

DOE - Public School Fund

Enabling Laws

Act 1075 of 2011 (PSF)
Act 269 of 2012 (PSF)
A.C.A. §6-5-301 et seq.
A.C.A. §6-10-101 thru §6-26-305
A.C.A. §6-42-101 et seq.
A.C.A. §6-45-101 et seq.
A.C.A. §6-47-201 et seq.
A.C.A. §26-80-101 et seq.
A.C.A. §25-6-101 et seq.

History and Organization

See General Education Division page 1.

Agency Commentary

AGENCY COMMENTARY PUBLIC SCHOOL FUND 2013-2015 BIENNIAL BUDGET REQUEST

The following is a summary of Change Level requests by appropriation:

EDUCATION RENEWAL ZONES (2HY)

The Arkansas Education Renewal Zones (ERZ) was a state initiative to identify and implement educational and management strategies to improve public school performance and student academic achievement. Through this initiative, regionalized ERZs provided for collaboration

among Arkansas's schools, especially smaller schools, while helping to concentrate and coordinate resources of institutions of higher education, regional education service cooperatives and other service providers. The universities were able to use existing fund balances from their 2010-11 budgets to cover 2012 expenditures not included in grant allocations. These fund balances did not exist at the end of FY12, so the universities need the funding restored for FY13 and beyond (\$17,450).

SCHOOL FOOD SERVICES (447)

This program, combined with the Surplus Commodities program, provided the State match for the total school food program in local schools. These grants are paid to school districts at a rate based on the number of lunches served. The Change Level request is to restore funding and appropriation based on FY13 amounts that were budgeted subsequent to the biennial budget request process (\$1,650,000).

SERIOUS OFFENDER PROGRAM (566)

The Department of Education established the Juvenile Treatment Centers Program (formerly Serious Offender Program) through a Memorandum of Understanding with the Department of Human Services, Division of Youth Services (DYS). The current program has been in effect since 1996 for the purpose of generating educational funds for the DHS Juvenile Treatment Centers Program (JTC). School districts were provided state funds based on the number of JTC participants in their districts. School districts in turn paid the JTC providers in their districts. The Change Level request is to restore funding and appropriation based on FY13 amounts that were budgeted subsequent to the biennial budget request process (\$665,913).

SPECIAL EDUCATION SERVICES (668)

This program provides (1) funding to support the provision of Extended School Year (ESY) services to eligible students with disabilities in need of such services, (2) special education services to children with disabilities who are wards of the State placed by the Department of Human Services (DHS) in out-of-state therapeutic treatment programs, and (3) funds to support the payment of salaries to special education supervisors. For the 2012-13 school year, funding is provided to school districts to support the salaries of special education supervisors based on the Average Daily Membership of the first three quarters of the previous year. In addition, funding is provided to school districts and education service cooperatives for ESY services. The Change Level is requested to restore funding and appropriation based on FY13 amounts that were budgeted subsequent to the biennial budget request process (\$1,657,242).

COOPERATIVE EDUCATION TECHNOLOGY CENTERS OPERATIONS (434)

This program funds the Educational Service Cooperatives Technology Coordinators. The Change Level request is to restore funding and appropriation for Educational Service Cooperatives Technology Coordinators based on FY13 amounts that were budgeted subsequent to the biennial budget request process (\$1,200,000).

SCHOOL WORKER DEFENSE (458)

This program provides protection against civil liability, attorney's fees, and costs of defense for acts or omissions of each employee or volunteer in the performance of his or her duties as a volunteer or his or her official duties as a school employee. The Change Level request is to restore funding and appropriation based on FY13 amounts that were budgeted subsequent to the biennial budget request process (\$390,000).

EARLY CHILDHOOD SPECIAL EDUCATION (697)

This program, which is authorized by A.C.A. §6-41-202 et seq., provides base funding for special education services through local education agencies for 11,500 three to five year old preschool children with disabilities. Funds are also provided to Education Services Cooperatives for behavioral intervention services to all local community preschool programs as well as to coordinate required transition activities for children ages 0-2 that will remain in special education as 3-5 preschoolers. Also included in this program are funds for the Medicaid state match for preschool programs that bill for physical, occupational, and speech therapy services. The Base Level for this general revenue funded appropriation is \$15,623,079 in each year of the 2013-2015 biennium. The Change Level request is to restore funding and appropriation based on FY13 amounts that were budgeted subsequent to the biennial budget request process (\$1,274,841 per year of the biennium).

ASSESSMENT/END OF LEVEL TESTING (459)

This program funded grants to develop and implement alternative assessments required by the Elementary and Secondary Education Act, End-of-Course Exams, and Augmented Benchmark Exams. The Change Level request is to restore funding and appropriation based on FY13 amounts that were budgeted subsequent to the biennial budget request process (\$1,973,672).

INTERVENTION BLOCK GRANTS (565)

Local school districts, education service cooperatives, institutions of higher education, and other organizations were eligible to apply for an intervention block grant. These grants were used to encourage parental involvement through the following four (4) student competitions: Arkansas Governor's Quiz Bowl, State History Day Competition, Creativity in Arkansas and Arkansas Destination Imagination. The Change Level request is to restore funding and appropriation based on FY13 amounts that were budgeted subsequent to the biennial budget request process (\$75,000).

GIFTED AND TALENTED (457)

This program makes available approximately \$44,500 in supplemental funding to 15 Educational Services Cooperatives (\$667,500) to fund a GT Specialist. In addition, funding in the amount of approximately \$890,000 is used to fund the Governor's School. Funds in the amount of \$3,000 each for three school districts (\$9,000) that are awarded the Outstanding Gifted Program Award authorized by A.C.A. §6-42-104, 6

(A) & (B) and \$2,500 is sent to AGATE and \$1000 is sent to AAGEA. The Base Level for this general revenue funded appropriation is \$1,085,381 in each year of the 2013-2015 biennium. The Change Level request is to restore funding and appropriation based on FY13 amounts that were budgeted subsequent to the biennial budget request process (\$250,000).

RESIDENTIAL CENTERS / JUVENILE DETENTION (394)

This program provides reimbursement to school districts for educational costs associated with: (1) disabled and non-disabled students placed in approved residential psychiatric and drug and alcohol treatment facilities; (2) disabled students placed in approved residential intermediate care facilities, and (3) disabled and non-disabled students placed by the courts in juvenile detention centers. The Base Level for this general revenue funded appropriation is \$15,188,254 in each year of the 2013-2015 biennium. The Change Level request is to restore funding and appropriation based on FY13 amounts that were budgeted subsequent to the biennial budget request process (\$1,156,833).

SMART START/SMART STEP (057)

This program provides professional development and technical assistance to schools/districts specifically in the areas of literacy, mathematics, and science. The program supports schools/districts in the goal of all students at grade level. The funds provide for literacy specialists, mathematics specialists, and science specialists housed at the ADE and at the 15 Educational Service Cooperatives. The specialists provide professional development and technical assistance in a variety of areas including content knowledge, curriculum alignment, coaching and assessment. In addition, materials such as professional texts and technology supports are provided to schools who participate in the state developed professional development. In light of the recently approved flexibility waiver from the U.S. Department of Education, funds are needed to support the lowest achieving schools in Arkansas. The Base Level request for this program is \$8,457,160 in each year of the 2013-15 biennium. The Change Level request is for general revenue funded appropriation of \$2,209,143 in FY14 and \$2,209,143 in FY15. The request is to restore funding and appropriation based on FY13 amounts that were budgeted subsequent to the biennial budget request process and that were funded in FY13 from fund balances.

ENGLISH LANGUAGE LEARNERS (082)

Additional aid is provided to school districts with students identified as not being proficient in the English language, to assist with securing specially-trained staff, instructional materials and/or training. An additional \$305 per student is paid to districts for those students identified as not proficient in the English language. The ADE also conducts a summer institute for teachers desiring training in teaching students. A.C.A. § 6-20-2305 (2012) states that beginning with the 2012-2013 school year English Language Learners funding shall be \$305 for each identified English Language learner. The Base Level for the general revenue funded appropriation is \$12,162,924 in each year of the 2011-13 biennium. The Change Level request is for funding and appropriation for an additional \$655,751 in FY14 and \$1,351,761 in FY15. The Base Level number of ELL students is 37,485. FY14 growth is projected at 5.74%, for an increase in student enrollment by 2,150 students X rate of \$305 = \$655,751 needed for FY14 growth. FY15 growth is projected at 5.76%, for an increase in student enrollment by 2,282 students X rate of \$305 = \$1,351,761 needed for FY15 growth. Growth rate is projected based on the average rate of growth over the past three years.

CONSOLIDATION INCENTIVE (421)

These funds are paid to each school district that was administratively consolidated or annexed by the State Board of Education pursuant to Ark. Code Ann. § 6-11-105, § 6-13-1401 and applicable rules of the State Board of Education. One hundred percent (100%) of the incentive allowance is added to the school district's aid in the first year of consolidation/annexation. In the second year of consolidation/annexation, the district receives fifty percent (50%) of the consolidation/annexation incentive funding granted the previous year. The Change Level request is to provide funding and appropriation for a projection of two consolidations per year of the biennium. 600 ADM for two consolidations X SFF of \$6,267 = \$3,760,200 for FY14. \$3,760,200 for two additional consolidations in FY15 plus \$3,760,200/2 for second year of FY14 consolidations = \$5,640,300.

ALTERNATIVE LEARNING (311)

School districts were required to provide an alternative learning environment (ALE) for students who demonstrated an inability to function in the standard learning environment. The ALE program provided educational programs to eligible students in alternative classroom settings, as well as additional services to meet the needs of this group of at-risk students. The Department of Education calculated ALE funds in the 2012-13 school year by multiplying \$4,228 by the number of identified ALE students enrolled during the previous school year. This is an increase of \$83 per student from the FY11-12 school year. The Change Level request is to provide funding and appropriation for the growth in the number of students in the program, for a total requested increase of \$2,331,187 each year of the biennium. Growth rate is projected based on the average rate of growth over the past three years.

MASTER PRINCIPAL BONUS (2ZM)

Pursuant to A.C.A. §6-17-1604, the ADE pays a high-need school salary bonus of \$25,000 for every school year for no more than five (5) years to any building-level principal who: Receives a master school principal designation from the Arkansas Leadership Academy; and is, at the time of receiving the bonus, employed full time as a building-level principal in an Arkansas public school district that is or was in school-improvement status or academic distress. The high-need school salary bonus is \$20,000 per year. The Change Level is requested to provide funding and appropriation for program growth in FY14 and FY15. It is projected that more principals will enter the program, and some may go to high needs school districts which will necessitate additional funds.

SPECIAL EDUCATION - CATASTROPHIC OCCURRENCES (091)

This program assisted districts with special education students who required extraordinary support services such as full-time registered nurses or elaborate assistive technology. The special education and related services required by these individual students were unduly expensive, extraordinary or beyond the routine costs associated with special education. Reimbursements from this program could be sought after eligible costs for the child equaled or exceeded \$15,000, and only after Medicaid, federal Title VI-B and available third-party funding was applied to the catastrophic occurrence. The Change Level is to provide funding and appropriation for program growth at a rate of 84 students, with an average amount funded per student of \$22,633; for a total increase of \$1,900,000 each year of the biennium. Growth rate is projected based on the average rate of growth over the past three years.

SURPLUS COMMODITIES (450)

The Department of Human Services (DHS) administers the Surplus Commodities Program. Under an agreement with DHS, the Department of Education reimburses transportation costs of \$780,000 for the delivery of surplus commodities to the school districts. The Base Level for this general revenue funded appropriation is \$780,000 each year of the 2013-2015 biennium. The Change Level is to provide general revenue funded appropriation to maintain the program at its current operating level. This program was supplemented by one-time funding from DHS in FY11 and ADE fund balances covered the shortfall in FY12 and FY13. A funded appropriation increase of \$569,810 is requested in order to maintain the current operating level for each year of the biennium. DHS has indicated that without additional funds from ADE they can't continue to administer the program.

TEACHER RETIREMENT MATCHING (437)

This program provides for the employer matching contribution for employees of the Education Service Cooperatives, Vocational Centers, the Model Vocational-Technical Resource Center, Arkansas Easter Seals and the school operated by the Department of Correction. The Base Level for this general revenue funded appropriation is \$6,655,000 in each year of the 2013-2015 biennium. The Change Level is to provide funding and appropriation for the increase of participants in the program that the ADE has covered with fund balances in FY13, in the amount of \$3,447,189 for FY14 and \$4,457,407 for FY15.

