

AR SCIENCE AND TECHNOLOGY AUTHORITY

Enabling Laws

Act 117 of 2010
A.C.A. 15-3-101 - A.C.A. 15-3-405

History and Organization

The Arkansas Science & Technology Authority (the Authority) was created by Act 859 of 1983: "There is hereby established for the State of Arkansas the Arkansas Science & Technology Authority, hereinafter referred to as "The Authority," which shall have the powers, functions and duties, as herein provided, to be the instrumentality of this State to exert leadership in and give directions to a broad spectrum of programs and services designed to gain for this State and its people the benefits and opportunities to be realized through advanced science and technology."

The Authority's vision, mission, goals and core values are derived from its strategic planning process and are established by the Authority's Board in the "Board of Directors Operating Guide," dated November 20, 2009.

Vision: We envision an Arkansas prepared to compete and prosper in the global economy.

Mission: To advance the talent and innovation necessary for Arkansas to prosper.

The Authority's goals are to: (1) Ensure the availability of the next generation of Arkansans with science, engineering and mathematics skills necessary for a competitive 21st century workforce, (2) Maximize the production of scientific and engineering talent and research innovations as building blocks for the 21st century economy, (3) invest in research innovations that build knowledge-based industries for Arkansas's 21st century economy, (4) Strengthen Arkansas companies' capacity to innovate, create wealth, expand knowledge-based jobs and compete globally, and (5) Extend science and technology expertise to take advantage of emerging opportunities in partnership with other programs, services and organizations.

Core Values: (1) We will be accountable to our stakeholders, (2) We will be honest and ethical, (3) We will value and promote our products and services, (4) We will be creative and objective as we improve our organization and ourselves, (5) We will treat all with respect and dignity and (6) We will value diversity among ourselves and our customers.

The Arkansas Science & Technology Authority is comprised of a Board of Directors and staff. The 14-member Board is appointed by the Governor to staggered four-year terms. The Authority has a 12-person staff, which includes ten professional and two clerical positions. The Authority has one private grant funded position and five federally-funded positions.

The Board makes all decisions concerning the allocation of monies to projects funded under the Authority's programs, except the Technology Transfer Assistance Grants Program where the Board approves funding to the program and the Director approves individual project funding. Recommendations are made to the Board by three standing committees comprised exclusively of members of the Board. The committees deal respectively with sponsored projects, research and commercialization, and manufacturing extension. The Board's Executive Committee deals with proposals with deadlines and actions required between regularly scheduled meetings. The standing committees are further supported by three advisory committees.

Staff activities are designed to support the goals of the Authority's Board of Directors.

The Assistant Director of Finance, assisted by the Finance Program Coordinator and the Research Program Coordinator is responsible for managing programs involving Seed Capital Investments, Technology Development, Technology Transfer Assistance Grants, Basic Research Grants, Applied Research Grants, Research Matching Grants, Research Infrastructure Grants, Business Incubator Technology Certifications, and Centers for Applied Technology. These activities are overseen by the Board's Research and Commercialization Committee. The Assistant Director and Program Managers also provide technical assistance to (1) Arkansas Manufacturing Solutions, a state-federal partnership under the federal Manufacturing Extension Partnership, (2) and the Research and Development Tax Credit activities under the Consolidated Incentive Act.

The Assistant Director of Research, assisted by the Information Technology Manager and the Database Analyst, is responsible for the Authority's initiative to become paperless, provide electronic applications for all programs, automate agency workflows, maintain the Authority's database, and prepare analytical reports. The Assistant Director of Research is also responsible for projects with deadlines, supports the Assistant Director of Commercialization with research-oriented programs, and assists in overseeing the NSF EPSCoR grant. These activities are overseen by the Board's Executive Committee.

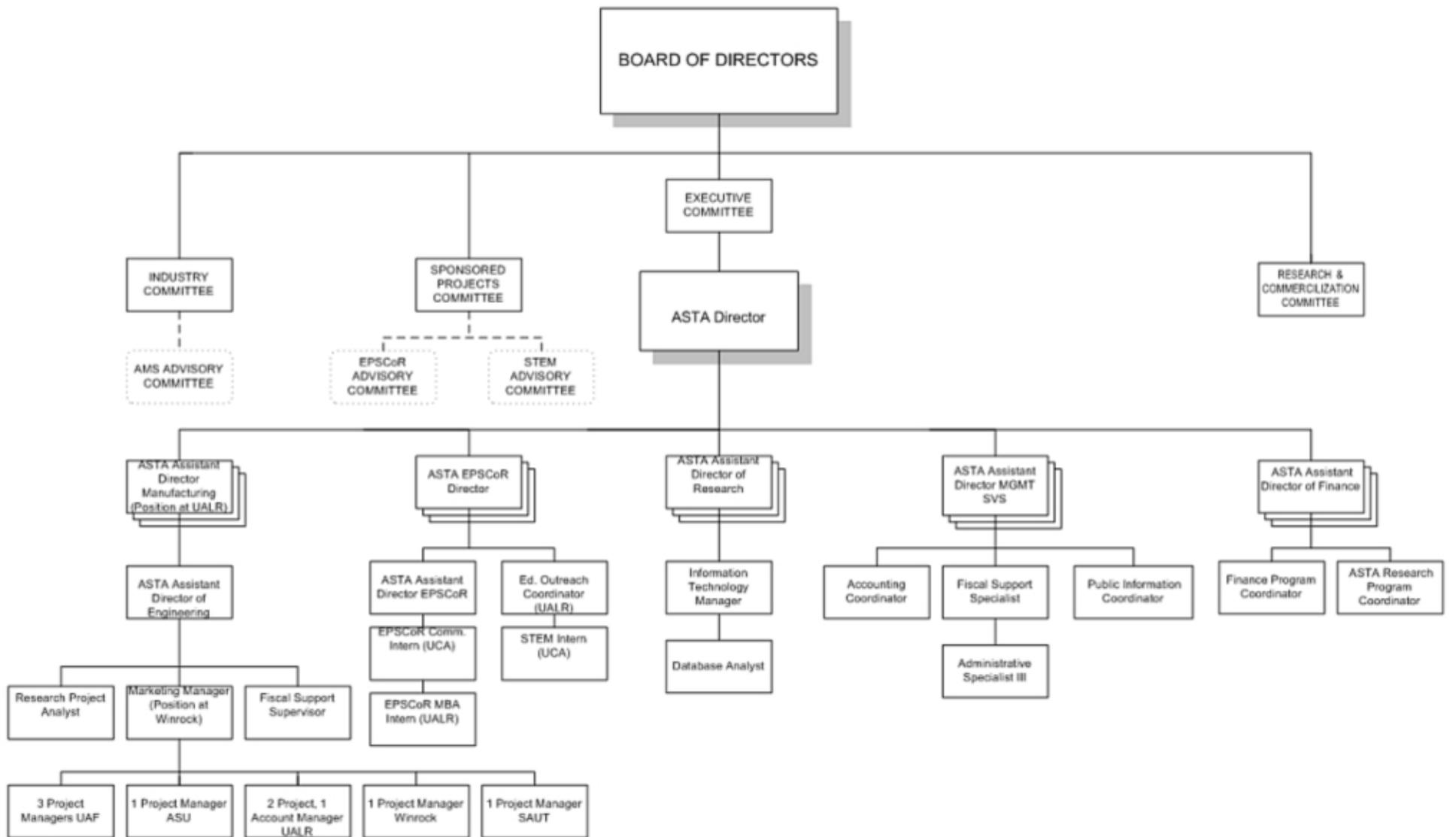
The ASTA EPSCoR Director, assisted by the ASTA Assistant Director EPSCoR, is responsible for managing the Authority's ASSET Initiative and STEM (Science, Technology, Engineering and Mathematics) projects. The ASSET Initiative is a project jointly funded by a grant from the National Science Foundation's EPSCoR Program and by state matching support. The EPSCoR Director assisted by the EPSCoR Assistant Director manages the grant and three Winthrop Rockefeller Foundation STEM (Science, Technology, Engineering, and Mathematics) Education grants. These activities are overseen by the Board's Sponsored Projects Committee.

