

Department Appropriation Summary

Historical Data

Agency Request and Executive/Legislative Recommendation

Appropriation	2009-2010		2010-2011		2010-2011		2011-2012						2012-2013					
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Legislative	Pos	Agency	Pos	Executive	Pos	Legislative	Pos
135 Dental Aid Grant & Loans	2,652,568	0	3,121,270	0	3,121,270	0	2,687,370	0	2,687,370	0	3,121,270	0	2,687,370	0	2,687,370	0	3,121,270	0
137 Optometry Aid Grants & Loans	470,300	0	550,000	0	550,000	0	320,400	0	320,400	0	550,000	0	320,400	0	320,400	0	550,000	0
138 Veterinary Aid	1,039,287	0	1,100,000	0	1,100,000	0	1,050,000	0	929,000	0	1,100,000	0	1,050,000	0	929,000	0	1,100,000	0
140 Chiropractic Aid	130,007	0	260,000	0	260,000	0	102,000	0	102,000	0	260,000	0	102,000	0	102,000	0	260,000	0
153 General Operations	3,350,091	37	3,553,894	39	3,757,758	39	4,035,128	37	4,097,411	37	4,097,411	37	3,834,128	37	3,958,998	37	3,958,998	37
156 Research Development Program Grants	1,000,000	0	1,000,000	0	1,000,000	0	2,000,000	0	5,000,000	0	5,000,000	0	2,000,000	0	5,000,000	0	5,000,000	0
160 State Scholarship-Federal	411,857	0	500,000	0	500,000	0	750,000	0	750,000	0	750,000	0	750,000	0	750,000	0	750,000	0
197 Student Asst Grants/Scholarships	49,710,623	0	61,311,860	0	74,311,860	0	47,104,000	0	46,774,000	0	74,311,860	0	45,690,000	0	43,625,000	0	74,311,860	0
1GF Improving Teacher Quality	678,046	0	1,565,258	0	1,565,258	0	1,565,258	0	1,565,258	0	1,565,258	0	1,565,258	0	1,565,258	0	1,565,258	0
2XK TANF	12,379,989	6	12,508,827	6	12,497,548	6	14,999,518	6	15,019,917	6	15,019,917	6	14,999,518	6	15,031,501	6	15,031,501	6
58B College Access Challenge Grant	613,359	0	706,129	0	706,129	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
59B ADHE-Scholarship Admn	216,849	6	695,842	6	732,666	6	953,356	6	965,478	6	965,478	6	953,356	6	971,129	6	971,129	6
772 Technical Education-Federal Programs	403,203	3	467,408	3	455,910	3	531,691	3	542,078	3	542,078	3	531,691	3	546,775	3	546,775	3
773 Osteopathy Aid	158,000	0	230,000	0	230,000	0	148,000	0	148,000	0	230,000	0	148,000	0	148,000	0	230,000	0
783 Podiatry Aid	18,400	0	130,400	0	130,400	0	20,000	0	20,000	0	130,400	0	20,000	0	20,000	0	130,400	0
921 Dept Higher Education - Cash in Treasury	184,350	0	520,000	0	520,000	0	945,000	0	945,000	0	945,000	0	945,000	0	945,000	0	945,000	0
NOT REQUESTED FOR THE BIENNIUM																		
81R ARRA-SFSF-Educ Grnts	12,899,987	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
81Y ARRA-SFSF-GS Proj	4,404,193	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
83B Scholarship Reserve	0	0	20,000,000	0	20,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	90,721,109	52	108,220,888	54	121,438,799	54	78,711,721	52	81,365,912	52	110,088,672	52	77,096,721	52	78,100,431	52	109,972,191	52

Funding Sources		%		%		%		%		%		%		%		%		%	
Fund Balance	4000005	27,087,846	22.9	47,678,030	41.5			6,718,989	8.4	6,718,989	8.1	6,718,989	8.1	3,183,662	4.2	3,183,662	4.0	3,183,662	4.0
General Revenue	4000010	3,123,491	2.6	3,309,762	2.9			3,790,996	4.7	3,209,013	3.9	3,209,013	3.9	3,589,996	4.7	3,155,414	4.0	3,155,414	4.0
Federal Revenue	4000020	31,790,634	26.9	15,747,622	13.7			19,346,467	24.1	19,377,253	23.3	19,377,253	23.3	19,346,467	25.3	19,393,534	24.3	19,393,534	24.3
Cash Fund	4000045	288,095	0.2	170,000	0.1			595,000	0.7	595,000	0.7	595,000	0.7	595,000	0.8	595,000	0.7	595,000	0.7
Trust Fund	4000050	4,183,662	3.5	1,000,000	0.9			2,000,000	2.5	5,000,000	6.0	5,000,000	6.0	2,000,000	2.6	5,000,000	6.3	5,000,000	6.3
Educational Excellence Fund	4000220	12,864,130	10.9	12,081,676	10.5			12,081,676	15.1	12,081,676	14.5	12,081,676	14.5	12,081,676	15.8	12,081,676	15.2	12,081,676	15.2
Gen Rev Higher Ed Grants	4000258	38,834,681	32.8	34,491,806	30.0			34,491,806	43.0	34,491,806	41.4	34,491,806	41.4	34,491,806	45.1	34,491,806	43.3	34,491,806	43.3
HEG Fund Transfers/Adjust.	4000280	98,600	0.1	99,132	0.1			99,132	0.1	99,132	0.1	99,132	0.1	99,132	0.1	99,132	0.1	99,132	0.1
Institution Certification Fees	4000297	128,000	0.1	145,000	0.1			145,000	0.2	145,000	0.2	145,000	0.2	145,000	0.2	145,000	0.2	145,000	0.2