PROFESSIONAL DEVELOPMENT FUNDING (2HS)

This is a formula driven program that provides \$52 per previous year Average Daily Membership (ADM) student to School Districts to provide activities and materials to improve the knowledge of teachers, administrators, and paraprofessionals. Section 19 of Act 269 of 2012 allows the Department of Education to utilize \$4 million of the appropriation provided for this program to develop and implement statewide professional development support systems. The Base Level request for the general revenue funded appropriation is \$24,170,187 in each year of the 2013-15 biennium. The Change Level request is to provide funding and appropriation for an additional \$38,050 in FY14 and \$76,100 in FY15. This request assumes no increase in the per ADM funding rate of \$52; but it does provide for FY14 and FY15 projected ADM growth in charter schools. Growth rate is projected based on the average rate of growth over the past three years.

NATIONAL SCHOOL LUNCH (2HR)

NSLA is a formula driven program to target additional funding to school districts that have concentrations of poverty students. Districts with greater than 90% poverty will receive an additional \$1,549, those with greater than 70% and less than 90% will receive \$1,033 and those with less than 70% will receive \$517 per NSLA student identified in the previous year. The Base Level for the general revenue funded appropriation is \$187,235,597 in each year of the 2013-15 biennium. The Change Level request is for funding and appropriation for an additional \$9,091,762 in FY14 and \$9,144,827 in FY15. Growth rate is projected based on the average rate of growth over the past two years; plus projected transitional funding for school districts that experience either an increase or a decrease in the amount of national school lunch state categorical funding per student, pursuant to A.C.A. §6-20-2305.

NATIONAL BOARD OF PROFESSIONAL TEACHING STANDARDS (438)

A.C.A. §6-17-413(a)(1)(A) calls for teacher support in three distinct areas related to state support of advanced national teacher certification: bonuses to National Board Certified Teachers (NBCT), participation fees and substitute pay required for candidacy, and a support system for those candidates. The Base Level request for this appropriation is \$9,106,160 in each year of the 2009-11 biennium. Funding consists of \$8,196,160 each year from general revenue and \$910,000 each year from the Transit Tax on the rental of motor vehicles. The Change Level request is to restore funding and appropriation based on FY13 amounts that were budgeted subsequent to the biennial budget request process (\$2,910,000); and additional general revenue to provide for continued expansion of participating teachers in FY14 (\$1,500,000) and FY15 (\$3,000,000). Expansion is projected to be 300 additional teachers to be added each year of the biennium (300 in FY14; 600 in FY15). Growth rate is projected based on the average rate of growth over the past three years.

DEPARTMENT OF CORRECTION (380)

The cost of implementing and operating the school program in the Corrections School System shall be borne by the state and shall be paid from funds appropriated by the General Assembly from the general revenues of the state to the Department of Correction, the Department of Community Correction, and the Department of Education. The cost of facilities, equipment, and current operation in excess of the amount of grants and aids received from the Department of Education shall be borne by the Department of Correction and the Department of Community Correction as approved by the Board of Corrections. The Base Level for the general revenue funded appropriation is \$5,597,675 in each year of the 2013-2015 biennium. The Change Level request is to restore funding and appropriation based on FY13 amounts that were budgeted subsequent to the biennial budget request process (\$427,124 each year); and to provide funding and appropriation for growth: FY14 growth is one new instructor at the Pine Bluff unit in FY14 (\$50,000) plus a 3% COLA (\$146,093) for a FY14 total growth request of \$196,093; FY15 growth is two new instructors at the Pine Bluff unit (\$100,000), plus a 3% COLA (\$151,976), plus the cost of GED computerized test (\$120,000) for a FY15 total growth request of \$371,976.

ARKANSAS PUBLIC SCHOOL COMPUTER NETWORK (APSCN) (688)

From a non-profit agency begun in 1992, APSCN became a part of the Department of Education in 1998. APSCN's mission is to implement a statewide data communication network that connects all Arkansas public school systems and Education Service Cooperatives with the Department of Education to provide electronic access to administrative computing services and remote instructional services. Schools, district offices and Cooperatives use APSCN to process financial and student data. The Base Level request for the APSCN is \$22,769,603. The Change Level request is for unfunded appropriation of \$200,000 each year for unforeseen Capital Outlay needs of the Arkansas Public School Computer Network (APSCN) that may occur in the 2013-2015 biennium.

SCHOOL FUNDING CONTINGENCY (2ZH)

This appropriation is an unfunded contingency appropriation for the Department of Education to utilize to address unforeseen circumstances that occur. In order to use this appropriation, it must be transferred to a programmatic appropriation with the approval of the Chief Fiscal Officer of the State and the Arkansas Legislative Council or Joint Budget Committee. The Change Level request is for the unfunded appropriation to continue at the \$25 million appropriation level in each year of the 2013-2015 biennium.

State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2012

None

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2011-2012		2012-2013		2012-2013		2013-2014						2014-2015					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
057 Smart Start/Smart Step	10,666,303	0	8,457,160	0	10,666,303	0	8,457,160	0	10,666,303	0	10,666,303	0	8,457,160	0	10,666,303	0	10,666,303	0
082 English Language Learners	11,103,313	0	12,162,924	0	12,162,924	0	12,162,924	0	12,818,675	0	13,075,049	0	12,162,924	0	13,514,685	0	14,059,595	0
088 At Risk	1,607,222	0	1,688,530	0	1,688,530	0	1,688,530	0	1,688,530	0	1,688,530	0	1,688,530	0	1,688,530	0	1,688,530	0
091 Special Ed-Catastrophic	11,000,000	0	11,000,000	0	11,000,000	0	11,000,000	0	12,900,000	0	12,900,000	0	11,000,000	0	12,900,000	0	12,900,000	0
094 Youth Shelters	165,000	0	165,000	0	165,000	0	165,000	0	165,000	0	165,000	0	165,000	0	165,000	0	165,000	0
108 Tech Improvements	461,778	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0
119 Tech Grants	3,602,575	0	3,602,678	0	3,602,678	0	3,602,678	0	3,602,678	0	3,602,678	0	3,602,678	0	3,602,678	0	3,602,678	0
136 Distressed School District Support	18,047	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0
150 Home School Test	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0
1PS Non-Traditional Licensure	23,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0
1QV Content & Curriculum	0	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0
1XE Economic Education	350,000	0	350,000	0	350,000	0	350,000	0	350,000	0	350,000	0	350,000	0	350,000	0	350,000	0
2HP State Foundation Funding	1,849,578,494	0	1,891,315,753	0	1,904,969,759	0	1,891,315,753	0	1,891,315,753	0	1,923,089,661	0	1,891,315,753	0	1,891,315,753	0	1,961,843,724	0
2HR National School Lunch	183,753,763	0	187,235,597	0	187,235,597	0	187,235,597	0	196,327,359	0	200,253,906	0	187,235,597	0	205,472,186	0	213,768,543	0
2HS Prof Development Fund	20,677,724	0	24,170,187	0	24,244,209	0	24,170,187	0	24,208,237	0	24,692,402	0	24,170,187	0	24,246,287	0	25,225,822	0
2HU Supplemental Millage	3,988,433	0	10,000,000	0	10,000,000	0	10,000,000	0	10,000,000	0	10,000,000	0	10,000,000	0	10,000,000	0	10,000,000	0
2HX Distance Learning Operations	7,382,010	0	7,575,000	0	7,575,000	0	7,575,000	0	7,575,000	0	7,575,000	0	7,575,000	0	7,575,000	0	7,575,000	0
2HY Education Renewal Zones	1,186,697	4	1,435,535	5	1,458,044	5	1,452,637	5	1,470,087	5	1,470,087	5	1,452,637	5	1,470,087	5	1,470,087	5
2JA Content Standards	52,160	0	161,000	0	161,000	0	161,000	0	161,000	0	161,000	0	161,000	0	161,000	0	161,000	0
2JC Teacher Recruitment	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0
2ZH School Funding Contingency	0	0	0	0	25,000,000	0	0	0	25,000,000	0	25,000,000	0	0	0	25,000,000	0	25,000,000	0
2ZK Leadership Acdmy-Mstr Principal	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0
2ZM Master Principal Bonus	161,000	0	90,000	0	90,000	0	90,000	0	200,000	0	200,000	0	90,000	0	200,000	0	200,000	0
2ZS Special Needs Isolated Funding	8,014,006	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0
311 Alternative Learning	22,341,560	0	20,529,609	0	21,775,797	0	20,529,609	0	22,860,796	0	23,318,012	0	20,529,609	0	22,860,796	0	23,830,996	0
326 General Facilities Funding	3,235,696	0	8,100,000	0	8,100,000	0	8,100,000	0	8,100,000	0	8,100,000	0	8,100,000	0	8,100,000	0	8,100,000	0
331 Isolated Funding	2,881,991	0	7,896,000	0	7,896,000	0	7,896,000	0	7,896,000	0	7,896,000	0	7,896,000	0	7,896,000	0	7,896,000	0
332 Student Growth	31,728,269	0	28,500,000	0	28,500,000	0	28,500,000	0	28,500,000	0	28,500,000	0	28,500,000	0	28,500,000	0	28,500,000	0
336 Bonded Debt Assistance	16,677,008	0	28,455,384	0	28,455,384	0	28,455,384	0	28,455,384	0	28,455,384	0	28,455,384	0	28,455,384	0	28,455,384	0
34N 98% URT Actual Collection Adj	17,448,228	0	34,500,000	0	34,500,000	0	34,500,000	0	34,500,000	0	34,500,000	0	34,500,000	0	34,500,000	0	34,500,000	0
380 Dept of Correction	5,881,973	0	5,597,675	0	6,024,799	0	5,597,675	0	6,220,892	0	6,220,892	0	5,597,675	0	6,396,775	0	6,396,775	0
394 Residential Ctrs/Juv Detention	11,115,708	0	15,188,254	0	16,345,087	0	15,188,254	0	16,345,087	0	16,345,087	0	15,188,254	0	16,345,087	0	16,345,087	0
421 Consolidation Incentive	4,358,183	0	0	0	9,415,127	0	0	0	3,760,200	0	3,760,200	0	0	0	5,640,300	0	5,640,300	0

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2011-2012		2012-2013		2012-2013		2013-2014						2014-2015					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
434 Coop Education Tech Centers	1,200,000	0	0	0	1,200,000	0	0	0	1,200,000	0	1,200,000	0	0	0	1,200,000	0	1,200,000	0
437 Teacher Retirement Matching	8,129,646	0	6,655,000	0	6,655,000	0	6,655,000	0	10,102,189	0	10,102,189	0	6,655,000	0	11,112,407	0	11,112,407	0
438 Ntl Bd Prof Teaching Standards	9,944,447	0	9,106,160	0	12,016,160	0	9,106,160	0	13,516,160	0	13,516,160	0	9,106,160	0	15,016,160	0	15,016,160	0
440 Advanced Placement Incentive	825,000	0	825,000	0	825,000	0	825,000	0	825,000	0	825,000	0	825,000	0	825,000	0	825,000	0
444 Criminal Background Checks	660	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
445 AR Easter Seals	193,113	0	193,113	0	193,113	0	193,113	0	193,113	0	193,113	0	193,113	0	193,113	0	193,113	0
446 Public School Employee Ins	36,345,632	0	37,273,600	0	37,273,600	0	37,273,600	0	37,273,600	0	37,273,600	0	37,273,600	0	37,273,600	0	37,273,600	0
447 School Food Services	1,650,000	0	0	0	1,650,000	0	0	0	1,650,000	0	1,650,000	0	0	0	1,650,000	0	1,650,000	0
450 Surplus Commodities	843,799	0	780,000	0	780,000	0	780,000	0	1,349,810	0	1,349,810	0	780,000	0	1,349,810	0	1,349,810	0
451 Grants to School Districts	57,317	0	67,856	0	67,856	0	67,856	0	67,856	0	67,856	0	67,856	0	67,856	0	67,856	0
452 Workers' Compensation	182,535	0	450,000	0	450,000	0	450,000	0	450,000	0	450,000	0	450,000	0	450,000	0	450,000	0
454 School Food-Legislative Audit	173,848	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0
457 Gifted & Talented	1,085,381	0	1,085,381	0	1,335,381	0	1,085,381	0	1,335,381	0	1,335,381	0	1,085,381	0	1,335,381	0	1,335,381	0
458 School Worker Defense	44,924	0	0	0	390,000	0	0	0	390,000	0	390,000	0	0	0	390,000	0	390,000	0
459 Assessment/End Course Testing	18,481,643	0	22,250,189	0	24,375,349	0	22,250,189	0	24,223,861	0	24,223,861	0	22,250,189	0	24,223,861	0	24,223,861	0
460 Court Ordered Desegregation	68,037,000	0	69,814,372	0	69,814,372	0	69,814,372	0	69,814,372	0	69,814,372	0	69,814,372	0	69,814,372	0	69,814,372	0
4HM Teacher of the Year	77,634	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0
4HN Declining Enrollment	13,228,937	0	13,963,389	0	13,963,389	0	13,963,389	0	13,963,389	0	13,963,389	0	13,963,389	0	13,963,389	0	13,963,389	0
565 Intervention Block Grants	302,000	0	227,000	0	302,000	0	227,000	0	302,000	0	302,000	0	227,000	0	302,000	0	302,000	0
566 Serious Offender	1,683,067	0	1,050,946	0	1,716,859	0	1,050,946	0	1,716,859	0	1,716,859	0	1,050,946	0	1,716,859	0	1,716,859	0
59V Coord School Health	2,000,000	0	2,000,000	0	2,000,000	0	2,000,000	0	2,000,000	0	2,000,000	0	2,000,000	0	2,000,000	0	2,000,000	0
59W School Facility Joint Use	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0
59X Add Public School Employee Ins	15,000,000	0	15,000,000	0	15,000,000	0	15,000,000	0	15,000,000	0	15,000,000	0	15,000,000	0	15,000,000	0	15,000,000	0
652 Better Chance Program	108,615,620	0	111,000,000	0	111,000,000	0	111,000,000	0	111,000,000	0	111,000,000	0	111,000,000	0	111,000,000	0	111,000,000	0
668 Special Education Services	2,796,447	0	1,145,285	0	4,145,285	0	1,145,285	0	2,802,527	0	2,802,527	0	1,145,285	0	2,802,527	0	2,802,527	0
669 Human Dev Ctr Education Aid	526,150	0	526,150	0	526,150	0	526,150	0	526,150	0	526,150	0	526,150	0	526,150	0	526,150	0
670 Education Service Cooperatives	6,129,270	0	6,129,270	0	6,129,270	0	6,129,270	0	6,129,270	0	6,129,270	0	6,129,270	0	6,129,270	0	6,129,270	0
688 APSCN	19,437,819	46	22,769,603	48	23,629,415	49	22,627,814	48	22,827,814	48	22,827,814	48	22,630,415	48	22,830,415	48	22,830,415	48
697 Early Childhood Special Educ	16,177,069	0	15,623,079	0	16,897,920	0	15,623,079	0	16,897,920	0	16,897,920	0	15,623,079	0	16,897,920	0	16,897,920	0
698 Distance Learning	4,760,000	0	4,760,000	0	4,760,000	0	4,760,000	0	4,760,000	0	4,760,000	0	4,760,000	0	4,760,000	0	4,760,000	0
699 Teacher Licensing/Mentoring	4,020,541	0	5,008,758	0	5,008,758	0	5,008,758	0	5,008,758	0	5,008,758	0	5,008,758	0	5,008,758	0	5,008,758	0
NOT REQUESTED FOR THE BIENNium																		
34K Alternative Pay	0	0	0	0	807,907	0	0	0	0	0	0	0	0	0	0	0	0	0

