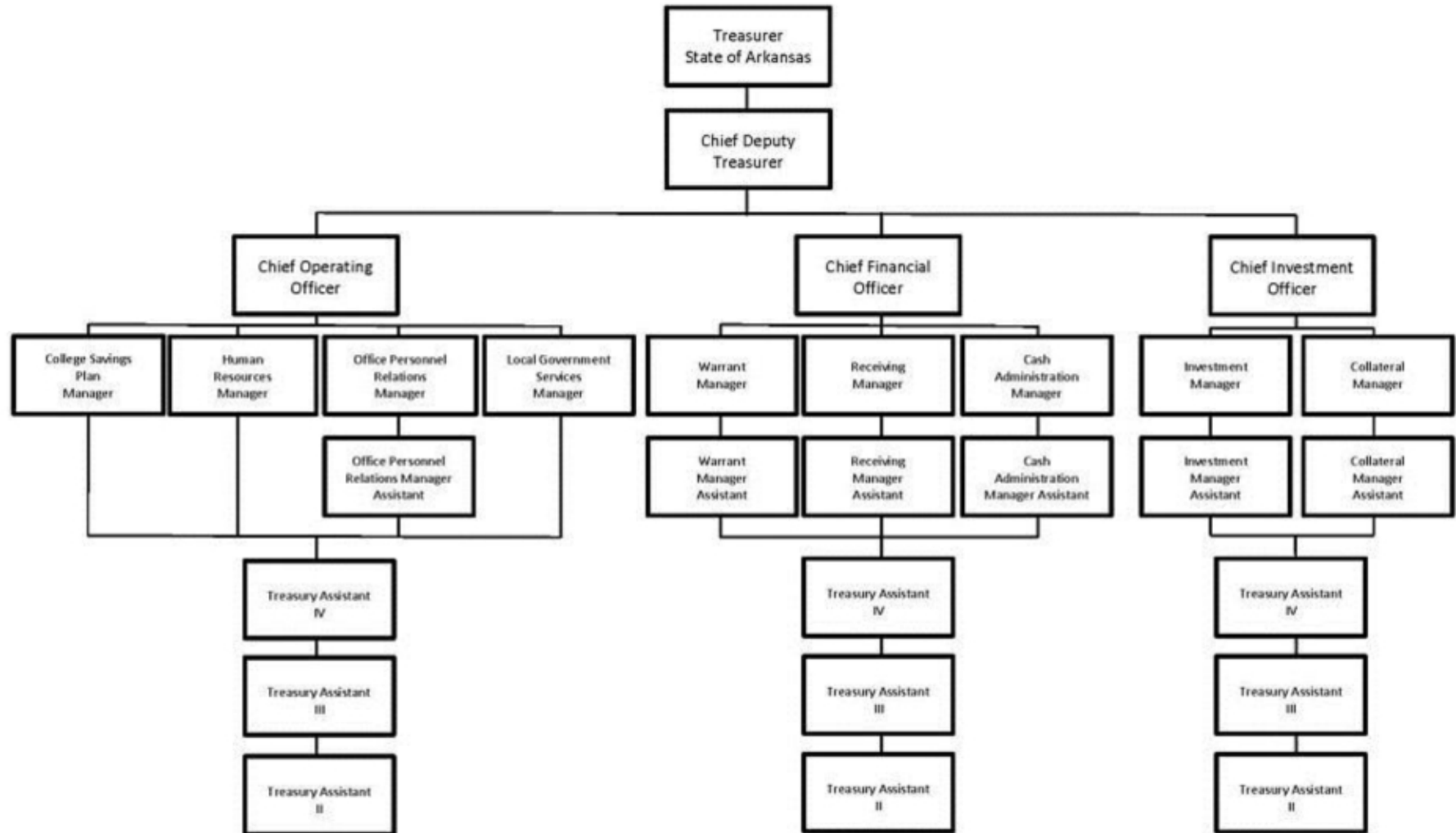
The State Treasurer is responsible for the disbursement of County and Municipal Sales and Use Taxes as prescribed by Arkansas Code Annotated §26-74-214 and §26-75-217.

