

DOE - General Education

Enabling Laws

Act 1474 of 2009
Act 126 of 2010
Act 293 of 2010 (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

HISTORY OF PUBLIC EDUCATION IN ARKANSAS

Provisions were made within the framework of the Constitution of the State of Arkansas for free public education; directing the legislature to pass needed laws related to education; creating funding for public schools; providing local taxing units for school purposes; designing a method of levying a tax for maintenance and operation of local school districts; and providing authority for local school board members to carry out programs of the State's public education department.

The Arkansas Territorial Legislature in 1829 passed the first law for public education by requiring county judges to appoint a trustee for the sixteenth section of land in each township granted to education. The territory was organized in 1819. In 1853, the office of the County School Commissioner was created by the legislature. With various title changes and added responsibilities, this particular individual is now called the County School Supervisor.

In 1931, the Arkansas General Assembly established a reorganization law whereby consolidation of districts occurred only by the majority of the electors of those districts. In 1948, the Arkansas voters created the District Reorganization Bill that reduced the number of school districts from 1,500 to 424.

From 1875 to 1931, the office of the State's Superintendent of Public Instruction was reestablished. In 1931, the elected office of State Superintendent was abolished, and the State Board of Education was given the power to select a Commissioner of Education.

In 1965, the improvement of elementary and secondary schools was emphasized during a Presidential message on education. Within months after the message, Congress passed the Elementary and Secondary Education Act, which was to strengthen and improve the quality of education and increased educational opportunities in the public schools. The educational opportunities provided for in this federal act are currently being paid from federal funds.

Act 38 of 1971 changed the title of the Commissioner of Education to the Director of Education but kept the duties and powers of the office the same. The Director of Education was to be confirmed by the Governor and served at the pleasure of the Governor.

Act 64 of 1981 divided the Department of Education into two major divisions, the General Education Division and the Vocational and Technical Education Division with each Division having a separate director.

Act 445 of 1983, known as "The Quality Education Act of 1983," provided for the establishment of minimum standards for accrediting public elementary and secondary schools in the State. As a result, the **Standards for Accreditation of Arkansas Public Schools** were developed and adopted by the State Board of Education on February 22, 1984. School districts had until June 1, 1987, to meet the Standards or risk consolidation or annexation. In 1984, there were 367 school districts in the State. As of June 30, 2000, there were 310 school districts in the State. These Standards have been revised once since they were put into place. The revision occurred in 1993.

Act 34 of 1983, First Extraordinary Session, created a new funding formula for local school districts known as "The School Finance Act of 1984." This particular formula provided funding to school districts known as Minimum Foundation Program Aid. The main focus of the 1983 First Extraordinary Session was education. The Arkansas General Assembly passed a one-cent sales tax which helped to increase the revenue available to school districts and to fund many new programs for education.

The legislation passed in the 1983 Regular Session and the 1983 First Extraordinary Session was considered to be the "first wave" of educational reform for Arkansas public schools. Examples of reforms include: required elementary school counselors; established smaller class sizes; created curriculum content guides which listed requirements for courses to be taught; increased advanced course offerings; required yearly testing of students in grades 3, 6, and 8 in the basic skills, Minimum Performance Test (MPT); required all public school districts to develop and file a six-year plan for improving its educational programs; established an Advisory Council for the Education of Gifted and Talented Children; implemented Act 76 of 1983, First Extraordinary Session, requiring teachers, administrators, and other certified personnel to undergo testing in regard to functional academic skills and knowledge of subject areas; implemented an effective schools project as a model of excellence for Arkansas public schools; and provided for the implementation of computer-based educational projects in the public schools, later known as the Instructional Microcomputer Project for Arkansas Classrooms (IMPAC).

In 1985-86, the Arkansas General Assembly adopted an array of additional legislation such as the establishment of a statewide system of Education Service Cooperatives; the authorization of parents to provide home schooling for their children; the amendment to the Arkansas Teacher Retirement System laws to establish an optional noncontributory plan for its members; the authorization of the Department of Education, General Division, to develop and implement a program of health services; the creation of a commission to study the disparity in teacher salaries; and the requirement for school districts to establish a drug abuse prevention program.

In 1987-88, the Arkansas General Assembly provided the state education system with acts such as establishing residency requirements for persons attending public schools; providing waivers from the teacher salary requirement due to a one time increase in new current revenue; establishing guidelines for reporting data on students leaving high school prior to graduation; establishing the Commission on Teaching Excellence; and changing the date of the annual school election to the third Tuesday in September.

In 1989-90, the Arkansas General Assembly set up the Office of Accountability to assess the performance of schools and to publish a School Report Card by December 1 of each year, the School Choice program enabling students to attend a public school in a district other than the one in which the student resides but subject to certain restrictions and conditions, the Arkansas Early Childhood Commission, the suspension of a student's learner's permit or driver's license if no longer attending school if under 17, and a mandatory kindergarten law.

In 1991-92, the Arkansas General Assembly created an Educational Excellence Trust Fund to target to all of education the funds from a 1/2 cent sales tax increase; established a statewide computer network for education, later known as the Arkansas Public School Computer Network (APSCN), which is a computer link up with all schools in the State to facilitate data collection and reduce paperwork; established the Arkansas School for Mathematics and Sciences; established the Academy for Leadership Training and School-based Management; and passed a major restructuring act, Act 236 of 1991, which called for the reorganization of the Department of Education, General Division, to provide more support and less regulation to school districts as well as defining what Arkansas public schools must do in preparing students to be internationally competitive. The Department established the Comprehensive Outcomes Evaluation Program as a method for evaluation of the public schools every five years as mandated by the Standards for Accreditation. School vehicle insurance was added to the insurance program as a self-insurance program for schools.

In 1993-94, the legislature combined the appropriations for the Department of Education to a few appropriations for greater flexibility in reaching the goals of Act 236 of 1991. Grant programs were set up for Writing Assessments to assist in the development and piloting of writing portfolios and Curriculum Frameworks for school districts to develop exemplary local curricula to serve as statewide models. An appropriation was also set up for Workers Compensation to help school districts with worker compensation payments on school personnel. In addition, the K-3 Initiative was started with the passage of Act 1139 of 1993 which provided free summer school and summer school transportation to K-3 students who did not perform at grade level during the regular school year. In order for these students to be eligible for promotion to the next grade, they had to attend this specially designed summer school program.

In 1995-96, the Arkansas General Assembly enacted a new funding formula for the public schools that provided more equity in school funding. Minimum Foundation Program Aid was replaced by Equalization Funding. The legislature also funded At-risk Programs, Growth Facilities Funding, Additional Base Funding, and Debt Service Funding Supplements to assist districts with the cost of facilities. Technology centers were appropriated for the Education Service Cooperative to assist local school districts. Fiscal Crisis Relief Funding also provided assistance to districts adversely affected by the implementation of the new funding formula. Other legislation passed in 1995 included: an act to require criminal background checks for all teachers and administrators seeking an Arkansas teaching license for the first time; an act to ensure that a fiscal or academic crisis will not interrupt educational services provided to students (Academic and Fiscal Distress); an act known as the School Bus Safety Act of 1995; an act to establish the Arkansas Advanced Placement Incentive Program; an act to expand the K-3 Initiative of 1993 to include grades K-5; and an act to increase the number of State Board of Education members from nine (9) to twelve (12).

In 1997-98, the Arkansas General Assembly passed legislation which provided for one core curriculum for all students in Arkansas public schools; required the Director to develop a plan to allow all school districts to utilize distance learning through a distance learning network; amended the laws concerning home-schooled students; provided a clearinghouse for information on nonsectarian practices in character and citizenship education; amended the laws relative to Arkansas education goals and performance accountability; required criminal background checks as a condition for employment in a public school district for all non-certified staff positions; expanded the requirement for background checks on teachers and administrators; allowed Teacher Retirement System members to retire with 28 years of service rather than 30; and Act 803 of 1997 abolished the Vocational and Technical Division of the Department of Education and created the Department of Workforce Education as a separate state agency with its own State Board of Workforce Education and Career Opportunities. The State Board of Education and the Department of Education continued for the general supervision of the public K-12 schools in the State.

In 1999-2000, the Arkansas General Assembly passed legislation which provided for teacher incentives to seek the National Board for Professional Teaching Standards (NBPTS) Certification to pay full tuition cost and bonuses; annual individual school performance reports and for the distribution of these reports to all parents or guardians of children enrolled in Arkansas public schools; the reduction in the number of State Board of Education members from twelve (12) to nine (9) over a three-year period; a new Charter School Law which allows for open-enrollment and school district conversion forms of charter schools with the new law completely replacing the 1995 law; the establishment for an accountability program for schools across the State referred to as the Arkansas Comprehensive Testing Assessment and Accountability Program (ACTAAP); and the elimination of the antiquated county boards of education in all 75 counties of the State over time.

In 2001-2002, the Arkansas General Assembly created the Arkansas Blue Ribbon Commission on Public Education to define an equitable and adequate system of free public education in the State as mandated under the "general, suitable and efficient" components of the Arkansas Constitution; directed the State Board of Education to conduct a study of public education, its structure, financial needs, and funds needed for improvement; adopted ethical guidelines to prohibit self-dealing in transactions between public educational entities and board members, administrators, or employees; passed the Educator Compensation Act to supplement traditional pay increases for the State's teachers; authorized the Department of Education to conduct a study of grade inflation within the State's high schools and to notify schools of such

finding; established procedures for identifying critical teacher shortage areas and granting retired teachers a waiver of earnings limitations to return to active employment to help meet the needs of these areas; and clarified the State's ethics law to allow teachers and other school employees to receive gifts or compensation which recognize the employee's contribution to education.

In 2003-2004, the General Assembly addressed four major areas in the public education system of Arkansas: structure of the K-12 system, public school funding, public school facilities, and the structure of the Arkansas Department of Education. During the Regular Session, the legislature enacted the Omnibus Quality Education Act, requiring all school districts to meet the Standards for Accreditation with sanctions for non-compliance; established requirements for school districts to create plans for more parental involvement in public schools; and created the Joint Committee on Educational Facilities to assess all of the State's K-12 facilities and equipment. During the 2nd Extraordinary Session, the General Assembly required administrative consolidation of public school districts serving less than 350 students into districts that would have in excess of 350 students; adopted the Arkansas Student Assessment and Educational Accountability Act of 2004; created the Public School Funding Act, which designated a base of \$5,400 per student as the amount necessary for students to receive an adequate education; enacted a variety of revenue measures to raise the necessary funds to implement the new Public School Funding Act. The legislature also provided for the division of the Arkansas Department of Education into three divisions: General Education, Accountability and Educational Facilities with each division having its own director who answers independently to the State Board of Education. Other significant actions taken by the 84th General Assembly included the creation of a Teacher Housing Program; master's program for school principals; mandatory professional development for teachers and administrators and an appropriation to increase the number of early childhood programs offered in the State.

In 2005-06, the Arkansas General Assembly focused primarily on education reform as a result of directives and requirements of the Arkansas Supreme Court in *Lake View School District No. 25, et al. v. Mike Huckabee, et al.* The Court outlined the State's responsibility to identify and fund an adequate education for all students in Arkansas. Accordingly, legislation that provided additional funding in the amount of \$436.6 million over the biennium was implemented. The Legislature also funded and commissioned an Adequacy Study to determine future educational needs. Legislation established the Division of Public School Facilities and Transportation that will identify, assess and fund the State's facilities needs. In the area of teacher recruitment and retention, the General Assembly increased teacher salaries, took steps to strengthen the teacher health insurance program and provided for programs to enhance teaching and learning. The General Assembly also complied with the Court's mandate to track expenditures by expanding current coding methods, providing for in-service training for fiscal staff, strengthening financial accountability, and outlining penalties for non-compliance. The General Assembly continued to enhance and enrich curriculum standards and upgraded the capacity of the State's technology network. Legislation was enacted to change the structure of the Arkansas Department of Education (ADE). The ADE was also given more flexibility in personnel policies. The General Assembly again increased funding for early childhood programs to serve additional children. The Governor called the First Extraordinary Session of the 85th General Assembly to implicitly deal with the Court's mandates, providing an additional \$132.5 million for education funding.

