

Department Appropriation Summary

Historical Data

Agency Request and Executive/Legislative Recommendation

Appropriation	2007-2008		2008-2009		2008-2009		2009-2010						2010-2011					
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Legislative	Pos	Agency	Pos	Executive	Pos	Legislative	Pos
505 Private Career Education-Operations	324,714	4	373,011	4	370,714	4	376,714	4	376,714	4	376,714	4	378,704	4	378,704	4	378,704	4
506 Student Protection Trust	15,764	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
834 Private Career Ed-Cash in Treasury	0	0	100,500	0	100,500	0	100,500	0	100,500	0	100,500	0	100,500	0	100,500	0	100,500	0
Total	340,478	4	973,511	4	971,214	4	977,214	4	977,214	4	977,214	4	979,204	4	979,204	4	979,204	4

Funding Sources		%		%		%		%		%		%		%		%	
Fund Balance	4000005	1,372,882	74.8	1,496,106	78.1	942,595	68.7	942,595	68.7	942,595	68.7	538,089	55.6	538,089	55.6	538,089	55.6
Special Revenue	4000030	345,986	18.8	300,000	15.7	330,000	24.0	330,000	24.0	330,000	24.0	330,000	34.1	330,000	34.1	330,000	34.1
Cash Fund	4000045	4,345	0.2	50,000	2.6	50,000	3.6	50,000	3.6	50,000	3.6	50,000	5.2	50,000	5.2	50,000	5.2
Trust Fund	4000050	113,371	6.2	70,000	3.7	50,000	3.6	50,000	3.6	50,000	3.6	50,000	5.2	50,000	5.2	50,000	5.2
Total Funds		1,836,584	100.0	1,916,106	100.0	1,372,595	100.0	1,372,595	100.0	1,372,595	100.0	968,089	100.0	968,089	100.0	968,089	100.0
Excess Appropriation/(Funding)		(1,496,106)		(942,595)		(395,381)		(395,381)		(395,381)		11,115		11,115		11,115	
Grand Total		340,478		973,511		977,214		977,214		977,214		979,204		979,204		979,204	

Fund Balances differ between fiscal years due to excess levels of appropriation for Fund Centers 506 (Student Protection Trust) & 834 (Private Career Education - Cash). Budgeted Level exceed Authorized Level for Fund Center 505 due to salary adjustments made during the 2007-2009 biennium.

Analysis of Budget Request

Appropriation: 505 - Private Career Education-Operations

Funding Sources: SCS - Private Career Education Fund

The State Board of Private Career Education was created by Act 906 of 1989 and is responsible for annual licensure and monitoring of private career schools and admissions representatives in Arkansas. The State Operations appropriation is funded by special revenue derived primarily from annual license and admissions representative fees paid by the schools to the Board.

Two (2) Base Level positions were changed from unclassified to classified to reflect the recommendations of the Pay Plan Study and salaries were adjusted accordingly. Salaries for other Base Level classified positions reflect the recommendations of the Pay Plan Study. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries may include board member Stipend payments and Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

For the 2009-2011 biennium, the Agency is requesting additional appropriation of \$8,000 each year in Operating Expenses. This request is due to a move in FY2007 to new facilities at the 501 Building. Office space more than doubled and office space rental, equipment lease, and telecommunication costs increased accordingly. The Agency is also requesting increased appropriation to meet official business travel and Board travel expenses caused by the sharp increases in fuel costs.

The Agency is also requesting a \$3,000 increase each year in Professional Fees to continue and enhance efforts to provide more efficient electronic services to schools. According to the Board, online services allow faster response time to school needs and greatly reduce the amount of paper used by the Board. Plans are to contract with the Information Network of Arkansas (INA) in order that all forms and documents required by the Board can be submitted by the schools online.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 505 - Private Career Education-Operations

Funding Sources: SCS - Private Career Education Fund

Commitment Item	2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries 5010000	180,033	211,600	205,924	202,801	202,801	202,801	204,399	204,399	204,399
#Positions	4	4	4	4	4	4	4	4	4
Extra Help 5010001	26,674	32,500	32,500	32,500	32,500	32,500	32,500	32,500	32,500
#Extra Help	2	4	4	4	4	4	4	4	4
Personal Services Matching 5010003	67,894	71,911	75,290	73,413	73,413	73,413	73,805	73,805	73,805
Operating Expenses 5020002	49,344	50,000	50,000	58,000	58,000	58,000	58,000	58,000	58,000
Conference & Travel Expenses 5050009	157	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Professional Fees 5060010	612	3,000	3,000	6,000	6,000	6,000	6,000	6,000	6,000
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	324,714	373,011	370,714	376,714	376,714	376,714	378,704	378,704	378,704
Funding Sources									
Fund Balance 4000005	636,542	657,814		584,803	584,803	584,803	538,089	538,089	538,089
Special Revenue 4000030	345,986	300,000		330,000	330,000	330,000	330,000	330,000	330,000
Total Funding	982,528	957,814		914,803	914,803	914,803	868,089	868,089	868,089
Excess Appropriation/(Funding)	(657,814)	(584,803)		(538,089)	(538,089)	(538,089)	(489,385)	(489,385)	(489,385)
Grand Total	324,714	373,011		376,714	376,714	376,714	378,704	378,704	378,704

