



STATE OF ARKANSAS  
**Department of Finance  
and Administration**

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April 13, 2020

Senator Larry Teague, Chair  
Representative Lane Jean, Chair  
Joint Budget Committee  
Arkansas General Assembly  
State Capitol  
Little Rock, AR 72201

RE: Restricted Reserve Fund Transfer Recommendation

Dear Co-Chairs:

Pursuant to Ark. Code Ann. § 19-5-1263, as Chief Fiscal Officer of the State I am recommending the transfer of Restricted Reserve Funds to the following:

Arkansas Department of Education – Division of Higher Education

Various Institutions of Higher Education – \$2,542,363

This transfer has been requested to offset the loss of General Revenue funding resulting from the productivity funding formula as established under Ark. Code Ann. § 6-62-234. The loss of this funding, combined with the recent revenue forecast reductions, has resulted in significant funding challenges for these institutions and the need for additional funding from the Restricted Reserve Fund.

This request seeks distribution of funds to various institutions of higher education in the amounts detailed on the attached schedule.

Sincerely,

A handwritten signature in black ink that reads "Larry W. Walther".

Larry W. Walther  
Director

LWW:jb  
Attachments – Institutions Funding Schedule



## Division of Higher Education

423 Main Street, Suite 400 • Little Rock, Arkansas • 72201-3818 • (501) 371-2000 • Fax (501) 371-2001

Johnny Key  
Secretary

Maria Markham, Ph.D.  
Director

April 13, 2020

Larry W. Walther, Secretary  
Arkansas Department of Finance and Administration  
1509 West Seventh Street, Suite 401  
Little Rock, Ark., 7203-3278

Restricted Reserve Fund Transfer Request

Secretary Walther:

This letter is to inform you that it is in the best interests of the citizens of the State of Arkansas that I request a transfer in the amount of \$2,542,363 from the Restricted Reserve Fund.

In applying the higher education productivity funding formula established under Ark. Code Ann. § 6-61-234, the state reduced general revenue distributions for various institutions of higher education. In compliance with the funding formula, this reduction was both imposed in the current fiscal year and carried forward into the next fiscal year.

As a result of the COVID-19 pandemic and the resulting economic recession, state funding for all institutions of higher education has been reduced. This reduction, combined with productivity funding cuts, has placed significant stress on various institutions of higher education.

In light of these budget reductions, I request funding from the Restricted Reserve Fund in the amounts detailed in the attached schedule. I request that distributions be made for both the current fiscal year and the next. The first distribution is to be made no later than May 15. The second is to be made no later than July 15.

Pending your approval of this request, I ask that you schedule this item for consideration at the next meeting of the Joint Budget Committee for appropriate action as required by law.

Sincerely,

Maria Markham  
Director of Higher Education

	Amount to be released no later than May 15, 2020	Amount to be released no later than July 15, 2020
Arkansas State University	\$ 252,514	\$ 131,786.50
U of A - Ft. Smith	\$ 19,013	\$ 9,922.50
UA-Little Rock	\$ 367,839	\$ 191,974.00
UA-Monticello	\$ 152,770	\$ 79,730.00
Arkansas Northeastern College	\$ 82,172	\$ 42,885.50
Arkansas State University - Beebe	\$ 23,279	\$ 12,149.00
East Arkansas Cmty. College	\$ 80,787	\$ 42,162.50
National Park College	\$ 86,669	\$ 45,232.50
North Arkansas College	\$ 76,701	\$ 40,030.00
Phillips Cmty. College of the UA	\$ 86,828	\$ 45,315.50
U of A - Rich Mountain	\$ 30,723	\$ 16,034.50
Southern Ark. University - Tech	\$ 54,661	\$ 28,527.50
U of A - Cmty. College at Morrilton	\$ 34,917	\$ 18,223.00
Black River	\$ 58,570	\$ 30,567.50
College of the Ouachitas	\$ 34,100	\$ 17,796.50
Ozarka	\$ 29,953	\$ 15,632.50
U of A - Pulaski Tech	\$ 145,023	\$ 75,687.00
Southeast Arkansas College	\$ 54,003	\$ 28,184.00
<b>Total Distribution</b>	<b>\$ 1,670,522</b>	<b>\$ 871,840.50</b>

Total Requested Release           \$           **2,542,363**