

DOE - Public School Fund

Enabling Laws

Act 293 of 2010
A.C.A. §6-5-301 et seq.
A.C.A. §6-10-101 thru §6-26-305
A.C.A. §6-42-101 et seq.
A.C.A. §6-45-101 et seq.
A.C.A. §6-47-201 et seq.
A.C.A. §26-80-101 et seq.
A.C.A. §25-6-101 et seq.

History and Organization

See DOE - General Education Division Page 204.

Agency Commentary

ARKANSAS DEPARTMENT OF EDUCATION PUBLIC SCHOOL FUND

For most programs funded from the Public School Fund the Department of Education is requesting Base Level for the 2011-2013 biennium. However, ACA §10-3-2104 requires that the final report of the House and Senate Committees on Education file their final reports on Educational Adequacy no later than September 1 of each year prior to a Regular Session of the General Assembly. So, as a result of the recommendations of the reports to be made by September 1, 2010, it is very likely that additional appropriation and funding will be needed for the Adequacy programs affected by the recommendations.

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

SCHOOL FUNDING CONTINGENCY (2ZH)

This appropriation is an unfunded contingency appropriation for the Department of Education to utilize to address unforeseen circumstances that occur. In order to use this appropriation, it must be transferred to a programmatic appropriation with the approval of the Chief Fiscal Officer of the State and the Arkansas Legislative Council or the Joint Budget Committee.

The Change Level request is for the unfunded appropriation to continue at the \$25 million appropriation level in each year of the 2011-2013 biennium.

ASSESSMENT/END OF COURSE TESTING (459)

This program provides for contracts to develop and implement Alternative Assessments required by No Child Left Behind, End-of-Course Exams, and Augmented Benchmark Exams. The program also provides for a contract with the University of Arkansas Fayetteville to prepare yearly progress reports and maintain a web site of data for the Department of Education.

The Base Level for this general revenue funded appropriation in each year of the 2011-2013 biennium is \$22,401,677. The Change Level request for the program is for an additional \$2,007,672 in FY12 and \$1,973,672 in FY13. Additional amounts requested are needed to restore appropriation that was utilized from fund balances in FY11 and provide for cost estimates that were obtained from contractors for the various testing components of the program.

BETTER CHANCE PROGRAM (652)

Arkansas Better Chance grants are administered by the Department of Human Services - Division of Child Care and Early Childhood Education for the purpose of serving educationally deprived children from birth through 5 years old, excluding kindergarten. Within the Arkansas Better Chance Program is the Arkansas Better Chance for School Success (ABSCSS) Program that funds innovative and developmentally appropriate early childhood programs for children ages 3 and 4 whose family household income is less than 200% of the Federal Poverty Level.

The Base Level for this appropriation is \$111,000,000 in each year of the 2011-2013 biennium. However, Base Level general revenue funding is only \$104,320,765. The difference in the Base Level between appropriation and general revenue funding is due to the fact that \$6,679,235 of projected fund balance was included in the FY11 budget for the program and is reduced in the Base Level. Therefore in order to continue the program at the \$111,000,000 in the 2011-2013 the ADE is requesting Change Level general revenue funding of \$6,679,235 in each year of the biennium. No additional appropriation is requested.

ARKANSAS PUBLIC SCHOOL COMPUTER NETWORK (APSCN) (688)

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

The Base Level request for APSCN is \$22,781,803 in each year of the 2011-2013 biennium. The Base Level request is totally funded by general revenue. The Change Level request is for an additional \$696,657 each year with general revenue funding of \$284,208 each year. The remainder of the Change Level request (\$412,449) is for unfunded appropriation.

The items included in the request for APSCN are as follows: 1) Unfunded appropriation of \$212,449 is requested for the restoration of four (4) positions that were not budgeted in FY11. The positions are requested for flexibility. The positions requested are: 2 G050C ADE APSCN Division Manager positions, Grade C126 and 2 D077C Help Desk Specialist positions, Grade C115. All of these positions were not budgeted in FY2011 in order to provide for three Pool Positions that were established by the authority of Section 27 of Act 1420 of 2009. 2) The Department of Education is requesting unfunded Capital Outlay appropriation of \$200,000 each year for unforeseen needs that may occur in the 2011-2013 biennium. 3) The ADE is requesting the restoration of three (3) Pool Positions that were established by the authority of Section 27 of Act 1420 of 2009 with general revenue funded appropriation of \$284,208 each year. This same authority requires that if the agency requests the continuation of a Pool Position in the next fiscal year, it must be requested as a new position. The Pool Positions being requested to continue include: 1 D037C ADE APSCN Application Manager position, Grade C124 and 2 G012C ADE Assistant to Director positions, Grade C129. The ADE Application Manager position is needed for a progressive applications manager that has network leadership experience to facilitate a variety of special long-term projects for APSCN. The ADE Assistant to Director positions were established to bring the directors of the APSCN Financial and Student units in line with the grade and positions of other ADE units within the Fiscal and Administrative Services Division.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT

AUDIT OF :

ARKANSAS PUBLIC SCHOOL COMPUTER NETWORK - (November 1, 2008 - April 30, 2009) (findings with ADE responses)

FOR THE YEAR ENDED JUNE 30, 2009

Findings

Sound information system controls dictate that changes to the Statewide Information System (SIS) software should be properly authorized and tested before installing in the production environment. Inquiry indicated that APSCN personnel have an informal change control process over the programs that make up the SIS. Failure to maintain proper change control over programs increases the risk of incorrect processing resulting in material errors in reporting.

The financial system administrator has authority to add and change an individual's access abilities for a particular education entity. The education entity superintendent is responsible for submitting proper documentation to the APSCN office to request assignment of the financial system administrator security role. Sound internal control dictates adequate documentation should be retained to indicate proper education entity superintendent approval of the financial system administrator. Inspection of a selection of systems administrator approval forms maintained at the APSCN office noted that 17 entities out of the 67 selected did not have an approval form. Failure to maintain and require proper documentation increases the risk of unauthorized access to Pentamation software.

The periodic reporting of an education entity's financial and student data to ADE is called a cycle process. After an education entity's successful completion of a cycle process in Statewide Information System (SIS), the cycle data is moved from a Pentamation production server to a development server then to the data warehouse. Education entity financial and student data is moved directly from the Pentamation databases to the district data warehouse. Sound information systems controls dictate that adequate controls should exist to ensure that cycle and educational entity data transferred to the data warehouse is complete and accurate. Controls are inadequate to ensure the accuracy and completeness in this data transfer process. This situation could allow incomplete/inaccurate cycle data to be loaded into the data warehouse.

Recommendations

APSCN implement formal program change controls to ensure changes to SIS are authorized and tested.