Arkansas Manufacturing Solutions, a cooperative agreement between the National Institute of Standards and Technology and the Authority, is headed by the ASTA Assistant Director of Manufacturing, whose position is administratively at UALR, but housed at the Authority. The

Assistant Director of Manufacturing is responsible for three federally funded positions housed at the Authority: the Science & Technology Authority Assistant Director for Engineering, Research Project Analyst and the Fiscal Support Supervisor. They are responsible for the management and administration of the Cooperative Agreement. Seven Project Managers, who are supervised by the Assistant Director for Engineering, and are located at Universities and non-profits throughout the state are responsible for the delivery of services. The activities are overseen by the Board's Industry Committee.

The Assistant Director of Management Services is responsible for the day-to-day operations of the Authority and is assisted by the Accounting Supervisor, Fiscal Support Specialist, the Administrative Specialist III and the Public Information Coordinator. The Accounting Supervisor is responsible for the fiscal activities of the Authority. The Fiscal Support Specialist is responsible for the procurement and personnel activities of the Authority as well as support of the Authority Board and Directors. The Administrative Specialist III is responsible for administrative support for the Authority's programs and cooperative agreements and assists the Fiscal Support Specialist. The Public Information Coordinator is responsible for all external communications and public information activities for the Authority. Management Services are overseen by the Board's Executive Committee.

The Executive Director is the chief executive officer and has overall responsibility for the Authority's programs and staff activities. The Executive Director is selected by the Board and serves at the pleasure of the Governor.



Agency Commentary

Vision: We envision an Arkansas prepared to compete and prosper in the global economy.

Mission: To advance the talent and innovation necessary for Arkansas to prosper.

The Authority's goals are to: (1) Ensure the availability of the next generation of Arkansans with science, engineering and mathematics skills necessary for a competitive 21st century workforce, (2) Maximize the production of scientific and engineering talent and research innovations as building blocks for the 21st century economy, (3) invest in research innovations that build knowledge-based industries for Arkansas's 21st century economy, (4) Strengthen Arkansas companies' capacity to innovate, create wealth, expand knowledge-based jobs and compete globally, and (5) Extend science and technology expertise to take advantage of emerging opportunities in partnership with other programs, services and organizations.

Core Values: (1) We will be accountable to our stakeholders, (2) We will be honest and ethical, (3) We will value and promote our products and services, (4) We will be creative and objective as we improve our organization and ourselves, (5) We will treat all with respect and dignity, and (6) We will value diversity among ourselves and our customers.

The Arkansas Science & Technology Authority's (Authority) program commentary is derived from the Authority's vision, mission, goals and core values that were created in its strategic planning process and are established by the Authority's Board in the "Board of Directors Operating Guide," dated November 20, 2009.

GOAL 1: ENSURE THE AVAILABILITY OF THE NEXT GENERATION OF ARKANSANS WITH SCIENCE, ENGINEERING AND MATHEMATICS SKILLS NECESSARY FOR A COMPETITIVE 21ST CENTURY WORKFORCE.

The Authority, with grant support from the Winthrop Rockefeller Foundation, will empower teachers to generate enthusiasm in STEM classrooms around the State using projects, such as robotics competition and summer academies, that interest and engage students in the STEM curriculum. These efforts result not only in increased student competence in STEM skill sets but also produce increases in STEM career choices for these students as they advance. The Authority requests an increase of \$3,000 in Operating Expenses, and due to current grants expiring, the Authority requests a reduction of \$111,000 in Grants and Aid in FY12 and a reduction of \$233,000 in Operating Expenses, Professional Fees, and Grants & Aid in FY13.

GOAL 2: MAXIMIZE THE PRODUCTION OF SCIENTIFIC AND ENGINEERING TALENT AND RESEARCH INNOVATIONS AS BUILDING BLOCKS FOR THE 21ST CENTURY ECONOMY.

The Authority continues to manage the cooperative agreement with the National Science Foundation for the EPSCoR program. The cooperative agreement has established the Arkansas ASSET Initiative (**A**dvancing and **S**upporting **S**cience, **E**ngineering and **T**echnology). This project is designed to strengthen developing research areas in Arkansas with economic development potential. The initiative is a multi-

institutional, interdisciplinary, state-wide program. An integral component of the five-year research project is entrepreneurial training, support for commercialization of new technologies, and an educational outreach program that targets the STEM pipeline needed to support the advanced technologies workforce.

The ASSET Initiative project covers more than one of the Authority's five goals. The match for the project, for budget purposes, is included in goal 3.

GOAL 3: INVEST IN RESEARCH INNOVATIONS THAT BUILD KNOWLEDGE-BASED INDUSTRIES FOR ARKANSAS'S 21ST CENTURY ECONOMY.

The Authority offers three programs: Technology Transfer Assistance Grants (TTAG) support enterprises participating in the federal Small Business Innovation Research Program; the Technology Development Program (TD) supports enterprises developing new technologies; and the Seed Capital Investment Program (SCIP) provides start-up working capital.

