

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
505 Private Career Education-Operations	373,302	4	386,329	4	378,704	4	403,027	4	397,656	4	397,656	4	403,027	4	400,676	4	400,676	4
506 Student Protection Trust	995	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	374,297	4	986,829	4	979,204	4	1,003,527	4	998,156	4	998,156	4	1,003,527	4	1,001,176	4	1,001,176	4

Funding Sources		%		%		%		%		%		%		%		%	
Fund Balance	4000005	1,450,148	77.0	1,508,611	76.4	988,032	67.9	988,032	67.9	988,032	67.9	489,083	51.2	494,454	51.5	494,454	51.5
Special Revenue	4000030	336,564	17.9	335,000	17.0	335,000	23.0	335,000	23.0	335,000	23.0	335,000	35.1	335,000	34.9	335,000	34.9
Cash Fund	4000045	370	0.0	56,250	2.8	56,250	3.9	56,250	3.9	56,250	3.9	56,250	5.9	56,250	5.9	56,250	5.9
Trust Fund	4000050	95,826	5.1	75,000	3.8	75,000	5.2	75,000	5.2	75,000	5.2	75,000	7.9	75,000	7.8	75,000	7.8
Total Funds		1,882,908	100.0	1,974,861	100.0	1,454,282	100.0	1,454,282	100.0	1,454,282	100.0	955,333	100.0	960,704	100.0	960,704	100.0
Excess Appropriation/(Funding)		(1,508,611)		(988,032)		(450,755)		(456,126)		(456,126)		48,194		40,472		40,472	
Grand Total		374,297		986,829		1,003,527		998,156		998,156		1,003,527		1,001,176		1,001,176	

FY11 Budget amounts in appropriation (505) Private Career Education-Operations exceed authorized levels due to salary and matching rate adjustments made during the 2009-2011 biennium. Variances in fund balance due to unfunded appropriation in appropriation (834) Private Career Ed-Cash in Treasury.

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.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments. The Base Level request for Regular Salaries includes board member stipend payments.

For the 2011 - 2013 biennium, the Board is requesting \$2,691 additional appropriation for each year of the biennium in Regular Salaries and Personal Services Matching for Stipend payments. Beginning in April of 2010, the Board began meeting on a monthly basis in order to better serve its member schools. Increases in requests, as well as increases in lag-times associated with State Police and Federal Bureau of Investigation background checks, necessitated more frequent meetings in order to limit delays in approvals for licensing, program changes, and other business that requires Board involvement and approval.

The Board also requests \$10,787 additional appropriation for each year of the biennium in Regular Salaries and Personal Services Matching for the reclassification of its Program Audit Specialist to Agency Fiscal Manager. This position will transfer daily financial responsibilities from the Director, as well as assist the Director in working with legislators, other state agencies, and other states. This will allow the Director more time for direct contact in assisting member schools as their needs arise.

The Agency is also requesting \$5,000 additional appropriation for each year of the biennium in Operating Expenses. This request will cover the necessary costs associated with the Board's leasing of an additional 1,000 sq. ft. space adjacent to their current location. This space will provide a conference and training facility for the Board to use to better meet the needs of member schools. Such needs include required training and licensing requirements. Currently, the Board teleconferences with its agencies or borrows space from ABA on an as-needed basis.

The Executive Recommendation provides the Agency Request except for the reclassification of its Program Audit Specialist to Agency Fiscal Manager.

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	2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries 5010000	205,120	207,229	204,399	216,815	212,930	212,930	216,815	215,434	215,434
#Positions	4	4	4	4	4	4	4	4	4
Extra Help 5010001	31,701	32,500	32,500	32,500	32,500	32,500	32,500	32,500	32,500
#Extra Help	4	4	4	4	4	4	4	4	4
Personal Services Matching 5010003	75,406	78,600	73,805	80,712	79,226	79,226	80,712	79,742	79,742
Operating Expenses 5020002	57,889	58,000	58,000	63,000	63,000	63,000	63,000	63,000	63,000
Conference & Travel Expenses 5050009	2,349	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Professional Fees 5060010	837	6,000	6,000	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	373,302	386,329	378,704	403,027	397,656	397,656	403,027	400,676	400,676
Funding Sources									
Fund Balance 4000005	598,629	561,891		510,562	510,562	510,562	442,535	447,906	447,906
Special Revenue 4000030	336,564	335,000		335,000	335,000	335,000	335,000	335,000	335,000
Total Funding	935,193	896,891		845,562	845,562	845,562	777,535	782,906	782,906
Excess Appropriation/(Funding)	(561,891)	(510,562)		(442,535)	(447,906)	(447,906)	(374,508)	(382,230)	(382,230)
Grand Total	373,302	386,329		403,027	397,656	397,656	403,027	400,676	400,676

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 2011-2013 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 the Agency Request.

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		2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Expenses/Claims/Fees	5900046	995	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Total		995	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Funding Sources										
Fund Balance	4000005	801,717	896,548		471,548	471,548	471,548	46,548	46,548	46,548
Trust Fund	4000050	95,826	75,000		75,000	75,000	75,000	75,000	75,000	75,000
Total Funding		897,543	971,548		546,548	546,548	546,548	121,548	121,548	121,548
Excess Appropriation/(Funding)		(896,548)	(471,548)		(46,548)	(46,548)	(46,548)	378,452	378,452	378,452
Grand Total		995	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 Request provides for Base Level.

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		2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Operating Expenses	5020002	0	81,602	81,602	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	0	0	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	49,802	50,172		5,922	5,922	5,922	0	0	0
Cash Fund	4000045	370	56,250		56,250	56,250	56,250	56,250	56,250	56,250
Total Funding		50,172	106,422		62,172	62,172	62,172	56,250	56,250	56,250
Excess Appropriation/(Funding)		(50,172)	(5,922)		38,328	38,328	38,328	44,250	44,250	44,250
Grand Total		0	100,500		100,500	100,500	100,500	100,500	100,500	100,500