In 2007-2008, the work conducted by the 86th General Assembly successfully freed the state from litigation in the Lake View case. On May 31, 2007, the Arkansas Supreme Court ruled that "...our system of public-school financing is now in constitutional compliance..." It further stated in the conclusion of the opinion:

“What is especially meaningful to this court is the Maters’ finding that the General Assembly has expressly shown that constitutional compliance in the field of education is an ongoing task requiring constant study, review, and adjustment. In this court’s view, Act 57 of the Second Extraordinary Session of 2003 requiring annual adequacy review by legislative committees, and Act 108 of the Second Extraordinary Session of 2003, establishing education as the State’s first funding priority, are the cornerstones for assuring future compliance.”

The legislature expanded upon Act 57 requirements, passing Act 1204 of 2007. Act 1204 set forth an outline of the work to be performed in preparation for the 2009 legislative session. Among other things it required the review of fiscal, academic, and facilities distress programs; a comparison of Arkansas teacher salaries with surrounding states and Southern Regional Education Board member states; review of expenditures from isolated schools; national school lunch student funding; declining enrollment funding; student growth funding; special education funding. Act 1204 also required an expenditure analysis and resource allocation review each biennium. The Department of Education budget total was \$760.3 million in FY08 and \$764.7 million in FY09.

At the beginning of the 2009 legislative session, Governor Mike Beebe challenged the Arkansas General Assembly to rise above the current economic circumstances and find ways to continue Arkansas’s educational progress. The General Assembly responded to this challenge, and through careful budgeting and responsible legislation, found a way to continue to fully fund public education in Arkansas. Act 1474 of 2009 established the state per-pupil foundation funding amount at \$5,905 for the 2009-2010 school year and \$6,023 for the 2010-2011 school year.

The 2009 General Assembly enhanced educational standards by passing laws that created high-stakes end-of-course assessments, changed the requirements and age for kindergarten enrollment, and allowed increased parental access to public school data. Other measures passed by the General Assembly included the Arkansas Smart Core Funding Incentive Program and grants for after-school programs. The General Assembly also implemented early interventions for school districts in danger of entering fiscal or facilities distress.

In 2010, the Arkansas General Assembly convened its first fiscal session. During this historic session, the General Assembly continued its steadfast support for education in Arkansas by allocating \$1,849,659,072 to the Department of Education Public School Fund. Through its actions, the Arkansas General Assembly maintained its commitment to fund education first.

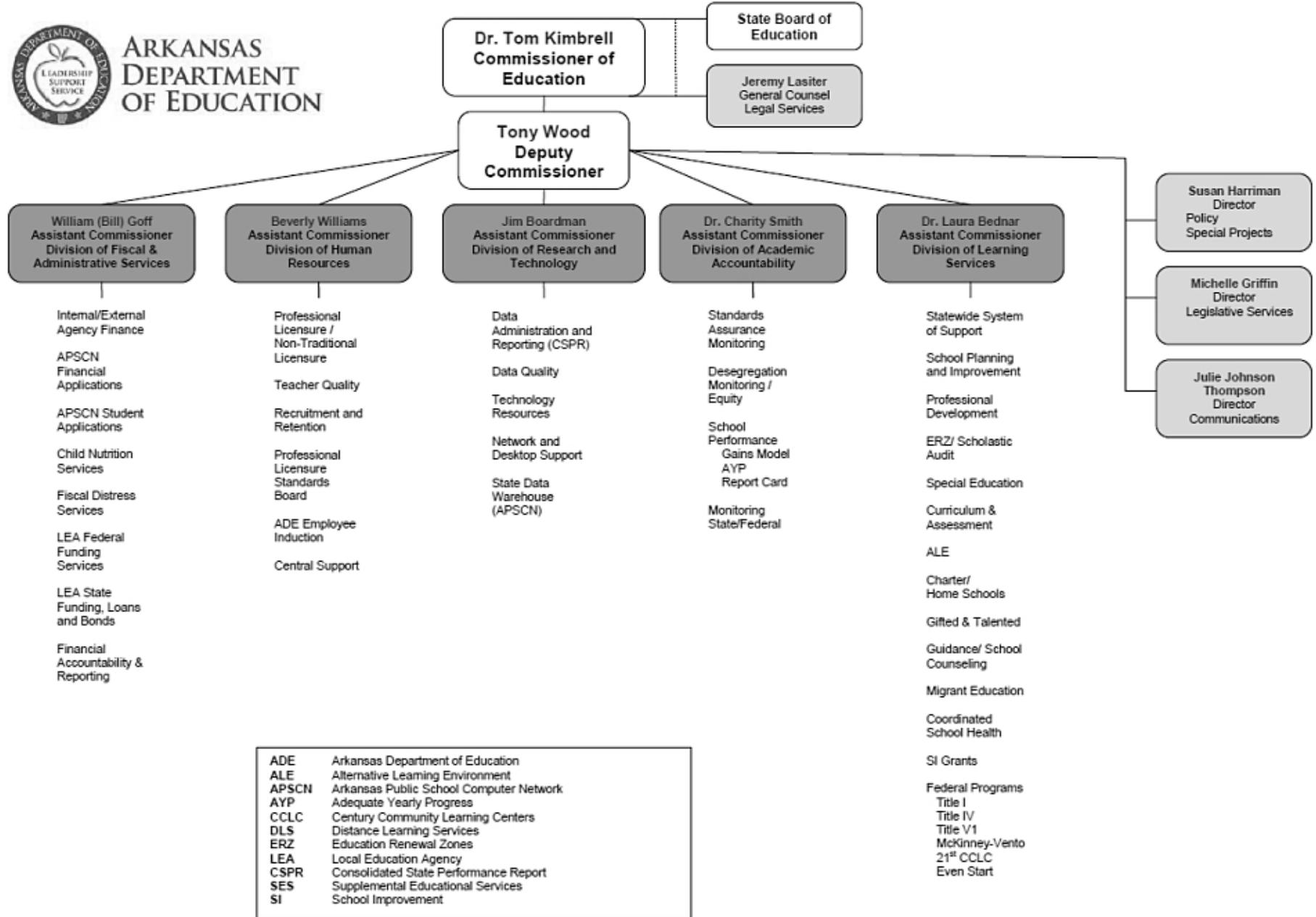
STATE BOARD OF EDUCATION - OVERSIGHT AND AUTHORITY

Statutory authority for the Arkansas State Board of Education is found in Ark. Code Ann. §6-11-101 (1999 Repl.). As set forth in various subsections of this code cite, the State Board of Education reduced the number of its members from twelve (12) to nine (9) members over a three-year period ending with the nine-member board as of July 1, 2001, two from each Congressional district of the State and the remainder to be appointed at large from within the State. The term of office is set at six (6) years with the terms of outgoing member(s) expiring on June 30 of each year. The Governor, subject to the confirmation of the Senate, appoints the members of the State Board of Education. The members take the oath of office prescribed by the Constitution of the State of Arkansas for officers.

The State Board of Education's powers and duties are outlined in Ark. Code Ann. §6-11-105 (1999 Repl.). These powers and duties include such things as general supervision of the public schools of the State, recommending courses of study for the public schools, issuing licenses to qualified persons to teach in the public schools, and performing "all other functions which may now or hereafter be delegated to the State Board of Education by law."



ARKANSAS DEPARTMENT OF EDUCATION



Agency Commentary

ARKANSAS DEPARTMENT OF EDUCATION - GENERAL DIVISION

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

ADE - State Operations - 620

The State Operations appropriation provides the state funded support for 260 positions and associated operating expenses of the various units of the Department of Education. The major units supported by this appropriation are: Central Administration, Division of Fiscal and Administrative Services, Division of Human Resources, Division of Learning Services, Division of Academic Accountability and Division of Research and Technology.

The Base Level appropriation is \$22,741,397 in each year of the 2011-2013 biennium with general revenue funding of \$15,471,687 each year. Other fund sources of this appropriation are \$6,391,870 each year from the Educational Adequacy Fund and \$877,840 each year from the Educational Excellence Trust Fund.

Change Level requests for this appropriation total \$263,557 each year with general revenue funding of \$44,082 each year. The Change Level requests consist of the following: 1) The ADE is requesting the restoration of three unbudgeted positions with unfunded appropriation for flexibility. The positions being requested include: 1 C073C Administrative Specialist II, Grade C109; 1 A098 Fiscal Support Specialist, Grade C112; and 1 L035C Nutritionist Consultant, Grade C121. The Administrative Specialist II and the Fiscal Support Specialist were not budgeted in order to provide for the transfer of an A052 Accounting Coordinator from the Revolving Loan Certificates Program to State Operations. 2) The Department of Education is requesting unfunded appropriation of \$100,000 in each year of the 2011-2013 biennium for unforeseen Capital Outlay needs that may occur. 3) The ADE requests the restoration of a Pool Position that was established by the authority of Section 27 of Act 1420 of 2009. This same authority requires that if the agency requests the continuation of a Pool Position in the next fiscal year, it must request the position as a new position. The Pool Position established is an R025C Human Resources Analyst, Grade C117. The position is responsible for directing and coordinating all financial and budgetary activities of the Professional Licensure Standards Board, Teacher Quality and Licensure Units. General revenue funded appropriation of \$44,082 is requested for each year for this currently budgeted position.

Child Nutrition - 637

The appropriation for the Child Nutrition Program is funded by federal funds received from the US Department of Agriculture. The Change Level request for the Child Nutrition Program for the 2011-2013 biennium is for \$50,000 of federally funded Capital Outlay appropriation for unforeseen needs that may occur in the biennium.