The Authority requests an additional position of Executive Assistant to the Director to provide direct support to the Authority's President and Board of Directors. This position will assist the Assistant Director of Management Services with the Human Resources functions. This will increase Regular Salaries and Personal Services Matching \$45,807 each year.

The Authority requests \$15,882 in FY12 and \$24,307 in FY13 for Operating Expenses; \$13,400 each year for Conference & Travel and; \$4,000 each year for Professional Fees. The requested increases are for rent expense, software maintenance, software licenses, computer and computer equipment replacement; increase in Conference Travel to attend state and national conferences to learn best practices in various areas including electronic communications, information technology, and management; and to attend the annual state Science & Technology Institute Conference and the annual National Association of Seed and Venture Fund Conference. The Authority requests an increase of \$4,000 for Professional Fees for consultants to automate its application and workflow processes for statutory programs.

The Authority Board of Directors requests \$156,975 each year from General Revenue to support TTAG and Technology Development Programs and an additional \$800,000 matching funds to support research under the second year of a five-year, \$20 million National Science Foundation research grant. The Board also requests \$292,653 per year to support research matching projects.

The Board also requests \$292,653 per year from General Revenue for Seed Capital Investments.

The Board requests authority to spend up to \$1.9 million per year from the Seed Capital Investment Fund (a cash fund).

GOAL 4: STRENGTHEN ARKANSAS COMPANIES' CAPACITY TO INNOVATE, CREATE WEALTH, EXPAND KNOWLEDGE-BASED JOBS AND COMPETE GLOBALLY.

The Authority continues its state-federal technology partnership with the National Institute of Standards and Technology (NIST). The partnership allows the Authority, through the function of its Arkansas Manufacturing Solutions (AMS), to continue to meet the expressed needs of Arkansas manufacturers and provide them with the tools to become world-class competitors. AMS continues to provide technology support to the state's manufacturers through TTAG grants. The Arkansas Innovation Marketplace (AIM), provided by AMS, is a web-based market place that globally connects Arkansas innovators with potential buyers, investors, distributors and manufacturers seeking breakthrough technological advancements. Arkansas AIM is part of the national USA Innovation Marketplace Initiative and the Planet Eureka International Innovation Network.

The Authority requests a reallocation from this appropriation to a new AMS client (cash) to separate the client portion from the federal portion. Federal funds are derived from a cooperative agreement between the agency and NIST. The client revenue is derived from service agreements and training class revenue. Separating the two sources of funds will simplify tracking of federal funds and allow better accountability of program revenues. The reallocation of \$1,118,382 for both years includes \$192,322 for Regular Salaries and Personal Services Matching for each year for transfer of three (3) positions from appropriation 919. Also included are Operating Expenses of \$82,946, Conference & Travel Expenses of \$31,860, Professional Fees of \$60,500, Grants Y Aid of \$440,000, and Field Services of \$310,754. The Authority requests an increase of \$72,408 for FY12 and \$112,408 for FY13 to meet service agreement requirements, including \$16,954 and \$14,500 each year for Operating Expenses and Professional Fees; respectively. An increase of \$40,954 for FY12 and \$80,954 for FY13 is requested for Field Services.

The Authority requests an increase of \$5,000 each year for the remaining federal portion for Operating Expenses.

The Authority Board of Directors requests \$257,182 per year from General Revenue as state match for AMS.

GOAL 5: EXTEND SCIENCE AND TECHNOLOGY EXPERTISE TO TAKE ADVANTAGE OF EMERGING OPPORTUNITIES IN PARTNERSHIP WITH OTHER PROGRAMS, SERVICES AND ORGANIZATIONS.

The Authority continues to collaborate on economic development projects with AEDC and ADFA. The agencies, through a shared process, manage projects involving the Venture Capital Investment Trust, Equity Investment Tax Credit, and Research and Development Tax Credits. The Authority extends its expertise by membership on at least 13 boards and commissions.

The Authority requests a continuation of two federal grants received under the American Recovery & Reinvestment Act (ARRA), the Arkansas Industrial Energy Clearinghouse (AIEC) and the State Health Information Exchange Program (HIE).

The AIEC serves the state's manufacturing industry with technical and environmental assistance, information, and expertise with the objective of energy conservation and greenhouse gas reductions. The Authority requests continuation of this grant for FY12 at \$87,190. This grant expires in FY12.

The HIE through the Office of Health Information Technology, will seek to expand and encourage the use of information technology and electronic health and medical records among healthcare providers such as doctors and hospitals. The request for continuation is at \$7,909,401 each year. This grant expires in FY14.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
AR SCIENCE AND TECHNOLOGY AUTHORITY

Findings

A separate report for this Agency was not issued. However, financial activity for the Agency was included in the audit of the State's CAFR for the year ended June 30, 2009.

Recommendations

Employment Summary

	Male	Female	Total	%
White Employees	6	7	13	76 %
Black Employees	1	1	2	12 %
Other Racial Minorities	0	2	2	12 %
Total Minorities			4	24 %
Total Employees			17	100 %

Publications

A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
Annual Report	A.C.A. §15-3-123	Y	Y	4	Detail operations and transactions conducted in previous fiscal year. Posted on website; printed by request only.
ARMF Biennial Report	A.C.A. §15-3-206	Y	Y	1	Report investments from the Arkansas Research Matching Fund. Posted on website; printed by request only.

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2009-2010		2010-2011		2010-2011		2011-2012					2012-2013						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
1FA Rockefeller-IMSST-Cash in Treasury	600,250	0	487,236	0	284,563	0	284,563	0	176,563	0	176,563	0	284,563	0	51,563	0	51,563	0
1ND AR Manufacturing Extention Network-St	257,182	0	257,182	0	257,182	0	257,182	0	257,182	0	257,182	0	257,182	0	257,182	0	257,182	0
34G Seed Capital Investment-Cash in Treasury	76,347	0	1,900,000	0	1,900,000	0	1,900,000	0	1,900,000	0	1,900,000	0	1,900,000	0	1,900,000	0	1,900,000	0
35K AR EPSCoR-Federal	2,038,564	2	3,091,575	2	3,065,767	2	3,066,622	2	3,066,622	2	3,066,622	2	3,066,622	2	3,066,622	2	3,066,622	2
38X St Industrial Assessment-Federal	18,742	0	25,000	0	25,000	0	25,000	0	25,000	0	25,000	0	25,000	0	25,000	0	25,000	0
678 Science & Tech-St Operations	1,712,040	12	1,777,817	12	1,818,075	12	1,777,376	12	2,656,465	13	1,856,465	13	1,777,376	12	2,664,890	13	1,864,890	13
83R ARRA AIEC	4,109	0	206,190	0	0	0	0	0	7,996,591	2	7,996,591	2	0	0	7,909,401	2	7,909,401	2
84W New AMS - Cash in Treasury	0	0	0	0	0	0	0	0	1,190,790	3	1,190,790	3	0	0	1,230,790	3	1,230,790	3
919 AR Manufacturing Extension Network-Fed	1,514,636	3	2,054,448	3	2,055,022	3	2,054,492	3	941,110	0	941,110	0	2,054,492	3	941,110	0	941,110	0
NOT REQUESTED FOR THE BIENNIUM																		
38W Industrial Energy Efficiency	37,853	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	6,259,723	17	9,799,448	17	9,405,609	17	9,365,235	17	18,210,323	20	17,410,323	20	9,365,235	17	18,046,558	20	17,246,558	20