The Treasurer functions as a bank for State Government. The Treasurer's Office is divided into the following sections: cash administration, collateral, college savings, human resources, investments, local government services, office personnel relations, receiving and warrants.

The Treasurer of State belongs to the following boards and commissions:

1. State Board of Finance - member and secretary

2. Board of Trustees of the Arkansas Public Employees Retirement System - ex officio member
3. Board of Trustees of the Arkansas Teacher Retirement System - ex officio member
4. Board of Trustees of the Arkansas State Highway Employees Retirement System - member
5. Arkansas Development Finance Authority - ex officio member



Agency Commentary

TREASURER'S OFFICE OPERATIONS (007)

The Office of the Treasurer of State requests Base Level each year of the biennium, with a request to restore previously authorized appropriation for Capital Outlay of \$75,000 each year.

CITY-COUNTY TOURIST MEETING AND ENTERTAINMENT FACILITIES BONDS (043)

The Treasurer's Office is responsible for 80% of the debt service on these bonds. The requested appropriation of \$1,047,181 in FY16 and \$0.00 in FY17 will meet the outstanding obligations of the current Facilities Agreement between the State Board of Finance and the participating cities. These funds cannot be expended without the approval of the State Board of Finance.

STATE WATER, WASTE DISPOSAL AND POLLUTION ABATEMENT BONDS (1TP)

The Treasurer's Office is responsible for debt service on these bonds. The principal and interest requested is for debt service on outstanding bonds and any new issues during the 2016-2017 biennium. A continuation of Base Level is requested in the amount of \$68,000,000 each year of the biennium.

LOCAL SALES AND USE TAX - CITY SHARE (2MQ)

This appropriation for distribution of the local sales tax is due to the continuing increase as well as the projected increase in the number of cities collecting a local sales tax. The distribution is limited to the amount collected in accordance with state law. A continuation of Base Level is requested in the amount of \$600,000,000 each year of the biennium.

SALES AND USE TAX - COUNTY SHARE (2ME)

This appropriation for distribution of the local sales tax is due to the continuing increase as well as the projected increase in the number of counties collecting a local sales tax. The distribution is limited to the amount collected in accordance with state law. A continuation of Base Level is requested in the amount of \$600,000,000 each year of the biennium.

COUNTY'S SHARE OF AMENDMENT 74 (2MR) - Uniform Rate of Tax

This appropriation is used for the distribution of the uniform rate of tax to Arkansas school districts. The distribution is limited to the amount collected in accordance with state law. A continuation of Base Level is requested in the amount of \$1,250,000,000 each year of the biennium.

EMERGENCY MEDICAL (2ZC)

A.C.A. § 19-6-495 created the Arkansas Citizens First Responder Safety Enhancement Fund and established a fine for failure to present proof of insurance at the time of a traffic stop. A.C.A. § 27-22-104(c)(1)(B) provides that 80% of those fines collected be paid to the Treasurer of State to the benefit of the fund and that 50% of the fund shall be used for emergency medical services. The Treasurer's Office is requesting continuation of Base Level of \$300,000 each year to cover anticipated funding for 2016-2017.

LOCAL LAW ENFORCEMENT (22D)

A.C.A. § 19-6-495 created the Arkansas Citizens First Responder Safety Enhancement Fund and established a fine for failure to present proof of insurance at the time of a traffic stop. A.C.A. § 27-22-104(c)(1)(B) provides that 80% of those fines collected be paid to the Treasurer of State to the benefit of the fund and that 50% of the fund shall be used for local law enforcement. The Treasurer's Office is requesting continuation of Base Level of \$300,000 each year to cover anticipated funding for 2016-2017.

ANIMAL RESCUE SHELTERS - CITY (58Q)

A.C.A. § 19-5-1136 established the Animal Rescue Shelter Trust Fund for revenues from a special issue license plate. 35% of these revenues are distributed to each municipality that has at least one (1) registered governmentally owned animal rescue shelter which shall receive a proportional distribution based on the municipality's population as determined by the most recent federal decennial census The Treasurer's Office is requesting Base Level of \$100,000 each year to cover anticipated funding for 2016-2017.