Federal Elementary and Secondary Education - 650

The appropriation for the Federal Elementary and Secondary Education appropriation is funded primarily by federal funds received from the U.S. Department of Education. The Change Level requests for this program for the 2011-2013 biennium are: 1) Federally funded Capital Outlay appropriation of \$200,000 is requested for unforeseen needs that may occur in the biennium. 2) Federally funded appropriation of \$314,600,000 is requested in each year of the biennium for the continuation of the federal appropriation authority of the American Recovery and Reinvestment Act of 2009 (ARRA) program into the 2011-2013 biennium. Under current provisions, the ARRA program will end on December 31, 2011. So, it is certain that there will be a need for appropriation in the 2012 fiscal year. However, unless there is a time extension for the program, there will not be a need for appropriation in the 2013 fiscal year. The ADE is requesting appropriation in FY2013, as a contingency, just in case an extension is granted.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF EDUCATION
SINGLE AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2009

Findings

Recommendations

U.S. DEPARTMENT OF EDUCATION

Finding Number:	09-500-01
State/Educational Agency:	Arkansas Department of Education
CFDA Number(s) and Program Title(s):	84.010 - Title I Grants to Local Educational Agencies
	84.389 - Title I Grants to Local Educational Agencies,
	Recovery Act
	(Title I, Part A Cluster)
Federal Award Number(s):	S010A070004A; S010A080004A
Federal Award Year(s):	2008 and 2009

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF EDUCATION
SINGLE AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2009

Findings	Recommendations
<p>Compliance Requirement(s) Affected: Activities Allowed or Unallowed; Allowable Costs/Cost Principles</p> <p>Type of Finding: Noncompliance and Control Deficiency</p> <p>Criteria: In accordance with 2 CFR 225, Appendix A Section C(1)(b), a cost must be allocable to a federal program for it to be considered an allowable cost of that award. The allocation is often based upon terms of the grant agreements or contracts.</p> <p>Condition: A professional services contract was executed with the provision that the federal grant would pay for 50% of the contract and the remaining 50% of the costs would be paid from State funds. However, contract expenditures totaling \$21,671 during the year were charged entirely to the federal program.</p> <p>Questioned Costs: \$10,836</p> <p>Cause: Agency personnel responsible for selecting and applying the expense account coding for the accounting system did not adequately review the contract stipulations before the disbursements were processed.</p> <p>Effect: Without adequate internal controls, inappropriate payments could be made to vendors with federal funding, which could require repayment to the grantor.</p>	<p>We recommend the Agency establish internal controls to ensure that costs are charged to the appropriate source of funding.</p>

DIVISION OF LEGISLATIVE AUDIT
 AUDIT OF :
 DEPARTMENT OF EDUCATION
 SINGLE AUDIT FINDINGS
 FOR THE YEAR ENDED JUNE 30, 2009

Findings	Recommendations
<p>Finding Number: 09-500-02 State/Educational Agency: Arkansas Department of Education CFDA Number(s) and Program Title(s): 84.010 - Title I Grants to Local Educational Agencies 84.389 - Title I Grants to Local Educational Agencies, Recovery Act (Title I, Part A Cluster) Federal Award Number(s): S010A080004A Federal Award Year(s): 2009 Compliance Requirement(s) Affected: Matching, Level of Effort, Earmarking Type of Finding: Noncompliance and Significant Deficiency Criteria: In accordance with 20 USC 7901, the State Education Agency (SEA) must ensure that either "aggregate expenditures" or "fiscal effort per student" for the preceding year of each local education agency (LEA) was not less than 90% of the aggregate expenditures or fiscal effort per student for the second preceding year. The allocation of program funds shall be reduced for those LEAs that fail to meet their required level of effort in the exact proportion by which the LEA failed to meet both of the tests, using the measure that is most favorable to the LEA. The aggregate expenditures comparison is calculated first because the level of effort requirement is satisfied by the majority of LEAs using this method.</p> <p>Condition: During the allocation of the 2009 grant to the LEAs, the Agency did not identify LEAs that failed to meet the level of effort requirement. Audit procedures and recalculations were performed for 25 LEAs selected at random. The level of effort requirement was met for 24 LEAs using the aggregate expenditures calculation. However, the Agency improperly concluded that one LEA had satisfied the level of effort requirement using the fiscal effort per student calculation. As a result, audit testing was expanded to include the remaining seven LEAs which had not satisfied their level of effort requirement using the aggregate expenditures calculation. Based on information for the eight LEAs, only two LEAs actually met the level of effort requirement using the fiscal effort per student calculation.</p> <p>Questioned Costs: Unknown</p>	<p>We recommend the Agency contact the federal grantor to determine how to calculate the amount by which each affected LEA's allocation should be reduced and strengthen internal controls and procedures to ensure that future level of effort calculations are accurate.</p>

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF EDUCATION
SINGLE AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2009

Findings

Recommendations

Cause:

An improperly written formula in the spreadsheet, which was used by the SEA, gave a false indication that the required level of effort had been met. Review of the spreadsheet by Agency personnel did not detect the incorrect formula.

Effect:

The Agency failed to reduce the allocation for the six affected LEAs. The amount of the needed reductions is uncertain because there are differing interpretations of how to implement the procedure prescribed in the federal guidance.

DIVISION OF LEGISLATIVE AUDIT
 AUDIT OF :
 DEPARTMENT OF EDUCATION
 SINGLE AUDIT FINDINGS
 FOR THE YEAR ENDED JUNE 30, 2009

Findings

Recommendations

U.S. DEPARTMENT OF EDUCATION (Continued)

Finding Number: 09-500-03
State/Educational Agency: Arkansas Department of Education
CFDA Number(s) and Program Title(s): 84.010 - Title I Grants to Local Educational Agencies
 84.389 - Title I Grants to Local Educational Agencies,
 Recovery Act
 (Title I, Part A Cluster)
Federal Award Number(s): S010A070004A; S010A080004A
Federal Award Year(s): 2008 and 2009
Compliance Requirement(s) Affected: Matching, Level of Effort, Earmarking
Type of Finding: Noncompliance

Criteria:

Section 1003 of the Elementary and Secondary Education Act (ESEA) requires the State Education Agency (SEA) to reserve 4% of its Title I, Part A Cluster (Title I) allocation to support local school improvement activities, provide technical assistance to Title I schools identified for improvement, and provide technical assistance to other schools that the SEA has identified for improvement or corrective action. At least 95% of the amount reserved must be allocated directly to local education agencies (LEAs) for schools identified for improvement, corrective action, and restructuring. However, with the approval of its LEAs, the SEA may provide directly for these activities or arrange for them to be provided by other entities.

Condition:

Beginning in May 2006, the SEA began using America's Choice as the vendor to enhance its statewide system of support for services to the Title I schools that meet the SEA's criteria of having been identified for improvement for three or more years. America's Choice was funded each year through a contract using 95% of the above mentioned 4% of school improvement funds. However, for FY2009 the SEA did not obtain approval from the LEAs for the SEA to arrange for the activities to be provided by some other entity. Disbursements to the vendor totaled \$6,203,242 during the year under audit.

We recommend the Agency properly train its employees and strengthen the implementation of federal program regulations to ensure the SEA: 1) properly allocates at least 95% of the 4% reserved under Section 1003 of the ESEA directly to LEAs meeting the SEA's criteria for assistance, or 2) requests and receives proper authorization from LEAs with identified schools for the SEA to arrange for school improvement activities to be provided by another entity.

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF EDUCATION
SINGLE AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2009

Findings

Recommendations

Questioned Costs:

None

Cause:

The Agency did not adequately train employees to ensure that federal program regulations, such as requesting and obtaining necessary approval from affected districts, were followed.

Effect:

Providing only one option for technical assistance decreases the likelihood that the school improvement assistance activities would directly address the academic achievement problem that caused the school to be identified for school improvement, as encouraged in Section 1116(b)(3)(A)(iii)(I) of the ESEA.

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF EDUCATION
SINGLE AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2009

Findings

Recommendations

U.S. DEPARTMENT OF EDUCATION (Continued)

Finding Number: 09-500-04
State/Educational Agency: Arkansas Department of Education
CFDA Number(s) and Program Title(s): 84.010 - Title I Grants to Local Educational Agencies
84.389 - Title I Grants to Local Educational Agencies,
Recovery Act
(Title I, Part A Cluster)
Federal Award Number(s): S010A070004A; S010A080004A
Federal Award Year: 2008 and 2009
Compliance Requirement(s) Affected: Procurement, Suspension, and Debarment
Type of Finding: Control Deficiency

Criteria:

In accordance with 2 CFR 180.300, the Agency is required to "verify that the person with whom you intend to do business is not excluded or disqualified...by (a) checking the Excluded Parties List System (EPLS), (b) collecting a certification from that person, or (c) adding a clause or condition to the covered transaction with that person."

Condition:

The Agency failed to establish internal controls to screen vendors for federal suspension and debarment, thus increasing the risk of the Agency doing business with prohibited parties. This appears to be a systemic problem; however, no vendors were identified during our audit period that were suspended or debarred.

Questioned Costs:

None

Cause:

Employees responsible for purchasing and managing the grant were not aware of the federal suspension and debarment and vendor monitoring requirements.

Effect:

Without adequate internal controls, unallowable payments could be made to suspended or debarred vendors with federal funding, which could require repayment to the grantor.

We recommend the Agency establish internal controls over procurement, suspension and debarment to ensure compliance with applicable federal regulations.

Performance Audit Findings

Southeast Arkansas Education Cooperative – Arkansas Early College High School Program (AECHS)
Arkansas Department of Education (ADE) and Arkansas Department of Higher Education (ADHE)
(July 1, 2005 – June 30, 2008) - Issued 10-10-2008

Findings and Conclusions:

- Instructor qualification review were not adequately documented, putting the students and participating high schools at risk of not receiving credit for a course or meeting accreditation standards.
- Grading irregularities could not be adequately explained, however, the extent of the problem could not be determined due to lack of controls over progress reports and computerized grade books.
- Student and school district memorandums of understanding and the course syllabi did not always agree with regard to academic dishonesty or plagiarism. Further, teacher turnover was high which created additional problems in areas such as instructor approval and credentialing.
- 5 of 9 instructors reviewed had exceptions relating to class size limits.
- AECHS did not provide all pertinent information in a review by ADE of a complaint regarding the hiring of the Cooperative Director's son.

Recommendations:

- To improve the instructor approval process: formalize the instructor approval process; maintain a master class schedule with appropriate addendums identifying changes of instructors; formally notify both college and high school officials of instructor changes; ADHE specifically address the issue of ownership of concurrent credit course at each participating institution; and partnering institutions provide the required training, orientation, and oversight to meet standards.
- ADE review its policy on the nontraditional licensure program and consider if modifications should be made for instructors in the AECHS Program.
- Create 1 standard syllabus for courses with more than 1 college granting credit and colleges be informed if a course is being taught to students enrolled in other colleges so that they may collaborate to meet State requirements.
- To address grade security issues: archive student progress reports in a central location; include documentation of archived grade changes with progress reports with approval signatures by the AECHS coordinator and the responsible instructor; provide for availability of records for review; and require a review each semester of a sample of grades for changes in each posted item.
- AECHS develop consistent policies addressing academic dishonesty and plagiarism.
- Adhere to required student to teacher ratios and ADE review the combined student enrollment numbers for all participating high schools in the individual AECHS classes to determine actual total class size.
- Contact ADE to determine if further action is required concerning the review of the hiring of the Cooperative Director's son.

Athletic Expenditures – Selected Arkansas Public School Districts
Arkansas Department of Education (ADE) and various public school districts
(July 1, 2007 – June 30, 2008) - Issued 12-16-2008

Findings and Conclusions:

- 4 of 14 districts that had athletic related construction costs did not include those costs in athletic expenditures reported to ADE.
- Data from school districts not part of the Arkansas Public School Computer Network (APSCN) is not readily available for review by ADE or Legislative staff.
- Some districts recorded some athletic related salaries to a program code for extracurricular activities that is not associated with athletic expenditures.
- 16 of 51 districts reviewed improperly allocated coaches' salaries between athletic and instruction expenditures.

Recommendations:

- ADE remind school districts about the rules governing the allocation of athletic related construction expenditures.
- The General Assembly consider if legislation requiring all public school districts to maintain their financial records in APSCN would be beneficial to the Legislature and ADE.
- Develop quality control measures to insure athletic expenditures are recorded to the proper program code.
- Districts allocate salaries in the manner prescribed by ADE rules and ADE continue to provide training and assistance to school district employees in the calculating and recording of the salaries and benefits of coaches.

Findings and Conclusions:

- 17 of 19 districts visited improved from our initial visits for the 2007 school year, with 8 of the districts having adjustment percentages of less than 5%.
- At least 10 of 19 districts did not properly allocate salaries and benefits, maintenance and operations, or transportation expenditures to athletics.
- Some districts had elementary athletic teams organized and coached to compete between campuses within a school district or against other districts. Elementary athletics have not been addressed in ADE rules governing athletic expenditures.
- Because of an automated process in APSCN, in most instances where a substitute teacher is used for an athletic coach, the athletic portion of the salary is duplicated.

Recommendations:

- ADE provide further clarification and guidance to the school districts concerning the issue of elementary athletics.
- If ADE determines duplication of substitute teacher salaries materially affects athletic expenditure reporting, provide further guidance and clarification for correct reporting.