Funding Sources		%		%		%		%		%		%		%		%		%	
Fund Balance	4000005	3,285,998	35.4	2,999,661	23.5			2,978,061	29.3	1,737,276	8.3	1,737,276	8.6	1,629,276	18.7	2,785,739	13.5	2,785,739	14.0
General Revenue	4000010	1,969,222	21.2	2,034,999	15.9			2,034,558	20.0	2,913,647	13.9	2,113,647	10.5	2,034,558	23.4	2,922,072	14.2	2,122,072	10.7
Federal Revenue	4000020	3,368,270	36.3	4,701,477	36.8			3,091,622	30.4	4,032,732	19.2	4,032,732	20.0	3,091,622	35.5	4,032,732	19.5	4,032,732	20.3
Cash Fund	4000045	645,159	7.0	2,365,636	18.5			2,076,563	20.4	3,075,031	14.6	3,075,031	15.2	1,951,563	22.4	2,990,031	14.5	2,990,031	15.1
Federal Funds-ARRA	4000244	4,109	0.0	206,190	1.6			0	0.0	7,996,591	38.1	7,996,591	39.6	0	0.0	7,909,401	38.3	7,909,401	39.9
Third Party Reimbursement	4000490	0	0.0	469,546	3.7			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Transfers / Adjustments	4000683	0	0.0	0	0.0			0	0.0	1,240,785	5.9	1,240,785	6.1	0	0.0	0	0.0	0	0.0
Total Funds		9,272,758	100.0	12,777,509	100.0			10,180,804	100.0	20,996,062	100.0	20,196,062	100.0	8,707,019	100.0	20,639,975	100.0	19,839,975	100.0
Excess Appropriation/(Funding)		(3,013,035)		(2,978,061)				(815,569)		(2,785,739)		(2,785,739)		658,216		(2,593,417)		(2,593,417)	
Grand Total		6,259,723		9,799,448				9,365,235		18,210,323		17,410,323		9,365,235		18,046,558		17,246,558	

The FY11 Budget amount for Rockefeller-IMSST-Cash in Treasury (1FA) exceeds the authorized amount due to a transfer from the Cash Fund Holding Account.
 The FY11 Budget amount for AR EPSCoR-Federal (35K) exceeds the authorized amount due to a transfer from the Miscellaneous Federal Grant Holding Account.
 Variances in fund balances are due to unfunded appropriation in AR Manufacturing Extension Network-Fed (919) and appropriation not requested for Industrial Energy Efficiency (38W).

Agency Position Usage Report

FY2008 - 2009						FY2009 - 2010						FY2010 - 2011					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
18	17	1	18	0	5.56 %	17	14	3	17	0	17.65 %	17	16	1	17	0	5.88 %

Analysis of Budget Request

Appropriation: 1FA - Rockefeller-IMSST-Cash in Treasury

Funding Sources: NST - Cash in Treasury

The Arkansas Science and Technology Authority with grant support from the Winthrop Rockefeller Foundation (WRF) continues the transition of the science teaching mini-grant and teachers-student interactive technology grant programs through Arkansas Community Foundation affiliates, supporting the development of a web-based application for access to teaching curriculum materials, and enabling teachers to generate enthusiasm in science, technology, engineering, and mathematics (STEM) classrooms around the State using projects which interest and engage students in STEM curriculum.

The Authority requests an increase of \$3,000 for FY12 in Operating Expenses to meet grant requirements. Due to current grants ending, the Authority requests a reduction of \$111,000 in Grants & Aid in FY12 and a reduction of \$233,000 in Operating Expenses, Professional Fees, and Grants and Aid in FY13.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 1FA - Rockefeller-IMSST-Cash in Treasury

Funding Sources: NST - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	17,812	42,760	2,000	2,000	5,000	5,000	2,000	0	0
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	35,944	54,624	35,000	35,000	35,000	35,000	35,000	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	546,494	389,852	247,563	247,563	136,563	136,563	247,563	51,563	51,563
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		600,250	487,236	284,563	284,563	176,563	176,563	284,563	51,563	51,563
Funding Sources										
Fund Balance	4000005	441,113	432,649		411,049	411,049	411,049	303,049	411,049	411,049
Cash Fund	4000045	591,786	465,636		176,563	176,563	176,563	51,563	51,563	51,563
Total Funding		1,032,899	898,285		587,612	587,612	587,612	354,612	462,612	462,612
Excess Appropriation/(Funding)		(432,649)	(411,049)		(303,049)	(411,049)	(411,049)	(70,049)	(411,049)	(411,049)
Grand Total		600,250	487,236		284,563	176,563	176,563	284,563	51,563	51,563

Budget exceeds Authorized Appropriation in Operating Expenses, Professional Fees, and Grants & Aid due to a transfer from the Cash Fund Holding Account.

Change Level by Appropriation

Appropriation: 1FA - Rockefeller-IMSST-Cash in Treasury
Funding Sources: NST - Cash in Treasury

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	284,563	0	284,563	100.0	284,563	0	284,563	100.0
C01	Existing Program	3,000	0	287,563	101.1	0	0	284,563	100.0
C03	Discontinue Program	(111,000)	0	176,563	62.0	(233,000)	0	51,563	18.1

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	284,563	0	284,563	100.0	284,563	0	284,563	100.0
C01	Existing Program	3,000	0	287,563	101.1	0	0	284,563	100.0
C03	Discontinue Program	(111,000)	0	176,563	62.0	(233,000)	0	51,563	18.1

Justification

C01	Agency requests increase of \$3,000 in Operating Expenses in FY12 for Educational Supplies & Materials to meet the program requirements.
C03	Agency requests reductions in FY12 and FY13 due to program ending in FY13.

