

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas *As Engrossed: S2/14/13 S3/28/13 S4/4/13 S4/5/13 S4/8/13 S4/17/13 H4/18/13*

89th General Assembly

A Bill

Regular Session, 2013

SENATE BILL 122

By: Joint Budget Committee

For An Act To Be Entitled

AN ACT TO MAKE AN APPROPRIATION FOR PERSONAL SERVICES
AND OPERATING EXPENSES FOR THE DEPARTMENT OF HIGHER
EDUCATION FOR THE FISCAL YEAR ENDING JUNE 30, 2014;
AND FOR OTHER PURPOSES.

Subtitle

AN ACT FOR THE DEPARTMENT OF HIGHER
EDUCATION APPROPRIATION FOR THE 2013-2014
FISCAL YEAR.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. REGULAR SALARIES - GENERAL OPERATIONS. There is hereby established for the Department of Higher Education for the 2013-2014 fiscal year, the following maximum number of regular employees.

Item No.	Class Code	Title	Maximum No. of Employees	Maximum Annual Salary Rate Fiscal Year 2013-2014
(1)	U024U	DHE DIRECTOR	1	\$201,310
(2)	U089U	DHE DEPUTY DIRECTOR	1	\$144,846
(3)	N002N	DHE SENIOR ASSOC DIRECTOR	2	GRADE N913
(4)	N041N	DHE ASSOC DIR FOR ACADEMIC AFFAIRS	1	GRADE N909
(5)	N055N	DHE ASSOCIATE DIRECTOR	2	GRADE N908
(6)	N054N	DHE CAREER PATHWAYS DIRECTOR	1	GRADE N908
(7)	G019C	GENERAL COUNSEL	1	GRADE C127



(8)	G043C	DHE FINANCIAL AID MANAGER	1	GRADE C126
(9)	G058C	DHE FEDERAL PROGRAM MANAGER	3	GRADE C125
(10)	G071C	DHE PROGRAM COORDINATOR	5	GRADE C124
(11)	D022C	SYSTEMS SPECIALIST	1	GRADE C124
(12)	P005C	DHE COMMUNICATIONS COORDINATOR	1	GRADE C123
(13)	D039C	NETWORK SUPPORT SPECIALIST	1	GRADE C123
(14)	G102C	DHE PROGRAM SPECIALIST	21	GRADE C122
(15)	A052C	ACCOUNTING COORDINATOR	1	GRADE C121
(16)	D052C	SOFTWARE SUPPORT ANALYST	2	GRADE C121
(17)	C010C	EXECUTIVE ASSISTANT TO THE DIRECTOR	1	GRADE C118
(18)	A089C	ACCOUNTANT I	1	GRADE C116
(19)	C056C	ADMINISTRATIVE SPECIALIST III	5	GRADE C112
(20)	C073C	ADMINISTRATIVE SPECIALIST II	<u>1</u>	GRADE C109
		MAX. NO. OF EMPLOYEES	53	

SECTION 2. EXTRA HELP - GENERAL OPERATIONS. There is hereby authorized, for the Department of Higher Education for the 2013-2014 fiscal year, the following maximum number of part-time or temporary employees, to be known as "Extra Help", payable from funds appropriated herein for such purposes: seventeen (17) temporary or part-time employees, when needed, at rates of pay not to exceed those provided in the Uniform Classification and Compensation Act, or its successor, or this act for the appropriate classification.

SECTION 3. APPROPRIATION - GENERAL OPERATIONS. There is hereby appropriated, to the Department of Higher Education, to be payable from the Department of Higher Education Fund Account, for personal services and operating expenses of the Department of Higher Education for the fiscal year ending June 30, 2014, the following:

ITEM	FISCAL YEAR
<u>NO.</u>	<u>2013-2014</u>
(01) REGULAR SALARIES	\$2,482,295
(02) EXTRA HELP	3,000
(03) PERSONAL SERVICES MATCHING	728,211
(04) MAINT. & GEN. OPERATION	

(A) OPER. EXPENSE	840,755
(B) CONF. & TRAVEL	20,270
(C) PROF. FEES	10,000
(D) CAP. OUTLAY	0
(E) DATA PROC.	<u>0</u>
TOTAL AMOUNT APPROPRIATED	<u><u>\$4,084,531</u></u>

SECTION 4. APPROPRIATION - STUDENT ASSISTANCE GRANTS AND VARIOUS SCHOLARSHIPS. There is hereby appropriated, to the Department of Higher Education, to be payable from the Higher Education Grants Fund Account, for providing student assistance grants and various scholarships as provided by law, of the Department of Higher Education for the fiscal year ending June 30, 2014, the following:

ITEM NO.	FISCAL YEAR
	2013-2014
(01) HIGHER EDUCATION OPPORTUNITIES GRANT	\$8,000,000
(02) SREB MINORITY DOCTORAL SCHOLARS	200,000
(03) AR ACADEMIC CHALLENGE SCHOLARSHIPS	25,000,000
(04) ARKANSAS GOVERNOR'S SCHOLARS	13,200,000
(05) STUDENT UNDERGRADUATE RESEARCH FELLOWSHIP PROGRAM (SURF)	150,000
(06) NATIONAL GUARD TUITION INCENTIVE PROGRAM	1,500,000
(07) SINGLE PARENT SCHOLARSHIP PROGRAM	175,000
(08) STATE TEACHER EDUCATION PRGM.	4,000,000
(09) TEACHER OPPORTUNITY PROGRAM	1,500,000
(10) WORKFORCE IMPROVEMENT GRANTS	3,500,000
(11) AR GEOGRAPHICAL CRITICAL NEEDS MINORITY TEACHER SCHOLARSHIPS	150,000
(12) DEPENDENTS OF LAW ENFORCEMENT OFFICERS, ETC. SCHOLARSHIPS	400,000
(13) DEPENDENTS OF POWS, MIAS, KIAS-TUITION WAIVER SCHOLARSHIPS	450,000
(14) TUITION ADJUSTMENT	350,000