APSCN maintain adequate documentation indicating an education entity's superintendent has approved assignment of the entity's financial system administrator.

APSCN personnel implement controls and maintain adequate documentation to ensure and demonstrate cycle data loaded into the data warehouse is complete and accurate.

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS PUBLIC SCHOOL COMPUTER NETWORK - (November 1, 2008 - April 30, 2009) (findings with DIS responses)
FOR THE YEAR ENDED JUNE 30, 2009

Findings	Recommendations
<p>Sound information system controls dictate that changes to the operating system software should be properly authorized and tested before installing in the production environment. Inquiry indicated that DIS has not implemented adequate controls over changes to the operating system. Failure to maintain proper change controls over system software increases the risk of incorrect processing or unauthorized access.</p>	<p>DIS implement adequate controls to ensure changes to the operating system are properly authorized and tested.</p>
<p>Sound information system controls dictate that changes to the firewall configuration should be properly authorized and tested before installing in the production environment. Inquiry indicated that DIS has adequate procedures for firewall configuration change; however controls are inadequate to prevent or detect direct changes to the firewall configuration that bypass those procedures. Failure to maintain proper controls over firewall configuration could result in unauthorized access to network devices.</p>	<p>DIS personnel install controls to ensure changes to firewall configuration are authorized and tested.</p>
<p>Sound internal control policies dictate that controls should be in place to ensure that the Pentamation software executable files are adequately protected against unauthorized changes. Inquiry indicated that DIS has not implemented adequate controls to detect or prevent unauthorized changes to these executable files. Failure to maintain proper change controls over application software increases the risk of incorrect processing or unauthorized access.</p>	<p>DIS install controls to ensure that only authorized changes are made to Pentamation applications.</p>
<p>Sound accounting controls dictate that an adequate audit trail should exist to identify all direct changes made to Pentamation databases. Two Department of Education employees have direct update access to Pentamation databases. Manual records are maintained detailing the changes; however, this manual process does not contain sufficient controls to ensure completeness and accuracy of recording all changes. This situation could allow unauthorized changes to the financial and student records resulting in misstatement of financial records and financial statements, misappropriation of assets and irretrievable loss of data.</p>	<p>DIS implement adequate controls be installed to ensure a complete audit trail is maintained.</p>
<p>Sound information systems controls dictate that only IP addresses that have a legitimate business need should be allowed to connect to APSCN servers. We inspected the access control list to identify the IP addresses that are allowed to access APSCN servers and noted several IP addresses for which the business need for connection was unknown. Failure to periodically review authorized IP addresses allowed access increases the risk of unauthorized access to network devices.</p>	<p>DIS perform documented periodic reviews of all authorized IP addresses to DIS-controlled APSCN servers.</p>
<p>Sound information systems controls dictate that network security vulnerabilities identified during network scanning should be resolved on a timely basis. We performed network scanning and identified 3 servers containing potential security vulnerabilities. We inspected trouble tickets to corroborate that internal scans performed by DIS did identify the security</p>	<p>DIS install controls to ensure network security issues identified during network scanning be resolved on a timely basis.</p>

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS PUBLIC SCHOOL COMPUTER NETWORK - (November 1, 2008 - April 30, 2009) (findings with DIS responses)
FOR THE YEAR ENDED JUNE 30, 2009

Findings

issues but the issues remained unresolved for at least 6 months. Failure to resolve potential network vulnerabilities could result in an increased risk of unauthorized access to network servers.

Sound information systems controls dictate that individuals with unescorted access to sensitive DIS areas should be required to submit to a criminal background check and documentation should be maintained indicating the results of the check. We inspected a sample of 10 contractor files and noted that 6 did not have documentation of a background check. Failure to obtain proper documentation raises the risk of unauthorized access to sensitive DIS areas.

Recommendations

DIS maintain documentation for all criminal background checks performed.

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
057 Smart Start/Smart Step	9,957,160	0	8,457,160	0	10,666,303	0	8,457,160	0	8,457,160	0	10,666,303	0	8,457,160	0	8,457,160	0	10,666,303	0
082 English Language Learners	9,410,735	0	10,144,383	0	10,231,111	0	10,144,383	0	10,144,383	0	11,115,341	0	10,144,383	0	10,144,383	0	12,162,924	0
088 At Risk	4,529,358	0	1,688,530	0	5,188,530	0	1,688,530	0	1,688,530	0	1,688,530	0	1,688,530	0	1,688,530	0	1,688,530	0
091 Special Ed-Catastrophic	10,999,825	0	11,000,000	0	11,000,000	0	11,000,000	0	11,000,000	0	11,000,000	0	11,000,000	0	11,000,000	0	11,000,000	0
094 Youth Shelters	165,000	0	165,000	0	165,000	0	165,000	0	165,000	0	165,000	0	165,000	0	165,000	0	165,000	0
108 Tech Improvements	905,186	0	500,000	0	1,000,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0
119 Tech Grants	3,526,575	0	3,602,678	0	3,602,678	0	3,602,678	0	3,602,678	0	3,602,678	0	3,602,678	0	3,602,678	0	3,602,678	0
136 Distressed School District Support	8,031	0	50,000	0	450,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0
150 Home School Test	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0
1PS Non-Traditional Licensure	47,625	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0
1QV Content & Curriculum	294	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0
1XE Economic Education	350,000	0	350,000	0	350,000	0	350,000	0	350,000	0	350,000	0	350,000	0	350,000	0	350,000	0
2HP State Foundation Funding	1,788,683,790	0	1,813,597,668	0	1,843,181,242	0	1,813,597,668	0	1,813,597,668	0	1,858,834,526	0	1,813,597,668	0	1,813,597,668	0	1,904,969,759	0
2HR National School Lunch	161,448,823	0	170,778,746	0	161,071,480	0	170,778,746	0	170,778,746	0	178,897,567	0	170,778,746	0	170,778,746	0	187,235,597	0
2HS Prof Development Fund	23,052,341	0	23,171,500	0	23,279,850	0	23,171,500	0	23,171,500	0	23,709,798	0	23,171,500	0	23,171,500	0	24,244,209	0
2HU Supplemental Millage	5,982,656	0	10,000,000	0	10,000,000	0	10,000,000	0	10,000,000	0	10,000,000	0	10,000,000	0	10,000,000	0	10,000,000	0
2HX Distance Learning Operations	9,631,825	0	7,575,000	0	10,331,400	0	7,575,000	0	7,575,000	0	7,575,000	0	7,575,000	0	7,575,000	0	7,575,000	0
2HY Education Renewal Zones	1,654,913	5	1,493,782	5	2,093,782	5	1,440,594	5	1,440,594	5	1,440,594	5	1,440,594	5	1,440,594	5	1,440,594	5
2JA Content Standards	114,336	0	161,000	0	161,000	0	161,000	0	161,000	0	161,000	0	161,000	0	161,000	0	161,000	0
2JC Teacher Recruitment	2,099,998	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0
2ZH School Funding Contingency	0	0	0	0	25,000,000	0	0	0	25,000,000	0	25,000,000	0	0	0	25,000,000	0	25,000,000	0
2ZK Leadership Acdmy-Mstr Principal	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0
2ZM Master Principal Bonus	56,000	0	90,000	0	90,000	0	90,000	0	90,000	0	90,000	0	90,000	0	90,000	0	90,000	0
2ZS Special Needs Isolated Funding	7,410,757	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0
311 Alternative Learning	20,529,609	0	20,529,609	0	19,968,837	0	20,529,609	0	20,529,609	0	21,149,603	0	20,529,609	0	20,529,609	0	21,775,797	0
326 General Facilities Funding	4,853,535	0	8,100,000	0	8,100,000	0	8,100,000	0	8,100,000	0	8,100,000	0	8,100,000	0	8,100,000	0	8,100,000	0
331 Isolated Funding	3,485,235	0	7,896,000	0	7,896,000	0	7,896,000	0	7,896,000	0	7,896,000	0	7,896,000	0	7,896,000	0	7,896,000	0
332 Student Growth	28,480,965	0	28,500,000	0	54,851,000	0	28,500,000	0	28,500,000	0	28,500,000	0	28,500,000	0	28,500,000	0	28,500,000	0
336 Bonded Debt Assistance	17,555,911	0	28,455,384	0	28,455,384	0	28,455,384	0	28,455,384	0	28,455,384	0	28,455,384	0	28,455,384	0	28,455,384	0
34K Alternative Pay	0	0	807,907	0	2,500,000	0	807,907	0	807,907	0	807,907	0	807,907	0	807,907	0	807,907	0
34N 98% URT Actual Collection Adj	34,191,012	0	34,500,000	0	26,508,621	0	34,500,000	0	34,500,000	0	34,500,000	0	34,500,000	0	34,500,000	0	34,500,000	0
380 Dept of Correction	5,447,675	0	5,597,675	0	5,597,675	0	5,597,675	0	5,597,675	0	5,881,973	0	5,597,675	0	5,597,675	0	6,024,799	0
394 Residential Ctrs/Juv Detention	15,188,234	0	15,188,254	0	15,188,254	0	15,188,254	0	15,188,254	0	16,115,234	0	15,188,254	0	15,188,254	0	16,345,087	0