Funding Sources		%		%		%		%		%		%		%		%	
Inter-agency Fund Transfer	4000316	0	0.0	216,849	0.2												
						953,356	1.2	1,524,930	1.8	1,524,930	1.8	953,356	1.2	1,530,581	1.9	1,530,581	1.9
Total Funds		118,399,139	100.0	114,939,877	100.0	80,222,422	100.0	83,242,799	100.0	83,242,799	100.0	76,486,095	100.0	79,675,805	100.0	79,675,805	100.0
Excess Appropriation/(Funding)		(27,678,030)		(6,718,989)		(1,510,701)		(1,876,887)		26,845,873		610,626		(1,575,374)		30,296,386	
Grand Total		90,721,109		108,220,888		78,711,721		81,365,912		110,088,672		77,096,721		78,100,431		109,972,191	

Variances in fund balance due to unfunded appropriation in (153) General Operations, (197) Student Assistance Grants and Scholarships, (921) Cash in Treasury, and (HEG) Health Education Grants and Loans.

Analysis of Budget Request

Appropriation: 153 - General Operations

Funding Sources: HQA - Dept. of Higher Education - State

The Arkansas Department of Higher Education utilizes this appropriation to meet costs associated with general administrative functions tied to the specific mission of the Agency. This appropriation is primarily funded by general revenue payable from the Department of Higher Education Fund Account (HQA). Funding is also provided by the Arkansas Lottery Commission with proceeds from the Arkansas Scholarship Lottery for costs associated with the administration of the Arkansas Academic Challenge Scholarship.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments. The Base Level salary of unclassified positions reflects the FY11 line item maximum.

The agency Base Level request for this appropriation is \$3,535,940 each year of the biennium with thirty-nine (39) budgeted base level positions.

The agency Change Level request for this appropriation and general revenue is \$499,188 for FY2012 and \$298,188 for FY2013, and are as follows:

- A total reduction of \$64,567 in both years of the 2011-2013 biennium in Salaries and Personal Services Matching associated with the relinquishing of four (4) positions and establishment of two (2) new positions. Two (2) Software Support Analyst (C121) positions, one (1) Administrative Specialist II (C109) position, and one (1) Human Resources Analyst (C117) position are being surrendered in exchange for the creation of one (1) DHE Program Specialist (C122) and one (1) DHE Program Coordinator (C124). Both higher graded positions' skill levels will be used across multiple divisions, with the DHE Program Coordinator adding needed finance and management experience.
- \$12,000 increase in both years of the biennium in Extra Help to help with the 700% increase in Arkansas Challenge Scholarship Applications.
- \$517,025 in FY2012 and \$316,025 in FY2013 in Operating Expenses for costs associated with the relocation of ADHE office facilities. The current lease will expire on 06/30/2011, and the property owner is not renewing due to proposed costs for renovation. The estimated need for space and costs associated with the relocation were provided by State Building Services and are as follows:
 - \$292,025 in both years of the biennium for Rent. ADHE is currently billed at \$11.00 per sq. ft. for its current space. Estimated rent at new facility is \$18.00 per sq. ft.

- \$175,000 in FY2012 for the purchase for forty-five (45) modular office units and \$24,000 in FY2013 for other office expenses relating to the move.
- \$40,000 in FY2012 only for relocation of phone and network systems.
- \$10,000 in FY2012 only for Hauling and Moving Expenses.
- \$4,730 increase in both years for Conference Fees and Travel to send two Institutional Finance employees to the College Business Institute for training and professional development.
- \$5,000 increase in both years for Professional Fees to hire outside consultants for the review of Advanced Degrees that are beyond the working knowledge of the Academic Affairs Staff.
- Restoration of \$25,000 in both years for Capital Outlay for costs associated with upgrading and maintaining the six (6) servers and high output printers servicing all scholarship programs. The IT Support Costs section of ADHE's IT plan calls for the replacement of one (1) server and one (1) printer, respectively.

