

Analysis of Budget Request

Appropriation: 2XE - AR Teacher Housing Dev Foundation-Operations

Funding Sources: NTH - Cash in Treasury

The Arkansas Teacher Housing Development Foundation was established by Act 39 of the Second Extraordinary Session 2003, Arkansas Code § 6-26-101 et seq. The Agency has a board of nine members. The board members consist of 3 members chosen by the President Pro Tempore of the Senate, 3 members chosen by the Speaker of the House of Representatives, the President of the Arkansas Chapter of the National Association of Minority Contractors, The President of the Arkansas Development Finance Authority, and the Executive Director of the Arkansas Teacher Retirement System. The term of each board member shall be four years.

The Foundation was established to implement and administer housing incentive programs to recruit and retain high performing teachers in high priority school districts. Those incentives may include down payment assistance, low-interest rate mortgages, rental assistance and multifamily housing developments. For FY2008 the agency paid out \$24,100 of incentive grants to qualifying teachers.

Current funding for the foundation comes from a \$100,000 grant from the Department of Education Public School fund for each fiscal year of the biennium. Additionally, the Foundation is charged with soliciting private and public donations and grants from the local communities to pay for the housing incentive programs.

The Base Level salaries for classified positions reflect the recommendations of the Pay Plan Study and unclassified positions reflect similar adjustments in line item salaries. 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 Services payments for eligible employees. Personal Services Matching includes a \$75 increase in monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

Change Level Requests total \$415,000 for both years of the 2009-2011 Biennium. An increase of \$10,000 in the Operating Expenses line for each year is for increases in rent, phone services, mileage, postage and other administrative expenses. Also, the Agency requests an increase in the Professional Fees line item appropriation in the amount of \$5,000 each year. This is to allow the Agency to contract with various professionals for marketing, advertising and additional website development. Additionally, the Agency has requested Grants and Aid appropriation in the amount of \$400,000 for each year. The appropriation requests in Operating Expense and Professional Fees will be funded from any available fund balance, the appropriation in the Grants and Aid line item is an unfunded appropriation request. The unfunded appropriation request is to allow the agency the ability to award grants to teacher as the funds become available.

The Executive recommends transfer of this program to the Department of Education. It allows for Base Level of all maintenance and operations line items and the director position. The administrative assistant position will be discontinued.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

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Commitment Item		2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	95,308	97,785	98,006	99,113	0	0	101,391	0	0
#Positions		2	2	2	2	0	0	2	0	0
Personal Services Matching	5010003	27,779	26,647	28,245	28,754	0	0	29,179	0	0
Operating Expenses	5020002	11,338	25,000	25,000	35,000	0	0	35,000	0	0
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	3,300	10,000	10,000	15,000	0	0	15,000	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	24,100	100,000	500,000	500,000	0	0	500,000	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		161,825	259,432	661,251	677,867	0	0	680,570	0	0

Funding Sources										
Fund Balance	4000005	354,081	307,723		148,291	0	0	0	0	0
Cash Fund	4000045	15,467	0		0	0	0	0	0	0
Trnfr frm DOE Pub School Fund	4000525	100,000	100,000		100,000	0	0	100,000	0	0
Unfunded Appropriation	4000715	0	0		400,000	0	0	400,000	0	0
Total Funding		469,548	407,723		648,291	0	0	500,000	0	0
Excess Appropriation/(Funding)		(307,723)	(148,291)		29,576	0	0	180,570	0	0
Grand Total		161,825	259,432		677,867	0	0	680,570	0	0

The Executive/Legislative Recommendation for this Agency is to transfer the appropriation to the Department of Education (see pages 624-625 in Volume II).