ANIMAL RESCUE SHELTERS - COUNTY (58R)

A.C.A. § 19-5-1136 established the Animal Rescue Shelter Trust Fund for revenues from a special issue license plate. 35% of these revenues are distributed to each county that has at least one (1) registered governmentally owned animal rescue shelter which shall receive a proportional distribution based on the county's population as determined by the most recent federal decennial census The Treasurer's Office is requesting Base Level of \$100,000 each year to cover anticipated funding for 2016-2017.

COLLEGE SAVINGS GENERAL OBLIGATION BONDS (990)

The Treasurer's Office is responsible for debt service on these bonds. The principal and interest requested is for debt service on outstanding bonds and any new issues during the 2016-2017 biennium. A continuation of Base Level is requested in the amount of \$52,000,000 each year of the biennium.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS TREASURER OF STATE
FOR THE YEAR ENDED JUNE 30, 2013

Findings	Recommendations
None	None

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2014

None

Employment Summary

	Male	Female	Total	%
White Employees	6	17	23	92 %
Black Employees	0	2	2	8 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			2	8 %
Total Employees			25	100 %

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
None	N/A	N	N	0	N/A	0	0.00

Department Appropriation Summary

Historical Data							Agency Request and Executive Recommendation												
Appropriation		2013-2014		2014-2015		2014-2015		2015-2016						2016-2017					
		Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
007	State Treasurer-Operations	3,467,252	31	5,017,348	33	4,855,181	33	4,946,997	33	5,021,997	33	0	0	4,946,994	33	5,021,994	33	0	0
043	City-Co Tourist Facilities Assist	2,806,108	0	2,799,743	0	2,799,743	0	2,799,743	0	1,047,181	0	0	0	2,799,743	0	0	0	0	0
1TP	Water, Waste Disposal & Pollution Abatement	32,309,415	0	68,000,000	0	68,000,000	0	68,000,000	0	68,000,000	0	0	0	68,000,000	0	68,000,000	0	0	0
2ME	Local Sales & Use Tax-City	553,751,773	0	600,000,000	0	600,000,000	0	600,000,000	0	600,000,000	0	0	0	600,000,000	0	600,000,000	0	0	0
2MQ	Local Sales & Use Tax-County	508,719,922	0	600,000,000	0	600,000,000	0	600,000,000	0	600,000,000	0	0	0	600,000,000	0	600,000,000	0	0	0
2MR	Uniform Tax Rate-Amendment 74	1,041,290,215	0	1,250,000,000	0	1,250,000,000	0	1,250,000,000	0	1,250,000,000	0	0	0	1,250,000,000	0	1,250,000,000	0	0	0
22C	Emergency Medical	220,933	0	300,000	0	300,000	0	300,000	0	300,000	0	0	0	300,000	0	300,000	0	0	0
22D	Local Law Enforcement	220,933	0	300,000	0	300,000	0	300,000	0	300,000	0	0	0	300,000	0	300,000	0	0	0
58Q	Rescue Shelters-City	1,438	0	100,000	0	100,000	0	100,000	0	100,000	0	0	0	100,000	0	100,000	0	0	0
58R	Rescue Shelters-Cnty	1,438	0	100,000	0	100,000	0	100,000	0	100,000	0	0	0	100,000	0	100,000	0	0	0
990	College/Higher Education Savings Bonds	23,924,803	0	52,000,000	0	52,000,000	0	52,000,000	0	52,000,000	0	0	0	52,000,000	0	52,000,000	0	0	0
Total		2,166,714,230	31	2,578,617,091	33	2,578,454,924	33	2,578,546,740	33	2,576,869,178	33	0	0	2,578,546,737	33	2,575,821,994	33	0	0