Analysis of Budget Request

Appropriation: 1ND - AR Manufacturing Extension Network-St

Funding Sources: HUA - Miscellaneous Agencies Fund

The Arkansas Science and Technology Authority Technology and Manufacturing Extension Program plans strategic state investments and support in Manufacturing Extension, Technology Transfer, and Applied Research through proposal and application evaluations. The goal is to meet manufacturers needs and and increase their global competitiveness. The Technology and Manufacturing Program is funded by general revenue.

The Agency requests Base Level of \$257,182 for each year of the 2011-2013 biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 1ND - AR Manufacturing Extension Network-St

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
AR Manufacturing Ext Network 5900046	257,182	257,182	257,182	257,182	257,182	257,182	257,182	257,182	257,182
Total	257,182	257,182	257,182	257,182	257,182	257,182	257,182	257,182	257,182
Funding Sources									
General Revenue 4000010	257,182	257,182		257,182	257,182	257,182	257,182	257,182	257,182
Total Funding	257,182	257,182		257,182	257,182	257,182	257,182	257,182	257,182
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	257,182	257,182		257,182	257,182	257,182	257,182	257,182	257,182

Analysis of Budget Request

Appropriation: 34G - Seed Capital Investment-Cash in Treasury

Funding Sources: NST - Cash in Treasury

The Arkansas Science and Technology Authority (ASTA) requests continuation of the Base Level appropriation of \$1,900,000 each year of the 2011-2013 biennium for the Seed Capital Investment Program. Funds are loaned to businesses, with a maximum amount of \$500,000 for any one project. As businesses repay the loans, ASTA deposits the repayments into a revolving fund. This program will be used for investments in technology-based businesses in accordance with Arkansas Code §15-3-101 through §15-3-123.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 34G - Seed Capital Investment-Cash in Treasury

Funding Sources: NST - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Investments	5120013	76,347	1,900,000	1,900,000	1,900,000	1,900,000	1,900,000	1,900,000	1,900,000	1,900,000
Total		76,347	1,900,000	1,900,000	1,900,000	1,900,000	1,900,000	1,900,000	1,900,000	1,900,000
Funding Sources										
Fund Balance	4000005	1,349,201	1,326,227		1,326,227	1,326,227	1,326,227	1,326,227	1,326,227	1,326,227
Cash Fund	4000045	53,373	1,900,000		1,900,000	1,900,000	1,900,000	1,900,000	1,900,000	1,900,000
Total Funding		1,402,574	3,226,227		3,226,227	3,226,227	3,226,227	3,226,227	3,226,227	3,226,227
Excess Appropriation/(Funding)		(1,326,227)	(1,326,227)		(1,326,227)	(1,326,227)	(1,326,227)	(1,326,227)	(1,326,227)	(1,326,227)
Grand Total		76,347	1,900,000		1,900,000	1,900,000	1,900,000	1,900,000	1,900,000	1,900,000

Analysis of Budget Request

Appropriation: 35K - AR EPSCoR-Federal

Funding Sources: FST - ASTA Federal Programs

The Experimental Program to Stimulate Competitive Research (EPSCoR), funded by the National Science Foundation is a statewide multi-university collaborative research initiative addressing two research areas: 1) plant-based bioproduction and 2) wireless nanosensors. Plant-based bioproduction is a project which targets biochemical pathways in plants - harnessing and enhancing the production power in plants. Wireless nanosensors are a project which links the potential commercial applications of inexpensive nanosensors with wireless data collection and analysis.

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

The Authority requests Base Level appropriation of \$3,066,622 for FY12 and for FY13.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 35K - AR EPSCoR-Federal

Funding Sources: FST - ASTA Federal Programs

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	155,545	155,363	157,522	155,363	155,363	155,363	155,363	155,363	155,363
#Positions		2	2	2	2	2	2	2	2	2
Personal Services Matching	5010003	38,563	42,654	39,687	42,701	42,701	42,701	42,701	42,701	42,701
Operating Expenses	5020002	165,590	96,183	71,183	71,183	71,183	71,183	71,183	71,183	71,183
Conference & Travel Expenses	5050009	3,334	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333
Professional Fees	5060010	36,878	40,667	40,667	40,667	40,667	40,667	40,667	40,667	40,667
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	1,638,654	2,753,375	2,753,375	2,753,375	2,753,375	2,753,375	2,753,375	2,753,375	2,753,375
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		2,038,564	3,091,575	3,065,767	3,066,622	3,066,622	3,066,622	3,066,622	3,066,622	3,066,622
Funding Sources										
Federal Revenue	4000020	2,038,564	3,091,575		3,066,622	3,066,622	3,066,622	3,066,622	3,066,622	3,066,622
Total Funding		2,038,564	3,091,575		3,066,622	3,066,622	3,066,622	3,066,622	3,066,622	3,066,622
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		2,038,564	3,091,575		3,066,622	3,066,622	3,066,622	3,066,622	3,066,622	3,066,622

The FY11 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2009-2011 biennium.

The FY11 Budget exceeds Authorized Appropriation in Operating Expenses due to a transfer from the Miscellaneous Federal Grant Holding Account.

Analysis of Budget Request

Appropriation: 38X - St Industrial Assessment-Federal

Funding Sources: FST - ASTA Federal Programs

This program provides several Arkansas industrial plants with extensive energy assessments and will enable these industries to identify energy and money saving opportunities. Each project includes follow up technical and implementation assistance and evaluation of actual energy savings. Funding will pass through the Arkansas Energy Office to Arkansas Manufacturing Solutions (AMS), a program of the Authority. AMS will work with the Department of Mechanical Engineering at the University of Arkansas at Fayetteville to conduct the energy analysis, plant assessments and measurement of energy savings.

The Agency requests Base Level appropriation for the 2011-2013 biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 38X - St Industrial Assessment-Federal

Funding Sources: FST - ASTA Federal Programs

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	18,742	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Total	18,742	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Funding Sources									
Federal Revenue 4000020	18,742	25,000		25,000	25,000	25,000	25,000	25,000	25,000
Total Funding	18,742	25,000		25,000	25,000	25,000	25,000	25,000	25,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	18,742	25,000		25,000	25,000	25,000	25,000	25,000	25,000

Analysis of Budget Request

Appropriation: 678 - Science & Tech-St Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

The Arkansas Science and Technology Authority was created to develop and promote Arkansas' technological resources and to encourage the use of advanced technology in the State's business and agricultural communities. The Authority offers a variety of programs emphasizing three areas: project financing, company financing, and technology extension/development. This appropriation is funded by general revenue.