Athletic Expenditures – Selected Arkansas Public School Districts
 Arkansas Department of Education (ADE) and various public school districts
 (July 1, 2008 – June 30, 2009) - Issued 04-16-2010

Findings and Conclusions:

- For school districts undergoing initial testing, we noted 27 of 48 districts improperly allocated coaches’ salaries between athletics and instruction expenditures, and 9 of 48 districts improperly allocated athletic related construction costs.
- 4 of 20 school districts revisited as a result of high reporting error rates noted in 2008, were adjusted in excess of 10% for the 2009 school year.
- The Pulaski County Special School District and the North Little Rock School District did not accurately report athletic expenditures for the third consecutive year.

Recommendations:

- Districts allocate athletic expenditures as prescribed with ADE rules and ADE continue to provide training and assistance in the calculating and recording of athletic expenditures.
- ADE take necessary steps to ensure the Pulaski County Special School District and the North Little Rock School District accurately report athletic expenditures in future reporting periods.

Employment Summary

	Male	Female	Total	%
White Employees	88	167	255	69 %
Black Employees	20	83	103	28 %
Other Racial Minorities	4	6	10	3 %
	Total Minorities		113	31 %
	Total Employees		368	100 %

Publications

A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
Academic Support Centers - Report regarding the Establishment of Academic Support Centers and their Effectiveness	Act 1575 of 2007 A.C.A. §6-13-1612	N	N	75	Required by Law to the House and Senate Interim Committees on Education
Acitivity related to Arkansas Medicaid Administration Claiming Program	Act 318 of 2007	N	Y	6	Required by Law to the Chairs of the House and Senate Interim Committees on Public Health, Welfare, and Labor and the House Committee on Public Health, Welfare and Labor
ADE & ADH shall jointly report progress in implementing nutrition and physical education standards	Act 317 of 2007 A.C.A. §20-7-135	N	N	4	Required by Law to the Chairs of the House & Senate Interim Committees on Public Health, Welfare, and Labor and the House and Senate Interim Committees on Education
ALE Status Report	A.C.A. §6-18-508(d)(1)(B)	N	Y	75	Required by Law to the Joint Interim Oversight Committee on Educational Reform
Annual Results of Statewide Assessment Program	A.C.A. §6-15-1905	N	N	450,000	Required by Law
Annual Statistical Report	HCR 58 of 1961	Y	N	700	Required by Resolution
Arkansas Advisory Council for the Education of Gifted and Talented Children	A.C.A. §6-42-106	Y	Y	7	Governor, Legislators, Advisory Council members, Ken James, Woody Cummins, and Janinne Riggs
Arkansas Commission on Eye & Vision Care of School Age Children	Act 138 of 2007, not codified	Y	N	105	Required by Law to the Governor, Legislative Council, House and Senate Interim Committees on Public Health, Welfare and Labor
Arkansas Title II State Report	Title II Sec 207 & 208 Higher Education Act	Y	Y	5	Federal Mandate to Publish
Arkansas Youth at Risk Survey	CDC, DASH	N	N	1,500	School districts for prevention programming and writing grants

Publications

A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
Assessment of Educational Progress of Students from Districts Consolidated/ Annexed under Act 60	A.C.A. §6-13-1606 - Act 1198 of 2005	Y	Y	105	Required by Law to the Governor, Chairs of the House and Senate Interim Committees on Education and the Secretary of Legislative Council
Average Teacher Salary	Act 229 of 2007 §26, Special Language	N	N	75	Required by Law to the House and Senate Interim Committees on Education
Best Financial Management Practices Review	A.C.A. §6-15-2301(k)(2)(A)	N	Y	58	Required by Law to the Arkansas Legislative Council
Changes in the calculation of state aid to public school districts	A.C.A. §10-3-1405(d)(2)	N	N	1	Required by Law to the Office of Economic & Tax Policy
Coordinated School Health Program Pamphlet	CDC, DASH	N	N	3,000	Distributed to school districts, community organizations and used at exhibits
Evaluation of the Pilot Program for Mobile Learning Technology in Public Schools	A.C.A. §6-19-124 (Act 827 of 2009)	N	Y	75	Required by Law to the House and Senate Committees on Education
Free Textbook Act Compliance Report	Act 1199 of 2007 Act 1577 of 2007 A.C.A. §6-21-403	N	N	75	Required by Law to the House and Senate Interim Committees on Education
Grade Inflation Report	A.C.A. §6-15-421 - Act 2197 of 2005	N	Y	130	Required by Law to the state board and General Assembly
Impact of National School Lunch students categorical funding provided under A.C.A. §6-20-2305(b)(4) on closing the achievement gap	A.C.A. §6-20-2305(b)(4) (Act 1369 of 2009)	N	Y	75	Required by Law to the House and Senate Committees on Education
Impending Layoff Report	A.C.A. §21-12-504(a)	N	N	60	Required by Law to the Arkansas Legislative Council & the Office of Personnel Management of the Division of Management Services of DFA

Publications

A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
Individual Schools Annual Improvement & Performance Category Level Designations & Ratings	A.C.A. Act 1420 of 2007, §6-15-1905	N	N	450,000	Required by Law
Justification for the Need to Allocate Titles from Growth Pool Positions	Act 1420 of 2007, §23, Special Language	N	N	41	Required by Law to the Chief Fiscal Officer of the State and the Legislative Council
Lifetime Teaching License Compliance Report	Act 169 of 2007 A.C.A. §6-17-2606	N	Y	135	Required by Law to the General Assembly
List of all contracts in excess of \$25,000 awarded to minority-owned businesses	A.C.A. §25-36-104(c)(1)	N	Y	58	Required by Law to the Arkansas Legislative Council
List of all financial accountability reports and due dates	A.C.A. §6-20-2202(e)(1)	N	N	310	Required by Law to school districts
Medicaid Administration Claiming Program	Act 1420 of 2007, §29 (2), Special Language	N	N	40	Required by Law to the House and Senate Public Health, Welfare and Labor Committee
On Site Inspection Report	A.C.A. §6-21-813	N	N	10	Required by Law to the Commission for Public School Academic Facilities and Transportation
Position Vacany Report	A.C.A. §19-4-609(1)(2) - Act 1686 of 2005	N	Y	1	Required by Law to the Bureau of Legislative Research
Progress Report on Equal Employment Hiring	A.C.A. §21-3-101(b)(1)	N	Y	58	Required by Law to the Arkansas Legislative Council
Progress Report on implementation of Pulaski County School Desegregation Case Settlement Agreement	A.C.A. §10-3-1504(c)	N	Y	75	Required by Law to the House & Senate Interim Committees on Education
Public School and Public School District expenditures required by law	Act 730 of 2005	Y	Y	105	Required by law to the Governor, the Senate Interim Committee on Education and the House Interim Committee on Education

Publications

A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
Pulaski County Degregation Case Settlement Agreement and any future desegregation litigation involving the State of Arkansas	A.C.A. §10-3-1504(a)	N	Y	10	Required by Law to the Desegregation Litigation Oversight Subcommittee
Report on implementation and availability of Automatic External Defibrillators on each campus	A.C.A. §6-10-122 (Act 496 of 2009)	N	Y	6	Required by Law to the Senate and House Committees on Public Health, Welfare and Labor
Results of Require Examination	A.C.A. §6-15-404	N	N	1,000	Required by Law
Results of statewide assessment program which descibe student achievement in the state, each school district, each school as well as the school performance category levles	A.C.A. §6-15-2101(a)(1)	N	N	450,000	Required by Law
Review of Arkansas Academic Content Standards and Curriculum Frameworks	A.C.A. §6-15-1504(a)	N	N	10	Required by Law
Revision of Arkansas History Course Guidelines	A.C.A. §6-16-124(b)(2)	N	Y	75	Required by Law to the House and Senate Committees on Education
Rules Regarding Physical Education or Physical Activity Standards for Grades Kindergarten through Grade 12 (K-12) developed pursuant to this section	Act 317 of 2007 A.C.A. §6-16-132	N	N	75	Required by Law to the House and Senate Interim Committees on Education
School Choice Black-White Percentage of each county's public school students and acceptable range of variance report	A.C.A. §6-18-206	N	N	310	Required report for school districts within counties to use in determining school choice options for students
School Choice Report	A.C.A. §6-18-227(f)	Y	Y	75	Required by Law to the State Board of Education, Governor and Arkansas Legislative Council
School Performance Reports	A.C.A. §6-15-1402	N	N	450,000	Legislation requiring individual school building performance reports to be compiled and mailed

Publications

A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
School's annual improvement and performance category level designations and ratings	A.C.A. §6-15-2105(b)(1)	N	N	450,000	Required by Law on ADE's Website and to parent and guardians of students K-12
Standards of Accreditation	A.C.A. §6-15-202(d)	N	Y	75	Required by Law to the House and Senate Interim Committees on Education
State of Academic Facilities Master Plan	A.C.A. §6-21-112(1)(f)(14)	Y	Y	100	Required by Law to the Governor, House and Senate Committees on Education and the Academic Facilities Oversight Commission
Status of Open Enrollment Public School Charter School Programs	A.C.A. §6-26-310	N	Y	135	Required by Law to the General Assembly each biennium and to the General Assembly and to the House and Senate Interim Committees on Education during the interim.
Student Services Report	A.C.A. §6-18-1007	Y	N	50	Required by Law
Teacher Recruitment Publications	A.C.A. §6-17-310	N	N	100	Required by law
The state of the Division of Youth Services system of education-	A.C.A. §9-28-205(f) (Act 972 of 2009)	N	Y	42	Required by Law to the House Committee on Aging, Children and Youth and Military Affairs and the Senate Committee on Children and Youth
The use of NSLA state categorical funding and the status of chronically underperforming schools	A.C.A. §6-15-2701 (Act 949 of 2009)	N	Y	75	Required by Law to the House and Senate Committees on Education

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2009-2010		2010-2011		2010-2011		2011-2012					2012-2013						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
1XJ School District Millage	938,567	0	950,000	0	950,000	0	950,000	0	950,000	0	950,000	0	950,000	0	950,000	0	950,000	0
1XY Fish/Wildlife Conservation	625,624	0	800,000	0	800,000	0	800,000	0	800,000	0	800,000	0	800,000	0	800,000	0	800,000	0
2DD Conference-Treasury	298,330	0	475,000	0	475,000	0	475,000	0	475,000	0	475,000	0	475,000	0	475,000	0	475,000	0
35U Pulaski County Deseg Case Costs	44,302	0	916,621	0	960,923	0	916,621	0	916,621	0	916,621	0	916,621	0	916,621	0	916,621	0
35V Vision Screening Program	0	0	1,000,000	0	1,000,000	0	1,000,000	0	1,000,000	0	1,000,000	0	1,000,000	0	1,000,000	0	1,000,000	0
435 Federal Grants Administration	617,570	7	716,829	9	825,480	9	735,389	9	735,389	9	735,389	9	735,389	9	735,389	9	735,389	9
4HF Medicaid Adm-Cash in Treasury	9,397,191	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
56P Professional Licensure Standards Board	477,289	9	905,843	11	899,315	11	914,540	11	914,540	11	914,540	11	914,540	11	914,540	11	914,540	11
56U Teacher Housing Development Foundation-Ope	112,325	1	219,098	1	226,688	1	219,098	1	219,098	1	219,098	1	219,098	1	219,098	1	219,098	1
620 State Operations	21,361,082	243	22,437,371	260	23,543,169	262	22,741,397	259	23,004,954	263	23,004,954	263	22,741,397	259	23,004,954	263	23,004,954	263
630 Building Maintenance	63,981	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
631 Revolving Loan Certification	535,437	2	13,129,295	2	13,174,752	2	13,128,439	2	13,128,439	2	13,128,439	2	13,128,439	2	13,128,439	2	13,128,439	2
637 Child Nutrition	151,630,436	18	168,758,629	18	168,702,451	18	167,488,999	18	167,538,999	18	167,538,999	18	167,488,999	18	167,538,999	18	167,538,999	18
650 Fed Elem & Sec Education	544,671,966	53	838,362,066	62	838,446,595	62	523,722,469	62	838,522,469	62	838,522,469	62	523,722,469	62	838,522,469	62	838,522,469	62
885 Multiple Grant Award Program	155,293	0	2,636,375	0	2,636,375	0	2,626,375	0	2,626,375	0	2,626,375	0	2,626,375	0	2,626,375	0	2,626,375	0
893 Medicaid Reimbursement	0	0	5,010,500	0	5,010,500	0	5,010,500	0	5,010,500	0	5,010,500	0	5,010,500	0	5,010,500	0	5,010,500	0
899 Alternative Certification Program	985,856	0	1,349,212	0	1,349,212	0	1,349,212	0	1,349,212	0	1,349,212	0	1,349,212	0	1,349,212	0	1,349,212	0
NOT REQUESTED FOR THE BIENNIUM																		
639 Federal Turnback for School	0	0	0	0	20,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	731,915,249	333	1,073,166,839	363	1,094,500,460	365	757,578,039	362	1,072,691,596	366	1,072,691,596	366	757,578,039	362	1,072,691,596	366	1,072,691,596	366