NOT REQUESTED FOR THE BIENNIUM																			
84U	At-Risk Children & Youth	500,000	0	0	0	500,000	0	0	0	0	0	0	0	0	0	0	0	0	0
86C	Supplemental Transportation	499,999	0	0	0	500,000	0	0	0	0	0	0	0	0	0	0	0	0	0
86T	Student Success Pilot	145,496	0	0	0	200,000	0	0	0	0	0	0	0	0	0	0	0	0	0
86U	Public School Athletic Training Program	0	0	0	0	200,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Total		2,575,905,135	50	2,663,080,437	53	2,732,894,022	54	2,662,955,750	53	2,727,613,010	53	2,764,511,220	53	2,662,958,351	53	2,742,060,699	53	2,823,379,672	53

Funding Sources			%		%		%		%		%		%		%		%		%
Fund Balance	4000005	60,211,366	2.3	59,097,834	2.2	59,097,834	2.2	59,097,834	2.1	59,097,834	2.1	58,802,354	2.2	58,802,354	2.1	58,802,354	2.0		
Merit Adjustment Fund	4000055	0	0.0	70,167	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0		
Court Ordered Desegregation	4000180	68,005,398	2.6	69,814,372	2.6	69,814,372	2.6	69,814,372	2.5	69,814,372	2.5	69,814,372	2.6	69,814,372	2.5	69,814,372	2.4		
DOE Public School Fund	4000195	1,904,970,389	72.3	1,961,576,841	72.1	1,961,576,841	72.1	2,001,034,101	71.8	2,010,591,800	71.2	1,961,576,841	72.1	2,015,479,189	72.0	2,064,891,450	71.7		
E-Rate Credit	4000207	5,700,293	0.2	8,000,000	0.3	8,000,000	0.3	8,000,000	0.3	8,000,000	0.3	8,000,000	0.3	8,000,000	0.3	8,000,000	0.3		
Educational Adequacy Fund	4000210	434,031,542	16.5	434,031,542	15.9	434,031,542	15.9	434,031,542	15.6	434,031,542	15.4	434,031,542	15.9	434,031,542	15.5	434,031,542	15.1		
Educational Excellence Fund	4000220	188,051,834	7.1	191,942,515	7.1	191,942,515	7.1	191,942,515	6.9	191,942,515	6.8	191,942,515	7.1	191,942,515	6.9	191,942,515	6.7		
M & R Sales	4000340	19,919	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0		
Miscellaneous Adjustments	4000345	4,532,531	0.2	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0		
Property Tax Relief Trust	4000390	0	0.0	350,000	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0		
TANF Transfer	4000478	7,500,000	0.3	7,500,000	0.3	7,500,000	0.3	7,500,000	0.3	7,500,000	0.3	7,500,000	0.3	7,500,000	0.3	7,500,000	0.3		
Trnfr frm DOE Pub School Fund	4000525	(39,299,554)	(1.5)	(11,115,000)	(0.4)	(11,115,000)	(0.4)	(11,115,000)	(0.4)	(11,115,000)	(0.4)	(11,115,000)	(0.4)	(11,115,000)	(0.4)	(11,115,000)	(0.4)		
Transit Tax	4000700	1,279,251	0.0	910,000	0.0	910,000	0.0	910,000	0.0	910,000	0.0	910,000	0.0	910,000	0.0	910,000	0.0		
Unfunded Appropriation	4000715	0	0.0	0	0.0	0	0.0	25,200,000	0.9	52,540,511	1.9	0	0.0	25,200,000	0.9	57,106,711	2.0		
Total Funds		2,635,002,969	100.0	2,722,178,271	100.0	2,721,758,104	100.0	2,786,415,364	100.0	2,823,313,574	100.0	2,721,462,624	100.0	2,800,564,972	100.0	2,881,883,944	100.0		
Excess Appropriation/(Funding)		(59,097,834)		(59,097,834)		(58,802,354)		(58,802,354)		(58,802,354)		(58,504,273)		(58,504,273)		(58,504,272)			
Grand Total		2,575,905,135		2,663,080,437		2,662,955,750		2,727,613,010		2,764,511,220		2,662,958,351		2,742,060,699		2,823,379,672			

Agency Position Usage Report

FY2010 - 2011						FY2011 - 2012						FY2012 - 2013					
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	
51	47	3	50	1	7.84 %	54	42	8	50	4	22.22 %	54	41	12	53	1	24.07 %

Analysis of Budget Request

Appropriation: 2HY - Education Renewal Zones

Funding Sources: JAA - Department of Education Public School Fund

The Office of Educational Renewal Zones is responsible for developing guidelines for the approval of education renewal zone strategic plans and guidelines for the evaluation and reporting of education renewal zone activities. The purpose of an education renewal zone is to: identify and implement education and management strategies designed specifically to improve public school performance and student academic achievement, with special focus on the State's most academically distressed public schools; provide for collaboration among the State's smaller schools and districts in order to achieve some of the advantages of economies of scale in providing educational and related activities; maximize benefits and outcomes of public schooling by concentrating and coordinating the resources of Arkansas' higher education institutions, the expertise of the regional education service cooperatives, and the technical assistance of other service providers to improve public school performance and student academic achievement; and enable small, rural, and low-wealth schools to make the best use of the latest cost-effective distance learning technology to enhance curricula and professional development through two-way interactive learning environments.

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Base Level appropriation and general revenue funding totals \$1,452,637 in FY14 and \$1,452,637 in FY15 with five (5) regular positions.

The Agency is requesting \$17,450 in appropriation and general revenue in the Grants and Aid line item each year of the 2013-2015 Biennium for grants to universities to cover expenditures previously paid by fund balances, which have been depleted.

The Executive Recommendation provides for Agency Request with the exception of general revenue increase.

Appropriation Summary

Appropriation: 2HY - Education Renewal Zones

Funding Sources: JAA - Department of Education Public School Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	226,989	246,561	264,536	255,419	255,419	255,419	255,419	255,419	255,419
#Positions		4	5	5	5	5	5	5	5	5
Personal Services Matching	5010003	73,150	77,274	81,808	85,518	85,518	85,518	85,518	85,518	85,518
Operating Expenses	5020002	58,290	91,800	91,800	91,800	91,800	91,800	91,800	91,800	91,800
Conference & Travel Expenses	5050009	850	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000
Professional Fees	5060010	127,418	306,900	306,900	306,900	306,900	306,900	306,900	306,900	306,900
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	700,000	700,000	700,000	700,000	717,450	717,450	700,000	717,450	717,450
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		1,186,697	1,435,535	1,458,044	1,452,637	1,470,087	1,470,087	1,452,637	1,470,087	1,470,087
Funding Sources										
DOE Public School Fund	4000195	1,186,697	1,435,535		1,452,637	1,470,087	1,452,637	1,452,637	1,470,087	1,452,637
Unfunded Appropriation	4000715	0	0		0	0	17,450	0	0	17,450
Total Funding		1,186,697	1,435,535		1,452,637	1,470,087	1,470,087	1,452,637	1,470,087	1,470,087
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		1,186,697	1,435,535		1,452,637	1,470,087	1,470,087	1,452,637	1,470,087	1,470,087

Change Level by Appropriation

Appropriation: 2HY - Education Renewal Zones
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	1,452,637	5	1,452,637	100.0	1,452,637	5	1,452,637	100.0
C01	Existing Program	17,450	0	1,470,087	101.2	17,450	0	1,470,087	101.2

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	1,452,637	5	1,452,637	100.0	1,452,637	5	1,452,637	100.0
C01	Existing Program	17,450	0	1,470,087	101.2	17,450	0	1,470,087	101.2

Justification

C01	C01 The universities were able to use existing fund balances from their 2010-11 budgets to cover 2012 expenditures not included in grant allocations. These fund balances did not exist at the end of FY12, so the universities need the funding restored for FY13 and beyond (\$17,450).								
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Analysis of Budget Request

Appropriation: 688 - APSCN

Funding Sources: JAA - Department of Education Public School Fund

Arkansas Public School Computer Network (APSCN) - From a non-profit Agency begun in 1992, APSCN became a part of the Department of Education in 1998. APSCN's mission is to implement a statewide data communication network that connects all Arkansas public school systems and Education Service Cooperatives with the Department of Education to provide electronic access to administrative computing services and remote instructional services. Schools, district offices and Cooperatives use APSCN to process financial and student data.

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Base level includes appropriation of \$22,627,814 with \$14,627,814 in Public School Fund funding for FY14 and \$22,630,415 with \$14,630,415 in Public School Fund funding for FY15. Also base level includes forty eight (48) regular positions.

Agency requests appropriation of \$200,000 in the Capital Outlay line item each year of the biennium for unforeseen capital outlay needs of the Arkansas Public School Computer Network (APSCN) that may occur.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 688 - APSCN

Funding Sources: JAA - Department of Education Public School Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	2,116,356	2,291,238	2,476,305	2,291,938	2,291,938	2,291,938	2,294,038	2,294,038	2,294,038
#Positions		46	48	49	48	48	48	48	48	48
Personal Services Matching	5010003	674,402	725,276	775,547	782,787	782,787	782,787	783,288	783,288	783,288
Operating Expenses	5020002	16,373,420	19,245,839	19,870,313	19,245,839	19,245,839	19,245,839	19,245,839	19,245,839	19,245,839
Conference & Travel Expenses	5050009	319	7,250	7,250	7,250	7,250	7,250	7,250	7,250	7,250
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	140,500	200,000	200,000	0	200,000	200,000	0	200,000	200,000
Data Access Implementation	5900046	132,822	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Total		19,437,819	22,769,603	23,629,415	22,627,814	22,827,814	22,827,814	22,630,415	22,830,415	22,830,415
Funding Sources										
DOE Public School Fund	4000195	13,737,526	14,769,603		14,627,814	14,627,814	14,627,814	14,630,415	14,630,415	14,630,415
E-Rate Credit	4000207	5,700,293	8,000,000		8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
Unfunded Appropriation	4000715	0	0		0	200,000	200,000	0	200,000	200,000
Total Funding		19,437,819	22,769,603		22,627,814	22,827,814	22,827,814	22,630,415	22,830,415	22,830,415
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		19,437,819	22,769,603		22,627,814	22,827,814	22,827,814	22,630,415	22,830,415	22,830,415

Change Level by Appropriation

Appropriation: 688 - APSCN
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	22,627,814	48	22,627,814	100.0	22,630,415	48	22,630,415	100.0
C05	Unfunded Appropriation	200,000	0	22,827,814	100.9	200,000	0	22,830,415	100.9

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	22,627,814	48	22,627,814	100.0	22,630,415	48	22,630,415	100.0
C05	Unfunded Appropriation	200,000	0	22,827,814	100.9	200,000	0	22,830,415	100.9

Justification

C05	The Department of Education is requesting unfunded appropriation of \$200,000 each year for unforeseen Capital Outlay needs of the Arkansas Public School Computer Network (APSCN) that may occur inthe 2013-2015 biennium.
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Analysis of Budget Request

Appropriation: PSF - Public School Fund

Funding Sources: JAA - Department of Education Public School Fund

The Department of Education Public School Fund provides the primary State financial assistance to Arkansas' public elementary and secondary schools. For FY13, the major funding sources for the Department of Education Public School Fund are projected as: General Revenue funding of approximately \$1.961 billion, the Educational Excellence Trust Fund will provide \$191.9 million, and the Educational Adequacy Fund will provide \$434 million.