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

The Authority requests Base Level appropriation of \$1,777,376 each year and Change Level requests of \$879,089 in FY12 and \$887,514 in FY13. The Change Level requests are as follows:

- An additional position (Executive Assistant to the Director) to provide direct support to the agency's President and Board of Directors and assist the Assistant Director of Management Services with the Human Resources functions of the agency. These functions are presently handled by the Administrative Support Specialist and the Fiscal Support Specialist. The increase in Regular Salaries and Personal Services Matching each fiscal year is \$45,807.
- An increase in Operating Expenses of \$15,882 in FY12 and \$24,307 in FY13 for office rent expense, software maintenance and software licenses, computer and computer equipment replacement, upgrade data security and disaster recovery; these items can be found on the Operations Hardware and Software tabs of the agency's IT plan.
- An increase of \$13,400 each fiscal year for Conference & Travel to attend state and national conferences to learn best practices in various areas including electronic communications, information technology, and management; and to attend the annual state Science & Technology Institute Conference and the annual National Association of Seed and Venture Fund Conference.
- An increase of \$4,000 each fiscal year for Professional Fees for consultants to automate its application and workflow processes for statutory programs.
- An increase in the Technology Development line item of \$800,000 each fiscal year in state matching funds for research under the second year of a five-year, \$20 million National Science Foundation Grant. The project is designed to strengthen developing research areas in Arkansas with economic development potential.

The Executive Recommendation provides for the Agency Request except for the increase in the Technology Development line item which is recommended at Base Level. Furthermore, the request for Technology Development is recommended from the General Improvement Fund.

Appropriation Summary

Appropriation: 678 - Science & Tech-St Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	587,507	611,144	632,314	610,627	644,488	644,488	610,627	644,488	644,488
#Positions		12	12	12	12	13	13	12	13	13
Extra Help	5010001	1,754	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
#Extra Help		1	2	2	2	2	2	2	2	2
Personal Services Matching	5010003	166,661	188,204	180,496	188,280	200,226	200,226	188,280	200,226	200,226
Operating Expenses	5020002	182,870	196,988	206,961	196,988	212,870	212,870	196,988	221,295	221,295
Conference & Travel Expenses	5050009	14,167	14,400	27,223	14,400	27,800	27,800	14,400	27,800	27,800
Professional Fees	5060010	16,800	12,800	16,800	12,800	16,800	16,800	12,800	16,800	16,800
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	292,653	292,653	292,653	292,653	292,653	292,653	292,653	292,653	292,653
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Technology Development	5900046	156,975	156,975	156,975	156,975	956,975	156,975	156,975	956,975	156,975
Seed Capital Investments	5900047	292,653	292,653	292,653	292,653	292,653	292,653	292,653	292,653	292,653
Total		1,712,040	1,777,817	1,818,075	1,777,376	2,656,465	1,856,465	1,777,376	2,664,890	1,864,890
Funding Sources										
General Revenue	4000010	1,712,040	1,777,817		1,777,376	2,656,465	1,856,465	1,777,376	2,664,890	1,864,890
Total Funding		1,712,040	1,777,817		1,777,376	2,656,465	1,856,465	1,777,376	2,664,890	1,864,890
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		1,712,040	1,777,817		1,777,376	2,656,465	1,856,465	1,777,376	2,664,890	1,864,890

The FY11 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2009-2011 biennium.

Change Level by Appropriation

Appropriation: 678 - Science & Tech-St Operations
Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	1,777,376	12	1,777,376	100.0	1,777,376	12	1,777,376	100.0
C01	Existing Program	874,897	1	2,652,273	149.2	876,489	1	2,653,865	149.3
C08	Technology	4,192	0	2,656,465	149.5	11,025	0	2,664,890	149.9

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	1,777,376	12	1,777,376	100.0	1,777,376	12	1,777,376	100.0
C01	Existing Program	74,897	1	1,852,273	104.2	76,489	1	1,853,865	104.3
C08	Technology	4,192	0	1,856,465	104.4	11,025	0	1,864,890	104.9

Justification

C01	The agency requests change levels of \$874,897 in FY12 and \$876,489 in FY13. This includes a request for an additional position, an Executive Assistant to the Director. This position would provide direct support to the agency's President and Board of Directors and assist the Assistant Director of Management Services with the HR functions of the agency. These functions are presently handled by the Administrative Support Specialist and the Fiscal Support Specialist. The increase in Regular Salaries and Personal Services Matching each FY is \$45,807. The agency requests an increase in Operating Expenses of \$11,690 in FY12 and \$13,282 in FY13 for an increase in rent expense, software maintenance and software licenses. The agency requests an increase in Conference & Travel of \$13,400 each FY to attend state and national conferences to learn best practices in fiscal, electronic communications, information technology and management areas; and to attend the annual state Science & Technology Institute Conference and the annual National Association of Seed and Venture Fund Conference. The agency requests an increase of \$4,000 each FY in Professional Fees for consultants to automate its application and workflow processes for statutory programs. The agency requests an increase in the Technology Development line item of \$800,000 each FY to support research under the second year of a five-year, \$20 million National Science Foundation Grant. This project is designed to strengthen developing research areas in Arkansas with economic development potential.
C08	The agency requests an increase of \$4,192 in FY12 and \$11,025 in FY13 in Operating Expenses to maintain a three year replacement cycle for 7 of the agency's computers and 1 file server and to upgrade data security and disaster recovery; these items can be found on the Operations Hardware and Software tabs of the agency's IT plan.

**CARRY FORWARD OF ANY REMAINING FUND BALANCES
FROM FISCAL YEAR 2010 TO FISCAL YEAR 2011**

Agency: Science and Technology Authority

Program: Science & Tech-St Operations

Act #: 117 Section(s) #: 3 & 11

Estimated Carry Forward Amount \$ 0.00 Funding Source: Miscellaneous Agencies

Accounting Information:

Business Area: 0327 Funds Center: 678 Fund: HUA Functional Area: COMM

Current law requires a written statement be submitted to the DFA Office of Budget stating the reason(s) to carry forward funding for a program or a specific line item within a program remaining on June 30th of a fiscal year.

Justification for carry forward of fund balance:

All funds will be spent.

Actual Funding Carry Forward Amount \$ 0.00

Current status of carry forward funding:

All funding was expensed in FY2010.

Note from DFA – Office of Budget: The portion of Special Language that requires this report is no longer necessary.

Dr. John W. Ahlen

President

08-26-2010

Date

Analysis of Budget Request

Appropriation: 83R - ARRA AIEC

Funding Sources: FST - Federal Funds-ARRA

This appropriation was established through the authority of the Miscellaneous Federal Grant Holding Account during the 2009-2011 biennium. The agency received two (2) subgrants under the American Recovery & Reinvestment Act (ARRA) for the Arkansas Industrial Energy Clearinghouse (AIEC) and the State Health Information Exchange Program (HIE).

