

**ARKANSAS BUDGET SYSTEM
AGENCY PROGRAM COMMENTARY
1997 - 1999**

For Appropriation 505 funded through Special Revenue, continuation of base-level positions and supporting Maintenance are requested to provide for the legislatively mandated function required by Arkansas Code 6-51-601 et. seq.

The priority request for Appropriation 505 is for restoration of Capital Outlay to \$10,000. SBPCE currently rents space from the Arkansas Real Estate Commission (AREC) with furnishings and some equipment supplied by AREC as part of the lease agreement. If AREC were not to renew the lease because of their need for the rented space, we must be prepared to purchase needed furnishings and equipment. Also, this will allow the Board to continue to update current equipment in order to operate more efficiently by moving to an electronic application process for schools.

For Appropriation 506 funded through Special Revenue, the request is for continuation of authorized level for each year of the biennium. This appropriation will be used for the Student Protection Fund to (1) pay claims filed by students when a school becomes insolvent or ceases to operate without offering a complete program of study; (2) pay expenses incurred by a school that are directly related to educating a student placed in the school for teachout purposes; (3) reimburse the Private Career Education Fund for expenses directly associated with the storage and maintenance of student academic and financial aid records; and (4) reimburse the Private Career Education Fund for administrative costs incurred due to school closings.

For Appropriation B29 funded through cash fees and grants, the request is for continuation of authorized level for each year of the biennium.

The priority request for Appropriation B29 is for restoration of Capital Outlay to \$10,000. SBPCE currently rents space from the Arkansas Real Estate Commission (AREC) with furnishings and some equipment supplied by AREC as part of the lease agreement. If AREC were not to renew the lease because of their need for the rented space, we must be prepared to purchase needed furnishings.

AGENCY	DIRECTOR	AGENCY PROGRAM COMMENTARY	PAGE
STATE BOARD OF PRIVATE CAREER EDUCATION (216)	BRENDA GERMANN	BR21	354

ARKANSAS STATE BOARD OF PRIVATE CAREER EDUCATION
SUMMARY OF AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 1994

Assets				Liabilities			Total Equity
Cash and Investments	Fixed	Other	Total	Current	Long-Term	Total	
\$ 285,565	\$ 7,854	\$ 1,312	\$ 294,731	\$ 0	\$ 1,271	\$ 1,271	\$ 293,460

Revenues				Expenditures				Other Sources (Uses)		
Inter-governmental	Federal	Licenses and Fees	Other	Total	Salaries and Matching	Grants and Aid	Capital	Other Operating	Total	
\$ 0	\$ 0	\$ 140,735	\$ 40,701	\$ 181,436	\$ 110,217	\$ 0	\$ 976	\$ 44,354	\$ 155,547	\$ 0

Findings

Recommendations

None

None

ARKANSAS BUDGET SYSTEM
 EMPLOYMENT SUMMARY
 AS REQUIRED BY ACT 358 OF 1993
 (A.C.A 19-4-307)

AGENCY TITLE 216 - STATE BOARD OF PRIVATE CAREER EDUCATION

	MALE	FEMALE	TOTAL	PERCENTAGE OF TOTAL
WHITE EMPLOYEES	<u>0</u>	<u>3</u>	<u>3</u>	<u>100%</u>
BLACK EMPLOYEES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
EMPLOYEES OF OTHER RACIAL MINORITIES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
TOTAL EMPLOYED AS OF			<u>0</u>	<u>0%</u>
			TOTAL MINORITIES	
			<u>3</u>	<u>100%</u>
			TOTAL EMPLOYEES	