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
421 Consolidation Incentive	1,395,233	0	9,415,127	0	5,210,100	0	9,415,127	0	9,415,127	0	9,415,127	0	9,415,127	0	9,415,127	0	9,415,127	0
434 Coop Education Tech Centers	1,200,000	0	0	0	1,200,000	0	0	0	0	0	1,200,000	0	0	0	0	0	1,200,000	0
437 Teacher Retirement Matching	7,726,011	0	6,655,000	0	6,655,000	0	6,655,000	0	6,655,000	0	6,655,000	0	6,655,000	0	6,655,000	0	6,655,000	0
438 Ntl Bd Prof Teaching Standards	7,193,650	0	9,106,160	0	7,475,840	0	9,106,160	0	9,106,160	0	10,516,160	0	9,106,160	0	9,106,160	0	12,016,160	0
440 Advanced Placement Incentive	825,000	0	825,000	0	825,000	0	825,000	0	825,000	0	825,000	0	825,000	0	825,000	0	825,000	0
444 Criminal Background Checks	1,690	0	25,000	0	50,000	0	25,000	0	25,000	0	25,000	0	25,000	0	25,000	0	25,000	0
445 AR Easter Seals	193,113	0	193,113	0	193,113	0	193,113	0	193,113	0	193,113	0	193,113	0	193,113	0	193,113	0
446 Public School Employee Ins	36,358,601	0	37,273,600	0	37,273,600	0	37,273,600	0	37,273,600	0	37,273,600	0	37,273,600	0	37,273,600	0	37,273,600	0
447 School Food Services	1,650,000	0	0	0	1,650,000	0	0	0	0	0	1,650,000	0	0	0	0	0	1,650,000	0
450 Surplus Commodities	0	0	780,000	0	1,027,858	0	780,000	0	780,000	0	780,000	0	780,000	0	780,000	0	780,000	0
451 Grants to School Districts	59,442	0	67,856	0	67,856	0	67,856	0	67,856	0	67,856	0	67,856	0	67,856	0	67,856	0
452 Workers' Compensation	337,948	0	450,000	0	450,000	0	450,000	0	450,000	0	450,000	0	450,000	0	450,000	0	450,000	0
454 School Food-Legislative Audit	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0
457 Gifted & Talented	1,451,354	0	1,085,381	0	1,480,381	0	1,085,381	0	1,085,381	0	1,085,381	0	1,085,381	0	1,085,381	0	1,085,381	0
458 School Worker Defense	221,665	0	0	0	390,000	0	0	0	0	0	390,000	0	0	0	0	0	390,000	0
459 Assessment/End Course Testing	19,038,235	0	22,401,677	0	23,887,747	0	22,401,677	0	24,409,349	0	24,409,349	0	22,401,677	0	24,375,349	0	24,375,349	0
460 Court Ordered Desegregation	68,882,279	0	69,814,372	0	69,814,372	0	69,814,372	0	69,814,372	0	69,814,372	0	69,814,372	0	69,814,372	0	69,814,372	0
4HM Teacher of the Year	84,161	0	100,000	0	125,000	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0
4HN Declining Enrollment	17,083,250	0	13,963,389	0	13,963,389	0	13,963,389	0	13,963,389	0	13,963,389	0	13,963,389	0	13,963,389	0	13,963,389	0
565 Intervention Block Grants	227,000	0	227,000	0	227,000	0	227,000	0	227,000	0	227,000	0	227,000	0	227,000	0	227,000	0
566 Serious Offender	1,066,735	0	1,050,946	0	1,050,946	0	1,050,946	0	1,050,946	0	1,683,067	0	1,050,946	0	1,050,946	0	1,716,859	0
59V Coord School Health	1,674,900	0	2,000,000	0	3,000,000	0	2,000,000	0	2,000,000	0	2,000,000	0	2,000,000	0	2,000,000	0	2,000,000	0
59W School Facility Joint Use	0	0	500,000	0	1,000,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0
59X Add Public School Employee Ins	15,000,000	0	15,000,000	0	15,000,000	0	15,000,000	0	15,000,000	0	15,000,000	0	15,000,000	0	15,000,000	0	15,000,000	0
652 Better Chance Program	108,480,843	0	111,000,000	0	116,619,375	0	111,000,000	0	111,000,000	0	111,000,000	0	111,000,000	0	111,000,000	0	111,000,000	0
668 Special Education Services	4,109,725	0	1,145,285	0	4,145,285	0	1,145,285	0	1,145,285	0	4,145,285	0	1,145,285	0	1,145,285	0	4,145,285	0
669 Human Dev Ctr Education Aid	0	0	526,150	0	526,150	0	526,150	0	526,150	0	526,150	0	526,150	0	526,150	0	526,150	0
670 Education Service Cooperatives	6,129,270	0	6,129,270	0	6,129,270	0	6,129,270	0	6,129,270	0	6,129,270	0	6,129,270	0	6,129,270	0	6,129,270	0
688 APSCN	15,013,726	46	23,040,027	45	26,775,910	46	22,769,603	42	23,466,260	49	23,466,260	49	22,769,603	42	23,466,260	49	23,466,260	49
697 Early Childhood Special Educ	15,524,710	0	15,623,079	0	15,623,079	0	15,623,079	0	15,623,079	0	16,248,000	0	15,623,079	0	15,623,079	0	16,897,920	0
698 Distance Learning	6,150,000	0	4,760,000	0	6,500,000	0	4,760,000	0	4,760,000	0	4,760,000	0	4,760,000	0	4,760,000	0	4,760,000	0
699 Teacher Licensing/Mentoring	6,697,200	0	5,008,758	0	7,508,758	0	5,008,758	0	5,008,758	0	5,008,758	0	5,008,758	0	5,008,758	0	5,008,758	0