The primary function of the AIEC is to serve the state's manufacturing industry with technical and environmental assistance, information, and expertise. The objective is to facilitate energy conservation and greenhouse gas reductions.

The Agency Requests a continuation of this grant for FY12 at \$87,190. This grant expires in FY12.

The Health Information Exchange Program (HIE) through the Office of Health Information Technology, will seek to expand and encourage the use of information technology and electronic health and medical records among healthcare providers such as doctors and hospitals.

The Agency Requests the continuation of HIE for the 2011-2013 biennium at \$7,909,401 each year. This appropriation includes two positions. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 83R - ARRA AIEC

Funding Sources: FST - Federal Funds-ARRA

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
ARRA of 2009 5900052	4,109	206,190	0	0	7,996,591	7,996,591	0	7,909,401	7,909,401
Total	4,109	206,190	0	0	7,996,591	7,996,591	0	7,909,401	7,909,401
Funding Sources									
Federal Funds-ARRA 4000244	4,109	206,190		0	7,996,591	7,996,591	0	7,909,401	7,909,401
Total Funding	4,109	206,190		0	7,996,591	7,996,591	0	7,909,401	7,909,401
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	4,109	206,190		0	7,996,591	7,996,591	0	7,909,401	7,909,401

This Appropriation established through the authority of the Miscellaneous Federal Program Act.

Change Level by Appropriation

Appropriation: 83R - ARRA AIEC
Funding Sources: FST - Federal Funds-ARRA

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	0	0	0	0.0	0	0	0	0.0
C16	ARRA	7,996,591	2	7,996,591	100.0	7,909,401	2	7,909,401	100.0

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	0	0	0	0.0	0	0	0	0.0
C16	ARRA	7,996,591	2	7,996,591	100.0	7,909,401	2	7,909,401	100.0

Justification

C16	The agency received a subgrant from the Arkansas Energy Office to facilitate Arkansas industry's pursuit of energy conservation and greenhouse gas reductions. Arkansas Manufacturing Solutions (AMS) will partner with the University of Arkansas to develop and maintain the Arkansas Industrial Energy Clearinghouse (AIEC). This project is an online service to support and promote industrial energy-efficiency developments in Arkansas. The agency requests continuation of this grant for FY12 at \$87,190, this grant expires in FY12. The Health Information Exchange (HIE) cooperative agreement program is a subgrant from the Department of Finance & Administration to support the Office of Health Information Technology to encourage the use of electronic health records among healthcare providers such as doctors and hospitals. In meeting milestones established under the cooperative agreement the office will seek to expand and encourage the use of information technology and electronic health/medical records. It is hoped the increased use of information technology will create a safer, more-efficient healthcare system. The agency requests continuation of HIE for the 2011-2013 biennium at \$7,909,401 each year.
-----	---

Analysis of Budget Request

Appropriation: 84W - New AMS - Cash in Treasury

Funding Sources: NST - Cash in Treasury

The Agency requests a reallocation from appropriation 919 Arkansas Manufacturing Extension Network of \$1,190,790 for FY12 and \$1,230,790 in FY13. This request separates the client (cash), the revenue portion of the AR Manufacturing Extension Network from the federal funded portion. Federal funds are derived from a cooperative agreement between the agency and the U.S. Department of Commerce National Institute of Standards & Technology (NIST). The client revenue is derived from service agreements and training class revenue. Separating the two sources of funds will simplify tracking of federal funds and allow better accountability of program revenues.

The reallocation of \$1,118,382 for FY12 and FY13 includes \$192,322 for Regular Salaries and Personal Services Matching and transfers three positions each year from appropriation 919. The reallocation also includes Operating Expenses of \$82,946, Conference & Travel Expenses of \$31,860, Professional Fees of \$60,500, Grants & Aid of \$440,000 and Field Services of \$310,754 each year.

The Agency requests a Change Level of \$72,408 in FY12 and \$112,408 in FY13 to meet the requirements of the service agreements. This includes an increase of \$16,954 and \$14,500 each year of the biennium for Operating Expenses and Professional Fees; respectively. An increase of \$40,954 for FY12 and \$80,954 in FY13 for Field Services is requested.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 84W - New AMS - Cash in Treasury

Funding Sources: NST - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	0	0	0	0	146,782	146,782	0	146,782	146,782
#Positions	0	0	0	0	3	3	0	3	3
Personal Services Matching 5010003	0	0	0	0	45,540	45,540	0	45,540	45,540
Operating Expenses 5020002	0	0	0	0	99,900	99,900	0	99,900	99,900
Conference & Travel Expenses 5050009	0	0	0	0	31,860	31,860	0	31,860	31,860
Professional Fees 5060010	0	0	0	0	75,000	75,000	0	75,000	75,000
Grants and Aid 5100004	0	0	0	0	440,000	440,000	0	440,000	440,000
Field Services 5900046	0	0	0	0	351,708	351,708	0	391,708	391,708
Total	0	0	0	0	1,190,790	1,190,790	0	1,230,790	1,230,790
Funding Sources									
Fund Balance 4000005	0	0		0	0	0	0	1,048,463	1,048,463
Cash Fund 4000045	0	0		0	998,468	998,468	0	1,038,468	1,038,468
Transfers / Adjustments 4000683	0	0		0	1,240,785	1,240,785	0	0	0
Total Funding	0	0		0	2,239,253	2,239,253	0	2,086,931	2,086,931
Excess Appropriation/(Funding)	0	0		0	(1,048,463)	(1,048,463)	0	(856,141)	(856,141)
Grand Total	0	0		0	1,190,790	1,190,790	0	1,230,790	1,230,790

Agency Request reallocations of Base Level appropriation and positions from 919 AR Manufacturing Extension Network-Fed to appropriation 84W - New AMS - Cash in Treasury to separate the client (cash), the revenue portion of the AR Manufacturing Extension Network from the federal funded portion.