The Executive Recommendation provides for Base Level. In addition, the Agency Request for Salaries, Personal Services Matching, and Operating Expenses is recommended. General Revenue funding of \$3,100,000 is recommended for both years of the biennium.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 153 - General Operations

Funding Sources: HQA - Dept. of Higher Education - State

Commitment Item		2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	2,281,041	2,407,028	2,470,973	2,349,146	2,443,116	2,443,116	2,349,146	2,495,956	2,495,956
#Positions		37	39	39	37	37	37	37	37	37
Extra Help	5010001	4,562	3,000	10,000	15,000	3,000	3,000	15,000	3,000	3,000
#Extra Help		1	7	7	7	7	7	7	7	7
Personal Services Matching	5010003	590,375	653,866	689,954	639,227	654,270	654,270	639,227	664,017	664,017
Operating Expenses	5020002	430,976	449,730	481,831	966,755	966,755	966,755	765,755	765,755	765,755
Conference & Travel Expenses	5050009	17,493	20,270	25,000	25,000	20,270	20,270	25,000	20,270	20,270
Professional Fees	5060010	2,445	10,000	15,000	15,000	10,000	10,000	15,000	10,000	10,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	0	0	40,000	0	0	0	0	0	0
Capital Outlay	5120011	23,199	10,000	25,000	25,000	0	0	25,000	0	0
Total		3,350,091	3,553,894	3,757,758	4,035,128	4,097,411	4,097,411	3,834,128	3,958,998	3,958,998

Funding Sources										
General Revenue	4000010	3,123,491	3,309,762		3,790,996	3,209,013	3,209,013	3,589,996	3,155,414	3,155,414
HEG Fund Transfers/Adjust.	4000280	98,600	99,132		99,132	99,132	99,132	99,132	99,132	99,132
Institution Certification Fees	4000297	128,000	145,000		145,000	145,000	145,000	145,000	145,000	145,000
Inter-agency Fund Transfer	4000316	0	0		0	559,452	559,452	0	559,452	559,452
Total Funding		3,350,091	3,553,894		4,035,128	4,012,597	4,012,597	3,834,128	3,958,998	3,958,998
Excess Appropriation/(Funding)		0	0		0	84,814	84,814	0	0	0
Grand Total		3,350,091	3,553,894		4,035,128	4,097,411	4,097,411	3,834,128	3,958,998	3,958,998

Analysis of Budget Request

Appropriation: 156 - Research Development Program Grants

Funding Sources: THD - Higher Education Research Development - Trust

The Arkansas Research Development Program provides grants to institutions of higher education for development of scientific research capability per Arkansas Code § 6-61-807. Funding for this program is required to be transferred from the Higher Education Building Maintenance Fund in accordance with Section 22 of Act 286 of 2010. Revenues in the Higher Education Building Maintenance Fund accumulate from the sale or lease of minerals, oil, gas, etc. on military and non-military federal lands located within the State of Arkansas.

The agency Base Level request for this appropriation is \$1,000,000 for each year of the biennium.

The agency Change Level request for this appropriation is \$1,000,000 for each year of the biennium. Recently, revenues have exceeded appropriation. This request will allow ADHE to better utilize the funding available.

Due to anticipated future revenues, the Executive Recommendation provides for \$5,000,000 in appropriation for each year of the biennium.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 156 - Research Development Program Grants

Funding Sources: THD - Higher Education Research Development - Trust

Commitment Item		2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Grants and Aid	5100004	1,000,000	1,000,000	1,000,000	2,000,000	5,000,000	5,000,000	2,000,000	5,000,000	5,000,000
Total		1,000,000	1,000,000	1,000,000	2,000,000	5,000,000	5,000,000	2,000,000	5,000,000	5,000,000
Funding Sources										
Fund Balance	4000005	0	3,183,662		3,183,662	3,183,662	3,183,662	3,183,662	3,183,662	3,183,662
Trust Fund	4000050	4,183,662	1,000,000		2,000,000	5,000,000	5,000,000	2,000,000	5,000,000	5,000,000
Total Funding		4,183,662	4,183,662		5,183,662	8,183,662	8,183,662	5,183,662	8,183,662	8,183,662
Excess Appropriation/(Funding)		(3,183,662)	(3,183,662)		(3,183,662)	(3,183,662)	(3,183,662)	(3,183,662)	(3,183,662)	(3,183,662)
Grand Total		1,000,000	1,000,000		2,000,000	5,000,000	5,000,000	2,000,000	5,000,000	5,000,000

Analysis of Budget Request

Appropriation: 160 - State Scholarship-Federal

Funding Sources: FCP - Dept. of Higher Education - Federal

This appropriation represents the federal share of the Workforce Improvement Grants Program, which is the State's only financial aid program based solely on financial need. The federal grant received is for Arkansas' participation in the "Leveraging Educational Assistance Partnership" (LEAP) Program. The goal is to help the non-traditional student (24 years old or older) returning to school who has financial need but may not be eligible for assistance from traditional state and federal programs. This appropriation is funded entirely from federal revenue received from the U.S. Department of Education.