NOT REQUESTED FOR THE BIENNIUM																			
2HT	Teacher Housing Development	0	0	0	0	100,000	0	0	0	0	0	0	0	0	0	0	0	0	
2HZ	Academic Improvement Training	500,000	0	0	0	500,000	0	0	0	0	0	0	0	0	0	0	0	0	
2JB	Intensive School Support	0	0	0	0	320,000	0	0	0	0	0	0	0	0	0	0	0	0	
34M	Traveling Teachers	11,731	0	0	0	500,000	0	0	0	0	0	0	0	0	0	0	0	0	
425	Pygmalion Commission	40,000	0	0	0	40,000	0	0	0	0	0	0	0	0	0	0	0	0	
58N	SLP Incentive Bonus	0	0	0	0	2,500,000	0	0	0	0	0	0	0	0	0	0	0	0	
59N	Baccalaureate Program	74,997	0	0	0	75,000	0	0	0	0	0	0	0	0	0	0	0	0	
59Y	Smart Core Incentive	0	0	0	0	3,000,000	0	0	0	0	0	0	0	0	0	0	0	0	
Total		2,514,994,873	51	2,576,591,466	50	2,675,833,176	51	2,576,267,854	47	2,603,972,183	54	2,671,784,575	54	2,576,267,854	47	2,603,938,183	54	2,730,988,417	54

Funding Sources			%														
Fund Balance	4000005	54,913,877	2.1	40,604,967	1.6	33,925,732	1.3	33,925,732	1.3	33,925,732	1.3	27,246,497	1.0	33,925,732	1.3	27,246,497	1.0
Court Ordered Desegregation	4000180	68,864,615	2.7	69,814,372	2.7	69,814,372	2.7	69,814,372	2.6	69,814,372	2.6	69,814,372	2.7	69,814,372	2.6	69,814,372	2.5
DOE Public School Fund	4000195	1,785,180,090	69.9	1,849,659,072	70.9	1,849,335,460	71.0	1,858,306,575	70.4	1,904,820,389	70.6	1,849,335,460	71.2	1,858,272,575	70.4	1,961,501,841	71.3
E-Rate Credit	4000207	8,085,547	0.3	11,200,000	0.4	11,200,000	0.4	11,200,000	0.4	11,200,000	0.4	11,200,000	0.4	11,200,000	0.4	11,200,000	0.4
Educational Adequacy Fund	4000210	439,761,621	17.2	462,761,621	17.7	462,761,621	17.8	462,761,621	17.5	462,761,621	17.1	462,761,621	17.8	462,761,621	17.5	462,761,621	16.8
Educational Excellence Fund	4000220	190,786,662	7.5	179,182,166	6.9	179,182,166	6.9	179,182,166	6.8	179,182,166	6.6	179,182,166	6.9	179,182,166	6.8	179,182,166	6.5
Miscellaneous Adjustments	4000345	3,066,917	0.1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
TANF Transfer	4000478	10,191,000	0.4	7,500,000	0.3	7,500,000	0.3	7,500,000	0.3	7,500,000	0.3	7,500,000	0.3	7,500,000	0.3	7,500,000	0.3
Trnfr frm DOE Pub School Fund	4000525	(33,535,104)	(1.3)	(11,115,000)	(0.4)	(11,115,000)	(0.4)	(11,115,000)	(0.4)	(11,115,000)	(0.4)	(11,115,000)	(0.4)	(11,115,000)	(0.4)	(11,115,000)	(0.4)
Transfer frm General Education	4000535	3,180,000	0.1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Transfer from Partnership Fund	4000536	16,931,102	0.7	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Transfer frm GR Allotment Rsv	4000544	7,000,000	0.3	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Transit Tax	4000700	1,173,513	0.0	910,000	0.0	910,000	0.0	910,000	0.0	910,000	0.0	910,000	0.0	910,000	0.0	910,000	0.0
Unfunded Appropriation	4000715	0	0.0	0	0.0	0	0.0	25,412,449	1.0	40,031,792	1.5	0	0.0	25,412,449	1.0	42,554,182	1.5
Total Funds		2,555,599,840	100.0	2,610,517,198	100.0	2,603,514,351	100.0	2,637,897,915	100.0	2,699,031,072	100.0	2,596,835,116	100.0	2,637,863,915	100.0	2,751,555,679	100.0
Excess Appropriation/(Funding)		(40,604,967)		(33,925,732)		(27,246,497)		(33,925,732)		(27,246,497)		(20,567,262)		(33,925,732)		(20,567,262)	
Grand Total		2,514,994,873		2,576,591,466		2,576,267,854		2,603,972,183		2,671,784,575		2,576,267,854		2,603,938,183		2,730,988,417	

Budget exceeds Authorized in National School Lunch, Alternative Learning, 98% URT Actual Collection Adj, Consolidation Incentive and Ntl Bd Prof Teaching Standards due to special language which provides for Appropriation Transfer authority.