Funding Sources			%		%			%		%		%		%		%		%
Special Revenue	4000030	441,866	0.0	600,000	0.0		600,000	0.0	600,000	0.0	0	0.0	600,000	0.0	600,000	0.0	0	0.0
State Central Services	4000035	3,450,012	0.2	5,017,348	0.2		4,946,997	0.2	5,021,997	0.2	0	0.0	4,946,994	0.2	5,021,994	0.2	0	0.0
Trust Fund	4000050	1,097,527,309	50.7	1,370,200,000	53.1		1,370,200,000	53.1	1,370,200,000	53.2	0	0.0	1,370,200,000	53.1	1,370,200,000	53.2	0	0.0
Local Sales and Use Tax	4000335	1,062,471,695	49.0	1,200,000,000	46.5		1,200,000,000	46.5	1,200,000,000	46.6	0	0.0	1,200,000,000	46.5	1,200,000,000	46.6	0	0.0
M & R Sales	4000340	17,240	0.0	0	0.0		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Sales and Income Tax	4000445	2,806,108	0.1	2,799,743	0.1		2,799,743	0.1	1,047,181	0.0	0	0.0	2,799,743	0.1	0	0.0	0	0.0
Total Funds		2,166,714,230	100.0	2,578,617,091	100.0		2,578,546,740	100.0	2,576,869,178	100.0	0	0.0	2,578,546,737	100.0	2,575,821,994	100.0	0	0.0
Excess Appropriation/(Funding)		0		0			0		0		0		0		0		0	
Grand Total		2,166,714,230		2,578,617,091			2,578,546,740		2,576,869,178		0		2,578,546,737		2,575,821,994		0	

No Executive Recommendation on these appropriations.

Agency Position Usage Report

FY2012 - 2013						FY2013 - 2014						FY2014 - 2015					
Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused
	Filled	Unfilled	Total				Filled	Unfilled	Total				Filled	Unfilled	Total		
33	30	3	33	0	9.09 %	33	25	8	33	0	24.24 %	33	25	8	33	0	24.24 %

Appropriation Summary

Appropriation: 007 - State Treasurer-Operations

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,605,149	2,239,462	2,083,647	2,239,462	2,239,462	0	2,239,462	2,239,462	0
#Positions		31	33	33	33	33	0	33	33	0
Extra Help	5010001	0	50,000	50,000	50,000	50,000	0	50,000	50,000	0
#Extra Help		0	10	10	10	10	0	10	10	0
Personal Services Matching	5010003	538,942	684,761	678,409	689,410	689,410	0	689,407	689,407	0
Operating Expenses	5020002	304,632	1,000,000	1,000,000	1,000,000	1,000,000	0	1,000,000	1,000,000	0
Conference & Travel Expenses	5050009	21,147	36,000	36,000	36,000	36,000	0	36,000	36,000	0
Professional Fees	5060010	216,287	32,125	32,125	32,125	32,125	0	32,125	32,125	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	18,671	75,000	75,000	0	75,000	0	0	75,000	0
Data Processing Syst/Services	5900044	762,424	900,000	900,000	900,000	900,000	0	900,000	900,000	0
Total		3,467,252	5,017,348	4,855,181	4,946,997	5,021,997	0	4,946,994	5,021,994	0

Funding Sources										
State Central Services	4000035	3,450,012	5,017,348		4,946,997	5,021,997	0	4,946,994	5,021,994	0
M & R Sales	4000340	17,240	0		0	0	0	0	0	0
Total Funding		3,467,252	5,017,348		4,946,997	5,021,997	0	4,946,994	5,021,994	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		3,467,252	5,017,348		4,946,997	5,021,997	0	4,946,994	5,021,994	0

FY15 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2013-2015 Biennium.

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 007 - State Treasurer-Operations
Funding Sources: HSC - State Central Services

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	4,946,997	33	4,946,997	100.0	4,946,994	33	4,946,994	100.0
C01	Existing Program	75,000	0	5,021,997	101.5	75,000	0	5,021,994	101.5

Appropriation Summary

Appropriation: 043 - City-Co Tourist Facilities Assist

Funding Sources: MLA - City-County Tourist Facilities

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Debt Service/Operating Exp 5900046	2,806,108	2,799,743	2,799,743	2,799,743	1,047,181	0	2,799,743	0	0
Total	2,806,108	2,799,743	2,799,743	2,799,743	1,047,181	0	2,799,743	0	0
Funding Sources									
Sales and Income Tax 4000445	2,806,108	2,799,743		2,799,743	1,047,181	0	2,799,743	0	0
Total Funding	2,806,108	2,799,743		2,799,743	1,047,181	0	2,799,743	0	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	2,806,108	2,799,743		2,799,743	1,047,181	0	2,799,743	0	0

No Executive Recommendation made on this appropriation.