The agency Base Level request for this appropriation is \$500,000 for each year of the biennium.

The agency Change Level request for appropriation is \$250,000 for each year of the biennium. The Department anticipates increased federal funding for this program.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 160 - State Scholarship-Federal

Funding Sources: FCP - Dept. of Higher Education - Federal

Commitment Item	2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Grants and Aid 5100004	411,857	500,000	500,000	750,000	750,000	750,000	750,000	750,000	750,000
Total	411,857	500,000	500,000	750,000	750,000	750,000	750,000	750,000	750,000

Funding Sources									
Federal Revenue 4000020	411,857	500,000		750,000	750,000	750,000	750,000	750,000	750,000
Total Funding	411,857	500,000		750,000	750,000	750,000	750,000	750,000	750,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	411,857	500,000		750,000	750,000	750,000	750,000	750,000	750,000

Analysis of Budget Request

Appropriation: 197 - Student Asst Grants/Scholarships

Funding Sources: HEG - Higher Education Grants

The Student Assistance Grants and Scholarships appropriation provides the Arkansas Department of Higher Education (ADHE) the authority to award the State's current and prospective college students with financial aid based upon academic performance and, in some programs, financial need. This appropriation is currently funded from a combination of general revenue, Higher Education Grants Fund balances, and Educational Excellence Trust Fund revenues, payable from the Higher Education Grants (HEG) Fund Account.

The agency Base Level request for appropriation is \$61,311,860 for each year of the biennium.

The agency Change Level request for a reduction in appropriation is \$14,207,860 in FY2012 and 15,621,860 in FY2013. No additional funding is requested beyond continuation of Base Level funding for each year of the biennium.

In FY2011, ADHE transferred by warrant \$20,000,000 in funding from the Higher Education Grants Fund Account (83B Appropriation established by Section 16 of Act 286 of 2010) to the Scholarship Shortfall Reserve Trust Account of the Arkansas Lottery Commission in accordance with Section 17 of Act 286 of 2010. As a result of this transfer, ADHE requests reduction of appropriation for the 2011 - 2013 Biennium to reflect the declining balance of the Higher Education Grants Fund. The Change Level reductions are summarized as follows:

- State Teacher Education Program (STEP) - \$3,200,000 in both years
- Teacher Opportunity Program - \$2,000,000 in both years, which discontinues program
- Workforce Improvement Grants - \$1,777,169 in both years
- Higher Education Opportunity Grants - \$4,000,000 in both years
- Second Effort Scholarships - \$20,000 in both years, which discontinues program
- Minority Masters Fellowship - \$176,250 in FY2012 and \$227,500 in FY2013
- Washington Center Scholarships - \$120,000 in both years, which discontinues program
- Dependents of Law Enforcement Officers - \$25,000 in both years
- AR Geographical Critical Needs - \$200,000 in both years, which discontinues program

- JR/SR Minority Teacher Scholarships - \$210,000 in FY2012 and \$255,000 in FY2013
- State Teacher Assistance Resource (STAR) Program - \$3,096,467 in FY2012 and \$3,339,217 in FY2013
- Student Undergraduate Research Fellowship (SURF) Program - \$157,974 in both years
- Web Based Applications - \$550,000 reduction in both years, as well as a reallocation of \$250,000 to ADHE's Scholarship Administration appropriation, which discontinues the program.

In addition to the Change Level reductions, the Agency requests Change Level increases in appropriation for two scholarship programs. Those increases are as follows:

- Arkansas Governor's Scholars - \$1,375,000 in FY2012 and \$300,000 in FY2013. This request will allow ADHE to fund current students currently receiving this scholarship, as well as the three hundred (300) new students that are to receive the award for FY2011.
- Dependents of POWs, MIAs, KIAs - Tuition Waiver Scholarships - \$200,000 in both years of the biennium. With the length of on-going military actions in the Middle East and Afghanistan, the number of eligible recipients of this award has continued to increase.

These adjustments will allow ADHE to best serve the students of the State while responsibly managing funding levels during the current economic situation.

The Executive Recommendation provides for the following adjustments:

- Workforce Improvement Grants - \$777,169 reduction in FY2012, \$2,277,169 reduction in FY2013.
- Higher Education Opportunities Grants - \$5,000,000 reduction in both years.
- Dependents of POWs, MIAs, KIAs Tuition Waiver Scholarships - \$105,000 increase in both years.
- Arkansas Governor's Scholars - \$1,140,000 increase in FY2012, \$170,000 reduction in FY2013.

