

**ARKANSAS BUDGET SYSTEM
AGENCY PROGRAM COMMENTARY
1999 - 2001**

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.

In Appropriation 505, restoration of Capital Outlay to \$10,000 is requested for Change Level 01 and 08. This will allow the Board to continue to update current equipment and furniture in order to operate more efficiently and to implement the DIS Technology Plan. Also, the 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.

Change Level 09 for Appropriation 505 is to implement the Career Ladder Incentive Program.

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:

- 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 teachout purposes;
- reimburse the Private Career Education Fund for expenses directly associated with the storage and maintenance of student academic and financial aid records; and
- 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.

AGENCY STATE BOARD OF PRIVATE CAREER EDUCATION	DIRECTOR <i>Brenda Herrmann</i>	AGENCY PROGRAM COMMENTARY BR21	PAGE 299
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ARKANSAS STATE BOARD OF PRIVATE CAREER EDUCATION
SUMMARY OF AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 1996

Assets					Liabilities			Total Equity	
Cash and Investments	Fixed	Other	Total	Current	Long-Term	Total			
\$ 227,475	\$ 14,149	\$ 15,959	\$ 257,583	\$ 0	\$ 968	\$ 968	\$ 256,615		

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	\$ 215,840	\$ 6,852	\$ 222,692	\$ 119,512	\$ 0	\$ 6,295	\$ 21,901	\$ 147,708	\$ 0

Findings

ACCOUNTS RECEIVABLE - The Agency does not have an adequate billing and collection system to provide proper recording and collection of student protection fees set by the Board as required in Part II, Chapters 16 and 21 of the Arkansas State Accounting Procedures Manual. As a result, the Agency failed to bill for the Student Protection Fund annual assessments for the year ended June 30, 1996 in the amount of \$14,990.17.

Recommendations

Review and comply with Part II, Chapters 16 and 21 of the Arkansas State Accounting Procedures Manual regarding adequate internal controls over receipting and the responsibility to record amounts due the State.

CASH FUND BALANCE DESCRIPTION
AS OF JUNE 30, 1998

AGENCY: STATE BOARD OF PRIVATE CAREER EDUCATION

ACCOUNT INFORMATION				STATUTORY/OTHER RESTRICTIONS ON USE:
FUND ACCT.	BALANCE	TYPE	LOCATION	
B29	\$54,549.36	CHECKING	NATIONS BANK	N/A
				STATUTORY PROVISIONS FOR FEES, FINES, PENALTIES:
				N/A
				REVENUE RECEIPTS CYCLE:
				GRANTS ARE APPLIED FOR AND RECEIVED AT VARIOUS TIMES.
				FUND BALANCE UTILIZATION:
				FUNDS ARE USED TO MEET THE GOALS OF THE GRANT APPLIED FOR AND/OR OPERATIONAL PURPOSES OF THE AGENCY.
ACCOUNT INFORMATION				STATUTORY/OTHER RESTRICTIONS ON USE:
FUND ACCT.	BALANCE	TYPE	LOCATION	
				STATUTORY PROVISIONS FOR FEES, FINES, PENALTIES:
				REVENUE RECEIPTS CYCLE:
				FUND BALANCE UTILIZATION:

ARKANSAS BUDGET SYSTEM

DEPARTMENT APPROPRIATION SUMMARY

AGENCY TITLE		1997-99				1999-01				1999-01			
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	1997-98	Pos.	1998-99	Pos.	1999-00	Pos.	2000-01	Pos.	1999-00	Pos.	2000-01	Pos.
B29	Cash Operations	\$6,555		\$145,785		\$145,785		\$145,785		\$145,785		\$145,785	
505	State Board of Private Career Education	171,138	2	216,941	3	223,893	3	228,067	3	223,581	3	227,747	3
506	Student Protection	0		0		500,000		500,000		500,000		500,000	
TOTALS		\$177,693	2	\$362,726	3	\$869,678	3	\$873,852	3	\$869,366	3	\$873,532	3
Funding Sources			% of		% of		% of		% of		% of		% of
Fund Balances		\$278,825	52.0%	\$358,249	49.0%	\$368,563	46.8%	\$418,563	49.7%	\$368,563	46.8%	\$418,563	49.7%
General Revenues													
Special Revenues		194,836	36.4%	177,255	24.2%	223,893	28.4%	228,067	27.0%	223,581	28.4%	227,747	27.0%
Federal Funds													
Constitutional Officers Fund													
State Central Services Fund													
Non-Revenue Receipts													
Cash Funds		7,048	1.3%	145,785	19.9%	145,785	18.5%	145,785	17.3%	145,785	18.5%	145,785	17.3%
Trust Funds		55,233	10.3%	50,000	6.9%	50,000	6.3%	50,000	6.0%	50,000	6.3%	50,000	6.0%
Total Funding		535,942	100.0%	731,289	100.0%	788,241	100.0%	842,415	100.0%	787,929	100.0%	842,095	100.0%
Excess Appro./ (Funding)		(358,249)		(368,563)		81,437		31,437		81,437		31,437	
TOTAL		\$177,693		\$362,726		\$869,678		\$873,852		\$869,366		\$873,532	
DEPARTMENT				DIRECTOR					DEPARTMENT APPROPRIATION SUMMARY				
State Board of Private Career Education				Brenda Germann					BR 40 303				

Fund Balances reflect actual anticipated levels that are adjusted due to the contingent nature of Appropriation 506.

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1999 - 2001**

Funds for this appropriation are received through grants primarily from the Real Estate Foundation and the Winthrop Rockefeller Foundation. The State Board of Private Career Education is requesting \$145,785 for each year of the 1999-01 biennium for their Cash Operations appropriation. No additional requests are made above the Base Level.

The Executive Recommendation provides for Base Level.

AGENCY	APPROPRIATION	CASH FUND	ANALYSIS OF BUDGET REQUEST	PAGE
Name: St. Board of Private Career Education Code: 216	Name: St. Board of Private Career Ed. - Cash Code: B29	Name: St. Board of Private Career Education - Cash Code: 136	BR20	304

ARKANSAS BUDGET SYSTEM

CHARACTER TITLE	-----EXPENDITURES-----			-----99-00 FISCAL YEAR-----			-----00-01 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	97-98	98-99	98-99	99-00		00-01		00-01		EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	AUTHORIZED APPRO	BASE	CHANGE LEVEL	TOTAL REQUEST	BASE	CHANGE LEVEL	TOTAL REQUEST	99-00	00-01	99-00	00-01
OPERATING EXPENSES	1,612	124,572	124,572	124,572	0	124,572	124,572	0	124,572	124,572	124,572		
CONF FEES & TRAVEL	1,404	8,898	8,898	8,898	0	8,898	8,898	0	8,898	8,898	8,898		
PROF FEES & SERVICES	3,539	12,000	12,000	12,000	0	12,000	12,000	0	12,000	12,000	12,000		
DATA PROCESSING	0	315	315	315	0	315	315	0	315	315	315		
TOTAL	6,555	145,785	145,785	145,785	0	145,785	145,785	0	145,785	145,785	145,785		
PROPOSED FUNDING SOURCES			*****										
FUND BALANCES	54,056	54,549	*****	54,549		54,549	54,549		54,549	54,549	54,549		
GENERAL REVENUES			*****										
SPECIAL REVENUES			*****										
FEDERAL FUNDS			*****										
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS	7,048	145,785	*****	145,785		145,785	145,785		145,785	145,785	145,785		
OTHER			*****										
TOTAL FUNDING	61,104	200,334	*****	200,334		200,334	200,334		200,334	200,334	200,334		
EXCESS APPRO/ (FUNDING)	(54,549)	(54,549)	*****	(54,549)		(54,549)	(54,549)		(54,549)	(54,549)	(54,549)		
TOTAL	6,555	145,785	*****	145,785		145,785	145,785		145,785	145,785	145,785		

DEPT 007 REGULATORY BOARDS AND COMMISSIONS
 AGY 216 STATE BOARD OF PRIVATE CAREER EDUCATION
 APPRO B29 CASH OPERATIONS

APPROPRIATION SUMMARY

BR 215

FUND 136 ST BD PRIV CAREER EDUC-(216)CASH

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1999 - 2001**

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.