Final payments to counties made in FY16 per A.C.A. §14-171-215. No payments authorized for FY17.

Change Level by Appropriation

Appropriation: 043 - City-Co Tourist Facilities Assist
Funding Sources: MLA - City-County Tourist Facilities

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	2,799,743	0	2,799,743	100.0	2,799,743	0	2,799,743	100.0
C03	Discontinue Program	(1,752,562)	0	1,047,181	37.4	(2,799,743)	0	0	0.0

Appropriation Summary

Appropriation: 1TP - Water, Waste Disposal & Pollution Abatement

Funding Sources: TPX - Water, Waste Disposal & Pollution Abatement Facilities Bond Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements	5110014	36,250	40,000,000	40,000,000	40,000,000	40,000,000	0	40,000,000	40,000,000	0
Debt Service	5120019	32,273,165	28,000,000	28,000,000	28,000,000	28,000,000	0	28,000,000	28,000,000	0
Total		32,309,415	68,000,000	68,000,000	68,000,000	68,000,000	0	68,000,000	68,000,000	0
Funding Sources										
Trust Fund	4000050	32,309,415	68,000,000		68,000,000	68,000,000	0	68,000,000	68,000,000	0
Total Funding		32,309,415	68,000,000		68,000,000	68,000,000	0	68,000,000	68,000,000	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		32,309,415	68,000,000		68,000,000	68,000,000	0	68,000,000	68,000,000	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 2ME - Local Sales & Use Tax-City

Funding Sources: TSU - Local Sales/Use Tax Trust

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements	5110014	553,751,773	600,000,000	600,000,000	600,000,000	600,000,000	0	600,000,000	600,000,000	0
Total		553,751,773	600,000,000	600,000,000	600,000,000	600,000,000	0	600,000,000	600,000,000	0
Funding Sources										
Local Sales and Use Tax	4000335	553,751,773	600,000,000		600,000,000	600,000,000	0	600,000,000	600,000,000	0
Total Funding		553,751,773	600,000,000		600,000,000	600,000,000	0	600,000,000	600,000,000	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		553,751,773	600,000,000		600,000,000	600,000,000	0	600,000,000	600,000,000	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 2MQ - Local Sales & Use Tax-County

Funding Sources: TSU - Local Sales/Use Tax Trust

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements	5110014	508,719,922	600,000,000	600,000,000	600,000,000	600,000,000	0	600,000,000	600,000,000	0
Total		508,719,922	600,000,000	600,000,000	600,000,000	600,000,000	0	600,000,000	600,000,000	0
Funding Sources										
Local Sales and Use Tax	4000335	508,719,922	600,000,000		600,000,000	600,000,000	0	600,000,000	600,000,000	0
Total Funding		508,719,922	600,000,000		600,000,000	600,000,000	0	600,000,000	600,000,000	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		508,719,922	600,000,000		600,000,000	600,000,000	0	600,000,000	600,000,000	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 2MR - Uniform Tax Rate-Amendment 74

Funding Sources: TTR - Uniform Tax Rate Trust Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	1,041,290,215	1,250,000,000	1,250,000,000	1,250,000,000	1,250,000,000	0	1,250,000,000	1,250,000,000	0
Total		1,041,290,215	1,250,000,000	1,250,000,000	1,250,000,000	1,250,000,000	0	1,250,000,000	1,250,000,000	0

Funding Sources										
Trust Fund	4000050	1,041,290,215	1,250,000,000		1,250,000,000	1,250,000,000	0	1,250,000,000	1,250,000,000	0
Total Funding		1,041,290,215	1,250,000,000		1,250,000,000	1,250,000,000	0	1,250,000,000	1,250,000,000	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		1,041,290,215	1,250,000,000		1,250,000,000	1,250,000,000	0	1,250,000,000	1,250,000,000	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 22C - Emergency Medical

Funding Sources: SSE - Arkansas Citizens First Responder Safety Enhancement Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Emergency Medical Expenses 5900046	220,933	300,000	300,000	300,000	300,000	0	300,000	300,000	0
Total	220,933	300,000	300,000	300,000	300,000	0	300,000	300,000	0
Funding Sources									
Special Revenue 4000030	220,933	300,000		300,000	300,000	0	300,000	300,000	0
Total Funding	220,933	300,000		300,000	300,000	0	300,000	300,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	220,933	300,000		300,000	300,000	0	300,000	300,000	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 22D - Local Law Enforcement