The following discussion summarizes the fiscal status and change level requests for each program in the Department of Education Public School Fund.

Grants to School Districts (451) - These payments are made for educating students in North Arkansas who can't get to their assigned district because Bull Shoals Lake separates them from their district, which would require a round trip of more than 35 miles to attend their assigned school.

The Base Level for this appropriation is \$67,856. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for the Agency Request.

Economic Education (1XE) - The objective of this program is to integrate economics into the K-12 curriculum by training teachers and administrators in economic principles.

The Base Level for this appropriation is \$350,000. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for the Agency Request.

Intervention Block Grants (565) - This program provides grants to local school districts, schools and education cooperatives to provide services targeting parent involvement. The grants support the Smart Start and Smart Step Initiatives by providing the child's first teacher, the parent, with resources that will support literacy and mathematics achievement.

The Base Level for this appropriation is \$227,000. The Agency Change Level request for general revenue and appropriation of \$75,000 in each year of the 2013-2015 Biennium is to restore funding and appropriation to previously authorized amounts.

The Executive Recommendation provides for the Agency Request for appropriation with no new general revenue funding.

Technology Grants (119) - The Technology Grants appropriation is used to make technology grants to school districts for such programs as the Environmental and Spatial Technology (EAST) Initiative. The EAST program has received high praise from local school administrators and parents as well as national recognition. The EAST Initiative began in the 1996-97 school year at Greenbrier High School with 20 students. Today, the program has grown to over 10,000 students. Through their schools' EAST labs, students use technology and their training and knowledge to solve real-world problems facing their communities.

The Base Level for this appropriation is \$3,602,678. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for the Agency Request.

Non-Traditional Licensure Grants (1PS) - This program supplements the cash funded Alternative Certification program which was developed by the Department of Education for certifying individuals, that have expertise and knowledge in a particular subject, but do not have the standard teaching certificate, to teach.

The Base Level for this appropriation is \$50,000. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for the Agency Request.

At-Risk Children & Youth (84U) - Act 132 of 2012 authorized this program to provide grants for after-school, literacy and nutrition services for at-risk children and youth.

This appropriation was not budgeted for FY2013 and the Agency is not requesting this appropriation for the 2013-2015 Biennium.

Additional Public School Employee Health Insurance (59X) - This program was added to the Education Public School Fund in FY10. This appropriation allows the Department of Education to pay up to \$15,000,000 in additional health insurance contributions for eligible employees electing to participate in the public school employees' health insurance program administered by the State and Public School Life and Health Insurance Board. The Department of Education is authorized to make these payments if 98% of the URT used in the calculation for State Foundation Funding Aid exceeds \$920,731,819.

The Base Level for this appropriation is \$15,000,000. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for the Agency Request.

educationally deprived children ages 3-5. Act 1132 of 1997 transferred the Early Childhood Commission to the Department of Human Services with the Grants remaining with the Department of Education.

The Base Level for this appropriation is \$111,000,000. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for the Agency Request.

Distance Learning Operating Grants (2HX) - These grants provide funding for acquiring and or leasing equipment and telecommunications services, and operating expenses necessary for school districts to have two-way interactive television for distance learning education. The primary purpose is to provide distance learning resources to assist school districts in receiving advanced high school courses, advanced placement courses, enriched course content, or other academic courses not otherwise available in the school district.

The Base Level for this appropriation is \$7,575,000. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for the Agency Request.

Declining Enrollment (4HN) - Act 20 of the 1st Extraordinary Session of 2006 provides school districts with declining enrollment additional funding equal to the difference between the average of the two immediately preceding years' average daily membership and the average daily membership for the previous school year multiplied by Foundation Funding or the special needs isolated funding under A.C.A. § 6-20-604. A school district may receive both declining enrollment funding and special needs isolated funding only if sufficient funding is available.

The Base Level for this appropriation is \$13,963,389. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for the Agency Request.

School Worker Defense (458) - This program provides for claims and legal fees for liability suits against school personnel.

The Agency Change Level request for general revenue and appropriation of \$390,000 in each year of the 2013-2015 Biennium is to restore funding and appropriation to previously authorized amounts.

The Executive Recommendation provides for the Agency Request for appropriation with no new general revenue funding.

School Funding Contingency (2ZH) - The School Funding Contingency appropriation is an authorization of unfunded appropriation that is used to address unforeseen problems that arise during the course of a biennium. The Department of Education has special language allowing the transfer of this appropriation to address problem areas.

The Agency Change Level request is for \$25 million of unfunded appropriation in each year of the 2013-2015 Biennium to enable the

Department of Education to address unforeseen circumstances that may arise in each fiscal year.

The Executive Recommendation provides for the Agency Request.

School Food - Legislative Audit (454) - This is a fund transfer up to \$75,000 each year to compensate Legislative Audit for auditing school food funds in the local school districts.

The Base Level for this appropriation is \$75,000. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for the Agency Request.

Serious Offender Program (566) - Serious Offender Units for juveniles are operated by the Department of Human Services, but the Department of Education pays the educational costs of those located in these units through a Memorandum of Understanding (MOU) with DHS. School districts are provided funds based on the number of Serious Offender participants in the district. The funds then flow to the provider in the district. There are currently Serious Offender Programs (SOP) located in Mansfield, Harrisburg, Lewisville, Palestine-Wheatley, and Dermott school districts.

The Base Level for this appropriation is \$1,050,946. The Agency Change Level request for general revenue and appropriation totaling \$665,913 in each year of the biennium is to restore funding and appropriation to previously authorized amounts.

The Executive Recommendation provides for the Agency Request for appropriation with no new general revenue funding.

Special Education Services (668) - This program provides extended year summer programs for students with disabilities, provides special education services to foster children who are wards of the State placed in out-of-state residential facilities, and provides funds for the partial reimbursement of special education supervisors.

The Base Level for this appropriation is \$1,145,285. The Agency Change Level request for general revenue and appropriation of \$1,657,242 in both years of the biennium is to restore funding and appropriation to previously budgeted amounts.

The Executive Recommendation provides for the Agency Request for appropriation with no new general revenue funding.

Special Education - Catastrophic (091) - Provides for state funding to school districts for local occurrences when the costs of special education and related services required by an individual child are unduly expensive, extraordinary, or beyond the routine and normal costs associated with special education. Reimbursement from this program for an individual child can be sought only after eligible costs equal or exceed \$30,000 for the special education child. Medicaid and other third party funding are obtained prior to requesting state catastrophic funding.

The Base Level appropriation is \$11,000,000. The Agency Change Level request in general revenue and appropriation of \$1,900,000 each year of the biennium is for the projected growth in Special Education - Catastrophic participants.

The Executive Recommendation provides for the Agency Request for appropriation with no new general revenue funding.

Smart Start/Smart Step Assessment (057) - The Smart Start program is a comprehensive initiative that focuses on improving the academic achievement of Kindergarten through fourth grade students in the areas of reading and mathematics. Since its inception in FY00, this program has been expanded to include Smart Step and Next Step which covers grades five through eight. A state network of literacy and mathematics specialists assist schools with professional development to maintain a highly qualified teaching staff. In addition, the program provides professional development opportunities to all K-12 educators through statewide conferences, regional workshops and satellite delivered meetings. K-12 schools are also provided a variety of resources including professional books and videos.

The Base Level appropriation is \$8,457,160. The Agency Change Level request in general revenue and appropriation of \$2,209,143 in each year of the biennium to restore funding and appropriation to previously authorized amount.

The Executive Recommendation provides for the Agency Request for appropriation with no new general revenue funding.

Public School Athletic Training Program Certified (86U) - This program provides grants to public schools to provide access to athletic trainers and to promote the health and safety of students by the Department of Education. This appropriation was authorized under Act 269 of 2012.

This appropriation was not budgeted for FY2013 and the Agency is not requesting this appropriation for the 2013-2015 Biennium.

Professional Development Funding (2HS) - This aid, through A.C.A § 6-20-2305(b)(5), is a formula driven program that provides \$52 per the previous year ADM students to school districts for professional development activities. Professional development is used to provide activities and materials to improve the knowledge of teachers and administrators to ensure that all students demonstrate proficiency in the state academic standards.

The Agency Change Level request for general revenue and appropriation of \$38,050 for FY14 and \$76,100 for FY15 is for projected Average Daily Membership growth in charter schools.

The Executive Recommendation provides for additional appropriation and general revenue funding of \$522,215 in FY14 and \$1,055,635 in FY15.

National Board of Professional Teaching Standards (438) - A.C.A. §6-17-413(a)(1)(A) calls for teacher support in three distinct areas related to state support of advanced national teacher certification: bonuses to National Board Certified Teachers (NBCT), participation fees and substitute pay required for candidacy, and a support system for those candidates.

The Base Level for this appropriation is \$9,106,160. The Agency Change Level request for general revenue and appropriation of \$4,410,000 for FY14 and \$5,910,000 for FY15 is to restore funding and appropriation based on FY13 amounts that were budgeted subsequent to the biennial budget request process, and in addition to provide for continued expansion of participating teaching in the program. The Executive Recommendation provides for the Agency Request for appropriation with no new general revenue funding.

Public School Employee Insurance (446) - This program pays the state contribution for insurance premiums for employees of the Education Service Cooperatives, Vocational Centers, the Model Vocational-Technical Resource Center, Arkansas Easter Seals, and the school operated by the Department of Correction, and \$61 per month for each eligible employee electing to participate in the public school employee health insurance program.

The Base Level for this appropriation is \$37,273,600. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for the Agency Request.

School Food Services (447) - This program combined with the Surplus Commodities program provides the State match for the total school food program in local schools. This grant is paid to school districts based on the number of lunches served.

The Agency Change Level request for general revenue and appropriation of \$1,650,000 in each year of the biennium is to restore funding and appropriation to previously authorized amounts.

The Executive Recommendation provides for the Agency Request for appropriation with no new general revenue funding.

School Facility Joint Use Support (59W) - As part of the 2009 Healthcare Initiative, this program is designed to encourage schools to allow their physical plants, both indoor and outdoor, to be used by the public and by community members as an accessible and safe environment for community and family physical activity.

The Base Level for this appropriation is \$500,000. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for the Agency Request.

Residential Centers/Juvenile Detention (394) - This program provides reimbursement to school districts for the educational costs

associated with disabled and non-disabled students placed in approved residential psychiatric and drug and alcohol treatment facilities or juvenile detention centers.

The Base Level for this appropriation is \$15,188,254. The Agency Change Level request for general revenue and appropriation totaling \$1,156,833 each year of the biennium is to restore funding and appropriation to previously authorized levels.

The Executive Recommendation provides for Agency Request for appropriation with no new general revenue funding.

Teacher Recruitment High-Priority District (2JC) - A.C.A. §6-17-811 requires the Department of Education to provide a system of incentives for teacher recruitment and retention in high priority districts. A "High-Priority District" is one that has 1,000 or fewer students in which 80% or more of public school students are eligible for the free or reduced-price lunch program under the National School Lunch Act and have a three-quarter ADM of 1,000 or fewer for the 2003-2004 school year. Beginning in the 2004-2005 school year, a teacher licensed by the state board who teaches in a school in a high-priority district shall receive, in addition to all other salary and benefits, bonus payments as specified by law.

The Base Level for this appropriation is \$2,100,000. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for the Agency Request.