08/10/96
DATE

Brenda Hermann
 AGENCY DIRECTOR

SUMMARY

STATUS OF NEW PROGRAMS/EXPANSIONS AUTHORIZED BY THE 80TH GENERAL ASSEMBLY

AGENCY: STATE BOARD OF PRIVATE CAREER EDUCATION

PROGRAM AUTHORIZED	# POS. AUTH.	ADDITIONAL AUTHORIZED APPROPRIATION		STATUS
		FY 95-96	FY 96-97	
<u>APPROPRIATION: B29 - STATE BOARD OF PRIVATE CAREER EDUCATION</u>				
Restoration of Capital Outlay to the previous authorized level.	0	\$7,166	\$7,166	The agency utilized 22% of the amount appropriated for FY96 and fully budgeted the amount for Capital Outlay for FY97.
<u>APPROPRIATION: 505 - STATE BOARD OF PRIVATE CAREER EDUCATION</u>				
Restoration of Capital Outlay and an additional \$6,000 each year for Extra Help to assist with the storage of student records.	0	\$27,773	\$31,740	The agency utilized 95% of the Capital Outlay but none of the additional Extra Help. The Capital Outlay was budgeted and 50% of the Extra Help was budgeted for FY97.
<u>APPROPRIATION: 506 - STUDENT PROTECTION</u>				
Restoration of appropriation to be used when paying claims or expenses incurred when a school closes.	0	\$500,000	\$500,000	No expenditures were made for FY96 and the total is budgeted for FY97.

**ARKANSAS BUDGET SYSTEM
DEPARTMENT APPROPRIATION SUMMARY**

AGENCY TITLE		1995-97				1997-99				1997-99			
State Board of Private Career Education		Expenditures				Biennium Request				Executive Recommendation			
Appropriations		Actual	No. of	Budgeted	No. of	Year 1	No. of	Year 2	No. of	Year 1	No. of	Year 2	No. of
Code	Name	1995-96	Pos.	1996-97	Pos.	1997-98	Pos.	1998-99	Pos.	1997-98	Pos.	1998-99	Pos.
B29	Cash Operations	\$8,291	0	\$152,951	0	\$155,785	0	\$155,785	0	\$145,785	0	\$145,785	0
505	State Board of Private Career Education	145,653	3	236,864	4	252,948	4	257,891	4	219,941	3	224,044	3
506	Student Protection	0	0	0	0	500,000	0	500,000	0	500,000	0	500,000	0
TOTALS		\$153,944	3	\$389,815	4	\$908,733	4	\$913,676	4	\$865,726	3	\$869,829	3
Funding Sources			% of		% of		% of		% of		% of		% of
			Total		Total		Total		Total		Total		Total
Fund Balances		\$167,461	43.9%	\$227,860	38.4%	\$202,846	33.5%	\$196,398	32.8%	\$202,846	36.1%	\$196,398	35.3%
General Revenues													
Special Revenues		212,661	55.7%	218,500	36.9%	228,500	37.8%	229,493	38.3%	195,493	34.8%	195,646	35.2%
Federal Funds													
Const. & Fiscal Agency Fund													
State Central Services Fund													
Non-Revenue Receipts													
Cash Funds		1,192	0.3%	109,922	18.5%	155,785	25.7%	155,785	26.0%	145,785	25.9%	145,785	26.2%
Student Protection Trust Fund		490	0.1%	36,379	6.1%	18,000	3.0%	18,000	3.0%	18,000	3.2%	18,000	3.2%
Total Funding		381,804	100.0%	592,661	100.0%	605,131	100.0%	599,676	100.0%	562,124	100.0%	555,829	100.0%
Excess Appro. / (Funding)		(227,860)		(202,846)		303,602		314,000		303,602		314,000	
TOTAL		\$153,944		\$389,815		\$908,733		\$913,676		\$865,726		\$869,829	
DEPARTMENT					DIRECTOR					DEPARTMENT APPROPRIATION SUMMARY			
State Board of Private Career Education					Brenda Germann					BR 40			

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1997 - 1999**

Funds for this appropriation are received through grants. The State Board of Private Career Education is requesting \$155,785 for each year of the 1997-99 biennium for their Cash Operations appropriation. Of this amount, \$10,000 is requested as the priority programs component for each year for Capital Outlay. This portion of the request is made so that in the event that the Real Estate Commission does not renew the lease for the agency they would be able to purchase office furniture and equipment (now included in the lease) when they rent elsewhere.

The Executive Recommendation provides for Base Level.