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	
51	45	6	51	0	11.76 %	51	42	9	51	0	17.65 %	51	45	5	50	1	11.76 %

Analysis of Budget Request

Appropriation: 2HY - Education Renewal Zones

Funding Sources: JAA - Department of Education Public School Fund

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

The 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 this program of \$1,440,594 for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

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

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	248,821	297,168	293,025	250,036	250,036	250,036	250,036	250,036	250,036
#Positions	5	5	5	5	5	5	5	5	5
Personal Services Matching 5010003	78,425	84,914	89,057	78,858	78,858	78,858	78,858	78,858	78,858
Operating Expenses 5020002	46,329	91,800	91,800	91,800	91,800	91,800	91,800	91,800	91,800
Conference & Travel Expenses 5050009	3,224	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000
Professional Fees 5060010	13,000	306,900	306,900	306,900	306,900	306,900	306,900	306,900	306,900
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Grants and Aid 5100004	1,265,114	700,000	1,300,000	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	1,654,913	1,493,782	2,093,782	1,440,594	1,440,594	1,440,594	1,440,594	1,440,594	1,440,594
Funding Sources									
DOE Public School Fund 4000195	1,654,913	1,493,782		1,440,594	1,440,594	1,440,594	1,440,594	1,440,594	1,440,594
Total Funding	1,654,913	1,493,782		1,440,594	1,440,594	1,440,594	1,440,594	1,440,594	1,440,594
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	1,654,913	1,493,782		1,440,594	1,440,594	1,440,594	1,440,594	1,440,594	1,440,594

Analysis of Budget Request

Appropriation: 688 - APSCN

Funding Sources: JAA - Department of Education Public School Fund

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

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

The Agency Change Level requests total \$696,657 in appropriation for both fiscal years of the 2011-2013 Biennium and consists of the following:

- (1) Restoration of four (4) unbudgeted positions with appropriation only. This is to allow the flexibility of APSCN to meet any unforeseen needs that may require use of these positions.
- (2) Also, \$200,000 each year of unfunded appropriation in the Capital Outlay line item. This request is for any unforeseen problems that may occur during the biennium.
- (3) Restoration of three (3) pool positions. These positions were established by the authority in Act 1420 of 2009 Section 27. Under this section, continuation of pool positions must be requested as new positions. These positions include one (1) APSCN Application Manager and two (2) ADE Assistant to Director positions. The appropriation associated with this request totals \$284,208.

Additionally, the Agency is requesting \$284,208 in general revenue funding. This general revenue request corresponds with the three (3) requested pool positions.

The Executive Recommendation provides for the appropriation request only.

Appropriation Summary

Appropriation: 688 - APSCN

Funding Sources: JAA - Department of Education Public School Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	2,002,831	2,192,939	2,233,046	1,960,616	2,340,299	2,340,299	1,960,616	2,340,299	2,340,299
#Positions		46	45	46	42	49	49	42	49	49
Personal Services Matching	5010003	650,078	669,525	718,947	631,424	748,398	748,398	631,424	748,398	748,398
Operating Expenses	5020002	12,080,931	19,870,313	23,316,667	19,870,313	19,870,313	19,870,313	19,870,313	19,870,313	19,870,313
Conference & Travel Expenses	5050009	2,371	7,250	7,250	7,250	7,250	7,250	7,250	7,250	7,250
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	193,131	0	200,000	0	200,000	200,000	0	200,000	200,000
Data Access Implementation	5900046	84,384	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Total		15,013,726	23,040,027	26,775,910	22,769,603	23,466,260	23,466,260	22,769,603	23,466,260	23,466,260
Funding Sources										
DOE Public School Fund	4000195	6,928,179	16,340,027		16,069,603	16,353,811	16,069,603	16,069,603	16,353,811	16,069,603
E-Rate Credit	4000207	8,085,547	6,700,000		6,700,000	6,700,000	6,700,000	6,700,000	6,700,000	6,700,000
Unfunded Appropriation	4000715	0	0		0	412,449	696,657	0	412,449	696,657
Total Funding		15,013,726	23,040,027		22,769,603	23,466,260	23,466,260	22,769,603	23,466,260	23,466,260
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		15,013,726	23,040,027		22,769,603	23,466,260	23,466,260	22,769,603	23,466,260	23,466,260

Change Level by Appropriation

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

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	22,769,603	42	22,769,603	100.0	22,769,603	42	22,769,603	100.0
C01	Existing Program	212,449	4	22,982,052	100.9	212,449	4	22,982,052	100.9
C05	Unfunded Appropriation	200,000	0	23,182,052	101.8	200,000	0	23,182,052	101.8
C06	Restore Position/Approp	284,208	3	23,466,260	103.1	284,208	3	23,466,260	103.1

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	22,769,603	42	22,769,603	100.0	22,769,603	42	22,769,603	100.0
C01	Existing Program	212,449	4	22,982,052	100.9	212,449	4	22,982,052	100.9
C05	Unfunded Appropriation	200,000	0	23,182,052	101.8	200,000	0	23,182,052	101.8
C06	Restore Position/Approp	284,208	3	23,466,260	103.1	284,208	3	23,466,260	103.1

Justification

C01	The ADE is requesting the restoration of four (4) unbudgeted positions with unfunded appropriation for the Arkansas Public School Computer Network (APSCN) for flexibility. The positions being requested include: 2 G050C ADE APSCN Division Manger positions, Grade C126 and 2 D077C Help Desk Specialist positions, Grade C115. All of these positions were not budgeted in FY2011 in order to provide for three Pool Positions that were established.
C05	The Department of Education is requesting unfunded appropriation of \$200,000 each year for unforeseen Capital Outlay needs of the Arkansas Public School Computer Network (APSCN) that may occur in the 2011-2013 biennium.
C06	The ADE requests the restoration of three (3) Pool Positions that were 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 be requested as a new position. The Pool Positions being requested to continue include: 1 D037C ADE APSCN Application Manager position, Grade C124 and 2 G012C ADE Assistant to Director positions, Grade C129. The ADE Application Manager position is needed for a progressive applications manager that has network leadership experience to facilitate a variety of special long-term projects fo ADE APSCN. The ADE Assistant to Director positions were established to bring the directors of the APSCN Financial and Student units in line with the grade and positions of other ADE units within the Fiscal and Administrative Services Division.

Analysis of Budget Request

Appropriation: PSF - Public School Fund

Funding Sources: JAA - Department of Education Public School Fund

The Department of Education Public School Fund provides the primary State financial assistance to Arkansas' public elementary and secondary schools. For FY11, the major funding sources for the Department of Education Public School Fund are projected as: General Revenue funding of approximately \$1.850 billion, the Educational Excellence Trust Fund will provide \$179.2 million, and the Educational Adequacy Fund will provide \$462.8 million.