The Executive Recommendation provides for Agency Request for all other Scholarship programs.

The Legislative Recommendation is to return all Student Assistance Grants and Scholarships appropriations back to their FY2011 Authorized Levels and provides for the Executive Recommendation for general revenue funding.

Appropriation Summary

Appropriation: 197 - Student Asst Grants/Scholarships

Funding Sources: HEG - Higher Education Grants

Commitment Item		2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
H E Opportunities Grant	5100004	5,640,718	11,000,000	11,000,000	7,000,000	6,000,000	11,000,000	7,000,000	6,000,000	11,000,000
National Guard Tuition Asst.	5100004	1,499,999	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Single Parent Scholarship Program	5100004	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000
St Teacher Educ Prgm	5100004	1,474,551	5,000,000	5,000,000	1,800,000	1,800,000	5,000,000	1,800,000	1,800,000	5,000,000
Teacher Opportunity Program	5100004	1,014,157	2,000,000	2,000,000	0	0	2,000,000	0	0	2,000,000
Workforce Improvement Grants	5100004	4,183,149	4,277,169	4,277,169	2,500,000	3,500,000	4,277,169	2,500,000	2,000,000	4,277,169
AR Geographical Critical Needs	5100030	0	200,000	200,000	0	0	200,000	0	0	200,000
Dependents-Law Enf. Off, etc	5100030	174,574	200,000	200,000	175,000	175,000	200,000	175,000	175,000	200,000
Dependents-POW'S, MIA'S, etc.	5100030	351,063	250,000	250,000	450,000	355,000	250,000	450,000	355,000	250,000
Jr/Sr Minority Teacher Scholars	5100030	174,544	300,000	300,000	90,000	90,000	300,000	45,000	45,000	300,000
Minority Masters Fellows	5100030	220,864	280,000	280,000	103,750	103,750	280,000	52,500	52,500	280,000
Second Effort Scholarships	5100030	14,960	20,000	20,000	0	0	20,000	0	0	20,000
SREB Minority Doctoral Scholars	5100030	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Washington Center Scholarships	5100030	118,000	120,000	120,000	0	0	120,000	0	0	120,000
Refunds/Reimbursements	5110014	0	0	5,000,000	0	0	5,000,000	0	0	5,000,000
Tuition Adjustment	5110014	0	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000
St Teacher Asst. Resource Prgm	5120029	969,000	3,581,717	3,581,717	485,250	485,250	3,581,717	242,500	242,500	3,581,717
AR Academic Challenge Schlshp	5900046	22,127,947	20,000,000	28,000,000	20,000,000	20,000,000	28,000,000	20,000,000	20,000,000	28,000,000
SURF	5900047	10,745,885	10,750,000	10,750,000	12,125,000	11,890,000	10,750,000	11,050,000	10,580,000	10,750,000
SURF	5900048	307,771	307,974	307,974	150,000	150,000	307,974	150,000	150,000	307,974
Web Based Applications	5900049	318,441	800,000	800,000	0	0	800,000	0	0	800,000
Total		49,710,623	61,311,860	74,311,860	47,104,000	46,774,000	74,311,860	45,690,000	43,625,000	74,311,860

Funding Sources										
Fund Balance	4000005	26,793,119	24,095,896		3,486,855	3,486,855	3,486,855	0	0	0
Educational Excellence Fund	4000220	12,864,130	12,081,676		12,081,676	12,081,676	12,081,676	12,081,676	12,081,676	12,081,676
Gen Rev Higher Ed Grants	4000258	34,149,270	28,621,143		30,164,036	30,285,036	30,285,036	30,164,036	30,285,036	30,285,036
Total Funding		73,806,519	64,798,715		45,732,567	45,853,567	45,853,567	42,245,712	42,366,712	42,366,712
Excess Appropriation/(Funding)		(24,095,896)	(3,486,855)		1,371,433	920,433	28,458,293	3,444,288	1,258,288	31,945,148
Grand Total		49,710,623	61,311,860		47,104,000	46,774,000	74,311,860	45,690,000	43,625,000	74,311,860

Analysis of Budget Request

Appropriation: 1GF - Improving Teacher Quality

Funding Sources: FCP - Dept. of Higher Education - Federal

The Arkansas Department of Higher Education's (ADHE) Improving Teacher Quality appropriation represents the State's 'No Child Left Behind' program. The goals of this appropriation stress the importance of preparing, training and recruiting high quality teachers and principals through competitive grants to institutions of higher education. Major emphasis is placed upon teacher quality as being a factor in improving student achievement. This program is federally funded through the U.S. Department of Education.