AGENCY	APPROPRIATION	CASH FUND	ANALYSIS OF BUDGET REQUEST	PAGE
Name: St. Board of Private Career Education	Name: St. Board of Private Career Ed. - Cash	Name: St. Board of Private Career Education - Cash	BR20	359
Code: 216	Code: B29	Code: 136		

ARKANSAS BUDGET SYSTEM

CHARACTER TITLE	-----EXPENDITURES-----			-----97-98 FISCAL YEAR-----			-----98-99 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	95-96	96-97	96-97	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	AUTHORIZED APPRO							97-98	98-99	97-98	98-99
RATING EXPENSES	6,600	124,572	124,572	124,572	0	124,572	124,572	0	124,572	124,572	124,572		
F FEES & TRAVEL	0	8,898	8,898	8,898	0	8,898	8,898	0	8,898	8,898	8,898		
F FEES & SERVICES	154	12,000	12,000	12,000	0	12,000	12,000	0	12,000	12,000	12,000		
ITAL OUTLAY	1,537	7,166	7,166	0	10,000	10,000	0	10,000	10,000				
A PROCESSING	0	315	315	315	0	315	315	0	315	315	315		
TOTAL	8,291	152,951	152,951	145,785	10,000	155,785	145,785	10,000	155,785	145,785	145,785		
PROPOSED FUNDING SOURCES			*****										
ND BALANCES	50,120	43,029	*****										
GENERAL REVENUES			*****										
SPECIAL REVENUES			*****										
DERAL FUNDS			*****										
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
SH FUNDS	1,192	199,922	*****	145,785	10,000	155,785	145,785	10,000	155,785	145,785	145,785		
OTHER			*****										
TOTAL FUNDING	51,320	152,951	*****	145,785	10,000	155,785	145,785	10,000	155,785	145,785	145,785		
CESS APPRO/ (FUNDING)	(43,029)		*****										
TOTAL	8,291	152,951	*****	145,785	10,000	155,785	145,785	10,000	155,785	145,785	145,785		

PT 007 REGULATORY BOARDS AND COMMISSIONS
 Y 216 STATE BOARD OF PRIVATE CAREER EDUCATION
 PRO B29 CASH OPERATIONS
 ND 136 ST BD PRIV CAREER EDUC-(216)CASH

APPROPRIATION SUMMARY

BR 215

ARKANSAS BUDGET SYSTEM
PROGRAM/SERVICE INFORMATION LIST

RANK BY APPROPRIATION

01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19
RANK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	D E S	EXPENDITURES		1997 - 99 BIENNIAL REQUESTS				R E C O M M E N D A T I O N S							
					ACTUAL	BUDGETED	FY 1997 - 98		FY 1998 - 99		EXECUTIVE		LEGISLATIVE					
					95-96	96-97	REQUEST	REQUEST	1997-98	1998-99	1997-98	1998-99						
000		136	216 B29	B	8,291 0	152,951 0	145,785 0		145,785 0					145,785	145,785			
001		136	216 B29	P01		0	10,000 0		10,000 0									
<p>The request is for restoration of Capital Outlay to \$10,000 for each year of the biennium. SBPCE currently rents space from the Arkansas Real Estate Commission (AREC) with furnishings and some equipment supplied by AREC as part of the lease agreement. If AREC were not to renew the lease because of their need for the rented space, we must be prepared to purchase needed furnishings and equipment.</p>																		

DEPT 007 REGULATORY BOARDS AND COMMISSIONS
AGY 216 STATE BOARD OF PRIVATE CAREER EDUCATION
APPRO B29 CASH OPERATIONS
FUND 136 ST BD PRIV CAREER EDUC-(216)CASH

RANK BY APPROPRIATION
BR 264

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1997 - 1999**

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 appropriation is funded by special revenue derived primarily from annual license and admissions representative fees paid by the schools to the Board.

The agency's request totals \$252,948 for FY98 and \$257,891 for FY99. In addition to the Base Level the agency is requesting \$10,000 each year of the biennium for Capital Outlay. This is needed to update current equipment and to move to an electronic application process for the schools.