(15) SECOND EFFORT SCHOLARSHIPS	20,000
(16) WASHINGTON CENTER SCHOLARSHIPS	<u>100,000</u>
TOTAL AMOUNT APPROPRIATED	<u><u>\$58,695,000</u></u>

SECTION 5. APPROPRIATION - STATE SCHOLARSHIP - FEDERAL. There is hereby appropriated, to the Department of Higher Education, to be payable from the federal funds as designated by the Chief Fiscal Officer of the State, for grants-in-aid of the Department of Higher Education - State Scholarship - Federal Program for the fiscal year ending June 30, 2014, the following:

ITEM NO.	FISCAL YEAR 2013-2014
(01) GRANTS IN AID-STATE SCHOLARSHIPS-FEDERAL	<u><u>\$750,000</u></u>

SECTION 6. APPROPRIATION - TECHNICAL EDUCATION - FEDERAL PROGRAMS. There is hereby appropriated, to the Department of Higher Education, to be payable from the federal funds as designated by the Chief Fiscal Officer of the State, for personal services and operating expenses of the Department of Higher Education - Technical Education - Federal Programs for the fiscal year ending June 30, 2014, the following:

ITEM NO.	FISCAL YEAR 2013-2014
(01) REGULAR SALARIES	\$140,477
(02) PERSONAL SERVICES MATCHING	40,674
(03) MAINT. & GEN. OPERATION	
(A) OPER. EXPENSE	120,000
(B) CONF. & TRAVEL	20,000
(C) PROF. FEES	120,000
(D) CAP. OUTLAY	0
(E) DATA PROC.	<u>0</u>
TOTAL AMOUNT APPROPRIATED	<u><u>\$441,151</u></u>

SECTION 7. APPROPRIATION - IMPROVING TEACHER QUALITY. There is hereby

appropriated, to the Department of Higher Education, to be payable from the federal funds as designated by the Chief Fiscal Officer of the State, for operating expenses and grants-in-aid of the Department of Higher Education - Improving Teacher Quality Program for the fiscal year ending June 30, 2014, the following:

ITEM	FISCAL YEAR
<u>NO.</u>	<u>2013-2014</u>
(01) MAINT. & GEN. OPERATION	
(A) OPER. EXPENSE	\$26,856
(B) CONF. & TRAVEL	13,000
(C) PROF. FEES	8,000
(D) CAP. OUTLAY	0
(E) DATA PROC.	0
(02) IMPROVING TEACHER QUALITY GRANTS/AID	<u>1,517,402</u>
TOTAL AMOUNT APPROPRIATED	<u><u>\$1,565,258</u></u>

SECTION 8. APPROPRIATION - RESEARCH DEVELOPMENT PROGRAM. There is hereby appropriated, to the Department of Higher Education, to be payable from the Higher Education Research Development Fund, for providing Arkansas Research Development Program Grants to Institutions of Higher Education by the Department of Higher Education for the fiscal year ending June 30, 2014, the following:

ITEM	FISCAL YEAR
<u>NO.</u>	<u>2013-2014</u>
(01) RESEARCH AND DEVELOPMENT PROGRAM	
GRANTS	<u><u>\$5,000,000</u></u>

SECTION 9. APPROPRIATION - HEALTH EDUCATION GRANTS AND LOANS. There is hereby appropriated, to the Department of Higher Education, to be payable from the Higher Education Grants Fund Account, for payments of the contracts and loans with participating out-of-state institutions of higher learning in the fields of dentistry, optometry, osteopathy, veterinary medicine, chiropractic, and podiatry for the education of Arkansas citizens, by the Department of Higher Education for the fiscal year ending June 30, 2014, the

following:

ITEM	FISCAL YEAR
<u>NO.</u>	<u>2013-2014</u>
(01) CHIROPRACTIC AID	\$260,000
(02) DENTAL AID - GRANTS	2,133,900
(03) OPTOMETRY AID - GRANTS	410,000
(04) OSTEOPATHY AID	230,000
(05) PODIATRY AID	130,400
(06) VETERINARY AID	1,100,000
(07) DENTAL AID - LOANS	987,370
(08) OPTOMETRY AID - LOANS	140,000
(09) VETERINARY MED. LOAN FORGIVENESS PROGRAM	<u>120,000</u>
TOTAL AMOUNT APPROPRIATED	<u><u>\$5,511,670</u></u>

SECTION 10. APPROPRIATION - CASH. There is hereby appropriated, to the Department of Higher Education, to be payable from the cash fund deposited in the State Treasury as determined by the Chief Fiscal Officer of the State, for operating expenses of the Department of Higher Education for the fiscal year ending June 30, 2014, the following:

ITEM	FISCAL YEAR
<u>NO.</u>	<u>2013-2014</u>
(01) MAINT. & GEN. OPERATION	
(A) OPER. EXPENSE	\$878,070
(B) CONF. & TRAVEL	60,620
(C) PROF. FEES	551,310
(D) CAP. OUTLAY	100,000
(E) DATA PROC.	0
(02) SCHOLARSHIPS	100,000
(03) REFUNDS/REIMBURSEMENTS	<u>5,000</u>
TOTAL AMOUNT APPROPRIATED	<u><u>\$1,695,000</u></u>

SECTION 11. APPROPRIATION - TANF PROGRAM - FEDERAL. There is hereby appropriated, to the Department of Higher Education, to be payable from the

federal funds as designated by the Chief Fiscal Officer of the State, for personal services and operating expenses of the Department of Higher Education - TANF Program - Federal for the fiscal year ending June 30, 2014, the following:

ITEM NO.	FISCAL YEAR 2013-2014
(01) REGULAR SALARIES	\$346,958
(02) EXTRA HELP	15,000
(03) PERSONAL SERVICES MATCHING	101,915
(04) MAINT. & GEN. OPERATION	
(A) OPER. EXPENSE	90,000
(B) CONF. & TRAVEL	25,000
(C) PROF. FEES	30,000
(D) CAP. OUTLAY	0
(E) DATA PROC.	0
(05) SELF SUFFICIENCY/JOB TRAINING GRANTS	<u>10,375,000</u>
TOTAL AMOUNT APPROPRIATED	<u><u>\$10,983,873</u></u>

SECTION 12. APPROPRIATION - COLLEGE ACCESS CHALLENGE GRANT. There is hereby appropriated, to the Department of Higher Education, to be payable from the federal funds as designated by the Chief Fiscal Officer of the State, for operating expenses of the Department of Higher Education - College Access Challenge Grant Program - Federal for the fiscal year ending June 30, 2014, the following:

ITEM NO.	FISCAL YEAR 2013-2014
(01) MAINT. & GEN. OPERATION	
(A) OPER. EXPENSE	\$1,215,000
(B) CONF. & TRAVEL	55,000
(C) PROF. FEES	1,700,000
(D) CAP. OUTLAY	30,000
(E) DATA PROC.	<u>0</u>
TOTAL AMOUNT APPROPRIATED	<u><u>\$3,000,000</u></u>

SECTION 13. APPROPRIATION - WEB BASED APPLICATIONS. There is hereby appropriated, to the Department of Higher Education, to be payable from the Higher Education Grants Fund Account, for personal services and operating expenses associated with web based applications of the Department of Higher Education for the fiscal year ending June 30, 2014, the following:

ITEM	FISCAL YEAR
<u>NO.</u>	<u>2013-2014</u>
(01) WEB BASED APPLICATIONS PERSONAL SERVICES AND OPERATING EXPENSES	<u>\$1,300,000</u>

SECTION 14. APPROPRIATION - SCHOLARSHIP ADMINISTRATION. There is hereby appropriated, to the Department of Higher Education, to be payable from the Higher Education Grants Fund Account, for personal services and operating expenses of the Department of Higher Education - Scholarship Administration for the fiscal year ending June 30, 2014, the following:

ITEM	FISCAL YEAR
<u>NO.</u>	<u>2013-2014</u>
(01) REGULAR SALARIES	\$328,864
(02) EXTRA HELP	30,000
(03) PERSONAL SERVICES MATCHING	108,940
(04) MAINT. & GEN. OPERATION	
(A) OPER. EXPENSE	165,000
(B) CONF. & TRAVEL	0
(C) PROF. FEES	400,000
(D) CAP. OUTLAY	35,000
(E) DATA PROC.	<u>0</u>
TOTAL AMOUNT APPROPRIATED	<u>\$1,067,804</u>

SECTION 15. APPROPRIATION - COMPLETE COLLEGE AMERICA GRANT PROGRAM. There is hereby appropriated, to the Department of Higher Education, to be payable from the cash fund deposited in the State Treasury as determined by the Chief Fiscal Officer of the State, for operating expenses of the Department of Higher Education - Complete College America Grant Program for the fiscal year ending June 30, 2014, the following:

ITEM	FISCAL YEAR
NO.	2013-2014
(01) MAINT. & GEN. OPERATION	
(A) OPER. EXPENSE	\$100,000
(B) CONF. & TRAVEL	0
(C) PROF. FEES	100,000
(D) CAP. OUTLAY	0
(E) DATA PROC.	0
(02) COMPLETE COLLEGE AMERICA GRANTS	<u>800,000</u>
TOTAL AMOUNT APPROPRIATED	<u><u>\$1,000,000</u></u>

SECTION 16. APPROPRIATION – OUTCOME-CENTERED FUNDING AWARDS. There is hereby appropriated, to the Department of Higher Education, to be payable from the Department of Higher Education Fund Account, for distribution of Outcome-Centered Funding Awards to Institutions of Higher Education by the Department of Higher Education for the fiscal year ending June 30, 2014, the following:

<i>ITEM</i>	<i>FISCAL YEAR</i>
<i>NO.</i>	<i>2013-2014</i>
<i>(01) OUTCOME-CENTERED AWARDS – UNIVERSITIES</i>	<i>\$19,697,492</i>
<i>(02) OUTCOME-CENTERED AWARDS – COLLEGES</i>	<u><i>\$7,001,770</i></u>
<i>TOTAL AMOUNT APPROPRIATED</i>	<u><u><i>\$26,699,262</i></u></u>