Funding Sources: SSE - Arkansas Citizens First Responder Safety Enhancement Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Local Law Enforcement Exp 5900046	220,933	300,000	300,000	300,000	300,000	0	300,000	300,000	0
Total	220,933	300,000	300,000	300,000	300,000	0	300,000	300,000	0
Funding Sources									
Special Revenue 4000030	220,933	300,000		300,000	300,000	0	300,000	300,000	0
Total Funding	220,933	300,000		300,000	300,000	0	300,000	300,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	220,933	300,000		300,000	300,000	0	300,000	300,000	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 58Q - Rescue Shelters-City

Funding Sources: TRS - City/County Rescue Shelters - Trust

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	1,438	100,000	100,000	100,000	100,000	0	100,000	100,000	0
Total		1,438	100,000	100,000	100,000	100,000	0	100,000	100,000	0
Funding Sources										
Trust Fund	4000050	1,438	100,000		100,000	100,000	0	100,000	100,000	0
Total Funding		1,438	100,000		100,000	100,000	0	100,000	100,000	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		1,438	100,000		100,000	100,000	0	100,000	100,000	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 58R - Rescue Shelters-Cnty

Funding Sources: TRS - City/County Rescue Shelters - Trust

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	1,438	100,000	100,000	100,000	100,000	0	100,000	100,000	0
Total		1,438	100,000	100,000	100,000	100,000	0	100,000	100,000	0
Funding Sources										
Trust Fund	4000050	1,438	100,000		100,000	100,000	0	100,000	100,000	0
Total Funding		1,438	100,000		100,000	100,000	0	100,000	100,000	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		1,438	100,000		100,000	100,000	0	100,000	100,000	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 990 - College/Higher Education Savings Bonds

Funding Sources: TBJ - College Savings Bond Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation					
	2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements 5110014	23,295	20,000,000	20,000,000	20,000,000	20,000,000	0	20,000,000	20,000,000	0
Debt Service 5120019	23,901,508	32,000,000	32,000,000	32,000,000	32,000,000	0	32,000,000	32,000,000	0
Total	23,924,803	52,000,000	52,000,000	52,000,000	52,000,000	0	52,000,000	52,000,000	0
Funding Sources									
Trust Fund 4000050	23,924,803	52,000,000		52,000,000	52,000,000	0	52,000,000	52,000,000	0
Total Funding	23,924,803	52,000,000		52,000,000	52,000,000	0	52,000,000	52,000,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	23,924,803	52,000,000		52,000,000	52,000,000	0	52,000,000	52,000,000	0

No Executive Recommendation made on this appropriation.

BOARD OF FINANCE

Enabling Laws

Act 182 of 2014
A.C.A. §19-3-701

History and Organization

Members of the State Board of Finance consist of the Governor, Treasurer of State, Auditor of State, Bank Commissioner, Director of the Department of Finance and Administration, Securities Commissioner, one person with knowledge and experience in commercial banking, one person who holds or has held a Series 7 licensure as a general securities representative and has at least five (5) years of experience as a general securities representative, one certified public accountant who is licensed in Arkansas and has at least five (5) years of experience as a certified public accountant and one member of the general public. The Governor acts as the Board Chair with the Treasurer acting as the secretary, executive officer and disbursing agent for the Board. Meetings of the Board shall be held at least quarterly upon the call of the Governor or by any three (3) members.

Agency Commentary

The Treasurer of State has submitted Base Level budget requests for the following appropriations on behalf of the Board:

	<u>FY2015-2016</u>	<u>FY2016-2017</u>
Investments-Purchase of Securities (1CV)	\$ 600,000,000	\$ 600,000,000
Investment-Premiums/Discounts (2BM)	\$ 600,000	\$ 600,000
Investments-Principal/Int/Agent Fee (2BN)	\$ 3,000,000	\$ 3,000,000

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
BOARD OF FINANCE

Findings

Recommendations

The Division of Legislative Audit does not perform an audit for this agency.