Base Level is comprised of three positions, supporting operating expenses and a cost of living increase of 2.8% over the FY99 salary levels, with related Personal Services Matching costs. The agency is requesting an additional \$10,000 each year for Capital Outlay to update current equipment and furniture. The amount requested for Regular Salaries is associated with the Career Ladder Incentive Program.

The Executive Recommendation provides for the additional \$10,000 requested for Capital Outlay each year of the biennium. The Career Ladder Incentive Program (CLIP) requests reflected in agency budgets are intended to provide appropriate job classifications which may be utilized to promote classified employees who complete competency-based criteria during the biennium. The Executive Recommendation may reflect an adjustment in the requested CLIP levels for certain positions. These changes are to indicate the maximum job classification to which an employee would be expected to progress within the new biennium, based on the experience and other competency-based criteria required under the Program.

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	306

ARKANSAS BUDGET SYSTEM

CHARACTER TITLE	EXPENDITURES			99-00 FISCAL YEAR			00-01 FISCAL YEAR			RECOMMENDATIONS			
	97-98	98-99	98-99	99-00		TOTAL	00-01		TOTAL	EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	AUTHORIZED APPRO	BASE	CHANGE LEVEL	REQUEST	BASE	CHANGE LEVEL	REQUEST	99-00	00-01	99-00	00-01
REGULAR SALARIES	91,055	119,818	124,350	125,585	265	125,850	129,101	272	129,373	125,585	129,101		
NUMBER OF POSITIONS	2	3	3	3	0	3	3	0	3	3	3		
EXTRA HELP	13,646	18,000	18,000	18,000	0	18,000	18,000	0	18,000	18,000	18,000		
NUMBER OF POSITIONS	3	4	4	4	0	4	4	0	4	4	4		
PERSONAL SERV MATCHING	25,250	32,123	34,694	32,996	47	33,043	33,646	48	33,694	32,996	33,646		
OPERATING EXPENSES	26,759	30,000	30,000	30,000	0	30,000	30,000	0	30,000	30,000	30,000		
CONF FEES & TRAVEL	3,914	4,000	4,000	4,000	0	4,000	4,000	0	4,000	4,000	4,000		
PROF FEES & SERVICES	80	3,000	3,000	3,000	0	3,000	3,000	0	3,000	3,000	3,000		
CAPITAL OUTLAY	10,434	10,000	10,000	0	10,000	10,000	0	10,000	10,000	10,000	10,000		
TOTAL	171,138	216,941	224,044	213,581	10,312	223,893	217,747	10,320	228,067	223,581	227,747		
PROPOSED FUNDING SOURCES			*****										
FUND BALANCES	99,581	123,279	*****	83,593		83,593	83,593		83,593	83,593	83,593		
GENERAL REVENUES			*****										
SPECIAL REVENUES	194,836	177,255	*****	213,581	10,312	223,893	217,747	10,320	228,067	223,581	227,747		
FEDERAL FUNDS			*****										
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS			*****										
OTHER			*****										
TOTAL FUNDING	294,417	300,534	*****	297,174	10,312	307,486	301,340	10,320	311,660	307,174	311,340		
EXCESS APPRO/ (FUNDING)	(123,279)	(83,593)	*****	(83,593)		(83,593)	(83,593)		(83,593)	(83,593)	(83,593)		
TOTAL	171,138	216,941	*****	213,581	10,312	223,893	217,747	10,320	228,067	223,581	227,747		