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

Certified Speech-Language Pathologist Incentive Bonuses (58N) - Act 1187 of 2005 amended A.C.A. §6-17-413 by adding subsection (d) which provides for yearly incentive bonuses of \$5,000 to a certified speech-language pathologist who: (1) holds an Arkansas teaching license in speech-language pathology, (2) is a full-time employee of an Arkansas education service cooperative or public school district as a speech-language pathologist and (3) is not considered a purchase service contractor.

This appropriation was not budgeted for FY2011 and the Agency is not requesting this appropriation for the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

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

The Base Level for this appropriation is \$50,000. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

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

The Base Level for this appropriation is \$227,000. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

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

The Base Level for this appropriation is \$3,602,678. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

Arkansas Teacher Housing Development Foundation (2HT) - This appropriation provides an operating grant to the Arkansas Teacher Housing Development Foundation. The purpose of the foundation is to facilitate the development of affordable housing for high-performing teachers in high-priority school districts and to provide housing incentives to encourage high-performing teachers to relocate to high-priority districts.

This appropriation was not budgeted for FY2011 and the Agency is not requesting this appropriation for the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

Smart Core Incentive Funding Program (59Y) - Established in Act 1481 of 2009, this program, in an effort to address the problem of public high school students opting out of the Smart Core Curriculum will provide financial incentives to public high schools for encouraging students to complete the Smart Core Curriculum.

This appropriation was not budgeted for FY2011 and the Agency is not requesting this appropriation for the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

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

The Base Level for this appropriation is \$67,856. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

Better Chance Program (652) - This program funds innovative and developmentally appropriate early childhood programs for educationally deprived children ages 3-5. Act 1132 of 1997 transferred the Early Childhood Commission to the Department of Human Services with the Grants remaining with the Department of Education.

The Base Level for this appropriation is \$111,000,000. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

International Baccalaureate Program (59N) - This appropriation provides for grants and aid to local school districts participating in the International Baccalaureate Program (IB). The International Baccalaureate (IB) Diploma Program is an internationally recognized rigorous pre-university curriculum that is studied over a two-year period, 11th and 12th grade years. Students have an opportunity to earn the IB Diploma in addition to the regular high school diploma. This can be accomplished by successfully completing internal and external assessments in six different IB subjects; writing an extended essay based on independent research that is mentored by a faculty member, completing 150 hours of creative, action, and service activities (CAS) and studying a critical thinking course called Theory of Knowledge. This educational program provides an opportunity for students to develop skills for becoming a productive, caring citizen in a global, technological society.

This appropriation was not budgeted for FY2011 and the Agency is not requesting this appropriation for the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

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

The Base Level for this appropriation is \$15,000,000. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

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

The Base Level for this appropriation is \$350,000. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

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

The Base Level for this appropriation is \$7,575,000. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

Declining Enrollment (4HN) - Act 20 of the 1st Extraordinary Session of 2006 provides school districts with declining enrollment additional funding equal to the difference between the average of the two immediately preceding years' average daily membership and the average daily membership for the previous school year multiplied by \$5,620 or the special needs isolated funding under A.C.A. § 6-20-604. A school district may receive both declining enrollment funding and special needs isolated funding only if sufficient funding is available.

The Base Level for this appropriation is \$13,963,389. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

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

The Base Level for this appropriation is \$75,000. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

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

This appropriation was not budgeted for FY2011 and the Agency is not requesting this appropriation for the 2011-2013 Biennium.

The Executive Recommendation provides for the restoration of the authorized appropriation of \$1,650,000 each fiscal year.

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

The Base Level for this appropriation is \$500,000. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

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

The Change Level Request is for \$25,000,000 of unfunded appropriation each year.

The Executive Recommendation provides for Agency Request.

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

The Base Level for this appropriation is \$8,457,160. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for an increase of \$2,209,143 for each year fiscal year. This increase restores the appropriation to the FY2011 authorized level.

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

The Base Level for this appropriation is \$1,050,946. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for an increase of \$632,121 in FY2012 and \$665,913 in FY2013. This increase provides for an additional 100 beds at the Juvenile and Assessment Treatment Center in Alexander and the 2% increase year each in the Foundation Funding Amount per ADM.

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

This appropriation was not budgeted for FY2011 and the Agency is not requesting this appropriation for the 2011-2013 Biennium.

The Executive Recommendation provides for the restoration of the authorized appropriation amount of \$390,000 each fiscal year.

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

The Base Level for this appropriation is \$9,106,160. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for an increase of \$1,410,000 in FY2012 and \$2,910,000 in FY2013. The increases in this program are based on a projection of additional teachers (282/300) participating in the program each fiscal year.

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

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

- School districts in which 90% or greater of the enrolled students are national school lunch students, funding shall be \$1,488;
- For school districts in which at least 70% but less than 90% of the enrolled students are national school lunch students, funding shall be \$992; and
- For school districts in which less than 70% of the enrolled students are national school lunch students, funding shall be \$496.

The Base Level for this appropriation is \$170,778,746. The increase of the Base Level over the Authorized Level for FY2011 is due to the special language which allows for appropriation transfer authority. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for an increase of \$8,118,821 in FY12 and \$16,456,851 in FY13. Included in this increase is \$4,611,026 for FY2012 and \$9,346,550 for FY2013, which represents a projected growth based on the previous four year average annual growth rate of 2.7% each year. Additionally, an increase of 2% in the per student funding rate of the National School Lunch Student Funding Program is recommended for \$3,507,795 in FY2012 and \$3,602,506 in FY2013.

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

The Base Level for this appropriation is \$90,000. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

Professional Development Funding (2HS) - This aid, through Section 21 of Act 229 of 2007, is a formula driven program that provides \$50 per the previous year Average Daily Membership (ADM) students to school districts for professional development activities. Professional development is used to provide activities and materials to improve the knowledge of teachers and administrators to ensure that all students demonstrate proficiency in the state academic standards.

The Base Level for this appropriation is \$23,171,500. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for an increase of \$538,298 in FY12 and \$1,072,709 in FY13. Included in this increase is \$73,400 for FY2012 and \$141,550 for FY2013, which represents a projected growth in the Average Daily Membership in School Districts and Charter Schools. Additionally, an increase of 2% in the per student funding rate of the Professional Development Program is recommended for \$464,898 in FY2012 and \$466,261 in FY2013.

Residential Centers/Juvenile Detention (394) - This program provides reimbursement to school districts for the educational costs associated with disabled and non-disabled students placed in approved residential psychiatric and drug and alcohol treatment facilities or juvenile detention centers.