SECTION 17. APPROPRIATION - INSURANCE EXCHANGE TRAINING GRANTS - FEDERAL. There is hereby appropriated, to the Department of Higher Education, to be payable from the federal funds as designated by the Chief Fiscal Officer of the State, for insurance exchange training grants, to assisting entities and institutions of higher education, of the Department of Higher Education for the fiscal year ending June 30, 2014, the following:

<i>ITEM</i>	<i>FISCAL YEAR</i>
<i>NO.</i>	<i>2013-2014</i>
<i>INSURANCE EXCHANGE TRAINING GRANTS</i>	<u><u><i>\$2,500,000</i></u></u>

SECTION 18. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. EMERGENCY GRANTS & EXTRA HELP POOL. An Institution of higher education that suffers an emergency/disaster event resulting in all or a significant portion of campus operations being interrupted, may request disaster assistance through the Arkansas Department of Higher Education. Upon the declaration of an emergency by the Governor, the institution may request, subject to the recommendation of the Director of the Department of Higher Education and approval of the Governor, a grant from the Disaster Relief Fund to assist in returning that campus to operation and/or to a sister campus providing services to the students from the affected campus. Certified law enforcement officers employed by an institution of higher education may be granted jurisdiction at the sister institution, upon agreement of both institutions. The Department of Higher Education is authorized a pool of 500 extra help positions for use in such emergency situations. These positions may be assigned to the campus suffering the disaster event or to a sister campus providing services to the students from the affected campus. The Governor may waive the 1,500 hour limit of ACA 6-63-314 on these assigned extra help pool positions.

The provisions of this section shall be in effect only from July 1, ~~2012~~ 2013 through June 30, ~~2013~~ 2014.

SECTION 19. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. REALLOCATION OF RESOURCES FOR INSTITUTIONS OF HIGHER EDUCATION. Upon determination by the president or chancellor of an institution of higher education that a reallocation of resources for purposes of reorganization or consolidation of administrative functions within the institution is necessary for efficient and effective operations of the institution, the president or chancellor, with approval of the institution's board of trustees, may have the authority to transfer positions, appropriations and related funds between campuses, divisions, branches, and other budgetary units of the institution, after receiving prior approval of the Legislative Council or Joint Budget Committee. The transfers of positions, programs, or activities shall be used for those purposes for which the appropriations were approved by the General

Assembly. The transfers, consolidations, or reorganizations which involve academic programs shall be reviewed by the Department of Higher Education prior to submission to the Legislative Council or Joint Budget Committee. Provided, however, that the institution shall be limited to submitting no more than two (2) individual transaction transfer requests during any fiscal year and shall be further limited to no more than five percent (5%) of the total General Revenue and Special Revenue appropriation, funding, positions specific to each institution, and no Tobacco Settlement funds or appropriations may be reallocated pursuant to this section.

Determining the maximum number of employees and the maximum amount of appropriation and general revenue funding for institutions of higher education each fiscal year is the prerogative of the General Assembly. This is usually accomplished by delineating such maximums in the appropriation act(s) for institutions of higher education and the general revenue allocations authorized for each fund and fund account by amendment to the Revenue Stabilization law. Further, the General Assembly has determined that institutions of higher education may operate more efficiently if some flexibility is provided to institutions of higher education authorizing broad powers under this Section. Therefore, it is both necessary and appropriate that the General Assembly maintain oversight by requiring prior approval of the Legislative Council or Joint Budget Committee as provided by this section. The requirement of approval by the Legislative Council or Joint Budget Committee is not a severable part of this section. If the requirement of approval by the Legislative Council or Joint Budget Committee is ruled unconstitutional by a court of competent jurisdiction, this entire section is void.

The provisions of this section shall be in effect only from July 1, ~~2012~~ 2013 through June 30, ~~2013~~ 2014.

SECTION 20. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. LOANS. In order to provide timely payments under financial aid appropriations made in this Act, the Chief Fiscal Officer of the State is authorized to provide loans from the Budget Stabilization Trust Fund to make available all funds attributable to the financial aid programs under the then current official revenue estimates. In the event of an unanticipated state revenue shortfall,

any such loans remaining at the end of a fiscal year shall be repaid from revenues distributed in the first two months of the next fiscal year. Funds for appropriations made in this Act for purposes other than financial aid shall not be affected by the application of this provision.

The provisions of this section shall be in effect only from July 1, ~~2012~~ 2013 through June 30, ~~2013~~ 2014.

SECTION 21. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. WORK FORCE 2000 DEVELOPMENT FUND PROCEDURES. After the amounts to be made available to the various technical colleges have been determined as set out in Arkansas Code 26-51-205(d)(2), such documents as may be necessary shall be processed so that funds may be transferred from the Work Force 2000 Development Fund to the State Treasury fund or fund account from which the technical college draws its general revenue support. Such funds as may be transferred shall not exceed 93.691% of the total funds available from the Work Force 2000 Development Fund during the fiscal year.

In the event that a technical institute or comprehensive lifelong learning center which receives support from the Work Force 2000 Development Fund as determined by law transfers or merges into the Arkansas Technical College and Community College System for which Work Force 2000 Development Fund monies are determined by law, then the actual amount of support from the Work Force 2000 Development Fund in the preceding fiscal year for such educational institution shall be made available irrespective of any other provision of law which sets out maximum levels of support from such fund.

The provisions of this section shall be in effect only from July 1, ~~2012~~ 2013 through June 30, ~~2013~~ 2014.