The Executive Recommendation provides for the additional \$10,000 requested as a priority for Capital Outlay each year of the biennium. The Executive Recommendation further provides for Base Level with the exception of one vacant position (Program Analyst, Grade 21). Included in the Base Level is appropriation for a 2.8% Cost of Living Allowance for positions on July 1 of each year of the biennium along with accompanying employees matching requirements.

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF BUDGET REQUEST	PAGE
Name: St. Board of Private Career Education Code: 216	Name: St. Board of Private Career Education Code: 505	Name: Private Career Education Code: SCS	BR20	362

ARKANSAS BUDGET SYSTEM

CHARACTER TITLE	-----EXPENDITURES-----			96-97			-----97-98 FISCAL YEAR-----			-----98-99 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	95-96	96-97	AUTHORIZED	BASE	PRIORITY	TOTAL	BASE	PRIORITY	TOTAL	EXECUTIVE		LEGISLATIVE				
	ACTUAL	BUDGETED	APPRO							97-98	98-99	97-98	98-99			
REGULAR SALARIES	85,689	137,824	127,589	146,073	0	146,073	150,106	0	150,106	121,019	124,350					
NUMBER OF POSITIONS	3	4	4	4	0	4	4	0	4	3	3					
EXTRA HELP	9,943	18,000	24,000	18,000	0	18,000	18,000	0	18,000	18,000	18,000					
NUMBER OF POSITIONS	4	4	4	4	0	4	4	0	4	4	4					
PERSONAL SERV MATCHING	23,692	38,040	35,243	41,875	0	41,875	42,785	0	42,785	33,922	34,694					
OPERATING EXPENSES	19,451	30,000	30,000	30,000	0	30,000	30,000	0	30,000	30,000	30,000					
CONF FEES & TRAVEL	1,188	4,000	4,000	4,000	0	4,000	4,000	0	4,000	4,000	4,000					
PROF FEES & SERVICES	0	3,000	3,000	3,000	0	3,000	3,000	0	3,000	3,000	3,000					
CAPITAL OUTLAY	5,690	6,000	6,000	0	10,000	10,000	0	10,000	10,000	10,000	10,000					
TOTAL	145,653	236,864	229,832	242,948	10,000	252,948	247,891	10,000	257,891	219,941	224,044					
PROPOSED FUNDING SOURCES			*****													
FUND BALANCES	4,202	71,210	*****	52,846		52,846	28,398		28,398	52,846	28,398					
GENERAL REVENUES			*****													
SPECIAL REVENUES	212,661	218,590	*****	218,590	10,000	228,590	219,493	10,000	229,493	195,493	195,646					
FEDERAL FUNDS			*****													
STATE CENTRAL SERVICES FUND			*****													
NON-REVENUE RECEIPTS			*****													
CASH FUNDS			*****													
OTHER			*****													
TOTAL FUNDING	216,863	289,710	*****	271,346	10,000	281,346	247,891	10,000	257,891	248,339	224,044					
EXCESS APPRO/ (FUNDING)	(71,210)	(52,846)	*****	(28,398)		(28,398)			(28,398)							
TOTAL	145,653	236,864	*****	242,948	10,000	252,948	247,891	10,000	257,891	219,941	224,044					

DEPT 007 REGULATORY BOARDS AND COMMISSIONS
 AGY 216 STATE BOARD OF PRIVATE CAREER EDUCATION
 APPRO 505 STATE BOARD OF PRIVATE CAREER EDUCATION
 FUND SCS PRIVATE CAREER EDUCATION-(216)

APPROPRIATION SUMMARY

BR 215

The FY97 Budgeted amounts in Regular Salaries and/or Personal Services Matching may exceed the Authorized amounts due to the implementation of the pay plan during the 1995-97 biennium.