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	17,621,980	2.3	19,975,031	1.8	19,058,410	2.5	19,058,410	1.7	19,058,410	1.7	19,058,410	2.5	19,058,410	1.7	19,058,410	1.7	
General Revenue	4000010	17,529,999	2.3	15,167,661	1.4	15,471,687	2.0	15,515,769	1.4	15,471,687	1.4	15,471,687	2.0	15,515,769	1.4	15,471,687	1.4	
Federal Revenue	4000020	441,719,919	58.7	691,270,695	63.3	691,211,468	89.1	691,461,468	63.4	691,461,468	63.4	691,211,468	89.1	691,461,468	63.4	691,461,468	63.4	
Special Revenue	4000030	0	0.0	1,000,000	0.1	1,000,000	0.1	1,000,000	0.1	1,000,000	0.1	1,000,000	0.1	1,000,000	0.1	1,000,000	0.1	
Cash Fund	4000045	15,036,350	2.0	26,396,028	2.4	26,394,725	3.4	26,394,725	2.4	26,394,725	2.4	26,394,725	3.4	26,394,725	2.4	26,394,725	2.4	
Trust Fund	4000050	1,937,175	0.3	13,629,295	1.2	13,628,439	1.8	13,628,439	1.2	13,628,439	1.2	13,628,439	1.8	13,628,439	1.2	13,628,439	1.2	
DFA Motor Vehicle Acquisition	4000184	13,516	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Educational Adequacy Fund	4000210	6,391,870	0.9	6,391,870	0.6	6,391,870	0.8	6,391,870	0.6	6,391,870	0.6	6,391,870	0.8	6,391,870	0.6	6,391,870	0.6	
Educational Excellence Fund	4000220	934,692	0.1	877,840	0.1	877,840	0.1	877,840	0.1	877,840	0.1	877,840	0.1	877,840	0.1	877,840	0.1	
Federal Indirect Costs	4000240	617,570	0.1	716,829	0.1	735,389	0.1	735,389	0.1	735,389	0.1	735,389	0.1	735,389	0.1	735,389	0.1	
Federal Funds-ARRA	4000244	254,582,483	33.9	315,850,000	28.9	0	0.0	314,600,000	28.8	314,600,000	28.8	0	0.0	314,600,000	28.8	314,600,000	28.8	

Funding Sources		%		%		%		%		%		%		%		%	
Interest	4000300	456,284	0.1	0	0.0		0	0.0		0	0.0		0	0.0		0	0.0
M & R Sales	4000340	8,774	0.0	0	0.0		0	0.0		0	0.0		0	0.0		0	0.0
Miscellaneous Adjustments	4000345	73,090	0.0	0	0.0		0	0.0		0	0.0		0	0.0		0	0.0
Property Tax Relief Trust	4000390	870,000	0.1	950,000	0.1		950,000	0.1		950,000	0.1		950,000	0.1		950,000	0.1
Transfer frm General Education	4000535	(429,478)	(0.1)	0	0.0		0	0.0		0	0.0		0	0.0		0	0.0
Trnfr to DOE Public School Fund	4000625	(3,180,000)	(0.4)	0	0.0		0	0.0		0	0.0		0	0.0		0	0.0
Transfer to Medicaid Match	4000660	(2,293,944)	(0.3)	0	0.0		0	0.0		0	0.0		0	0.0		0	0.0
Unfunded Appropriation	4000715	0	0.0	0	0.0		219,475	0.0		263,557	0.0		219,475	0.0		263,557	0.0
Total Funds		751,890,280	100.0	1,092,225,249	100.0		775,719,828	100.0		1,090,833,385	100.0		775,719,828	100.0		1,090,833,385	100.0
Excess Appropriation/(Funding)		(19,975,031)		(19,058,410)			(18,141,789)			(18,141,789)			(18,141,789)			(18,141,789)	
Grand Total		731,915,249		1,073,166,839			757,578,039			1,072,691,596			757,578,039			1,072,691,596	

The FY11 Budget amount in Professional Licensure Standards Board and Child Nutrition exceeds the authorized amount due to salary adjustments during the 2009-2011 biennium.
The FY11 Budgeted Positions in State Operations exceeds Base Level due to Agency's utilization of pool position special language during the FY2011.
Fund balance from FY2012 to FY2013 does not balance due to unfunded appropriation in Pulaski County Desegregation Case Costs.

Agency Position Usage Report

FY2008 - 2009						FY2009 - 2010						FY2010 - 2011					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
360	298	51	349	11	17.22 %	365	311	51	362	3	14.79 %	365	294	69	363	2	19.45 %

Analysis of Budget Request

Appropriation: 1XJ - School District Millage

Funding Sources: TPR - ADE Millage Rollback

Act 1212 of 2001 established appropriation for the Department of Education to compensate various school districts for Amendment 79 millage rollback. Funding for this appropriation is provided from the Property Tax Relief Trust Fund.

The Agency is requesting Base Level of \$950,000 for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 1XJ - School District Millage

Funding Sources: TPR - ADE Millage Rollback

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2011-2012			2012-2013		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	938,567	950,000	950,000	950,000	950,000	950,000	950,000	950,000	950,000
Total		938,567	950,000	950,000	950,000	950,000	950,000	950,000	950,000	950,000
Funding Sources										
Fund Balance	4000005	68,601	34		34	34	34	34	34	34
Property Tax Relief Trust	4000390	870,000	950,000		950,000	950,000	950,000	950,000	950,000	950,000
Total Funding		938,601	950,034		950,034	950,034	950,034	950,034	950,034	950,034
Excess Appropriation/(Funding)		(34)	(34)		(34)	(34)	(34)	(34)	(34)	(34)
Grand Total		938,567	950,000		950,000	950,000	950,000	950,000	950,000	950,000

Analysis of Budget Request

Appropriation: 1XY - Fish/Wildlife Conservation

Funding Sources: NED - Cash in Treasury

Act 799 of 2003 redirected money collected from Game and Fish Commission fines to educational programs in the counties in which the fines were collected. The act required the Arkansas Department of Education to serve as the pass through Agency for distributing the funds from the Commission to the counties.

The Department of Education requests Base Level of \$800,000 for both fiscal years of the 2011-2013 Biennium.

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

Appropriation Summary

Appropriation: 1XY - Fish/Wildlife Conservation

Funding Sources: NED - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	625,624	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000
Total	625,624	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000
Funding Sources									
Fund Balance 4000005	0	5		5	5	5	5	5	5
Cash Fund 4000045	625,629	800,000		800,000	800,000	800,000	800,000	800,000	800,000
Total Funding	625,629	800,005		800,005	800,005	800,005	800,005	800,005	800,005
Excess Appropriation/(Funding)	(5)	(5)		(5)	(5)	(5)	(5)	(5)	(5)
Grand Total	625,624	800,000		800,000	800,000	800,000	800,000	800,000	800,000

Analysis of Budget Request

Appropriation: 2DD - Conference-Treasury

Funding Sources: NED - Cash in Treasury

The Department of Education is requesting Base Level appropriation of \$475,000 each fiscal year to pay expenses of conferences sponsored by the Department. Funding is provided from registration fees charged to participants.

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

Appropriation Summary

Appropriation: 2DD - Conference-Treasury

Funding Sources: NED - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	263,583	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
Conference & Travel Expenses	5050009	0	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Professional Fees	5060010	34,747	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		298,330	475,000	475,000	475,000	475,000	475,000	475,000	475,000	475,000
Funding Sources										
Fund Balance	4000005	509,935	527,247		527,247	527,247	527,247	527,247	527,247	527,247
Cash Fund	4000045	315,642	475,000		475,000	475,000	475,000	475,000	475,000	475,000
Total Funding		825,577	1,002,247		1,002,247	1,002,247	1,002,247	1,002,247	1,002,247	1,002,247
Excess Appropriation/(Funding)		(527,247)	(527,247)		(527,247)	(527,247)	(527,247)	(527,247)	(527,247)	(527,247)
Grand Total		298,330	475,000		475,000	475,000	475,000	475,000	475,000	475,000

Analysis of Budget Request

Appropriation: 35U - Pulaski County Deseg Case Costs

Funding Sources: EGA - Department of Education-State Operations

This program, established in Act 395 of 2007, allows for the Department of Education, in consultation with the Attorney General to have the authority to enter into agreements with the three (3) Pulaski County school districts to reimburse the school districts for legal fees incurred for seeking unitary status. To be eligible for possible reimbursement for legal fees, the school districts were to file motions seeking unitary status no later than October 30, 2007 and the school districts must be declared unitary or at least partially unitary by the federal district court no later than December 31, 2009 (A.C.A. 6-20-416).

Under no circumstance will any one (1) school district be able to receive reimbursement of more than two hundred and fifty thousand dollars (\$250,000).

The Agency Request is for Base Level.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 35U - Pulaski County Deseg Case Costs

Funding Sources: EGA - Department of Education-State Operations

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Pulaski County Deseg Case Costs 5900046	44,302	916,621	960,923	916,621	916,621	916,621	916,621	916,621	916,621
Total	44,302	916,621	960,923	916,621	916,621	916,621	916,621	916,621	916,621
Funding Sources									
Fund Balance 4000005	960,923	916,621		0	0	0	0	0	0
Total Funding	960,923	916,621		0	0	0	0	0	0
Excess Appropriation/(Funding)	(916,621)	0		916,621	916,621	916,621	916,621	916,621	916,621
Grand Total	44,302	916,621		916,621	916,621	916,621	916,621	916,621	916,621

Expenditure of appropriation in FY2012 and FY2013 is contingent upon available funding carried forward from the previous fiscal year.

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

Agency: Education Department-General Education

Program: Pulaski County Deseg Case Costs

Act #: 126 Section(s) #: 18 & 25

Estimated Carry Forward Amount \$ 916,622.00 Funding Source: General

Accounting Information:

Business Area: 0500 Funds Center: 35U Fund: EGA 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 30 of Act 126 of 2010 requires the Department of Education to utilize any unexpended balance of funds transferred to the Department of Education in the 2007-2009 biennium for the purpose of providing funds for the Pulaski County Desegregation Case Costs incurred by the Department of Education and the three (3) Pulaski County School Districts to comply with the provisions of Arkansas Code 6-20-415 and 6-20-416.