Teacher of the Year (4HM) - Act 17 of the 1st Extraordinary Session of 2006 established a grant for the Arkansas Teacher of the Year award. The Act requires the Department of Education to develop a process for selecting the Arkansas Teacher of the Year and provides that the teacher shall be placed on administrative leave for the year following his or her selection to assist with improving teaching conditions in the state.

The Base Level for this appropriation is \$100,000. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for the Agency Request.

Teacher Licensure/Mentoring (699) - This program covers the Arkansas Induction program for new teachers and administrators. The Induction program provides Pathwise mentoring for support, retention, and professional growth of new educators. To date, there have been 200 mentor trainers certified statewide, and 12,000 mentors successfully trained in the Pathwise Observation mentoring model. Praxis III performance assessment is also a component of the Induction program. Praxis III is the teaching performance assessment that is conducted by a trained, site-based assessor for determining standard licensure decisions for new teachers. Currently there are 80 assessors trained for this purpose.

The Base Level for this appropriation is \$5,008,758. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for the Agency Request.

Teacher Retirement Matching (437) - This is the employer matching for employees of the Education Service Cooperatives, Vocational Centers, the Model Vocational-Technical Resource Center, Arkansas Easter Seals and the school operated by the Department of Correction.

The Base Level for this appropriation is \$6,655,000. The Agency Change Level request for general revenue and appropriation of \$3,447,189 in FY14 and \$4,457,407 in FY15 is to provide funding and appropriation for the increase of participants in the program that the ADE has covered with fund balances in FY13.

The Executive Recommendation provides for the Agency Request for appropriation with no new general revenue funding.

Youth Shelters (094) - The Department of Human Services (DHS) maintains contracts with community providers for the operation of 10 youth shelters with approximately 250 beds. This program partially reimburses school districts for the additional costs of providing educational services to students placed in these facilities by DHS.

The Base Level for this appropriation is \$165,000. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for the Agency Request.

Workers' Compensation (452) - Claims and administrative expenses are paid by a fund transfer to the Miscellaneous Revolving Fund based on the previous year's claims. This appropriation is for claims made before 1994-95 when districts were required by Act 862 of 1993 to provide their own workers' compensation coverage.

The Base Level for this appropriation is \$450,000. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for the Agency Request.

Technology Improvements (108) - These improvements are used to update the technology hardware and software available to Educational Service Cooperatives and local school districts. The funds are also used to make educational technology resources available through statewide projects such as APSCN and joint efforts with the state library system. The technology improvement grants and resources provided through this appropriation affect virtually every district in the state.

The Base Level for this appropriation is \$500,000. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for the Agency Request.

growth in students over the previous school year. Pursuant to Act 272 of 2007, student growth funding is comprised of four calculations. One quarter (1/4) of the per student foundation funding is multiplied by any increase in the school district's: (1) first quarter current year Average Daily Membership (ADM) over the 3-quarter ADM of the previous school year; (2) second quarter current year ADM over the 3-quarter ADM of the previous school year; (3) third quarter current year ADM over the 3-quarter ADM of the previous school year; and (4) fourth quarter current year ADM over the 3-quarter ADM of the previous school year, excluding any increase resulting solely from consolidation or annexation with another district.

The Base Level for this appropriation is \$28,500,000. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for the Agency Request.

State Foundation Funding (2HP) - State Foundation Funding is the amount of state financial aid provided to each school district. Act 59 of the Second Extraordinary Session of 2003 changed the process by which aid is distributed to school districts. Act 1474 of 2009 amended A.C.A. § 6-20-2305(a) to establish the Foundation Funding amount as \$6,267 in FY13 multiplied by the school district's average daily membership (ADM) for the previous school year.

The amount paid as State Foundation Funding is computed as the difference between the Foundation Funding amount established by the General Assembly (\$6,267 for FY13) times the ADM of the previous school year and less the sum of 98% of the uniform rate of tax (25 mills) times the property assessment of the school district plus 100% of miscellaneous funds (average over a 5 year period) of the school district. Open-Enrollment Charter Schools are also funded from the Foundation Funding line item at the Foundation amount times the current year ADM of the school.

The Base Level for this appropriation is \$1,891,315,753. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for additional appropriation and general revenue funding of \$31,773,908 in FY14 and \$70,527,971 in FY15.

Special Needs Isolated (2ZS) - Act 1452 of 2005 created this program for certain isolated schools and certain school districts with a low student density. The program allows for these schools that meet the eligibility criteria set by the Department, to receive additional funding to provide for an adequate education for the students.

The Base Level for this appropriation is \$3,000,000. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for the Agency Request.

Student Success Pilot (86T) - Act 269 of 2012 authorized this program to implement a pilot student research and data project which will

allow easy access to multiple types of student, teacher, school and district data.

This appropriation was not budgeted for FY2013 and the Agency is not requesting this appropriation for the 2013-2015 Biennium.

Surplus Commodities (450) - The Department of Human Services administers the Surplus Commodities Program. School districts currently receive a large share of the commodities. Under an agreement with DHS, the Department of Education provides funding to supplement transportation costs resulting from delivery of the goods to the school districts.

The Base Level for this appropriation is \$780,000. The Agency Change Level request for general revenue and appropriation of \$569,810 in each year of the biennium is to maintain the program at its current operating level.

The Executive Recommendation provides for the Agency Request for appropriation with no new general revenue funding.

Supplemental Transportation (86C) - This program was authorized under Act 269 of 2011 for the purpose of distributing supplemental transportation funds to address the extraordinary transportation needs of public school districts.

This appropriation was not budgeted for FY2013 and the Agency is not requesting this appropriation for the 2013-2015 Biennium.

Supplemental Millage Incentive Funding (2HU) - Act 2206 of 2005 repealed A.C.A. § 6-20-2406 for supplemental millage funding, however A.C.A. § 6-20-2503 (f)(2)(A) requires state financial assistance under this program to be paid out over a ten year period by reducing the amount received by a school district after Fiscal Year 2006 by one-tenth in each year of the ten year period. Additionally, the savings in this program during each fiscal year is to be transferred to the Educational Facilities Partnership Fund Account.

The Base Level for this appropriation is \$10,000,000. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for the Agency Request.

National School Lunch Student Funding (2HR) - Funding for national school lunch students shall be based on the number of students eligible for free or reduced-price lunch program under the National School Lunch Act (NSLA) identified on the Arkansas Public School Computer Network Cycle Two Report.

The current rates for the NLSA as listed in A.C.A. § 6-20-2305(b)(4)(A), are:

- School districts in which 90% or greater of the enrolled students are national school lunch students, funding shall be \$1,549;
- For school districts in which at least 70% but less than 90% of the enrolled students are national school lunch students, funding shall be

\$1,033; and

- For school districts in which less than 70% of the enrolled students are national school lunch students, funding shall be \$517.

The Agency Change Level request for general revenue and appropriation of \$9,091,762 in FY14 and \$18,236,589 in FY15 is for projected growth in NSLA for the biennium.

The Executive Recommendation provides for additional appropriation and general revenue funding of \$13,018,309 in FY14 and \$26,532,946 in FY15.

Content Standards and Curriculum Frameworks Revision (1QV) - Act 1706 of 2003 grants appropriation for expenses associated with the development of a comprehensive plan to revise content standards and curriculum frameworks in the core academic areas of reading, writing, mathematics, science, history, geography, and civics.

The Base Level for this appropriation is \$50,000. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for the Agency Request.

Consolidation Incentive (421) - These are additional funds provided to schools created as a result of consolidation of existing school districts. The incentive is unrestricted and may be used at the discretion of the local school district.

The Agency Change Level request for general revenue and appropriation totaling \$3,760,200 in FY14 and \$5,640,300 in FY15 is to provide funding and appropriation for the projection of two consolidations per year of the biennium.

The Executive Recommendation provides for the Agency Request for appropriation with no new general revenue funding.

Bonded Debt Assistance (336) - A.C.A. §6-20-2503 created the Bonded Debt Assistance Program to enable the Division of Public School Academic Facilities and Transportation to provide eligible school districts with financial assistance for the purpose of retiring outstanding bonded indebtedness in existence as of January 1, 2005. The Commission for Public School Academic Facilities and Transportation directs the Division to work with the Department of Education to determine the amount of financial assistance for each eligible school district. The Division is responsible for ascertaining the scheduled debt payment on a fiscal year basis from the principal and interest payment in effect and on file with the Department. The available funding after final payments have been made for this program are then transferred to the Education Partnership Fund.

The Base Level for this appropriation is \$28,455,384. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for the Agency Request.

Content Standards Revision (2JA) - This appropriation is for the cost associated with the periodic review and revision of Academic Content Standards as required by A.C.A. §6-15-404(c). Academic Content Standards are a series of documents that specify what a student enrolled in an Arkansas Public School should know and be able to do. The Academic Content Standards also provide the foundation for the development of the State assessment system.

The Base Level for this appropriation is \$161,000. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for the Agency Request.

Court Ordered Desegregation (460) - This appropriation was established for costs stemming from the Pulaski County School Desegregation Settlement Agreement and the Camden Fairview Desegregation Settlement.

The Base Level for this appropriation is \$69,814,372. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for the Agency Request.

Coordinated School Health (59V) - This program was part of the 2009 Healthcare Initiative and is designed to facilitate working relationships between schools and communities through collaborative partnerships to provide or improve existing student health services and garner existing local resources.

The Base Level for this appropriation is \$2,000,000. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for the Agency Request.

Cooperative Education Tech Centers (434) - Technology Coordinators in the Education Service Cooperatives assist local school districts by providing technology training, advising school districts in software/hardware purchases and overseeing technology initiatives. This program provides grants to each of the State's 15 Education Service Cooperatives.

The Agency Change Level request for general revenue and appropriation of \$1,200,000 in each year of the biennium is to restore funding and appropriation for Educational Service Cooperatives Technology Coordinators based on FY13 amounts that were budgeted subsequent to the biennial budget request process.

The Executive Recommendation provides for the Agency Request for appropriation with no new general revenue funding.

Alternative Learning (311) - A.C.A. §6-18-508 requires every school district to establish an alternative learning environment (ALE) for

students who have shown and inability to function in a standard learning environment. It also requires the Department to establish an incentive program for districts whose ALE programs meet Department guidelines. ALE's must provide all of the educational programs available in other classrooms, and must provide additional services to meet the needs of this group of at-risk children. Additionally, A.C.A. § 6-20-2305(b)(2)(A)(i) establishes the ALE funding amount for FY2013 shall be \$4,228 multiplied by the number of identified ALE students enrolled during a school district's previous school year.

The Agency Change Level request for general revenue and appropriation of \$2,331,187 in each year of the biennium is to provide for the growth in the number of students in Alternative Learning.

The Executive Recommendation provides for additional appropriation and general revenue funding of \$2,788,403 in FY14 and \$3,301,387 in FY15.

Advanced Placement Incentive (440) - This provides support to establish advanced placement courses that are easily accessible and will prepare students for admission to, and success in, a postsecondary educational environment. The major aspect to this incentive program, now that the state is paying for all student AP exams, is support for professional development for AP and Pre-AP teachers.

The Base Level for this appropriation is \$825,000. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for the Agency Request.

98% URT Actual Collection Adjustment (34N) - To insure that every public school district receives the full amount of Foundation Funding, the 86th General Assembly created Act 272 of 2007, amending A.C.A. §6-20-2305(a)(4)(A), which states by the end of each school year, for a school district whose net revenues are less than the sum of 98% of the uniform rate of tax (URT) multiplied by the property tax assessment of the school district, the Department of Education shall distribute to the school district the difference between the net revenues of the school district and the sum of 98% of the URT multiplied by the property assessment of the school district.

The Base Level for this appropriation is \$34,500,000. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for the Agency Request.

Alternative Pay (34K) - Act 847 of 2007 created the Alternative Pay program to establish rules for determining a salary amount that is part of the licensed or classified employee's total compensation for additional responsibilities, mastery of new knowledge and skills, advanced career opportunities, increase student achievement, attracting highly qualified teachers or professional development exceeding state minimums.

This appropriation was not budgeted for FY2013 and the Agency is not requesting this appropriation for the 2013-2015 Biennium.

At Risk (088) - The College Preparatory Enrichment Program (CPEP) is funded from the At Risk appropriation. The program provides remedial instruction during the summer for students entering the eleventh and twelfth grade whose scores on the American College Test (ACT) are below 19 in the areas of reading and/or mathematics. The students are provided 75 hours of instruction over a minimum of twenty days. At the conclusion of the program, students are given the opportunity to take the ACT and the cost is covered by the program. This is a special administration of the ACT for the students who have successfully completed the CPEP program. This program also utilizes the assessment programs such as Explore, a program designed for 8th and 9th grade students planning to take the ACT; Plan, which is for 10th grade students and the Preliminary SAT/ National Merit Scholarship Qualifying Tests.