The FY09 Budgeted Level for Regular Salaries exceeds the Authorized Level due to salary adjustments made during the 2007-2009 biennium.

Analysis of Budget Request

Appropriation: 506 - Student Protection Trust

Funding Sources: TCS - Private Career School Student Protection Trust Fund

The State Board of Private Career Education requests the continuation of the \$500,000 Base Level for each year of the 2009-2011 biennium for the Student Protection Trust Fund Program.

Revenues deposited into this fund consists of annual certification fees paid by participating schools to the Board and are primarily used to cover expenses associated with providing for a student's continuing education in the event a school closes or to pay student claims when this arrangement is not feasible. Schools originally licensed during the 1989-91 biennium and have maintained their licensure for fifteen (15) years will not be assessed additional fees unless the fund balance totals less than \$500,000 on May 30th of any fiscal year. Regardless of the fund balance, schools that have not paid licensure fees for fifteen (15) years will continue being charged until they have paid fees for a minimum of fifteen (15) years.

The requested appropriation will enable the Student Protection Trust Fund to carry forward the following functions:

- pay claims filed by students when a school becomes insolvent or ceases to operate without offering a complete program of study;
- pay expenses incurred by a school that are directly related to educating a student placed in the school for teach out purposes;
- reimburse the Private Career Education Board Fund for expenses directly associated with the storage and maintenance of student academic and financial aid records; and
- reimburse the Private Career Education Board Fund for administrative costs incurred due to school closings.

The Executive Recommendation provides for Base Level each year of the 2009-2011 biennium.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 506 - Student Protection Trust

Funding Sources: TCS - Private Career School Student Protection Trust Fund

Commitment Item		2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Expenses/Claims/Fees	5900046	15,764	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Total		15,764	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Funding Sources										
Fund Balance	4000005	676,664	774,271		344,271	344,271	344,271	0	0	0
Trust Fund	4000050	113,371	70,000		50,000	50,000	50,000	50,000	50,000	50,000
Total Funding		790,035	844,271		394,271	394,271	394,271	50,000	50,000	50,000
Excess Appropriation/(Funding)		(774,271)	(344,271)		105,729	105,729	105,729	450,000	450,000	450,000
Grand Total		15,764	500,000		500,000	500,000	500,000	500,000	500,000	500,000

Analysis of Budget Request

Appropriation: 834 - Private Career Ed-Cash in Treasury

Funding Sources: NPC - Cash in Treasury

Funds for the Cash Operations appropriation are received through grants from the Real Estate Foundation and the Winthrop Rockefeller Foundation, investments, and from surety bond receipts paid to the Board to be used for payment of tuition refunds to students or potential students. These funds are used to supplement funding for regular operation costs of the Arkansas Private Career Education Board.

The Agency is requesting a reallocation of \$315 each year for Rent of Data Processing Equipment from Data Processing to Operating Expenses in order to properly classify any associated expenses within the State's Accounting System. With this exception, Base Level is requested for each year of the 2009-2011 biennium.

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

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 834 - Private Career Ed-Cash in Treasury

Funding Sources: NPC - Cash in Treasury

Commitment Item		2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Operating Expenses	5020002	0	81,287	81,287	81,602	81,602	81,602	81,602	81,602	81,602
Conference & Travel Expenses	5050009	0	8,898	8,898	8,898	8,898	8,898	8,898	8,898	8,898
Professional Fees	5060010	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Data Processing	5090012	0	315	315	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		0	100,500	100,500	100,500	100,500	100,500	100,500	100,500	100,500
Funding Sources										
Fund Balance	4000005	59,676	64,021		13,521	13,521	13,521	0	0	0
Cash Fund	4000045	4,345	50,000		50,000	50,000	50,000	50,000	50,000	50,000
Total Funding		64,021	114,021		63,521	63,521	63,521	50,000	50,000	50,000
Excess Appropriation/(Funding)		(64,021)	(13,521)		36,979	36,979	36,979	50,500	50,500	50,500
Grand Total		0	100,500		100,500	100,500	100,500	100,500	100,500	100,500