The agency Base Level and total request for this appropriation is \$1,565,258 for each year of the biennium.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 1GF - Improving Teacher Quality

Funding Sources: FCP - Dept. of Higher Education - Federal

Commitment Item		2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Operating Expenses	5020002	2,588	26,856	26,856	26,856	26,856	26,856	26,856	26,856	26,856
Conference & Travel Expenses	5050009	700	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000
Professional Fees	5060010	3,600	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	671,158	1,517,402	1,517,402	1,517,402	1,517,402	1,517,402	1,517,402	1,517,402	1,517,402
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		678,046	1,565,258	1,565,258	1,565,258	1,565,258	1,565,258	1,565,258	1,565,258	1,565,258
Funding Sources										
Federal Revenue	4000020	678,046	1,565,258		1,565,258	1,565,258	1,565,258	1,565,258	1,565,258	1,565,258
Total Funding		678,046	1,565,258		1,565,258	1,565,258	1,565,258	1,565,258	1,565,258	1,565,258
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		678,046	1,565,258		1,565,258	1,565,258	1,565,258	1,565,258	1,565,258	1,565,258

Analysis of Budget Request

Appropriation: 2XK - TANF

Funding Sources: FCP - Dept. of Higher Education - Federal

The Temporary Assistance to Needy Families (TANF) appropriation is a collaboration between the Arkansas Department of Higher Education (ADHE) and all twenty-two (22) two-year institutions of higher education. Known as the "Career Pathways" program, it provides educational and training services to recipients deemed eligible under the TANF Block Grant. ADHE works with the Arkansas Association of Two-Year Colleges (AATYC) to coordinate services to eligible recipients, and over 100,000 students have participated. The goal of this appropriation is to increase client self-sufficiency and job skills. This program is federally funded through the U.S. Department of Health and Human Services.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

The agency Base Level request for this appropriation is \$12,506,311 each year of the biennium and six (6) base level positions.

The agency is requesting that \$97,000 in appropriation be reallocated from Operating Expenses to Conference Fees and Travel and Professional Fees for both years of the 2011-2013 biennium.

- \$55,000 in appropriation would shift to Conference Fees and Travel to cover the costs of training seminars sponsored by the Career Pathways Program.
- \$42,000 in appropriation would shift to Professional Fees to support ADHE's use of the Information Network of Arkansas (INA) and other upgrades required to maintain and update the scholastic records of those participating in the Career Pathways program.

The agency Change Level request for this appropriation is \$2,493,207 for each year the biennium, and are as follows:

- \$23,000 in appropriation for Professional Fees which, in conjunction with the aforementioned reallocation, would provide comparable levels made available in FY2010 by the use of a Budget Classification Transfer.
- \$12,000 in appropriation for Capital Outlay to upgrade hardware needed in student record keeping.
- \$2,455,207 in appropriation for Grants and Aid to allow for increases in the federally-awarded Career Pathways program.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 2XK - TANF

Funding Sources: FCP - Dept. of Higher Education - Federal

Commitment Item		2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	384,688	388,845	381,762	386,545	403,906	403,906	386,545	413,562	413,562
#Positions		6	6	6	6	6	6	6	6	6
Extra Help	5010001	148	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
#Extra Help		1	2	2	2	2	2	2	2	2
Personal Services Matching	5010003	101,786	108,189	103,993	107,973	111,011	111,011	107,973	112,939	112,939
Operating Expenses	5020002	146,969	257,000	257,000	160,000	160,000	160,000	160,000	160,000	160,000
Conference & Travel Expenses	5050009	29,785	20,000	20,000	75,000	75,000	75,000	75,000	75,000	75,000
Professional Fees	5060010	149,509	65,000	65,000	130,000	130,000	130,000	130,000	130,000	130,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	11,554,311	11,644,793	11,644,793	14,100,000	14,100,000	14,100,000	14,100,000	14,100,000	14,100,000
Capital Outlay	5120011	12,793	0	0	15,000	15,000	15,000	15,000	15,000	15,000
Total		12,379,989	12,508,827	12,497,548	14,999,518	15,019,917	15,019,917	14,999,518	15,031,501	15,031,501
Funding Sources										
Federal Revenue	4000020	12,379,989	12,508,827		14,999,518	15,019,917	15,019,917	14,999,518	15,031,501	15,031,501
Total Funding		12,379,989	12,508,827		14,999,518	15,019,917	15,019,917	14,999,518	15,031,501	15,031,501
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		12,379,989	12,508,827		14,999,518	15,019,917	15,019,917	14,999,518	15,031,501	15,031,501

Analysis of Budget Request

Appropriation: 58B - College Access Challenge Grant

Funding Sources: FCP - Dept. of Higher Education - Federal

The College Access Challenge Grant Program (CACGP) is designed to foster partnerships among federal, state, and local governments and philanthropic organizations through matching challenge grants that are aimed at increasing the number of low-income students who are prepared to enter and succeed in postsecondary education. Projects funded by the CACGP are designed to: provide information to students and families regarding postsecondary education and career preparation; promote financial literacy and debt management; conduct outreach activities; assist students in completing the Free Application for Federal Student Financial Aid (FAFSA); provide need-based grant aid; conduct professional development for guidance counselors at middle and secondary schools, financial aid administrators, and college admissions counselors; and offer student loan cancellation or repayment or interest rate reductions for borrowers who are employed in a high-need geographical area or a high need profession. This program is federally funded.