ARKANSAS BUDGET SYSTEM
PROGRAM/SERVICE INFORMATION LIST
RANK BY APPROPRIATION

	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19
PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION		D E S	EXPENDITURES		1997 - 99 BIENNIAL REQUESTS						RECOMMENDATIONS					
					ACTUAL	BUDGETED	FY 1997 - 98			FY 1998 - 99			EXECUTIVE		LEGISLATIVE			
					95-96	96-97	REQUEST			REQUEST			1997-98	1998-99	1997-98	1998-99		
	SCS	216	505	B	145,653 3	236,864 4	242,948 4					247,891 4			209,941 3	214,044 3		
	SCS	216	505	P01		0 0	10,000 0					10,000 0			10,000	10,000		
<p>The request is for restoration of Capital Outlay to \$10,000. SBPCE currently rents space from the Arkansas Real Estate Commission (AREC) with furnishings and some equipment supplied by AREC as part of the lease agreement. If AREC were not to renew the lease because of their need for the rented space, we must be prepared to purchase needed furnishings and equipment. Also, this will allow the Board to continue to update current equipment in order to operate more efficiently by moving to an electronic application process for schools.</p>																		

PT 007 REGULATORY BOARDS AND COMMISSIONS
 Y 216 STATE BOARD OF PRIVATE CAREER EDUCATION
 PRO 505 STATE BOARD OF PRIVATE CAREER EDUCATION
 JND SCS PRIVATE CAREER EDUCATION (216)

RANK BY APPROPRIATION
BR 264

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1997 - 1999**

The State Board of Private Career Education requests the continuation of the FY97 Base Level of \$500,000 for the Student Protection appropriation. This appropriation will be used for (1) paying claims filed by students when a school becomes insolvent or ceases to operate, and (2) paying expenses incurred by a school which accepts students for training from a closing school. Any expenses incurred by the Board for administrative costs, storage or maintenance of records may be reimbursed to the agency from this fund. These expenses would be paid from the Student Protection Trust Fund. Revenues deposited into this fund consists of annual certification fees paid by the schools to the Board. These fees will be charged until such time as the fund balance totals \$500,000.

The Appropriation Summary (BR 215) reflects the projected fund balance for the biennium. This is based on no additional school closings.

The Executive Recommendation provides for Base Level.

AGENCY Name: St. Board of Private Career Education Code: 216	APPROPRIATION Name: Student Protection Code: 506	TREASURY FUND Name: Private Career Sch. Code: TCS	ANALYSIS OF BUDGET REQUEST BR20	PAGE 365
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ARKANSAS BUDGET SYSTEM

CHARACTER TITLE	-----EXPENDITURES-----		96-97	-----97-98 FISCAL YEAR-----			-----98-99 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	95-96	96-97	AUTHORIZED	BASE	PRIORITY	TOTAL	BASE	PRIORITY	TOTAL	EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	APPRO							97-98	98-99	97-98	98-99
EXPENSES/CLAIMS/FEEES	0	0	500,000	500,000	0	500,000	500,000	0	500,000	500,000	500,000		
TOTAL	0	0	500,000	500,000	0	500,000	500,000	0	500,000	500,000	500,000		
PROPOSED FUNDING SOURCES			*****										
FUND BALANCES	113,131	113,621	*****	150,000		150,000	168,000		168,000	150,000	168,000		
GENERAL REVENUES			*****										
SPECIAL REVENUES			*****										
FEDERAL FUNDS			*****										
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS			*****										
STUNT PROT TRUST	490	36,379	*****	18,000		18,000	18,000		18,000	18,000	18,000		
TOTAL FUNDING	113,621	150,000	*****	168,000		168,000	186,000		186,000	168,000	186,000		
EXCESS APPRO/ (FUNDING)	(113,621)	(150,000)	*****	332,000		332,000	314,000		314,000	332,000	314,000		
TOTAL			*****	500,000		500,000	500,000		500,000	500,000	500,000		

DEPT 007 REGULATORY BOARDS AND COMMISSIONS
 AGY 216 STATE BOARD OF PRIVATE CAREER EDUCATION
 APPRO 506 STUDENT PROTECTION

APPROPRIATION SUMMARY

BR 215

FUND TCS PVT CAREER SCH STDNT PROT TRUST-(216)

FY96 actual expenditures do not reflect reimbursements made to the agency by fund transfer, amounting to \$4,985.94. As a result, net funding for the Student Protection Trust is only reported as \$490.