SECTION 22. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. BUILDING MAINTENANCE FUND. After the sum of \$13,200,000 has been deposited into the Higher Education Building Maintenance Fund, ~~the next \$10,000,000 or so much as is collected,~~ any additional deposits are ~~is~~ to be transferred to the Research Development Fund there to be used as provided by law.

The provisions of this section shall be in effect only from July 1, ~~2012~~ 2013 through June 30, ~~2013~~ 2014.

SECTION 23. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. REFUND TO EXPENDITURES. Proceeds derived from the repayment of loans, grants, or scholarships funded by the Higher Education Grants Fund Account ~~as authorized in Items (02), (03) and (08) of Section 4 of this Act for the JR/SR Minority Teacher Scholars, the Minority Masters Fellows and the State Teacher Assistance Resource Program~~ shall be deposited into the State Treasury fund from which it originated.

The provisions of this section shall be in effect only from July 1, ~~2012~~ 2013 through June 30, ~~2013~~ 2014.

SECTION 24. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. NATIONAL GUARD TUITION INCENTIVE PROGRAM. In addition to any other provisions of law, any student who receives assistance from the appropriation made for the "National Guard Tuition Incentive Program" in this Act shall repay any loans and/or assistance if the student receives a discharge that is a less than Honorable Discharge. Priority for funding shall be given to students already receiving assistance from the National Guard Tuition Incentive Program.

The provisions of this section shall be in effect only from July 1, ~~2012~~ 2013 through June 30, ~~2013~~ 2014.

SECTION 25. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. COLLEGE SAVINGS BONDS. The Department of Higher Education shall adopt rules and regulations for the allocation of the funds reappropriated for the development of projects at State Institutions of Higher Education and the payment of project costs and expenses of the issuance of the bonds of the Arkansas College Savings General Obligation Bonds Program to ensure that funds are allocated and expended in a manner consistent with the provisions of the Internal Revenue Code applicable to the Arkansas College Savings General Obligation Bond Program (Program). The funds reappropriated for the development of projects at State Institutions of Higher Education and the payment of project costs and expenses of the issuance of the bonds of the Arkansas College Savings General Obligation Bonds Program shall be allocated

and expended pursuant to the provisions of Arkansas Code 6-62-701 et seq. and other laws of this State. The expenditure and allocation of funds shall be exempt from any other provisions of state law which conflicts with any provision of the rules and regulations which rules and regulations are required to ensure the compliance of the Program with the applicable provisions of the Internal Revenue Code.

The provisions of this section shall be in effect only from July 1, ~~2012~~ 2013 through June 30, ~~2013~~ 2014.

SECTION 26. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. COLLEGE SAVINGS BONDS LIMITATIONS. The total principal amount of bonds to be issued during any fiscal biennium shall not exceed three-hundred million dollars (\$300,000,000), nor shall the principal amount of bonds outstanding at any time have debt service requirements in excess of twenty-four million dollars (\$24,000,000) in any one fiscal year from all state revenue sources.

The provisions of this section shall be in effect only from July 1, ~~2012~~ 2013 through June 30, ~~2013~~ 2014.

SECTION 27. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. HEALTH EDUCATION GRANTS AND LOANS - PRIORITIES. The Arkansas Higher Education Coordinating Board, after consulting with the recognized associations of each of the applicable medical professions and other interested persons, shall determine the priorities for the applicable programs enumerated in the appropriation made for "Health Education Grants and Loans" in this Act. The Arkansas Department of Higher Education, if necessary, shall re-adjust the number of positions for entering students to be funded for each applicable program based upon the priorities determined by the board.

The provisions of this section shall be in effect only from July 1, ~~2012~~ 2013 through June 30, ~~2013~~ 2014.

SECTION 28. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. FINANCIAL AID PROGRAMS REPORTING. The Arkansas Department of Higher Education shall report by May 30 to the House and Senate Interim Committees on Education the

budgeted allocation for each financial aid program funded through the Higher Education Grants Fund Account for the upcoming fiscal year and projections for the following year.

The provisions of this section shall be in effect only from July 1, ~~2012~~ 2013 through June 30, ~~2013~~ 2014.

SECTION 29. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW.

AUDIT/REVIEW OF STATE SCHOLARSHIP FUNDS. Any post-secondary institution that receives state scholarship funds administered by the Arkansas Department of Higher Education shall be subject to audit/review of such funds by the Division of Legislative Audit, upon approval of the Legislative Joint Audit Committee.

The provisions of this section shall be in effect only from July 1, ~~2012~~ 2013 through June 30, ~~2013~~ 2014.

SECTION 30. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. AUDIT

DATA. All post-secondary institutions shall provide to the Arkansas Department of Higher Education a copy of the Integrated Post-Secondary Education Data System (IPEDS) data within three weeks following the IPEDS due date, which shall be subject to audit by the Arkansas Department of Higher Education.

The provisions of this section shall be in effect only from July 1, ~~2012~~ 2013 through June 30, ~~2013~~ 2014.

SECTION 31. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. FUNDING

FOR SALARY INCREASES. New funding through the Revenue Stabilization Act determined by the Arkansas Department of Higher Education to have been for salary increases for the fiscal year for Institutions of Higher Education shall be used exclusively for salary increases. New funding actually received for salary increases shall be spent exclusively for salary increases based upon the state general revenue portion of total unrestricted educational and general revenue. Funding received under this provision shall be used for no purpose other than to provide such salary increases. Any designated funds not

used for salary increases shall be recouped at the end of each fiscal year and transferred to the General Revenue Allotment Reserve Fund.