The agency Base Level request for this appropriation is \$691,129 each year of the biennium.

The agency Change Level request for appropriation is \$808,871 each year of the biennium. The total request for appropriation will allow ADHE to utilize the recent increase in grant award, which now totals \$1,500,000 annually. The request includes:

- \$203,871 in Operating Expenses for increased television, radio, and print advertising designed to inform more of the public of the available financial aid and other assistance that is provided by the CACGP.
- \$605,000 in Professional Fees directed at increased training seminars and materials for school counselors so as to better equip them with information concerning the CACGP and how it could assist their qualifying students.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 58B - College Access Challenge Grant
Funding Sources: FCP - Dept. of Higher Education - Federal

Commitment Item		2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Operating Expenses	5020002	326,819	391,129	391,129	595,000	595,000	595,000	595,000	595,000	595,000
Conference & Travel Expenses	5050009	2,949	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Professional Fees	5060010	275,000	275,000	275,000	880,000	880,000	880,000	880,000	880,000	880,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	8,591	15,000	15,000	0	0	0	0	0	0
Total		613,359	706,129	706,129	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Funding Sources										
Federal Revenue	4000020	613,359	706,129		1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Total Funding		613,359	706,129		1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		613,359	706,129		1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000

Analysis of Budget Request

Appropriation: 59B - ADHE-Scholarship Admn

Funding Sources: HEG - Higher Education Grants

The Arkansas Department of Higher Education (ADHE) provides for the administration of the Arkansas Academic Challenge Scholarship program through Scholarship Administration appropriation. The Arkansas Lottery Commission provides funding for this appropriation with proceeds from the Arkansas Scholarship Lottery.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

The agency Base Level request for this appropriation is \$673,356 each year of the biennium and 6 budgeted base level positions.

The agency Change Level request for is \$280,000 each year of the biennium, and is as follows:

- \$30,000 increase in Extra Help appropriation and an additional eight (8) Extra Help positions to help process applications, monitor transcripts of both applicants and current recipients, and other administrative duties as needed. In FY11, expanded eligibility for the Arkansas Academic Challenge Scholarship caused a 700% increase in applications.
- \$150,000 reallocation from Operating Expenses to Professional Fees and an additional \$250,000 increase in Professional Fees to make necessary changes to the Universal Financial Aid Management System. Changes are necessary to accommodate the additional Non-Traditional and Current Achiever award recipients, to development a system of uniform transcript submission, and for changes to and for annual maintenance of programs as needed. The additional \$250,000 requested is a reallocation from the Web-Based Applications (197) appropriation.

The Executive Recommendation provides for Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 59B - ADHE-Scholarship Admn

Funding Sources: HEG - Higher Education Grants

Commitment Item	2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries 5010000	132,848	297,330	303,746	274,842	283,154	283,154	274,842	287,857	287,857
#Positions	6	6	6	6	6	6	6	6	6
Extra Help 5010001	0	0	0	30,000	30,000	30,000	30,000	30,000	30,000
#Extra Help	0	0	0	8	8	8	8	8	8
Personal Services Matching 5010003	52,931	83,512	113,920	83,514	87,324	87,324	83,514	88,272	88,272
Operating Expenses 5020002	31,070	315,000	315,000	165,000	165,000	165,000	165,000	165,000	165,000
Conference & Travel Expenses 5050009	0	0	0	0	0	0	0	0	0
Professional Fees 5060010	0	0	0	400,000	400,000	400,000	400,000	400,000	400,000
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	216,849	695,842	732,666	953,356	965,478	965,478	953,356	971,129	971,129
Funding Sources									
Gen Rev Higher Ed Grants 4000258	216,849	478,993		0	0	0	0	0	0
Inter-agency Fund Transfer 4000316	0	216,849		953,356	965,478	965,478	953,356	971,129	971,129
Total Funding	216,849	695,842		953,356	965,478	965,478	953,356	971,129	971,129
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	216,849	695,842		953,356	965,478	965,478	953,356	971,129	971,129

Analysis of Budget Request

Appropriation: 772 - Technical Education-Federal Programs

Funding Sources: FCP - Dept. of Higher Education - Federal

The Teacher Education-Federal Programs appropriation is designed to utilize federal funding awarded by the Carl D. Perkins Vocational and Technical Act. This Act focuses on the academic achievement of career and technical education students, strengthening the connections between secondary and postsecondary education, and improving state and local accountability.