The Base Level for this appropriation is \$1,688,530. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium

The Executive Recommendation provides for the Agency Request.

Assessment/End of Level Testing (459) - A.C.A. §6-15-404 requires standards based testing at the primary, intermediate, and middle levels, which currently is administered at grades 4, 6, and 8. It also requires end-of-course testing for Algebra, Geometry, and Literacy (grade 11). Included in this appropriation is the cost of the Advance Placement exams. This appropriation also pays for awards of up to \$50 to schools for each score of 3 or better on AP exams

The Base Level for this appropriation is \$22,250,189. The Agency Change Level request for general revenue and appropriation of \$1,973,672 in each year of the biennium is to provide for cost estimates from contractors for the various testing components of the program.

The Executive Recommendation provides for the Agency Request for appropriation with no new general revenue funding.

Arkansas Easter Seals (445) - This program, begun in the 1960s, partially funds the cost of educational services provided by the Easter Seal Society to children ages 3 to 21 who have orthopedic and/or communicative disorders. This funding reduces the amount that local school districts have to pay for these educational services and also qualifies the facility as "state supported" so that federal funds are available to further reduce the cost to local school districts.

The Base Level for this appropriation is \$193,113. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for the Agency Request.

Home School Testing (150) - Each student enrolled in a home school program who is considered to be at grade level or no more than two (2) years beyond the normal age for the appropriate grade for which the state mandates norm-referenced tests for public school students shall be tested using a nationally recognized norm-referenced achievement test selected by the State Board of Education.

The Base Level for this appropriation is \$250,000. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for the Agency Request.

Gifted and Talented (457) - This program provides: (1) salary support for 15 Gifted and Talented supervisors in the Cooperatives; (2) funding for the Arkansas Governor's School; (3) Act 56 - Outstanding Gifted Program Awards (3 annually); and, (4) an annual contribution to the AGATE (Arkansans for Gifted and Talented Education Conference).

The Base Level for this appropriation is \$1,085,381. The Agency Change Level request for general revenue and appropriation of \$250,000 in each year of the biennium is to restore funding and appropriation to previously authorized amounts.

The Executive Recommendation provides for the Agency Request for appropriation with no new general revenue funding.

General Facilities Funding (326) - A.C.A. §6-20-2503 (e)(1) et. seq. requires the Commission of Academic Facilities and Transportation to compute the amount of general facilities funding that each school district received or would have received under the Supplemental School District Funding Act of 2003 during FY2005, then the commission shall phase out state financial assistance under the general facilities funding over a 10 year period by reducing the amount received by a school district after FY2006 by one tenth (1/10) in each year of the ten year period with the saving distributed though the Educational Facilities Partnership Fund Account. The remaining balance of funds once all payments have been made are then transferred to the Education Partnership Fund.

The Base Level for this appropriation is \$8,100,000. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for the Agency Request.

Human Development Center Education Aid (669) - This program provides funding for educational services to the children in the State's Human Development Centers.

The Base Level for this appropriation is \$526,150. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for the Agency Request.

Master Principal Bonus (2ZM) - Act 44 of the 2nd Extraordinary Session of 2003 provided for incentive bonuses for principals achieving Master Principal status through the Arkansas Leadership Academy. Section 3 of Act 44 allows for \$9,000 annually for five years while serving as a full-time principal in a public school in Arkansas. Section 4 provides for \$25,000 annually while working as a full time principal in an Arkansas "low-performing" school.

The Base Level for this appropriation is \$3,000,000. The Agency Change Level request for general revenue and appropriation of \$110,000 in each year of the biennium is to provide for program growth during the biennium.

The Executive Recommendation provides for Agency Request for appropriation with no new general revenue funding.

Leadership Academy - Master Principal (22K) - The Arkansas Leadership Academy is responsible for administering the Master School Principal Program. The program provides training programs and opportunities to expand the knowledge base and leadership skills of public school principals, as well as teachers, superintendents and other administrators, and school board members.

The Base Level for this appropriation is \$500,000. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for the Agency Request.

Isolated Funding (331) - Because of location or geographic barriers, some districts are not able to share resources with other districts or may have unusual transportation needs. These districts under 350 Average Daily Membership (ADM) are termed "isolated" and receive additional funding. Act 65 of the Second Extraordinary Session of 2003 established 56 "isolated" school districts and set a per student dollar amount to be paid to each district for the 2003-04 school year. Beginning in the 2004-05 school year, and each year thereafter, isolated funding will be provided to each district in an amount equal to the prior year three-quarter average daily membership of the isolated school area multiplied by the per student isolated funding amount set for the 2003-04 school year.

The Base Level for this appropriation is \$7,896,000. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for the Agency Request.

Distance Learning (698) - The purpose of this program is to provide for the establishment, organization, and administration of a distance learning program designed to improve course offerings available to students throughout the state. The program will demonstrate the efficiency of using distance learning to enhance elementary and secondary education and prepare students for greater success in a postsecondary educational environment.

The Base Level for this appropriation is \$4,760,000. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for the Agency Request.

Department of Correction (380) - A.C.A. §12-29-301 et seq. established the Department of Correction School District and establishes a formula to determine the funding level and states that the cost of running the Department of Correction School District shall be borne by the Department of Correction and the Department of Education.

The Base Level for this appropriation is \$5,597,675. The Agency Change Level request for general revenue and appropriation of \$623,217 in FY14 and \$799,100 in FY15 is to restore funding and appropriation to previously authorized levels, also these amounts are to provide for growth in the program during the biennium.

The Executive Recommendation provides for the Agency Request for appropriation with no new general revenue funding.

Criminal Background Checks (444) - This program provides \$50,000 each year to pay the costs of both state and federal criminal background checks for the first renewal of non-expired licenses for certified personnel. The checks cost \$15 for the State Police check and \$24 for the FBI.

The Base Level for this appropriation is \$25,000. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for the Agency Request.

Distressed School District Support (136) - The Arkansas Academic Distress Program was legislated by Act 915 of 1995. The purpose of this Act is to improve the capacity of local school districts whose students are not achieving at academically desired levels by school through targeted assistance coordinated by the Department of Education.

The Base Level for this appropriation is \$50,000. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for the Agency Request.

English Language Learners (082) - English Language Learners (formerly Limited English Proficiency, amended by Act 59 of the Second Extraordinary Session of 2003) serves students identified as not being proficient in the English language. This program helps enable school districts to provide specially-trained staff, instructional materials and training for teachers with these qualified students. The Agency also holds summer training academies for teachers desiring additional training in teaching and assisting these students. A.C.A. §6-20-2305(3)(b)(A) states that beginning with the 2012-2013 school year English language learners funding shall be \$305 for each identified English language learner.

The Base Level appropriation is \$12,162,924. The Agency Change Level request in general revenue and appropriation of \$655,751 in FY14 and \$1,351,761 in FY15 is for projected growth in English Language Learners participants.

The Executive Recommendation provides for additional appropriation and general revenue funding of \$912,125 in FY14 and \$1,896,671 in FY15.

Education Service Cooperatives (670) - The 15 educational cooperatives around the State facilitate the sharing of resources and services between local school districts.

The Base Level for this appropriation is \$6,129,270. The Agency is requesting Base Level for both fiscal years of the 2012-2015 Biennium.

The Executive Recommendation provides for the Agency Request.

Early Childhood Special Education (697) - This program provides special education services through local education agencies for three to five year old preschool children with disabilities. Funds are also provided to Education Service Cooperatives for behavioral intervention services to all community preschool programs as well as to coordinate required transition activities for children ages 0 - 2 that will remain in special education as 3 - 5 preschoolers. Also in this program are funds for the Medicaid state match for preschool programs that bill for physical, occupational, and speech therapy services.

The Base Level for this appropriation is \$15,623,079. The Agency Change Level request for general revenue and appropriation of \$1,274,841 in both years of the biennium is to restore funding and appropriation to previously authorized amounts.

The Executive Recommendation provides for the Agency Request for appropriation with no new general revenue funding.

Fund Transfers - In each year of the biennium, \$11,115,000 is transferred from the Department of Education Public School Fund Account to various entities for the following purposes:

- (1) Act 2131 of 2005, Section 17 requires a transfer of \$200,000 during each fiscal year of the biennium to the University of Arkansas at Little Rock , specifically to provide funding for the Arkansas/STRIVE Program.
- (2) Act 2090 of 2005, Section 7 "the Director of the Assessment Coordination Department of the State of Arkansas shall certify monthly to the Chief Fiscal Officer of the State, the amount of funding needed each month to pay counties and professional reappraisal companies for the reappraisal of real property as required by law. Upon receipt of such certification the Chief Fiscal Officer of the State shall transfer on his books and those of the State Treasurer 76% of the amounts certified from the Department of Education Public School Fund Account, 16% of the amount certified from the County Aid Fund, and 8% of the amount certified from the Municipal Aid Fund to the Arkansas Real Property Reappraisal Fund." The amount to be transferred from the Public School Fund is projected to be \$10,830,000 each year of the biennium.
- (3) Surety Bond Transfer - This program pays for the surety bond for public school employees. The appropriation is made to the Department of Finance and Administration but paid from the Department of Education Public School Fund. The amount transferred is projected to be \$85,000 each year of the biennium.

In summary, the Executive Recommendation provides for the Agency Request in appropriation only for the following:

- Smart Start/ Smart Step
- English Language Learners
- Special Ed- Catastrophic
- School Fund Contingency
- Department of Correction
- Residential Centers/ Juvenile Detention
- Consolidation Incentive
- Cooperative Education Tech Centers
- Teacher Retirement Matching
- National Board of Professional Teacher Standards
- School Food Services
- Surplus Commodities
- Gifted & Talented
- School Worker Defense
- Assessment/End Course Testing
- Intervention Block Grants
- Serious Offender Program
- Special Education Services
- Early Childhood Special Education

The Executive Recommendation also provides for additional funding for the Public School Fund of \$49,014,959 in FY14 and \$103,314,609 in FY15. The additional funding provided in the recommendation is to fund the increases in State Foundation Funding, Alternative Learning, English Language Learners, NSLA and Professional Development Funding.