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2014

None

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
N/A	N/A	N	N	0	N/A	0	0.00

Department Appropriation Summary

Historical Data								Agency Request and Executive Recommendation										
Appropriation	2013-2014		2014-2015		2014-2015		2015-2016						2016-2017					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
1CV Investments-Purchase of Securities	0	0	600,000,000	0	600,000,000	0	600,000,000	0	600,000,000	0	0	0	600,000,000	0	600,000,000	0	0	0
2BM Investments-Premiums/Discounts	0	0	600,000	0	600,000	0	600,000	0	600,000	0	0	0	600,000	0	600,000	0	0	0
2BN Investments-Principal/Interest/Service Charges	21,280	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0	0	0	3,000,000	0	3,000,000	0	0	0
Total	21,280	0	603,600,000	0	603,600,000	0	603,600,000	0	603,600,000	0	0	0	603,600,000	0	603,600,000	0	0	0

Funding Sources		%		%			%		%		%		%		%		%
Trust Fund 4000050	0	0.0	600,000,000	99.4		600,000,000	99.4	600,000,000	99.4	0	0.0	600,000,000	99.4	600,000,000	99.4	0	0.0
Investments 4000315	21,280	100.0	3,600,000	0.6		3,600,000	0.6	3,600,000	0.6	0	0.0	3,600,000	0.6	3,600,000	0.6	0	0.0
Total Funds	21,280	100.0	603,600,000	100.0		603,600,000	100.0	603,600,000	100.0	0	0.0	603,600,000	100.0	603,600,000	100.0	0	0.0
Excess Appropriation/(Funding)	0		0			0		0		0		0		0		0	
Grand Total	21,280		603,600,000			603,600,000		603,600,000		0		603,600,000		603,600,000		0	

No Executive Recommendation on these appropriations.

Agency Position Usage Report

FY2012 - 2013						FY2013 - 2014						FY2014 - 2015					
Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused
	Filled	Unfilled	Total				Filled	Unfilled	Total				Filled	Unfilled	Total		
0	0	0	0	0	0.00 %	0	0	0	0	0	0.00 %	0	0	0	0	0	0.00 %

Appropriation Summary

Appropriation: 1CV - Investments-Purchase of Securities

Funding Sources: XXX - Investments

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation					
	2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Purchase of Securities 5900046	0	600,000,000	600,000,000	600,000,000	600,000,000	0	600,000,000	600,000,000	0
Total	0	600,000,000	600,000,000	600,000,000	600,000,000	0	600,000,000	600,000,000	0
Funding Sources									
Trust Fund 4000050	0	600,000,000		600,000,000	600,000,000	0	600,000,000	600,000,000	0
Total Funding	0	600,000,000		600,000,000	600,000,000	0	600,000,000	600,000,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	600,000,000		600,000,000	600,000,000	0	600,000,000	600,000,000	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 2BM - Investments-Premiums/Discounts

Funding Sources: TAS - Securities Reserve

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation					
	2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Premium & Discounts 5900046	0	600,000	600,000	600,000	600,000	0	600,000	600,000	0
Total	0	600,000	600,000	600,000	600,000	0	600,000	600,000	0
Funding Sources									
Investments 4000315	0	600,000		600,000	600,000	0	600,000	600,000	0
Total Funding	0	600,000		600,000	600,000	0	600,000	600,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	600,000		600,000	600,000	0	600,000	600,000	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 2BN - Investments-Principal/Interest/Service Charges

Funding Sources: TAS - Securities Reserve

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Principal/Interest/Service Chgs 5900046	21,280	3,000,000	3,000,000	3,000,000	3,000,000	0	3,000,000	3,000,000	0
Total	21,280	3,000,000	3,000,000	3,000,000	3,000,000	0	3,000,000	3,000,000	0
Funding Sources									
Investments 4000315	21,280	3,000,000		3,000,000	3,000,000	0	3,000,000	3,000,000	0
Total Funding	21,280	3,000,000		3,000,000	3,000,000	0	3,000,000	3,000,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	21,280	3,000,000		3,000,000	3,000,000	0	3,000,000	3,000,000	0

No Executive Recommendation made on this appropriation.