The provisions of this section shall be in effect only from July 1, ~~2012~~ 2013 through June 30, ~~2013~~ 2014.

SECTION 32. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. DHE PROGRAM COORDINATOR FUNDING. The Chief Fiscal Officer of the State shall transfer sufficient funding for the fiscal year from the Higher Education Grants Fund Account to the Department of Higher Education Fund Account in order to finance the personal services costs of a DHE Program Coordinator.

The provisions of this section shall be in effect only from July 1, ~~2012~~ 2013 through June 30, ~~2013~~ 2014.

SECTION 33. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. TRANSFER PROVISION. Upon certification by the Director of the Department of Higher Education that transfers are needed to make maximum utilization of funds and appropriations provided for financial aid programs, and with the approval of the Chief Fiscal Officer of the State and a review by the Arkansas Legislative Council, funds and appropriations may be transferred between financial aid programs to more adequately align the appropriation with the number of eligible students. ~~, except that funds and appropriations may not be transferred for such purposes from either the Governor's Scholars Program or the Academic Challenge Scholarships Program in excess of \$1,000,000 in the aggregate in a fiscal year. Any transfer restrictions contained in appropriation acts for the Department of Higher Education relating to appropriation transfers from Governor's Scholars Program and Academic Challenge Scholarships shall not be applicable to transfers between Governor's Scholars and Academic Challenge Scholarship appropriations.~~

The provisions of this section shall be in effect only from July 1, ~~2012~~ 2013 through June 30, ~~2013~~ 2014.

SECTION 34. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. TRANSFER OF HIGHER EDUCATION GRANTS FUND APPROPRIATIONS - HEALTH EDUCATION GRANTS AND

LOANS. Upon certification to and with the approval of the Chief Fiscal Officer of the State, surplus funds and appropriations may be transferred between the appropriations provided for "Health Education Grants and Loans" by this Act by the General Assembly for Dental Aid Grants and Loans, Optometry Aid, Veterinary Aid, Podiatry Aid, Chiropractic Aid and Osteopathy Aid.

The provisions of this section shall be in effect only from July 1, ~~2012~~ 2013 through June 30, ~~2013~~ 2014.

SECTION 35. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW.

CONTINGENCY APPROPRIATIONS - TRANSFERS AND REPORTS. (a) Upon approval by the Department of Higher Education and the Chief Fiscal Officer of the State, institutions of higher education may transfer appropriation from the cash contingency appropriation to any other appropriation made to the institution from cash funds including the establishment of commitment items, and may transfer appropriation from the contingency appropriation made payable from each institution's State Treasury Fund to the state operations appropriation made payable from each institution's State Treasury Fund including the establishment of commitment items, and may transfer appropriation from the contingency appropriation made payable from the Tobacco Settlement Program Fund Accounts to any other appropriation made to the institution from Tobacco Settlement Program Fund Accounts including the establishment of commitment items.

(b) Contingency appropriation transfers shall only establish and supplement commitment items that were recommended by the Higher Education Coordinating Board in the budget manuals presented to the Legislative Council and Joint Budget Committee.

(c) The Department of Higher Education shall report contingency appropriation transfers and the establishment of any commitment items authorized by this Section to the Legislative Council or Joint Budget Committee for review during its July meeting. The report shall include, by institution, the establishment of, and the amounts transferred to, each commitment item, the reasons therefor and the source of funds. Institutions shall submit contingency appropriation transfer and commitment item establishment requests authorized by this Section to the Department of Higher

Education no later than July 1. Upon the failure of an institution to submit the required information by the July 1 deadline, the Department of Higher Education shall immediately notify by written notification the chairpersons of the Legislative Council or Joint Budget Committee.

SECTION 36. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. STUDENT UNDERGRADUATE RESEARCH FELLOWSHIP (SURF) PROGRAM. The focus of the Student Undergraduate Research Fellowship (SURF) Program is the continued development of undergraduate academic research efforts at Arkansas colleges and universities. The Arkansas Department of Higher Education shall adopt rules and regulations necessary for the proper administration of the Student Undergraduate Research Fellowship Program. Administrative functions and responsibilities may include, but not necessarily be limited to, the development of eligibility criteria, collection of applications, coordination of student evaluations, distribution of public notices, and funding of grants for academic research purposes. Staff of the Arkansas Department of Higher Education shall administer this program. The Arkansas Department of Higher Education shall be authorized to expense costs associated with the administration of the program, from funds made payable from the Higher Education Grants Fund Account for the Student Undergraduate Research Fellowship Program as authorized in Section 4 of this Act.

SECTION 37. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. COOPERATION AGREEMENTS. Any ~~two-year~~ institution of Higher Education that has its main campus, ~~or a satellite campus~~, or center located within a twenty five mile radius of any ~~four-year~~ other main campus of an institution of higher education shall enter into a written agreement with that ~~four-year~~ institution which must address duplication of services between the institutions.

The provisions of this section shall be in effect only from July 1, ~~2012~~ 2013 through June 30, ~~2013~~ 2014.

SECTION 38. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. COST

ALLOCATION. The Department of Higher Education may refund to the Higher Education Fund Account or the Higher Education Grants Fund Account such amounts determined by the Department to be reimbursements received from the Arkansas Lottery Commission for costs related to the administration of the Arkansas Academic Challenge Scholarship Program.