The Base Level for this appropriation is \$15,188,254. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for an increase of \$926,980 in FY2012 and \$1,156,833 in FY2013. This increase is due to a projection for the Residential Centers/ Juvenile Detention program to add an additional 90 beds in FY2012 and another 20 beds in FY2013. This projection also includes the 2% increase in the Foundation Funding amount per ADM.

Pygmalion Commission (425) - This grant to the Pygmalion Commission (A.C.A. §6-15-1801 et seq.) on Nontraditional Education is to develop alternative learning environments and provide changes in curriculum, instructional approaches, school climate, and organization to improve educational outcomes for at-risk students.

This appropriation was not budgeted for FY2011 and the Agency is not requesting this appropriation for the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

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

The Base Level for this appropriation is \$37,273,600. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

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

The Base Level for this appropriation is \$11,000,000. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

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

The Base Level for this appropriation is \$6,655,000. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

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

The Base Level for this appropriation is \$2,100,000. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

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

The Base Level for this appropriation is \$100,000. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

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

The Base Level for this appropriation is \$500,000. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

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

The Base Level for this appropriation is \$165,000. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

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

The Base Level for this appropriation is \$450,000. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

Traveling Teachers (34M) - Act 1027 of 2007 created the Traveling Teachers program to assist rural schools districts having 8,000 students or fewer in providing appropriately certified licensed teachers to teach required courses in grades 9-12. The traveling teacher will teach one (1) or more required courses in a critical shortage area, or one of the required 38 units pursuant to the Department Rules Governing the Standards for Accreditation.

This appropriation was not budgeted for FY2011 and the Agency is not requesting this appropriation for the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

State Foundation Funding (2HP) - State Foundation Funding is the amount of state financial aid provided to each school district. Act 59 of the Second Extraordinary Session of 2003 changed the process by which aid is distributed to school districts. Act 1474 of 2009 amended A.C.A. § 6-20-2305(a) to establish the Foundation Funding amount as \$5,905 in FY10 and \$6,023 in FY11 multiplied by the school district's average daily membership (ADM) for the previous school year. Additionally, included in the FY10 foundation amount of \$5,905 school districts received Enhanced Educational Funding of \$35 multiplied by the school district's ADM for the previous school year.

The amount paid as State Foundation Funding is computed as the difference between the Foundation Funding amount established by the General Assembly (\$6,023 for FY11) times the ADM of the previous school year and less the sum of 98% of the uniform rate of tax (25 mills) times the property assessment of the school district plus 100% of miscellaneous funds (average over a 5 year period) of the school district. Open-Enrollment Charter Schools are also funded from the Foundation Funding line item at the Foundation amount times the current year ADM of the school.

The Base Level for this appropriation is \$1,813,597,668. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for an increase of 2% in the Foundation Funding amount per Average Daily Membership (ADM) student. It also assumes a 2.0% increase each year in assessments and an increase of 1,546 Average Daily Membership (ADM) students in FY2012 and an increase of 2,319 ADM in FY2013. Estimates for assessments and ADM students were determined by the Department of Education. Also included in the recommendation is an estimated increase in Open Enrollment Charter School students over FY11 of 620 in FY12 and 1,240 in FY13.

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

The Base Level for this appropriation is \$3,000,000. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

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

The Base Level for this appropriation is \$1,145,285. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

Student Growth Funding (332) - Student Growth Funding is a program that provides supplemental funding to school districts that have a growth in students over the previous school year. Pursuant to Act 272 of 2007, student growth funding is comprised of four calculations. One quarter (1/4) of the per student foundation funding is multiplied by any increase in the school district's: (1) first quarter current year Average Daily Membership (ADM) over the 3-quarter ADM of the previous school year; (2) second quarter current year ADM over the 3-quarter ADM of the previous school year; (3) third quarter current year ADM over the 3-quarter ADM of the previous school year; and (4) fourth quarter current year ADM over the 3-quarter ADM of the previous school year, excluding any increase resulting solely from consolidation or annexation with another district.

The Base Level for this appropriation is \$28,500,000. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

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

The Base Level for this appropriation is \$5,008,758. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

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

The Base Level for this appropriation is \$780,000. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

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

The Base Level for this appropriation is \$10,000,000. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

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

The Base Level for this appropriation is \$9,415,127. The increase of the Base Level over the Authorized Level for FY2011 is due to the special language which allows for appropriation transfer authority. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

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

The Base Level for this appropriation is \$28,455,384. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

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

The Base Level for this appropriation is \$1,688,530. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

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

The Base Level for this appropriation is \$50,000. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

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

The Base Level for this appropriation is \$2,000,000. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

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

This appropriation was not budgeted for FY2011 and the Agency is not requesting this appropriation for the 2011-2013 Biennium.

The Executive Recommendation provides for the restoration of the authorized appropriation amount of \$1,200,000 for each fiscal year.

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

The Base Level for this appropriation is \$161,000. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

Advanced Placement Incentive (440) - This provides support to establish advanced placement courses that are easily accessible and will prepare students for admission to, and success in, a postsecondary educational environment. The major aspect to this incentive program, now that the state is paying for all student AP exams, is support for professional development for AP and Pre-AP teachers. This program also pays for the balance of student exams that extend over the state's payment of exam costs and this also pays for awards of up to \$50 to schools for each score of 3 or better on AP exams.

The Base Level for this appropriation is \$825,000. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

Academic Improvement Training (2ZH) - This appropriation is for the cost of providing statewide training to Local Education Agencies (LEA's) on the preparation and analysis of Academic Improvement Plans. An Academic Improvement Plan is a plan detailing supplemental or intervention and remedial instruction, or both, in deficient academic areas for any student who is not proficient on a portion or portions of the state mandated criterion-reference assessments.

This appropriation was not budgeted for FY2011 and the Agency is not requesting this appropriation for the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

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

The Base Level for this appropriation is \$34,500,000. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

Alternative Learning (311) - A.C.A. §6-18-508 requires every school district to establish an alternative learning environment (ALE) for students who have shown an inability to function in a standard learning environment. It also requires the Department to establish an incentive program for districts whose ALE programs meet Department guidelines. ALE's must provide all of the educational programs available in other classrooms, and must provide additional services to meet the needs of this group of at-risk children. Additionally, A.C.A. § 6-20-2305(b)(2)(A)(i) establishes the ALE funding amount shall be \$4,063 multiplied by the number of identified ALE students enrolled during a school district's previous school year.

The Base Level for this appropriation is \$20,529,609. The increase of the Base Level over the Authorized Level for FY2011 is due to the special language which allows for appropriation transfer authority. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for an increase of \$619,994 in FY2012 and \$1,246,188 in FY2013. Included in this increase is \$205,296 for FY2012 and \$412,645 for FY2013, which represents a projected growth based on the previous three year average annual growth rate of 1%. Additionally, an increase of 2% in the per student funding rate of the Alternative Learning Program is recommended for \$414,698 in FY2012 and \$418,845 in FY2013.