Actual Funding Carry Forward Amount \$ 916,621.00

Current status of carry forward funding:

These funds remain available for the Pulaski County Desegregation Case Costs incurred by the Department of Education and the three Pulaski County School Districts to comply with the provisions of Arkansas Code 6-20-415 and 6-20-416.

Note from DFA – Office of Budget: Funds remaining at the end of any fiscal year from this fund must, by law, remain in the fund regardless of the future status of any project, contract or purpose. The Special Language that requires this report is no longer necessary.

Dr. Tom W. Kimbrell
Commissioner of Education

08-10-2010
Date

Analysis of Budget Request

Appropriation: 35V - Vision Screening Program

Funding Sources: SCV - School Age Child Eyecare

This appropriation for the Vision Screening Program provides operating expenses for the Arkansas Commission on Eye and Vision Care of School Age Children. The Commission was established for the Department of Health in Act 755 of 2003. However, during the 2007-2009 Biennium the operating appropriation for the Commission was transferred from the Department of Health to the Department of Education by Act 1243 of 2007. Additionally, the Commission was extended to exist through June 30, 2011 in Act 138 of 2007.

The duties of the Commission are to study the vision needs of children, evaluate screening programs in schools, determine whether children are receiving adequate vision care, and to study the effects of inadequate vision on classroom performance.

The special revenue funding for the Commission comes from donations, gifts, grants, and any other resources that become available.

The Agency Request is for Base Level of \$1,000,000 for each year of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 35V - Vision Screening Program

Funding Sources: SCV - School Age Child Eyecare

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Vision Screening and Care 5900046	0	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total	0	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Funding Sources									
Fund Balance 4000005	5,508	5,508		5,508	5,508	5,508	5,508	5,508	5,508
Special Revenue 4000030	0	1,000,000		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total Funding	5,508	1,005,508		1,005,508	1,005,508	1,005,508	1,005,508	1,005,508	1,005,508
Excess Appropriation/(Funding)	(5,508)	(5,508)		(5,508)	(5,508)	(5,508)	(5,508)	(5,508)	(5,508)
Grand Total	0	1,000,000		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000

Analysis of Budget Request

Appropriation: 435 - Federal Grants Administration

Funding Sources: FHA - Federal Indirect Costs

This appropriation for the Department of Education provides administration, accounting, purchasing and record keeping services for federal programs. It is funded by indirect cost charges levied against the federal programs operated by the Department.

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

The Agency is requesting Base Level for the 2011-2013 biennium.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 435 - Federal Grants Administration

Funding Sources: FHA - Federal Indirect Costs

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	390,713	466,409	534,094	461,309	461,309	461,309	461,309	461,309	461,309
#Positions		7	9	9	9	9	9	9	9	9
Personal Services Matching	5010003	143,253	120,778	161,744	144,438	144,438	144,438	144,438	144,438	144,438
Operating Expenses	5020002	26,990	49,970	49,970	49,970	49,970	49,970	49,970	49,970	49,970
Conference & Travel Expenses	5050009	1,102	19,672	19,672	19,672	19,672	19,672	19,672	19,672	19,672
Professional Fees	5060010	55,512	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		617,570	716,829	825,480	735,389	735,389	735,389	735,389	735,389	735,389
Funding Sources										
Federal Indirect Costs	4000240	617,570	716,829		735,389	735,389	735,389	735,389	735,389	735,389
Total Funding		617,570	716,829		735,389	735,389	735,389	735,389	735,389	735,389
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		617,570	716,829		735,389	735,389	735,389	735,389	735,389	735,389

Analysis of Budget Request

Appropriation: 4HF - Medicaid Adm-Cash in Treasury

Funding Sources: NED - Cash in Treasury

Medicaid Administrative Claiming is a federally funded program administered by the Centers for Medicare and Medicaid Services (CMS). This program provides school districts with the ability to receive reimbursement for certain administrative activities. School districts will be reimbursed for administrative costs incurred which directly support the Arkansas Medicaid program. The program includes all students, not just students in Special Education.

In FY2006, The Department of Education, Special Education Unit along with the Department of Human Services-Division of Medical Services received approval from CMS to coordinate and manage a statewide Medicaid administrative claiming program.

The Agency Request is for Base Level of \$15,000,000 for each year of the 2011-2013 biennium.

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

Appropriation Summary

Appropriation: 4HF - Medicaid Adm-Cash in Treasury

Funding Sources: NED - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
AR Medicaid Admin Claims 5900046	9,397,191	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Total	9,397,191	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Funding Sources									
Fund Balance 4000005	99,882	20,699		20,699	20,699	20,699	20,699	20,699	20,699
Cash Fund 4000045	9,318,008	15,000,000		15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Total Funding	9,417,890	15,020,699		15,020,699	15,020,699	15,020,699	15,020,699	15,020,699	15,020,699
Excess Appropriation/(Funding)	(20,699)	(20,699)		(20,699)	(20,699)	(20,699)	(20,699)	(20,699)	(20,699)
Grand Total	9,397,191	15,000,000		15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000

Analysis of Budget Request

Appropriation: 56P - Professional Licensure Standards Board

Funding Sources: NED - Cash in Treasury

Act 846 of 2007 created the Professional Licensure Standards Board (PLSB). As part of the legislation, the PLSB was charged with creating a code of ethics for Arkansas Educators and developing and recommend for adoption by the Arkansas State Board of Education minimum college level preparatory and grade point average requirements for all teacher apply for initial or additional licensure after July 1, 2007. In June of 2008, the Arkansas State Board of Education accepted the recommendation of the PLSB and approved the Rules Governing the Code of Ethics for Arkansas Educators. Through this act, the PLSB is also in charge of investigating violations of the ethics code and to conduct audits of licensure programs of study in all Arkansas institutions of higher education.

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

The Agency is requesting Base Level for both fiscal years of the 2011-2013 biennium.

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

Appropriation Summary

Appropriation: 56P - Professional Licensure Standards Board

Funding Sources: NED - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	241,345	423,334	408,732	423,334	423,334	423,334	423,334	423,334	423,334
#Positions		9	11	11	11	11	11	11	11	11
Personal Services Matching	5010003	104,204	136,679	144,753	145,376	145,376	145,376	145,376	145,376	145,376
Operating Expenses	5020002	127,402	326,325	326,325	326,325	326,325	326,325	326,325	326,325	326,325
Conference & Travel Expenses	5050009	1,992	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Professional Fees	5060010	2,346	9,505	9,505	9,505	9,505	9,505	9,505	9,505	9,505
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		477,289	905,843	899,315	914,540	914,540	914,540	914,540	914,540	914,540
Funding Sources										
Fund Balance	4000005	312,673	750,299		750,299	750,299	750,299	750,299	750,299	750,299
Cash Fund	4000045	914,915	905,843		914,540	914,540	914,540	914,540	914,540	914,540
Total Funding		1,227,588	1,656,142		1,664,839	1,664,839	1,664,839	1,664,839	1,664,839	1,664,839
Excess Appropriation/(Funding)		(750,299)	(750,299)		(750,299)	(750,299)	(750,299)	(750,299)	(750,299)	(750,299)
Grand Total		477,289	905,843		914,540	914,540	914,540	914,540	914,540	914,540

The FY11 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2009-2011 biennium.

Analysis of Budget Request

Appropriation: 56U - Teacher Housing Development Foundation-Operations

Funding Sources: NED - Cash in Treasury

The Arkansas Teacher Housing Development Foundation (ATHDF) was established by Act 39 of the Second Extraordinary Session 2003, Arkansas Code § 6-26-101 et seq. The Agency has a board of nine members. The board members consist of 3 members chosen by the President Pro Tempore of the Senate, 3 members chosen by the Speaker of the House of Representatives, the President of the Arkansas Chapter of the National Association of Minority Contractors, the President of the Arkansas Development Finance Authority, and the Executive Director of the Arkansas Teacher Retirement System. The term of each board member shall be four years.

The ATHDF was established to implement and administer housing incentive programs to recruit and retain high performing teachers in high priority school districts. Those incentives may include down payment assistance, low-interest rate mortgages, rental assistance and multifamily housing developments. Additionally, the ATHDF is charged with soliciting private and public donations and grants from the local communities to pay for the housing incentive programs.

For FY2010 the program paid out \$72,117 of incentive grants to qualifying teachers.

During the 2009-2011 biennium, the ATHDF was transferred to the Department of Education. Currently funding for the foundation only comes from a \$100,000 grant from the Department of Education Public School Fund. However, the Public School Fund request does not include this transfer to continue into the 2011-2013 Biennium.

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

The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium. Expenditure of the appropriation in those fiscal years is contingent upon available funding carrying forward from the previous fiscal year.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 56U - Teacher Housing Development Foundation-Operations

Funding Sources: NED - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	27,811	65,000	72,937	65,000	65,000	65,000	65,000	65,000	65,000
#Positions	1	1	1	1	1	1	1	1	1
Personal Services Matching 5010003	9,291	19,098	18,751	19,098	19,098	19,098	19,098	19,098	19,098
Operating Expenses 5020002	3,106	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Conference & Travel Expenses 5050009	0	0	0	0	0	0	0	0	0
Professional Fees 5060010	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Grants and Aid 5100004	72,117	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	112,325	219,098	226,688	219,098	219,098	219,098	219,098	219,098	219,098
Funding Sources									
Fund Balance 4000005	0	131,973		131,973	131,973	131,973	131,973	131,973	131,973
Cash Fund 4000045	244,298	219,098		219,098	219,098	219,098	219,098	219,098	219,098
Total Funding	244,298	351,071		351,071	351,071	351,071	351,071	351,071	351,071
Excess Appropriation/(Funding)	(131,973)	(131,973)		(131,973)	(131,973)	(131,973)	(131,973)	(131,973)	(131,973)
Grand Total	112,325	219,098		219,098	219,098	219,098	219,098	219,098	219,098

Budget amount in Personal Services Matching exceed the authorized amount due to salary adjustments during the 2009-2011 biennium.

Analysis of Budget Request

Appropriation: 620 - State Operations

Funding Sources: EGA - Department of Education-State Operations

This appropriation provides state funded resources for the operations of the Department of Education and assistance to Arkansas' public schools. Operational activities include legal services, information technology, public relations and fiscal management. Assistance to school districts includes the "School Report Card," fiscal and administrative support, curriculum and instruction, and special education assistance and compliance monitoring. To provide the operations of the Department and assistance to schools, the Department is separated into 6 units. These units are: (1) Central Administration, (2) Division of Fiscal and Administrative Services, (3) Division of Human Resources, (4) Division of Learning Services, (5) Division of Public School Accountability and (6) Division of Research and Technology.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments. The Base Level Salary of unclassified positions reflects the FY11 line item maximum. The Base Level request for Regular Salaries includes board member stipends.

The Agency is requesting:

- Restoration of 3 previously unbudgeted positions. These positions are being requested as unfunded, but will allow the Agency the flexibility to meet needs as they may arrive.
- Unfunded appropriation of \$100,000 in Capital Outlay to address any unforeseen needs that may arise during the 2011-2013 Biennium.
- Restoration and funding of one Pool Position. This position was established on April 15, 2010 by the authority of Section 27 of Act 1420 of 2009. Under this section, the agency is required to request continuation of any Pool Positions as new positions during the following fiscal year. This position is in charge of the financial and budgetary activities of the Professional Licensure Standards Board, Teacher Quality and Licensure Units.

The general revenue for this request is \$44,082.

The Executive Recommendation provides for the Agency Request in appropriation only.