SECTION 39 SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. APPROPRIATION TRANSFER PROCEDURES - AR GEOGRAPHICAL CRITICAL NEEDS MINORITY TEACHER SCHOLARSHIP PROGRAM. The Director of the Arkansas Department of Higher Education shall determine the amount available, up to \$200,000 per fiscal year, to fund the Arkansas Geographical Critical Needs Minority Teacher Scholarships and shall certify to the Chief Fiscal Officer of the State and the State Treasurer such amount as is required to be transferred from the Higher Education Grants Fund Account. Upon receiving such certification, the Chief Fiscal Officer of the State and the State Treasurer shall cause to be transferred the necessary funds and appropriation to the fund account of the University of Arkansas at Pine Bluff for implementation of this program. The University of Arkansas at Pine Bluff may use up to twenty percent (20%) of the funds and appropriation for administration of the program.

The provisions of this section shall be in effect only from July 1, ~~2012~~ 2013 through June 30, ~~2013~~ 2014.

SECTION 40. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. HIGHER EDUCATION CENTRAL POOL POSITIONS. a) Universities - (1) The Department of Higher Education shall establish and maintain a central pool of three hundred (300) positions to be used to establish additional positions when an institution does not have sufficient positions available to meet unanticipated enrollment growth, industry training demands, and its mandated responsibilities. (2) Central pool positions are to be used by the institutions if the personnel service needs exceed the number of positions authorized by the General Assembly and that were not anticipated at the time of the passage of the institution's operating appropriation act.

(3) No position established under this section may exceed the salary rate of the highest maximum annual salary rate or the highest grade level position authorized by the General Assembly in the requesting institution's operating appropriation act.

(4) The institution shall provide justification to the Department of Higher Education for the need to allocate positions from the central pool.

(5) Titles shall not be assigned to the institution from the central pool until specific positions are requested by the institution, recommended by the Department of Higher Education and approved by the Arkansas Legislative Council or the Joint Budget Committee.

(6) If an institution requests any central pool position to be continued during the subsequent fiscal year, the position must be requested as a new position in the institution's subsequent fiscal year budget request.

(b) Colleges - (1) The Department of Higher Education shall establish and maintain a central pool of two hundred fifty (250) positions to be used to establish additional positions when an institution does not have sufficient positions available to meet unanticipated enrollment growth, industry training demands, and its mandated responsibilities.

(2) Central pool positions are to be used by the institutions if the personnel service needs exceed the number of positions authorized by the General Assembly and that were not anticipated at the time of the passage of the institution's operating appropriation act.

(3) No position established under this section may exceed the salary rate of the highest maximum annual salary rate or the highest grade level position authorized by the General Assembly in the requesting institution's operating appropriation act.

(4) The institution shall provide justification to the Department of Higher Education for the need to allocate positions from the central pool.

(5) Titles shall not be assigned to the institution from the central pool until specific positions are requested by the institution, recommended by the Department of Higher Education and approved by the Arkansas Legislative Council or the Joint Budget Committee.

(6) If an institution requests any central pool position to be continued during the subsequent fiscal year, the position must be requested as a new position in the institution's subsequent fiscal year budget request.

(c) Determining the maximum number of employees and the maximum amount of

appropriation and general revenue funding for institutions of higher education each fiscal year is the prerogative of the General Assembly. This is usually accomplished by delineating such maximums in the appropriation act(s) for institutions of higher education and the general revenue allocations authorized for each fund and fund account by amendment to the Revenue Stabilization law. Further, the General Assembly has determined that institutions of higher education may operate more efficiently if some flexibility is provided to institutions of higher education authorizing broad powers under this Section. Therefore, it is both necessary and appropriate that the General Assembly maintain oversight by requiring prior approval of the Legislative Council or Joint Budget Committee as provided by this section. The requirement of approval by the Legislative Council or Joint Budget Committee is not a severable part of this section. If the requirement of approval by the Legislative Council or Joint Budget Committee is ruled unconstitutional by a court of competent jurisdiction, this entire section is void.

The provisions of this section shall be in effect only from July 1, ~~2012~~ 2013 through June 30, ~~2013~~ 2014.

SECTION 41. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. SREB MINORITY DOCTORAL SCHOLARS PROGRAM REGULATIONS. The Department of Higher Education is authorized to promulgate rules and regulations for the administration of the Southern Regional Education Board (SREB) Minority Doctoral Scholars program.

SECTION 42. SPECIAL LANGUAGE. Arkansas Code Title 6, Chapter 62, Section 803, concerning limits on funding of athletic programs, is amended to read as follows:

6-62-803. Limits on funding.

~~(a) Beginning in fiscal year 1991-1992, the amount of unrestricted educational and general funds for intercollegiate athletic programs at state-supported institutions of higher education shall be limited to four hundred fifty thousand dollars (\$450,000) at four-year institutions and to fifty-one dollars (\$51.00) per full-time equivalent student per year at two-year branches of four-year institutions and at other two-year institutions of~~

~~higher education.~~

~~(b)(1) Beginning in fiscal year 1997-1998, state-supported four-year institutions of higher education may use an additional three hundred thousand dollars (\$300,000) per fiscal year of unrestricted educational and general funds to provide gender equity in intercollegiate athletic programs.~~

~~(2) Two-year branches of the four-year institutions and other two-year institutions of higher education may use an additional amount of unrestricted educational and general funds for providing gender equity in intercollegiate athletic programs in the amount of thirty-four dollars (\$34.00) per full-time equivalent student per year.~~