The Arkansas Department of Workforce Education has been designated as the agency eligible to receive federal Perkins funds from the Office of Vocational and Adult Education in the U.S. Department of Education. Through a Memorandum of Understanding, the Arkansas Department of Workforce Education makes funds available to the Arkansas Department of Higher Education (ADHE) to administer the postsecondary portion of the Perkins Act.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

The agency Base Level request for this appropriation is \$466,691 each year of the biennium and three (3) budgeted base level positions.

The agency Change Level request for this appropriation is \$65,000 each year of the biennium. For Conference Fees and Travel, \$50,000 is requested to be used for Perkins-sponsored training seminars, while \$15,000 is requested in Capital Outlay related to ADHE's relocation to a new office building.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 772 - Technical Education-Federal Programs

Funding Sources: FCP - Dept. of Higher Education - Federal

Commitment Item		2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	190,077	207,616	200,636	206,916	215,678	215,678	206,916	219,585	219,585
#Positions		3	3	3	3	3	3	3	3	3
Personal Services Matching	5010003	49,989	55,792	51,274	55,775	57,400	57,400	55,775	58,190	58,190
Operating Expenses	5020002	81,819	95,000	95,000	95,000	95,000	95,000	95,000	95,000	95,000
Conference & Travel Expenses	5050009	10,497	19,000	19,000	69,000	69,000	69,000	69,000	69,000	69,000
Professional Fees	5060010	70,821	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	15,000	15,000	15,000	15,000	15,000	15,000
Total		403,203	467,408	455,910	531,691	542,078	542,078	531,691	546,775	546,775

Funding Sources										
Federal Revenue	4000020	403,203	467,408		531,691	542,078	542,078	531,691	546,775	546,775
Total Funding		403,203	467,408		531,691	542,078	542,078	531,691	546,775	546,775
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		403,203	467,408		531,691	542,078	542,078	531,691	546,775	546,775

Analysis of Budget Request

Appropriation: 921 - Dept Higher Education - Cash in Treasury

Funding Sources: NHE - Cash in Treasury

This appropriation is for Cash Operations of The Arkansas Department of Higher Education (ADHE) as defined by Arkansas Code §19-4-801.

The agency Base Level request for this appropriation is \$520,000 each year of the biennium.

The agency Change Level request for this appropriation is \$425,000 each year of the biennium. This request will allow ADHE to inform the public of program availability and provide financial aid professionals' assistance to potential applicants, and consists of the following components:

- \$285,000 each year for increases in grant awards related to the "Achieving the Dream", "Non-Traditional No More", and "College Goal Sunday" programs. "Achieving the Dream: Community Colleges Count" program receives private foundation funding to provide participating community colleges with resources to assist minority and low income students earn degrees and to facilitate transfers of credits to other institutions of higher education for continuing their studies. "Non-Traditional No More: Policy Solutions for Adult Learners" program is a Western Interstate Commission for Higher Education (WICHE) private foundation grant used to stimulate and guide policy changes to create a more navigable path to degree attainment for adults. "College Goal Sunday" uses funding provided via planning grant from the Lumina Foundation for Education, Inc. to provide low income families access to financial aid professionals and free assistance in completing the Free Application for Student Financial Aid (FAFSA), as well as helping those targeted students identify all financial aid available.
- \$100,000 each year for Mahlon Martin minority scholarship awards.
- \$40,000 each year to support agency costs associated with hosting educational conferences.

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: 921 - Dept Higher Education - Cash in Treasury

Funding Sources: NHE - Cash in Treasury

Commitment Item		2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Operating Expenses	5020002	47,992	178,070	178,070	378,070	378,070	378,070	378,070	378,070	378,070
Conference & Travel Expenses	5050009	10,364	60,620	60,620	60,620	60,620	60,620	60,620	60,620	60,620
Professional Fees	5060010	124,994	176,310	176,310	401,310	401,310	401,310	401,310	401,310	401,310
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Scholarships	5100030	1,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Refunds/Reimbursements	5110014	0	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		184,350	520,000	520,000	945,000	945,000	945,000	945,000	945,000	945,000

Funding Sources										
Fund Balance	4000005	294,727	398,472		48,472	48,472	48,472	0	0	0
Cash Fund	4000045	288,095	170,000		595,000	595,000	595,000	595,000	595,000	595,000
Total Funding		582,822	568,472		643,472	643,472	643,472	595,000	595,000	595,000
Excess Appropriation/(Funding)		(398,472)	(48,472)		301,528	301,528	301,528	350,000	350,000	350,000
Grand Total		184,350	520,000		945,000	945,000	945,000	945,000	945,000	945,000