Appropriation Summary

Appropriation: PSF - Public School Fund
Funding Sources: JAA - Department of Education Public School Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Grants to School Districts	5100004	57,317	67,856	67,856	67,856	67,856	67,856	67,856	67,856	67,856
Economic Education	5100004	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000
Intervention Block Grants	5100004	302,000	227,000	302,000	227,000	302,000	302,000	227,000	302,000	302,000
Tech Grants	5100004	3,602,575	3,602,678	3,602,678	3,602,678	3,602,678	3,602,678	3,602,678	3,602,678	3,602,678
Non-Traditional Licensure	5100004	23,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
At-Risk Children & Youth	5100004	500,000	0	500,000	0	0	0	0	0	0
Add Public School Employee Ins	5100004	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Better Chance Program	5100004	108,615,620	111,000,000	111,000,000	111,000,000	111,000,000	111,000,000	111,000,000	111,000,000	111,000,000
Distance Learning Operations	5100004	7,382,010	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000
Declining Enrollment	5100004	13,228,937	13,963,389	13,963,389	13,963,389	13,963,389	13,963,389	13,963,389	13,963,389	13,963,389
School Worker Defense	5900046	44,924	0	390,000	0	390,000	390,000	0	390,000	390,000
School Funding Contingency	5900046	0	0	25,000,000	0	25,000,000	25,000,000	0	25,000,000	25,000,000
School Food-Legislative Audit	5900046	173,848	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
Serious Offender	5900046	1,683,067	1,050,946	1,716,859	1,050,946	1,716,859	1,716,859	1,050,946	1,716,859	1,716,859
Special Education Services	5900046	2,796,447	1,145,285	4,145,285	1,145,285	2,802,527	2,802,527	1,145,285	2,802,527	2,802,527
Special Ed-Catastrophic	5900046	11,000,000	11,000,000	11,000,000	11,000,000	12,900,000	12,900,000	11,000,000	12,900,000	12,900,000
Smart Start/Smart Step	5900046	10,666,303	8,457,160	10,666,303	8,457,160	10,666,303	10,666,303	8,457,160	10,666,303	10,666,303
Public School Athletic Training Prc	5900046	0	0	200,000	0	0	0	0	0	0
Prof Development Fund	5900046	20,677,724	24,170,187	24,244,209	24,170,187	24,208,237	24,692,402	24,170,187	24,246,287	25,225,822
Ntl Bd Prof Teaching Standards	5900046	9,944,447	9,106,160	12,016,160	9,106,160	13,516,160	13,516,160	9,106,160	15,016,160	15,016,160
Public School Employee Ins	5900046	36,345,632	37,273,600	37,273,600	37,273,600	37,273,600	37,273,600	37,273,600	37,273,600	37,273,600
School Food Services	5900046	1,650,000	0	1,650,000	0	1,650,000	1,650,000	0	1,650,000	1,650,000
School Facility Joint Use	5900046	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Residential Ctrs/Juv Detention	5900046	11,115,708	15,188,254	16,345,087	15,188,254	16,345,087	16,345,087	15,188,254	16,345,087	16,345,087
Teacher Recruitment	5900046	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000
Teacher of the Year	5900046	77,634	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Teacher Licensing/Mentoring	5900046	4,020,541	5,008,758	5,008,758	5,008,758	5,008,758	5,008,758	5,008,758	5,008,758	5,008,758
Teacher Retirement Matching	5900046	8,129,646	6,655,000	6,655,000	6,655,000	10,102,189	10,102,189	6,655,000	11,112,407	11,112,407
Youth Shelters	5900046	165,000	165,000	165,000	165,000	165,000	165,000	165,000	165,000	165,000
Workers' Compensation	5900046	182,535	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000
Tech Improvements	5900046	461,778	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Student Growth	5900046	31,728,269	28,500,000	28,500,000	28,500,000	28,500,000	28,500,000	28,500,000	28,500,000	28,500,000
State Foundation Funding	5900046	1,849,578,494	1,891,315,753	1,904,969,759	1,891,315,753	1,891,315,753	1,923,089,661	1,891,315,753	1,891,315,753	1,961,843,724
Special Needs Isolated Funding	5900046	8,014,006	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Student Success Pilot	5900046	145,496	0	200,000	0	0	0	0	0	0
Surplus Commodities	5900046	843,799	780,000	780,000	780,000	1,349,810	1,349,810	780,000	1,349,810	1,349,810
Supplemental Transportation	5900046	499,999	0	500,000	0	0	0	0	0	0
Supplemental Millage	5900046	3,988,433	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
National School Lunch	5900046	183,753,763	187,235,597	187,235,597	187,235,597	196,327,359	200,253,906	187,235,597	205,472,186	213,768,543
Content & Curriculum	5900046	0	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Consolidation Incentive	5900046	4,358,183	0	9,415,127	0	3,760,200	3,760,200	0	5,640,300	5,640,300
Bonded Debt Assistance	5900046	16,677,008	28,455,384	28,455,384	28,455,384	28,455,384	28,455,384	28,455,384	28,455,384	28,455,384
Content Standards	5900046	52,160	161,000	161,000	161,000	161,000	161,000	161,000	161,000	161,000
Court Ordered Desegregation	5900046	68,037,000	69,814,372	69,814,372	69,814,372	69,814,372	69,814,372	69,814,372	69,814,372	69,814,372
Coord School Health	5900046	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Coop Education Tech Centers	5900046	1,200,000	0	1,200,000	0	1,200,000	1,200,000	0	1,200,000	1,200,000
Alternative Learning	5900046	22,341,560	20,529,609	21,775,797	20,529,609	22,860,796	23,318,012	20,529,609	22,860,796	23,830,996
Advanced Placement Incentive	5900046	825,000	825,000	825,000	825,000	825,000	825,000	825,000	825,000	825,000
98% URT Actual Collection Adj	5900046	17,448,228	34,500,000	34,500,000	34,500,000	34,500,000	34,500,000	34,500,000	34,500,000	34,500,000
Alternative Pay	5900046	0	0	807,907	0	0	0	0	0	0
At Risk	5900046	1,607,222	1,688,530	1,688,530	1,688,530	1,688,530	1,688,530	1,688,530	1,688,530	1,688,530
Assessment/End Course Testing	5900046	18,481,643	22,250,189	24,375,349	22,250,189	24,223,861	24,223,861	22,250,189	24,223,861	24,223,861
AR Easter Seals	5900046	193,113	193,113	193,113	193,113	193,113	193,113	193,113	193,113	193,113
Home School Test	5900046	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Gifted & Talented	5900046	1,085,381	1,085,381	1,335,381	1,085,381	1,335,381	1,335,381	1,085,381	1,335,381	1,335,381
General Facilities Funding	5900046	3,235,696	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000
Human Dev Ctr Education Aid	5900046	526,150	526,150	526,150	526,150	526,150	526,150	526,150	526,150	526,150
Master Principal Bonus	5900046	161,000	90,000	90,000	90,000	200,000	200,000	90,000	200,000	200,000
Leadership Acdmy-Mstr Principal	5900046	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Isolated Funding	5900046	2,881,991	7,896,000	7,896,000	7,896,000	7,896,000	7,896,000	7,896,000	7,896,000	7,896,000
Distance Learning	5900046	4,760,000	4,760,000	4,760,000	4,760,000	4,760,000	4,760,000	4,760,000	4,760,000	4,760,000
Dept of Correction	5900046	5,881,973	5,597,675	6,024,799	5,597,675	6,220,892	6,220,892	5,597,675	6,396,775	6,396,775
Criminal Background Checks	5900046	660	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Distressed School District Suppor	5900046	18,047	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
English Language Learners	5900046	11,103,313	12,162,924	12,162,924	12,162,924	12,818,675	13,075,049	12,162,924	13,514,685	14,059,595
Education Service Cooperatives	5900046	6,129,270	6,129,270	6,129,270	6,129,270	6,129,270	6,129,270	6,129,270	6,129,270	6,129,270
Early Childhood Special Educ	5900046	16,177,069	15,623,079	16,897,920	15,623,079	16,897,920	16,897,920	15,623,079	16,897,920	16,897,920
Total		2,555,280,619	2,638,875,299	2,707,806,563	2,638,875,299	2,703,315,109	2,740,213,319	2,638,875,299	2,717,760,197	2,799,079,170

Funding Sources										
Fund Balance	4000005	60,211,366	59,097,834		59,097,834	59,097,834	59,097,834	58,802,354	58,802,354	58,802,354
Merit Adjustment Fund	4000055	0	70,167		0	0	0	0	0	0
Court Ordered Desegregation	4000180	68,005,398	69,814,372		69,814,372	69,814,372	69,814,372	69,814,372	69,814,372	69,814,372
DOE Public School Fund	4000195	1,890,046,166	1,945,371,703		1,945,496,390	1,984,936,200	1,994,511,349	1,945,493,789	1,999,378,687	2,048,808,398
Educational Adequacy Fund	4000210	434,031,542	434,031,542		434,031,542	434,031,542	434,031,542	434,031,542	434,031,542	434,031,542
Educational Excellence Fund	4000220	188,051,834	191,942,515		191,942,515	191,942,515	191,942,515	191,942,515	191,942,515	191,942,515
M & R Sales	4000340	19,919	0		0	0	0	0	0	0

Funding Sources									
Miscellaneous Adjustments	4000345	4,532,531	0	0	0	0	0	0	0
Property Tax Relief Trust	4000390	0	350,000	0	0	0	0	0	0
TANF Transfer	4000478	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000
Trnfr frm DOE Pub School Fund	4000525	(39,299,554)	(11,115,000)	(11,115,000)	(11,115,000)	(11,115,000)	(11,115,000)	(11,115,000)	(11,115,000)
Transit Tax	4000700	1,279,251	910,000	910,000	910,000	910,000	910,000	910,000	910,000
Unfunded Appropriation	4000715	0	0	0	25,000,000	52,323,061	0	25,000,000	56,889,261
Total Funding		2,614,378,453	2,697,973,133	2,697,677,653	2,762,117,463	2,799,015,673	2,697,379,572	2,776,264,470	2,857,583,442
Excess Appropriation/(Funding)		(59,097,834)	(59,097,834)	(58,802,354)	(58,802,354)	(58,802,354)	(58,504,273)	(58,504,273)	(58,504,272)
Grand Total		2,555,280,619	2,638,875,299	2,638,875,299	2,703,315,109	2,740,213,319	2,638,875,299	2,717,760,197	2,799,079,170

Change Level by Appropriation

Appropriation: 057 - Smart Start/Smart Step
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	8,457,160	0	8,457,160	100.0	8,457,160	0	8,457,160	100.0
C01	Existing Program	2,209,143	0	10,666,303	126.1	2,209,143	0	10,666,303	126.1

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	8,457,160	0	8,457,160	100.0	8,457,160	0	8,457,160	100.0
C01	Existing Program	2,209,143	0	10,666,303	126.1	2,209,143	0	10,666,303	126.1

Justification

C01	C01 To restore funding and appropriation based on FY13 amounts that were budgeted subsequent to the biennial budget request process (\$2,209,143).								
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Change Level by Appropriation

Appropriation: 082 - English Language Learners
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	12,162,924	0	12,162,924	100.0	12,162,924	0	12,162,924	100.0
C01	Existing Program	655,751	0	12,818,675	105.4	1,351,761	0	13,514,685	111.1

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	12,162,924	0	12,162,924	100.0	12,162,924	0	12,162,924	100.0
C01	Existing Program	655,751	0	12,818,675	105.4	1,351,761	0	13,514,685	111.1
C19	Executive Changes	256,374	0	13,075,049	107.5	544,910	0	14,059,595	115.6

Justification

C01	C01 To provide funding and appropriation for an additional \$655,751 in FY14 and \$1,351,761 in FY15. The Base Level number of ELL students is 37,485. FY14 growth is projected at 5.74%, for an increase in student enrollment by 2,150 students X rate of \$305 = \$655,751 needed for FY14 growth. FY15 growth is projected at 5.76%, for an increase in student enrollment by 2,282 students X rate of \$305 = \$1,351,761 needed for FY15 growth. Growth rate is projected based on the average rate of growth over the past three years.
C19	The Executive Recommendation provides for appropriation and general revenue of \$13,075,049 in FY14 and \$14,059,595 in FY15.

Change Level by Appropriation

Appropriation: 091 - Special Ed-Catastrophic
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	11,000,000	0	11,000,000	100.0	11,000,000	0	11,000,000	100.0
C01	Existing Program	1,900,000	0	12,900,000	117.3	1,900,000	0	12,900,000	117.3

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	11,000,000	0	11,000,000	100.0	11,000,000	0	11,000,000	100.0
C01	Existing Program	1,900,000	0	12,900,000	117.3	1,900,000	0	12,900,000	117.3

Justification

C01	C01 To provide funding and appropriation for program growth at a rate of 84 students, with an average amount funded per student of \$22,633; for a total increase of \$1,900,000 each year of the biennium. Growth rate is projected based on the average rate of growth over the past three years.								
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Change Level by Appropriation

Appropriation: 2HP - State Foundation Funding
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	1,891,315,753	0	1,891,315,753	100.0	1,891,315,753	0	1,891,315,753	100.0

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	1,891,315,753	0	1,891,315,753	100.0	1,891,315,753	0	1,891,315,753	100.0
C19	Executive Changes	31,773,908	0	1,923,089,661	101.7	70,527,971	0	1,961,843,724	103.7

Justification

C19	The Executive Recommendation provides for appropriation and general revenue of \$1,923,089,661 in FY14 and \$1,961,843,724 in FY15.
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Change Level by Appropriation

Appropriation: 2HR - National School Lunch
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	187,235,597	0	187,235,597	100.0	187,235,597	0	187,235,597	100.0
C01	Existing Program	9,091,762	0	196,327,359	104.9	18,236,589	0	205,472,186	109.7

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	187,235,597	0	187,235,597	100.0	187,235,597	0	187,235,597	100.0
C01	Existing Program	9,091,762	0	196,327,359	104.9	18,236,589	0	205,472,186	109.7
C19	Executive Changes	3,926,547	0	200,253,906	107.0	8,296,357	0	213,768,543	114.2

Justification

C01	C01 To provide funding and appropriation for an additional \$9,091,762 in FY14 and \$18,236,589 in FY15. Growth rate is projected based on the average rate of growth over the past two years; plus projected transitional funding for school districts that experience either an increase or a decrease in the amount of national school lunch state categorical funding per student, pursuant to A.C.A. §6-20-2305.
C19	The Executive Recommendation provides for appropriation and general revenue of \$200,253,906 in FY14 and \$213,768,543 in FY15.

Change Level by Appropriation

Appropriation: 2HS - Prof Development Fund
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	24,170,187	0	24,170,187	100.0	24,170,187	0	24,170,187	100.0
C01	Existing Program	38,050	0	24,208,237	100.2	76,100	0	24,246,287	100.3

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	24,170,187	0	24,170,187	100.0	24,170,187	0	24,170,187	100.0
C01	Existing Program	38,050	0	24,208,237	100.2	76,100	0	24,246,287	100.3
C19	Executive Changes	484,165	0	24,692,402	102.2	979,535	0	25,225,822	104.4

Justification

C01	C01 To provide funding and appropriation for an additional \$38,050 in FY14 and \$76,100 in FY15. This request assumes no increase in the per ADM funding rate of \$52; but it does provide for FY14 and FY15 projected ADM growth in charter schools.
C19	The Executive Recommendation provides for appropriation and general revenue of \$24,692,402 in FY14 and \$25,225,822 in FY15.