Appropriation Summary

Appropriation: 620 - State Operations
Funding Sources: EGA - Department of Education-State Operations

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2011-2012			2012-2013		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	12,240,132	13,634,284	13,410,115	13,615,226	13,733,769	13,733,769	13,615,226	13,733,769	13,733,769
#Positions		243	260	262	259	263	263	259	263	263
Extra Help	5010001	7,070	14,998	14,998	14,998	14,998	14,998	14,998	14,998	14,998
#Extra Help		2	8	8	8	8	8	8	8	8
Personal Services Matching	5010003	3,867,902	3,896,547	4,223,053	4,219,631	4,264,645	4,264,645	4,219,631	4,264,645	4,264,645
Operating Expenses	5020002	3,310,863	3,479,443	3,762,210	3,479,443	3,479,443	3,479,443	3,479,443	3,479,443	3,479,443
Conference & Travel Expenses	5050009	97,356	206,530	206,530	206,530	206,530	206,530	206,530	206,530	206,530
Professional Fees	5060010	794,253	205,569	811,263	205,569	205,569	205,569	205,569	205,569	205,569
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	43,506	0	100,000	0	100,000	100,000	0	100,000	100,000
Reading Recovery	5900046	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
AR Leadership Academy	5900049	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000
Compact Educ Resrch & Dev	5900050	0	0	15,000	0	0	0	0	0	0
Total		21,361,082	22,437,371	23,543,169	22,741,397	23,004,954	23,004,954	22,741,397	23,004,954	23,004,954

Funding Sources										
Fund Balance	4000005	2,029,932	2,011,313		2,011,313	2,011,313	2,011,313	2,011,313	2,011,313	2,011,313
General Revenue	4000010	17,529,999	15,167,661		15,471,687	15,515,769	15,471,687	15,471,687	15,515,769	15,471,687
DFA Motor Vehicle Acquisition	4000184	13,516	0		0	0	0	0	0	0
Educational Adequacy Fund	4000210	6,391,870	6,391,870		6,391,870	6,391,870	6,391,870	6,391,870	6,391,870	6,391,870
Educational Excellence Fund	4000220	934,692	877,840		877,840	877,840	877,840	877,840	877,840	877,840
M & R Sales	4000340	8,774	0		0	0	0	0	0	0
Miscellaneous Adjustments	4000345	73,090	0		0	0	0	0	0	0
Transfer frm General Education	4000535	(429,478)	0		0	0	0	0	0	0
Trnfr to DOE Public School Fund	4000625	(3,180,000)	0		0	0	0	0	0	0
Unfunded Appropriation	4000715	0	0		0	219,475	263,557	0	219,475	263,557
Total Funding		23,372,395	24,448,684		24,752,710	25,016,267	25,016,267	24,752,710	25,016,267	25,016,267
Excess Appropriation/(Funding)		(2,011,313)	(2,011,313)		(2,011,313)	(2,011,313)	(2,011,313)	(2,011,313)	(2,011,313)	(2,011,313)
Grand Total		21,361,082	22,437,371		22,741,397	23,004,954	23,004,954	22,741,397	23,004,954	23,004,954

The FY11 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2009-2011 biennium.
The FY11 Budgeted Positions exceeds Base Level due to Agency's utilization of pool position special language.

Change Level by Appropriation

Appropriation: 620 - State Operations
Funding Sources: EGA - Department of Education-State Operations

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	22,741,397	259	22,741,397	100.0	22,741,397	259	22,741,397	100.0
C01	Existing Program	119,475	3	22,860,872	100.5	119,475	3	22,860,872	100.5
C05	Unfunded Appropriation	100,000	0	22,960,872	101.0	100,000	0	22,960,872	101.0
C06	Restore Position/Approp	44,082	1	23,004,954	101.2	44,082	1	23,004,954	101.2

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	22,741,397	259	22,741,397	100.0	22,741,397	259	22,741,397	100.0
C01	Existing Program	119,475	3	22,860,872	100.5	119,475	3	22,860,872	100.5
C05	Unfunded Appropriation	100,000	0	22,960,872	101.0	100,000	0	22,960,872	101.0
C06	Restore Position/Approp	44,082	1	23,004,954	101.2	44,082	1	23,004,954	101.2

Justification

C01	The ADE is requesting the restoration of three (3) unbudgeted positions with unfunded appropriation for flexibility. The positions being requested include: 1 C073C Administrative Specialist II, Grade C109; 1 A098C Fiscal Support Specialist, Grade C112; and 1 L035C Nutritionist Consultant, Grade C121. The Administrative Specialist II and the Fiscal Support Specialist were not budgeted in order to provide for the transfer of an A052 Accounting Coordinator from the Revolving Loan Certificates Program to State Operations. The Nutritionist Consultant was not budgeted due to having been replaced by a Pool Position in FY2009.
C05	The Department of Education is requesting unfunded appropriation of \$100,000 in each year of the 2011-2013 biennium for unforeseen Capital Outlay needs that may occur.
C06	The ADE requests the restoration of a Pool Position that was established by the authority of Section 27 of Act 126 of 2010. This same authority requires that if the agency requests the continuation of a Pool Position in the next fiscal year, it must request the position as a new position. The Pool Position established is an R025C Human Resources Analyst, Grade C117. The position is responsible for directing and coordinating all financial and budgetary activities of the Professional Licensure Standards Board, Teacher Quality and Licensure Units.

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

Agency: Education Department-General Education

Program: State Operations

Act #: 126 Section(s) #: 3 & 25

Estimated Carry Forward Amount \$ 219,550.00 Funding Source: General

Accounting Information:

Business Area: 0500 Funds Center: 620 Fund: EGA 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:

These funds will be used to address any unforeseen circumstances that may arise in the State Operations of the Department of Education in the 2011 fiscal year.

Actual Funding Carry Forward Amount \$ 2,011,313.00

Current status of carry forward funding:

These funds remain as a fund balance and are available to be utilized for any unforeseen circumstances.

Note from DFA – Office of Budget: Funds remaining at the end of any fiscal year from this fund must, by law, remain in the fund regardless of the future status of any project, contract or purpose. The Special Language that requires this report is no longer necessary.

Dr. Tom W. Kimbrell
Commissioner of Education

08-10-2010
Date

Analysis of Budget Request

Appropriation: 630 - Building Maintenance

Funding Sources: TEB - Education Building Revolving Bond

The Building Maintenance program provides financing for building and grounds maintenance, equipment maintenance contracts, insurance and janitorial services for the various buildings in the Education complex. This appropriation is funded from rent charged to the various non-federal units at the Department.

The Department of Education is requesting Base Level of \$500,000 for each year of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 630 - Building Maintenance

Funding Sources: TEB - Education Building Revolving Bond

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	63,981	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
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	0	0	0	0	0	0	0	0	0
Total		63,981	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Funding Sources										
Fund Balance	4000005	4,171,947	4,559,064		4,559,064	4,559,064	4,559,064	4,559,064	4,559,064	4,559,064
Trust Fund	4000050	385,737	500,000		500,000	500,000	500,000	500,000	500,000	500,000
Interest	4000300	65,361	0		0	0	0	0	0	0
Total Funding		4,623,045	5,059,064		5,059,064	5,059,064	5,059,064	5,059,064	5,059,064	5,059,064
Excess Appropriation/(Funding)		(4,559,064)	(4,559,064)		(4,559,064)	(4,559,064)	(4,559,064)	(4,559,064)	(4,559,064)	(4,559,064)
Grand Total		63,981	500,000		500,000	500,000	500,000	500,000	500,000	500,000

Analysis of Budget Request

Appropriation: 631 - Revolving Loan Certification

Funding Sources: TEM - Education Revolving Loan Certificates Fund

The Revolving Loan Certification program within the Department of Education issues revolving loan certificates through the State Treasury in order to finance loans up to \$500,000 each to school districts for construction and the purchase of equipment or buses.

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

The Agency is requesting Base Level for the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 631 - Revolving Loan Certification
Funding Sources: TEM - Education Revolving Loan Certificates Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	63,953	65,424	98,162	64,724	64,724	64,724	64,724	64,724	64,724
#Positions	2	2	2	2	2	2	2	2	2
Personal Services Matching 5010003	28,113	23,871	36,590	23,715	23,715	23,715	23,715	23,715	23,715
Operating Expenses 5020002	2,686	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500
Conference & Travel Expenses 5050009	0	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Professional Fees 5060010	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Loans 5120029	440,685	13,000,000	13,000,000	13,000,000	13,000,000	13,000,000	13,000,000	13,000,000	13,000,000
Total	535,437	13,129,295	13,174,752	13,128,439	13,128,439	13,128,439	13,128,439	13,128,439	13,128,439
Funding Sources									
Fund Balance 4000005	5,594,695	7,001,619		7,001,619	7,001,619	7,001,619	7,001,619	7,001,619	7,001,619
Trust Fund 4000050	1,551,438	13,129,295		13,128,439	13,128,439	13,128,439	13,128,439	13,128,439	13,128,439
Interest 4000300	390,923	0		0	0	0	0	0	0
Total Funding	7,537,056	20,130,914		20,130,058	20,130,058	20,130,058	20,130,058	20,130,058	20,130,058
Excess Appropriation/(Funding)	(7,001,619)	(7,001,619)		(7,001,619)	(7,001,619)	(7,001,619)	(7,001,619)	(7,001,619)	(7,001,619)
Grand Total	535,437	13,129,295		13,128,439	13,128,439	13,128,439	13,128,439	13,128,439	13,128,439

Analysis of Budget Request

Appropriation: 637 - Child Nutrition

Funding Sources: FHB - DOE Food Service Federal Fund

The Child Nutrition Program of the Department of Education provides administrative services and reimbursement to the local school districts that participate in the school lunch, school breakfast or special milk programs. This program also promotes nutrition education by conducting courses in methods and materials for teaching nutrition education. The Child Nutrition Program is funded with federal funds from the United States Department of Agriculture.

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

The Agency Request above Base Level is for \$50,000 in Capital Outlay for both fiscal years of the 2011-2013 Biennium to address any unforeseen needs that may arise. Additionally, the Agency Request does not continue the appropriation for ARRA. The Agency is expected to complete the ARRA grant during FY2011.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 637 - Child Nutrition

Funding Sources: FHB - DOE Food Service Federal Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	810,149	787,800	721,569	782,500	782,500	782,500	782,500	782,500	782,500
#Positions		18	18	18	18	18	18	18	18	18
Personal Services Matching	5010003	260,250	232,129	242,182	257,799	257,799	257,799	257,799	257,799	257,799
Operating Expenses	5020002	352,832	672,100	672,100	672,100	672,100	672,100	672,100	672,100	672,100
Conference & Travel Expenses	5050009	11,957	52,600	52,600	52,600	52,600	52,600	52,600	52,600	52,600
Professional Fees	5060010	45,347	156,400	156,400	156,400	156,400	156,400	156,400	156,400	156,400
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	148,836,926	165,168,000	165,168,000	165,168,000	165,168,000	165,168,000	165,168,000	165,168,000	165,168,000
Refunds/Reimbursements	5110014	56,830	399,600	399,600	399,600	399,600	399,600	399,600	399,600	399,600
Capital Outlay	5120011	6,784	40,000	40,000	0	50,000	50,000	0	50,000	50,000
ARRA of 2009	5900052	1,249,361	1,250,000	1,250,000	0	0	0	0	0	0
Total		151,630,436	168,758,629	168,702,451	167,488,999	167,538,999	167,538,999	167,488,999	167,538,999	167,538,999

Funding Sources									
Federal Revenue	4000020	150,381,075	167,508,629		167,488,999	167,538,999	167,538,999	167,488,999	167,538,999
Federal Funds-ARRA	4000244	1,249,361	1,250,000		0	0	0	0	0
Total Funding		151,630,436	168,758,629		167,488,999	167,538,999	167,538,999	167,488,999	167,538,999
Excess Appropriation/(Funding)		0	0		0	0	0	0	0
Grand Total		151,630,436	168,758,629		167,488,999	167,538,999	167,538,999	167,488,999	167,538,999

Budget amount in Regular Salaries exceed the authorized amount due to salary adjustments during the 2009-2011 biennium.