Change Level by Appropriation

Appropriation: 84W - New AMS - Cash in Treasury
Funding Sources: NST - Cash in Treasury

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
C02	New Program	72,408	0	72,408	100.0	112,408	0	112,408	100.0
C04	Reallocation	926,060	0	998,468	1,378.9	926,060	0	1,038,468	923.8
C07	Agency Transfer	192,322	3	1,190,790	1,644.6	192,322	3	1,230,790	1,094.9

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
C02	New Program	72,408	0	72,408	100.0	112,408	0	112,408	100.0
C04	Reallocation	926,060	0	998,468	1,378.9	926,060	0	1,038,468	923.8
C07	Agency Transfer	192,322	3	1,190,790	1,644.6	192,322	3	1,230,790	1,094.9

Justification

C02	The agency requests an increase of \$72,408 in FY12 and \$112,408 in FY13 to meet the requirements of the service agreements. The agency requests an increase of \$16,954 and \$14,500 each FY for Operating Expenses and Professional Fees; respectively. The agency requests an increase of \$40,954 in FY12 and \$80,954 in FY13 for Field Services.
C04	The agency requests a reallocation of resources to separate federal funding (NIST Cooperative Agreement) from AMS client (cash) revenue. Federal funds are derived from a cooperative agreement between the agency and NIST. The client revenue is derived from service agreements and training class revenue. Separating the two sources of funds will simplify federal funds tracking and alleviate the need to maintain separate books from AASIS.
C07	The agency requests a transfer of three positions budgeted to appropriation 919 Arkansas Manufacturing Solutions (AMS) to the new AMS Cash appropriation (84W).

Analysis of Budget Request

Appropriation: 919 - AR Manufacturing Extension Network-Fed

Funding Sources: FST - ASTA Federal Programs

The Arkansas Science and Technology Authority's Arkansas Manufacturing Extension Network program provides a statewide industry driven Manufacturing Extension Network for the delivery of technical and management assistance. The program is funded by the U.S. Department of Commerce National Institute of Standards and Technology (NIST) and third party reimbursements for field services and technical support from manufacturers supported under this grant.

The Agency requests a reallocation to separate the client (cash), the revenue portion of the AR Manufacturing Extension Network from the federal funded portion. Federal funds are derived from a cooperative agreement between the agency and the U.S. Department of Commerce National Institute of Standards & Technology (NIST). Client funding is derived from service agreements and training class revenue.

The reallocation of \$1,118,382 for FY12 and FY13 includes \$192,322 for Regular Salaries and Personal Services Matching and transfers three positions each year to appropriation 84W New AMS. The reallocation also includes Operating Expenses of \$82,946, Conference & Travel Expenses of \$31,860, Professional Fees of \$60,500, Grants & Aid of \$440,000 and Field Services of \$310,754 each year.

The Agency requests a Change Level of \$5,000 each year of the biennium for Operating Expenses.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 919 - AR Manufacturing Extention Network-Fed

Funding Sources: FST - ASTA Federal Programs

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	129,506	146,782	149,555	146,782	0	0	146,782	0	0
#Positions		3	3	3	3	0	0	3	0	0
Personal Services Matching	5010003	38,361	45,496	43,297	45,540	0	0	45,540	0	0
Operating Expenses	5020002	121,992	177,946	177,946	177,946	100,000	100,000	177,946	100,000	100,000
Conference & Travel Expenses	5050009	18,747	31,860	31,860	31,860	0	0	31,860	0	0
Professional Fees	5060010	182,165	60,500	60,500	60,500	0	0	60,500	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	292,393	440,000	440,000	440,000	0	0	440,000	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Field Services	5900046	731,472	1,151,864	1,151,864	1,151,864	841,110	841,110	1,151,864	841,110	841,110
Total		1,514,636	2,054,448	2,055,022	2,054,492	941,110	941,110	2,054,492	941,110	941,110

Funding Sources										
Fund Balance	4000005	1,444,457	1,240,785		1,240,785	0	0	0	0	0
Federal Revenue	4000020	1,310,964	1,584,902		0	941,110	941,110	0	941,110	941,110
Third Party Reimbursement	4000490	0	469,546		0	0	0	0	0	0
Total Funding		2,755,421	3,295,233		1,240,785	941,110	941,110	0	941,110	941,110
Excess Appropriation/(Funding)		(1,240,785)	(1,240,785)		813,707	0	0	2,054,492	0	0
Grand Total		1,514,636	2,054,448		2,054,492	941,110	941,110	2,054,492	941,110	941,110

Agency Request reallocations of Base Level appropriation and positions from 919 AR Manufacturing Extention Network-Fed to appropriation 84W - New AMS - Cash in Treasury to separate the client (cash), the revenue portion of the AR Manufacturing Extention Network from the federal funded portion.

Change Level by Appropriation

Appropriation: 919 - AR Manufacturing Extention Network-Fed
Funding Sources: FST - ASTA Federal Programs

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	2,054,492	3	2,054,492	100.0	2,054,492	3	2,054,492	100.0
C01	Existing Program	5,000	0	2,059,492	100.2	5,000	0	2,059,492	100.2
C04	Reallocation	(926,060)	0	1,133,432	55.2	(926,060)	0	1,133,432	55.2
C07	Agency Transfer	(192,322)	(3)	941,110	45.8	(192,322)	(3)	941,110	45.8

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	2,054,492	3	2,054,492	100.0	2,054,492	3	2,054,492	100.0
C01	Existing Program	5,000	0	2,059,492	100.2	5,000	0	2,059,492	100.2
C04	Reallocation	(926,060)	0	1,133,432	55.2	(926,060)	0	1,133,432	55.2
C07	Agency Transfer	(192,322)	(3)	941,110	45.8	(192,322)	(3)	941,110	45.8

Justification

C01	The agency requests an increase of \$5,000 each FY for Operating Expenses for Other rent and leases.
C04	The agency requests a reallocation of resources to separate federal funding (NIST Cooperative Agreement) from AMS client (cash) funding. Client revenue is derived from service agreements and training class revenue. Separating the two funding sources will simplify federal funds tracking and alleviate the need to maintain separate books from AASIS.
C07	The agency requests a transfer of three positions budgeted to appropriation 919 to the New AMS Cash appropriation (84W).

Appropriation Summary

Appropriation: 38W - Industrial Energy Efficiency

Funding Sources: NST - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	31,389	0	0	0	0	0	0	0	0
Grants and Aid 5100004	6,464	0	0	0	0	0	0	0	0
Total	37,853	0	0	0	0	0	0	0	0
Funding Sources									
Fund Balance 4000005	51,227	0		0	0	0	0	0	0
Total Funding	51,227	0		0	0	0	0	0	0
Excess Appropriation/(Funding)	(13,374)	0		0	0	0	0	0	0
Grand Total	37,853	0		0	0	0	0	0	0

THIS APPROPRIATION NOT REQUESTED FOR THE 2011-2013 BIENNIUM.

The fund balance will be expensed in FY11 via an appropriation transfer from the Cash Fund Holding Account approved during the 2010 August PEER.