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

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
ANK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	D E S	-----EXPENDITURES-----		-----1999 - 01 BIENNIUM REQUESTS-----						-----R E C O M M E N D A T I O N S-----					
					---ACTUAL---	---BUDGETED---	-----FY 1999 - 00-----			-----FY 2000 - 01-----			-----EXECUTIVE-----		-----LEGISLATIVE-----			
					97-98	98-99	REQUEST			REQUEST			1999-00	2000-01	1999-00	2000-01		
00		SCS	216 505	B	171,138 2	216,941 3	213,501 3			217,747 3			213,501 3	217,747 3				
01		SCS	216 505	C01			5,000 0			5,000 0			5,000	5,000				
<p>In Appropriation 505, restoration of Capital Outlay to \$10,000 is requested. Change Level 01 will be for \$5,000 to allow us to purchase furnishing and equipment. We currently rent space from Arkansas Real Estate Commission (AREC) with furnishings and some equipment supplied as part of the lease agreement. If at anytime the lease is not renewed we will have to purchase furnishings and equipment.</p>																		
01		SCS	216 505	C08			5,000 0			5,000 0			5,000	5,000				
<p>In Appropriation 505, restoration of Capital Outlay to \$10,000 is requested. Change Level 08 will be for \$5,000 to allow purchase and update of current computer equipment. This will allow the Board to operate more efficiently and to implement the DIS Technology Plan.</p>																		

EPT 007 REGULATORY BOARDS AND COMMISSIONS
 BY 216 STATE BOARD OF PRIVATE CAREER EDUCATION
 PPRO 505 STATE BOARD OF PRIVATE CAREER EDUCATION

RANK BY APPROPRIATION
 BR 264

JND SCS PRIVATE CAREER EDUCATION-(216)

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	-----1999 - 01 BIENNIAL REQUESTS-----				-----R E C O M M E N D A T I O N S-----					
					-----EXPENDITURES-----		-----FY 1999 - 00-----		-----FY 2000 - 01-----		-----EXECUTIVE-----		-----LEGISLATIVE-----	
					---ACTUAL---	---BUDGETED---	-----REQUEST-----		-----REQUEST-----		1999-00	2000-01	1999-00	2000-01
			97-98	98-99										
001		SCS	216 505	C09			312		320					
							0		0					

Change Level 09 for Appropriation 505 is to implement the Career Ladder Incentive Program.

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)

RANK BY APPROPRIATION

BR 264

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1999 - 2001**

The State Board of Private Career Education requests the continuation of the \$500,000 Base Level appropriation for the Student Protection program. 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	APPROPRIATION	TREASURY FUND	ANALYSIS OF	PAGE
Name: St. Board of Private Career Education	Name: Student Protection	Name: Private Career Sch. Student Protection Trust	BUDGET REQUEST	310
Code: 216	Code: 506	Code: TCS	BR20	

ARKANSAS BUDGET SYSTEM

01	02	03	04	05	06	07	08	09	10	11	12	13	14
CHARACTER TITLE	-----EXPENDITURES-----			-----99-00 FISCAL YEAR-----			-----00-01 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	97-98 ACTUAL	98-99 BUDGETED	98-99 AUTHORIZED APPRO	BASE	CHANGE LEVEL	TOTAL REQUEST	BASE	CHANGE LEVEL	TOTAL REQUEST	EXECUTIVE		LEGISLATIVE	
										99-00	00-01	99-00	00-01
EXPENSES/CLAIMS/FEES	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	125,100	100,421	*****	230,421		230,421	200,421		200,421	230,421	200,421		
GENERAL REVENUES			*****										
SPECIAL REVENUES			*****										
FEDERAL FUNDS			*****										
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS			*****										
OTHER	55,233	50,000	*****	50,000		50,000	50,000		50,000	50,000	50,000		
TOTAL FUNDING	180,421	230,421	*****	200,421		200,421	330,421		330,421	200,421	330,421		
EXCESS APPRO/ (FUNDING)	(180,421)	(230,421)	*****	219,579		219,579	169,579		169,579	219,579	169,579		
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
 FUND TCS PVT CAREER SCH STDNT PROT TRUST-(216)

Fund balances reflect actual anticipated levels that are adjusted due to the contingent nature of this appropriation.

APPROPRIATION SUMMARY

BR 215