Change Level by Appropriation

Appropriation: 637 - Child Nutrition
Funding Sources: FHB - DOE Food Service Federal Fund

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	167,488,999	18	167,488,999	100.0	167,488,999	18	167,488,999	100.0
C01	Existing Program	50,000	0	167,538,999	100.0	50,000	0	167,538,999	100.0
C03	Discontinue Program	(1,250,000)	0	166,288,999	99.3	(1,250,000)	0	166,288,999	99.3
C16	ARRA	1,250,000	0	167,538,999	100.0	1,250,000	0	167,538,999	100.0

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	167,488,999	18	167,488,999	100.0	167,488,999	18	167,488,999	100.0
C01	Existing Program	50,000	0	167,538,999	100.0	50,000	0	167,538,999	100.0
C03	Discontinue Program	(1,250,000)	0	166,288,999	99.3	(1,250,000)	0	166,288,999	99.3
C16	ARRA	1,250,000	0	167,538,999	100.0	1,250,000	0	167,538,999	100.0

Justification

C01	The Department of Education is requesting federally funded appropriation of 50,000 each year for unforeseen Capital Outlay needs of the Child Nutrition Program that may occur in the 2011-2013 biennium.
C03	The appropriation for ARRA is not requested to continue for the 2011-2013 biennium. The Department of Education is expected to finish the grant during FY2011.

Analysis of Budget Request

Appropriation: 650 - Fed Elem & Sec Education

Funding Sources: FEE - Dept of Education Federal Fund

The Federal Elementary and Secondary Education appropriation for the Department of Education contains the majority of the federal entitlement programs for elementary and secondary education. These programs include Title 1 Compensatory Education for the educationally disadvantaged, Title 2 Block Grant, Special Education programs, Early Childhood programs, AIDS Education, Drug Education, and Migrant Education.

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

The Agency has two change level requests. First, is a request for \$200,000 each fiscal year of the 2011-2013 biennium of unfunded Capital Outlay appropriation to handle any unforeseen needs that may occur during the biennium. Secondly, the Agency is requesting continuation of \$314,600,000 in appropriation for the ARRA grants. This will allow for any extensions of time to spend the ARRA grant funds and address any additional funds that may be received.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 650 - Fed Elem & Sec Education
Funding Sources: FEE - Dept of Education Federal Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	2,543,998	3,021,512	2,972,103	3,010,816	3,010,816	3,010,816	3,010,816	3,010,816	3,010,816
#Positions	53	62	62	62	62	62	62	62	62
Extra Help 5010001	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
#Extra Help	0	4	4	4	4	4	4	4	4
Personal Services Matching 5010003	830,352	827,681	961,619	958,780	958,780	958,780	958,780	958,780	958,780
Operating Expenses 5020002	2,772,329	3,475,900	3,475,900	3,475,900	3,475,900	3,475,900	3,475,900	3,475,900	3,475,900
Conference & Travel Expenses 5050009	175,003	710,500	710,500	710,500	710,500	710,500	710,500	710,500	710,500
Professional Fees 5060010	12,642,432	18,351,105	18,351,105	18,351,105	18,351,105	18,351,105	18,351,105	18,351,105	18,351,105
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Grants and Aid 5100004	271,303,679	496,095,368	496,095,368	496,095,368	496,095,368	496,095,368	496,095,368	496,095,368	496,095,368
Refunds/Reimbursements 5110014	609,321	1,110,000	1,110,000	1,110,000	1,110,000	1,110,000	1,110,000	1,110,000	1,110,000
Capital Outlay 5120011	461,730	160,000	160,000	0	200,000	200,000	0	200,000	200,000
ARRA of 2009 5900052	253,333,122	314,600,000	314,600,000	0	314,600,000	314,600,000	0	314,600,000	314,600,000
Total	544,671,966	838,362,066	838,446,595	523,722,469	838,522,469	838,522,469	523,722,469	838,522,469	838,522,469
Funding Sources									
Federal Revenue 4000020	291,338,844	523,762,066		523,722,469	523,922,469	523,922,469	523,722,469	523,922,469	523,922,469
Federal Funds-ARRA 4000244	253,333,122	314,600,000		0	314,600,000	314,600,000	0	314,600,000	314,600,000
Total Funding	544,671,966	838,362,066		523,722,469	838,522,469	838,522,469	523,722,469	838,522,469	838,522,469
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	544,671,966	838,362,066		523,722,469	838,522,469	838,522,469	523,722,469	838,522,469	838,522,469

The FY11 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2009-2011 biennium.

Change Level by Appropriation

Appropriation: 650 - Fed Elem & Sec Education
Funding Sources: FEE - Dept of Education Federal Fund

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	523,722,469	62	523,722,469	100.0	523,722,469	62	523,722,469	100.0
C01	Existing Program	200,000	0	523,922,469	100.0	200,000	0	523,922,469	100.0
C16	ARRA	314,600,000	0	838,522,469	160.1	314,600,000	0	838,522,469	160.1

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	523,722,469	62	523,722,469	100.0	523,722,469	62	523,722,469	100.0
C01	Existing Program	200,000	0	523,922,469	100.0	200,000	0	523,922,469	100.0
C16	ARRA	314,600,000	0	838,522,469	160.1	314,600,000	0	838,522,469	160.1

Justification

C01	The Department of Education is requesting federally funded appropriation of \$200,000 each year for unforeseen Capital Outlay needs of the Federal Elementary and Secondary Education programs that may occur in the 2011-2013 biennium.
C16	This request is for the continuation of the federal appropriation authority of the American Recovery and Reinvestment Act of 2009 (ARRA) program into the 2011-2013 biennium. Under current provisions, the ARRA program will end on December 31, 2011. So, it is certain that there will be a need for appropriation in the 2012 fiscal year. However, unless there is a time extension for the program, there will not be a need for appropriation in the 2013 fiscal year. The ADE is requesting appropriation in FY2013, as a contingency, just in case an extension is granted.

Analysis of Budget Request

Appropriation: 885 - Multiple Grant Award Program

Funding Sources: NED - Cash in Treasury

The Department of Education receives grants and awards from private foundations or individuals for program, such as, Teacher of the Year, Minority Teacher Recruitment, Dean's Symposium and Play it Again Arkansas. The Department currently administers approximately 16-20 such grants each year.

The Agency Request is for Base Level for each year of the 2011-2013 biennium.

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

Appropriation Summary

Appropriation: 885 - Multiple Grant Award Program

Funding Sources: NED - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	77,635	122,000	122,000	122,000	122,000	122,000	122,000	122,000	122,000
Conference & Travel Expenses	5050009	4,486	16,500	16,500	16,500	16,500	16,500	16,500	16,500	16,500
Professional Fees	5060010	8,972	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	60,490	2,447,875	2,447,875	2,447,875	2,447,875	2,447,875	2,447,875	2,447,875	2,447,875
Capital Outlay	5120011	3,710	10,000	10,000	0	0	0	0	0	0
Total		155,293	2,636,375	2,636,375	2,626,375	2,626,375	2,626,375	2,626,375	2,626,375	2,626,375
Funding Sources										
Fund Balance	4000005	2,260,887	2,698,682		2,698,682	2,698,682	2,698,682	2,698,682	2,698,682	2,698,682
Cash Fund	4000045	593,088	2,636,375		2,626,375	2,626,375	2,626,375	2,626,375	2,626,375	2,626,375
Total Funding		2,853,975	5,335,057		5,325,057	5,325,057	5,325,057	5,325,057	5,325,057	5,325,057
Excess Appropriation/(Funding)		(2,698,682)	(2,698,682)		(2,698,682)	(2,698,682)	(2,698,682)	(2,698,682)	(2,698,682)	(2,698,682)
Grand Total		155,293	2,636,375		2,626,375	2,626,375	2,626,375	2,626,375	2,626,375	2,626,375

Analysis of Budget Request

Appropriation: 893 - Medicaid Reimbursement

Funding Sources: NED - Cash in Treasury

The Department of Education collects from the various school districts their match as Medicaid providers and then transmits this quarterly to the State Medicaid Office. Reimbursements are for targeted case management and psychological services in addition to the reimbursement for speech-language pathology, physical therapy and occupational therapy.

The Agency is requesting Base Level of \$5,010,500 for each fiscal year of the 2011-2013 biennium.

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

Appropriation Summary

Appropriation: 893 - Medicaid Reimbursement

Funding Sources: NED - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2011-2012			2012-2013		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements	5110014	0	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Medicaid Admin	5900046	0	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500
Total		0	5,010,500	5,010,500	5,010,500	5,010,500	5,010,500	5,010,500	5,010,500	5,010,500
Funding Sources										
Fund Balance	4000005	15,593	6,660		6,660	6,660	6,660	6,660	6,660	6,660
Cash Fund	4000045	2,285,011	5,010,500		5,010,500	5,010,500	5,010,500	5,010,500	5,010,500	5,010,500
Transfer to Medicaid Match	4000660	(2,293,944)	0		0	0	0	0	0	0
Total Funding		6,660	5,017,160		5,017,160	5,017,160	5,017,160	5,017,160	5,017,160	5,017,160
Excess Appropriation/(Funding)		(6,660)	(6,660)		(6,660)	(6,660)	(6,660)	(6,660)	(6,660)	(6,660)
Grand Total		0	5,010,500		5,010,500	5,010,500	5,010,500	5,010,500	5,010,500	5,010,500

Analysis of Budget Request

Appropriation: 899 - Alternative Certification Program

Funding Sources: NED - Cash in Treasury

The Department of Education has developed alternative methods for certifying individuals within the State who have expertise and knowledge in particular subject areas but do not have the standard teaching certificate. The prospective teachers are charged a fee for training workshops with the funds used to pay workshop expenses.

The Agency is requesting Base Level for both fiscal years of the 2011-2013 biennium.

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

Appropriation Summary

Appropriation: 899 - Alternative Certification Program

Funding Sources: NED - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	256,748	515,292	515,292	515,292	515,292	515,292	515,292	515,292	515,292
Conference & Travel Expenses	5050009	3,477	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500
Professional Fees	5060010	33,086	125,420	125,420	125,420	125,420	125,420	125,420	125,420	125,420
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	692,545	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		985,856	1,349,212	1,349,212	1,349,212	1,349,212	1,349,212	1,349,212	1,349,212	1,349,212
Funding Sources										
Fund Balance	4000005	1,591,404	1,345,307		1,345,307	1,345,307	1,345,307	1,345,307	1,345,307	1,345,307
Cash Fund	4000045	739,759	1,349,212		1,349,212	1,349,212	1,349,212	1,349,212	1,349,212	1,349,212
Total Funding		2,331,163	2,694,519		2,694,519	2,694,519	2,694,519	2,694,519	2,694,519	2,694,519
Excess Appropriation/(Funding)		(1,345,307)	(1,345,307)		(1,345,307)	(1,345,307)	(1,345,307)	(1,345,307)	(1,345,307)	(1,345,307)
Grand Total		985,856	1,349,212		1,349,212	1,349,212	1,349,212	1,349,212	1,349,212	1,349,212

Appropriation Summary

Appropriation: 639 - Federal Turnback for School

Funding Sources: FZF - Federal Forest Reserve-DOE

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	0	0	20,000,000	0	0	0	0	0	0
Total	0	0	20,000,000	0	0	0	0	0	0

APPROPRIATION NOT REQUESTED FOR THE 2011-2013 BIENNIUM