~~(c)(1) Beginning in fiscal year 2005-2006, the limits on the amount of unrestricted educational and general funds for intercollegiate athletic programs at state-supported institutions of higher education set forth in subsections (a) and (b) of this section shall be adjusted as determined by the Department of Higher Education based on the consumer price index.~~

~~(2)(A) For fiscal year 2005-2006, the adjustments shall take into account the inflation increases since the figures set forth in subsections (a) and (b) of this section were established or last adjusted.~~

~~(B) In subsequent years, the adjustment shall be for the period from the last adjustment to the beginning of the relevant fiscal year.~~

(a) For the certification required under §6-62-805, the amount allowed to be budgeted of unrestricted educational and general funds for intercollegiate athletic programs at state-supported institutions of higher education shall be limited to an amount established by the Department of Higher Education for the fiscal year 2012-2013 or an amount of not more than two (2%) percent of the actual total unrestricted educational and general revenues of the previous fiscal year at institutions of higher education.

(b) The Department of Higher Education shall annually adjust the allowable transfer based upon the consumer price index.

SECTION 43. SPECIAL LANGUAGE. Arkansas Code Title 6, Chapter 62, Subchapter 3 is amended to read as follows:

6-62-314. Construction Project Exemption.

The following state-supported institutions of higher education shall be exempt as allowed by §19-4-1415(b)(5) for construction projects exceeding

five million dollars (\$5,000,000) if they have adopted policies and procedures in compliance with state law involving the awarding and oversight of the contracts for design and construction services:

- (1) Henderson State University;*
- (2) Southern Arkansas University – Magnolia;*
- (3) University of Central Arkansas;*
- (4) Mid-South Community College;*
- (5) National Park Community College; ~~and~~*
- (6) Northwest Arkansas Community College; and*
- (7) Rich Mountain Community College.*

SECTION 44. SPECIAL LANGUAGE. Arkansas Code Title 6, Chapter 61, regarding the Arkansas Higher Education Coordinating Board, is amended by adding a new section:

6-61-233. Funding formula implementation – Department of Higher Education. The implementation of the funding component of the outcome-centered formula defined in §6-61-224, §6-61-228, and §6-61-229 shall not progress beyond the 2014-2015 school year until such time as the Arkansas Department of Higher Education determines that all institutions are funded at the minimum standard of equity defined as seventy-five percent (75%) of needed state funding, as determined by the needs-based component of the funding formula models. In any fiscal year that the aggregate general revenue funding forecasted to be available for higher education institutions is less than the amount in the 2012-13 fiscal year, the Arkansas Department of Higher Education will not further implement the funding component until such time as the aggregate general revenue for higher institutions is restored to the 2012-13 fiscal year level. The Arkansas Department of Higher Education shall continue to execute and publish the results of the outcome-centered component to measure

the progress of institutions in reaching the broad goals of satisfactory progression and graduation of all students enrolled in state-supported institutions of higher education.

SECTION 45. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. OUTCOME-CENTERED FUNDING AWARDS. Upon certification of the Director of the Department of Higher Education, the Chief Fiscal Officer of the State shall transfer to the Department of Higher Education Fund Account certified amounts based upon the outcome-centered funding policy of the Arkansas Higher Education Coordinating Board from the State Treasury funds of the Institutions of Higher Education. The Department of Higher Education will distribute funds from the Outcome-Centered Funding Awards Appropriation based upon the outcome-centered funding policy of the Arkansas Higher Education Coordinating Board.

The provisions of this section shall be in effect only from July 1, 2013 through June 30, 2014.

SECTION 46. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. ADMINISTRATIVE FEES. The Department of Higher Education is authorized to recover non-refundable administrative fees related to the institutional certification and exemption process for out-of-state, non-public, and for-profit colleges and universities. These fees include a notification fee, an application processing fee, and travel expenses for the certification review teams.

The provisions of this section shall be in effect only from July 1, 2013 through June 30, 2014.

SECTION 47. COMPLIANCE WITH OTHER LAWS. Disbursement of funds authorized by this act shall be limited to the appropriation for such agency and funds made available by law for the support of such appropriations; and the restrictions of the State Procurement Law, the General Accounting and Budgetary Procedures Law, the Revenue Stabilization Law, the Regular Salary Procedures and Restrictions Act, or their successors, and other fiscal control laws of this State, where applicable, and regulations promulgated by

the Department of Finance and Administration, as authorized by law, shall be strictly complied with in disbursement of said funds.

SECTION 48. LEGISLATIVE INTENT. It is the intent of the General Assembly that any funds disbursed under the authority of the appropriations contained in this act shall be in compliance with the stated reasons for which this act was adopted, as evidenced by the Agency Requests, Executive Recommendations and Legislative Recommendations contained in the budget manuals prepared by the Department of Finance and Administration, letters, or summarized oral testimony in the official minutes of the Arkansas Legislative Council or Joint Budget Committee which relate to its passage and adoption.

SECTION 49. EMERGENCY CLAUSE. It is found and determined by the General Assembly, that the Constitution of the State of Arkansas prohibits the appropriation of funds for more than a one (1) year period; that the effectiveness of this Act on July 1, 2013 is essential to the operation of the agency for which the appropriations in this Act are provided, and that in the event of an extension of the legislative session, the delay in the effective date of this Act beyond July 1, 2013 could work irreparable harm upon the proper administration and provision of essential governmental programs. Therefore, an emergency is hereby declared to exist and this Act being necessary for the immediate preservation of the public peace, health and safety shall be in full force and effect from and after July 1, 2013.

/s/ Joint Budget Committee