Change Level by Appropriation

Appropriation: 2ZH - School Funding Contingency
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
C05	Unfunded Appropriation	25,000,000	0	25,000,000	100.0	25,000,000	0	25,000,000	100.0

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
C05	Unfunded Appropriation	25,000,000	0	25,000,000	100.0	25,000,000	0	25,000,000	100.0

Change Level by Appropriation

Appropriation: 2ZM - Master Principal Bonus
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	90,000	0	90,000	100.0	90,000	0	90,000	100.0
C01	Existing Program	110,000	0	200,000	222.2	110,000	0	200,000	222.2

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	90,000	0	90,000	100.0	90,000	0	90,000	100.0
C01	Existing Program	110,000	0	200,000	222.2	110,000	0	200,000	222.2

Justification

C01	C01 To provide funding and appropriation for program growth in FY14 and FY15. It is projected that more principals will enter the program, and some may go to high needs school districts which will necessitate additional funds.
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Change Level by Appropriation

Appropriation: 311 - Alternative Learning
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	20,529,609	0	20,529,609	100.0	20,529,609	0	20,529,609	100.0
C01	Existing Program	2,331,187	0	22,860,796	111.4	2,331,187	0	22,860,796	111.4

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	20,529,609	0	20,529,609	100.0	20,529,609	0	20,529,609	100.0
C01	Existing Program	2,331,187	0	22,860,796	111.4	2,331,187	0	22,860,796	111.4
C19	Executive Changes	457,216	0	23,318,012	113.6	970,200	0	23,830,996	116.1

Justification

C01	C01 To provide funding and appropriation for the growth in the number of students in the program, for a total requested increase of \$2,331,187 each year of the biennium. Growth rate is projected based on the average rate of growth over the past three years.
C19	The Executive Recommendation provides for appropriation and general revenue of \$23,318,012 in FY14 and \$23,830,996 in FY15.

Change Level by Appropriation

Appropriation: 380 - Dept of Correction

Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	5,597,675	0	5,597,675	100.0	5,597,675	0	5,597,675	100.0
C01	Existing Program	623,217	0	6,220,892	111.1	799,100	0	6,396,775	114.3

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	5,597,675	0	5,597,675	100.0	5,597,675	0	5,597,675	100.0
C01	Existing Program	623,217	0	6,220,892	111.1	799,100	0	6,396,775	114.3

Justification

C01	C01 To restore funding and appropriation based on FY13 amounts that were budgeted subsequent to the biennial budget request process (\$427,124 each year); and to provide funding and appropriation for growth: FY14 growth is one new instructor at the Pine Bluff unit in FY14 (\$50,000) plus a 3% COLA (\$146,093) for a FY14 total growth request of \$196,093; FY15 growth is two new instructors at the Pine Bluff unit (\$100,000), plus a 3% COLA (\$151,976), plus the cost of GED computerized test (\$120,000) for a FY15 total growth request of \$371,976.								
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Change Level by Appropriation

Appropriation: 394 - Residential Ctrs/Juv Detention
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	15,188,254	0	15,188,254	100.0	15,188,254	0	15,188,254	100.0
C01	Existing Program	1,156,833	0	16,345,087	107.6	1,156,833	0	16,345,087	107.6

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	15,188,254	0	15,188,254	100.0	15,188,254	0	15,188,254	100.0
C01	Existing Program	1,156,833	0	16,345,087	107.6	1,156,833	0	16,345,087	107.6

Justification

C01	C01 To restore funding and appropriation based on FY13 amounts that were budgeted subsequent to the biennial budget request process (\$1,156,833).								
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Change Level by Appropriation

Appropriation: 421 - Consolidation Incentive
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
C01	Existing Program	3,760,200	0	3,760,200	100.0	5,640,300	0	5,640,300	100.0

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
C01	Existing Program	3,760,200	0	3,760,200	100.0	5,640,300	0	5,640,300	100.0

Justification

C01	C01 to provide funding and appropriation for a projection of two consolidations per year of the biennium. 600 ADM for two consolidations X SFF of \$6,267 = \$3,760,200 for FY14. \$3,760,200 for two additional consolidations in FY15 plus \$3,760,200/2 for second year of FY14 consolidations = \$5,640,300.								
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Change Level by Appropriation

Appropriation: 434 - Coop Education Tech Centers
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
C01	Existing Program	1,200,000	0	1,200,000	100.0	1,200,000	0	1,200,000	100.0

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
C01	Existing Program	1,200,000	0	1,200,000	100.0	1,200,000	0	1,200,000	100.0

Justification

C01	C01 To restore funding and appropriation for Educational Service Cooperatives Technology Coordinators based on FY13 amounts that were budgeted subsequent to the biennial budget request process.								
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Change Level by Appropriation

Appropriation: 437 - Teacher Retirement Matching
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	6,655,000	0	6,655,000	100.0	6,655,000	0	6,655,000	100.0
C01	Existing Program	3,447,189	0	10,102,189	151.8	4,457,407	0	11,112,407	167.0

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	6,655,000	0	6,655,000	100.0	6,655,000	0	6,655,000	100.0
C01	Existing Program	3,447,189	0	10,102,189	151.8	4,457,407	0	11,112,407	167.0

Justification

C01	C01 The Teacher Retirement Matching program provides for the employer matching for employees of the Cooperative Education Services Areas, Vocational Centers, Arkansas Easter Seals, and the school operated by the Department of Education. The additional amount requested would provide funding and appropriation for the increase of participants in the program that the ADE has covered with fund balances in FY13, in the amount of \$3,447,189 for FY14 and \$4,457,407 for FY15.
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Change Level by Appropriation

Appropriation: 438 - Ntl Bd Prof Teaching Standards
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	9,106,160	0	9,106,160	100.0	9,106,160	0	9,106,160	100.0
C01	Existing Program	4,410,000	0	13,516,160	148.4	5,910,000	0	15,016,160	164.9

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	9,106,160	0	9,106,160	100.0	9,106,160	0	9,106,160	100.0
C01	Existing Program	4,410,000	0	13,516,160	148.4	5,910,000	0	15,016,160	164.9

Justification

C01	C01 To restore funding and appropriation based on FY13 amounts that were budgeted subsequent to the biennial budget request process (\$2,910,000); and to provide for continued expansion of participating teachers in FY14 (\$1,500,000) and FY15 (\$3,000,000). Expansion is projected to be 300 additional teachers to be added each year of the biennium (300 in FY14; 600 in FY15).
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Change Level by Appropriation

Appropriation: 447 - School Food Services
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
C01	Existing Program	1,650,000	0	1,650,000	100.0	1,650,000	0	1,650,000	100.0

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
C01	Existing Program	1,650,000	0	1,650,000	100.0	1,650,000	0	1,650,000	100.0

Justification

C01	C01 To restore funding and appropriation based on FY13 amounts that were budgeted subsequent to the biennial budget request process (\$1,650,000).								
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Change Level by Appropriation

Appropriation: 450 - Surplus Commodities
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	780,000	0	780,000	100.0	780,000	0	780,000	100.0
C01	Existing Program	569,810	0	1,349,810	173.1	569,810	0	1,349,810	173.1

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	780,000	0	780,000	100.0	780,000	0	780,000	100.0
C01	Existing Program	569,810	0	1,349,810	173.1	569,810	0	1,349,810	173.1

Justification

C01	C01 To provide general revenue funded appropriation to maintain the program at its current operating level. This program was supplemented by one-time funding from DHS in FY11 and ADE fund balances covered the shortfall in FY12 and FY13. A funded appropriation increase of \$569,810 is requested in order to maintain the current operating level for each year of the biennium. DHS has indicated that without additional funds from ADE they can't continue to administer the program.
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Change Level by Appropriation

Appropriation: 457 - Gifted & Talented
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	1,085,381	0	1,085,381	100.0	1,085,381	0	1,085,381	100.0
C01	Existing Program	250,000	0	1,335,381	123.0	250,000	0	1,335,381	123.0

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	1,085,381	0	1,085,381	100.0	1,085,381	0	1,085,381	100.0
C01	Existing Program	250,000	0	1,335,381	123.0	250,000	0	1,335,381	123.0

Justification

C01	C01 To restore funding and appropriation based on FY13 amounts that were budgeted subsequent to the biennial budget request process (\$250,000).								
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Change Level by Appropriation

Appropriation: 458 - School Worker Defense
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
C01	Existing Program	390,000	0	390,000	100.0	390,000	0	390,000	100.0

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
C01	Existing Program	390,000	0	390,000	100.0	390,000	0	390,000	100.0

Justification

C01	C01 To restore funding and appropriation based on FY13 amounts that were budgeted subsequent to the biennial budget request process (\$390,000).								
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Change Level by Appropriation

Appropriation: 459 - Assessment/End Course Testing
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	22,250,189	0	22,250,189	100.0	22,250,189	0	22,250,189	100.0
C01	Existing Program	1,973,672	0	24,223,861	108.9	1,973,672	0	24,223,861	108.9

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	22,250,189	0	22,250,189	100.0	22,250,189	0	22,250,189	100.0
C01	Existing Program	1,973,672	0	24,223,861	108.9	1,973,672	0	24,223,861	108.9

Justification

C01	C01 To restore funding and appropriation based on FY13 amounts that were budgeted subsequent to the biennial budget request process (\$1,973,672).								
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Change Level by Appropriation

Appropriation: 565 - Intervention Block Grants
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	227,000	0	227,000	100.0	227,000	0	227,000	100.0
C01	Existing Program	75,000	0	302,000	133.0	75,000	0	302,000	133.0

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	227,000	0	227,000	100.0	227,000	0	227,000	100.0
C01	Existing Program	75,000	0	302,000	133.0	75,000	0	302,000	133.0

Justification

C01	C01 To restore funding and appropriation based on FY13 amounts that were budgeted subsequent to the biennial budget request process (\$75,000).								
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Change Level by Appropriation

Appropriation: 566 - Serious Offender
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	1,050,946	0	1,050,946	100.0	1,050,946	0	1,050,946	100.0
C01	Existing Program	665,913	0	1,716,859	163.4	665,913	0	1,716,859	163.4

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	1,050,946	0	1,050,946	100.0	1,050,946	0	1,050,946	100.0
C01	Existing Program	665,913	0	1,716,859	163.4	665,913	0	1,716,859	163.4

Justification

C01	C01 To restore funding and appropriation based on FY13 amounts that were budgeted subsequent to the biennial budget request process (\$665,913).
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**CARRY FORWARD OF ANY REMAINING FUND BALANCES
FROM FISCAL YEAR 2012 TO FISCAL YEAR 2013**

Agency: Education Department-Public School Fund

Program: Better Chance Program

Act #: 1075 Section(s) #: 1 & 24

Estimated Carry Forward Amount \$ 5,292,423.00 Funding Source: General

Accounting Information:

Business Area: 0500 Funds Center: 652 Fund: JAA Functional Area: EDUC

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:

Section 24 of Act 1075 of 2011 requires the Department of Education to carry forward any unexpended balance of funds remaining on June 30, 2012 to be used for the Arkansas Better Chance for School Success program. The funds will be used as deemed appropriate by the Department of Human Services-Child Care and Early Childhood Education Division and the Department of Education.

Actual Funding Carry Forward Amount \$ 415,207.90

Current status of carry forward funding:

The carry forward amount has been budgeted for FY2013 to maintain the current program budget level.

Dr. Tom W. Kimbrell
Commissioner of Education

08-27-2012
Date

Change Level by Appropriation

Appropriation: 668 - Special Education Services
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	1,145,285	0	1,145,285	100.0	1,145,285	0	1,145,285	100.0
C01	Existing Program	1,657,242	0	2,802,527	244.7	1,657,242	0	2,802,527	244.7

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	1,145,285	0	1,145,285	100.0	1,145,285	0	1,145,285	100.0
C01	Existing Program	1,657,242	0	2,802,527	244.7	1,657,242	0	2,802,527	244.7

Justification

C01	C01 To restore funding and appropriation based on FY13 amounts that were budgeted subsequent to the biennial budget request process (\$1,657,242).
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Change Level by Appropriation

Appropriation: 697 - Early Childhood Special Educ
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	15,623,079	0	15,623,079	100.0	15,623,079	0	15,623,079	100.0
C01	Existing Program	1,274,841	0	16,897,920	108.2	1,274,841	0	16,897,920	108.2

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	15,623,079	0	15,623,079	100.0	15,623,079	0	15,623,079	100.0
C01	Existing Program	1,274,841	0	16,897,920	108.2	1,274,841	0	16,897,920	108.2

Justification

C01	C01 To restore funding and appropriation based on FY13 amounts that were budgeted subsequent to the biennial budget request process. (\$1,274,841 per year of the biennium).								
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