Assessment/End of Level Testing (459) - A.C.A. §6-15-404 requires standards based testing at the primary, intermediate, and middle levels, which currently is administered at grades 4, 6, and 8. It also requires end-of-course testing for Algebra, Geometry, and Literacy (grade 11).

The Base Level for this appropriation is \$22,401,677. The Agency is requesting general revenue and appropriation of \$2,007,672 for FY12 and \$1,973,672 for FY13. This increase is needed to provide for cost estimates from contractors for the various testing components of the program.

The Executive Recommendation provides for appropriation only.

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

The Base Level for this appropriation is \$193,113. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

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

The Base Level for this appropriation is \$807,907. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

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

The Base Level for this appropriation is \$69,814,372. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

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

The Base Level for this appropriation is \$250,000. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

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

The Base Level for this appropriation is \$1,085,381. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

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

The Base Level for this appropriation is \$8,100,000. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

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

The Base Level for this appropriation is \$526,150. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

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

The Base Level for this appropriation is \$500,000. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

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

The Base Level for this appropriation is \$7,896,000. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

Intensive School Support (2JB) - A.C.A. §6-15-2004 et seq. requires public schools to determine in part each students progress from one grade to another based upon proficiency in reading writing and mathematics; District school board policies facilitate such proficiency; and each student and his or her parent be informed of the students academic progress. A.C.A. §6-15-2008 requires the Department of Education to provide technical assistance as needed to aid school districts in administering this subchapter; The Department of Education shall report to the House Interim Committee on Education and the Senate Interim Committee on Education, at least semi-annually, the districts requesting assistance, the date of the requests, the dates and actions taken; and the results of the action taken or assistance provided.

This appropriation was not budgeted for FY2011 and the Agency is not requesting this appropriation for the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

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

The Base Level for this appropriation is \$4,760,000. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

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

The Base Level for this appropriation is \$5,597,675. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for an increase of \$284,298 in FY2012 and \$427,124 in FY2013. The increases above Base Level assumes a COLA of 3% each year and provides for 3 new instructors (\$50,000 each) for new classrooms at the Pine Bluff Unit.

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

The Base Level for this appropriation is \$25,000. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

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

The Base Level for this appropriation is \$50,000. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

English Language Learners (082) - English Language Learners (formerly Limited English Proficiency, amended by Act 59 of the Second Extraordinary Session of 2003) serves students identified as not being proficient in the English language. This program helps enable school districts to provide specially-trained staff, instructional materials and training for teachers with these qualified students. The Agency also holds summer training academies for teachers desiring additional training in teaching and assisting these students. A.C.A. §6-20-2305(3)(A) states that beginning with the 2007-2008 school year English language learners funding shall be \$293 for each identified English language learner.

The Base Level for this appropriation is \$10,144,383. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for an increase of \$970,958 in FY12 and \$2,018,541 in FY13. Included in this increase is \$753,010 for FY2012 and \$1,566,378 for FY2013, which represents a projected growth based on the previous three year average annual growth rate of 8% each year. Additionally, an increase of 2% in the per student funding rate of the English Language Learners Program is recommended for \$217,948 in FY2012 and \$234,215 in FY2013.

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

The Base Level for this appropriation is \$6,129,270. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

Early Childhood Special Education (697) - This program provides special education services through local education agencies for 11,500 three to five year old preschool children with disabilities. Funds are also provided to Education Service Cooperatives for behavioral intervention services to all community preschool programs as well as to coordinate required transition activities for children ages 0 - 2 that will remain in special education as 3 - 5 preschoolers. Also included in this program are the funds for the Medicaid state match for preschool programs that bill for physical, occupational, and speech therapy services.

The Base Level for this appropriation is \$15,623,079. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for and increase of \$624,921 in FY2012 and \$1,274,841 in FY2013. The increase in this program is based on the growth in the Special Education child count between Dec. 1, 2008 and Dec. 1, 2009 of 577 or 4.7%.

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

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

In summary, the Executive Recommendation provides for the Agency Request in appropriation only for the Assessment/End of Course Testing and School Funding Contingency.

Additionally, the Executive Recommendation provides for appropriation increases in:

- Smart Start/ Smart Step
- English Language Learners
- State Foundation Funding
- National School Lunch Act
- Professional Development Funding
- Alternative Learning Environment
- Department of Correction
- Residential Centers/ Juvenile Detention
- Cooperative Education Tech Centers
- National Board of Professional Teacher Standards
- School Food Services
- School Worker Defense
- Serious Offender Program
- Early Childhood Special Education

The Executive Recommendation also provides for additional funding for the Public School Fund of \$54,963,612 in FY2012 and 107,836,801 in FY2013. The additional funding provided in the recommendation is primarily to fund the increases in State Foundation Funding, Alternative Learning, English Language Learners, NSLA and Professional Development Funding.

Appropriation Summary

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

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
SLP Incentive Bonus	5100004	0	0	2,500,000	0	0	0	0	0	0
Non-Traditional Licensure	5100004	47,625	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Intervention Block Grants	5100004	227,000	227,000	227,000	227,000	227,000	227,000	227,000	227,000	227,000
Tech Grants	5100004	3,526,575	3,602,678	3,602,678	3,602,678	3,602,678	3,602,678	3,602,678	3,602,678	3,602,678
Teacher Housing Development	5100004	0	0	100,000	0	0	0	0	0	0
Smart Core Incentive	5100004	0	0	3,000,000	0	0	0	0	0	0
Grants to School Districts	5100004	59,442	67,856	67,856	67,856	67,856	67,856	67,856	67,856	67,856
Better Chance Program	5100004	108,480,843	111,000,000	116,619,375	111,000,000	111,000,000	111,000,000	111,000,000	111,000,000	111,000,000
Baccalaureate Program	5100004	74,997	0	75,000	0	0	0	0	0	0
Add Public School Employee Ins	5100004	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Economic Education	5100004	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000
Distance Learning Operations	5100004	9,631,825	7,575,000	10,331,400	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000
Declining Enrollment	5100004	17,083,250	13,963,389	13,963,389	13,963,389	13,963,389	13,963,389	13,963,389	13,963,389	13,963,389
School Food-Legislative Audit	5900046	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
School Food Services	5900046	1,650,000	0	1,650,000	0	0	1,650,000	0	0	1,650,000
School Facility Joint Use	5900046	0	500,000	1,000,000	500,000	500,000	500,000	500,000	500,000	500,000
School Funding Contingency	5900046	0	0	25,000,000	0	25,000,000	25,000,000	0	25,000,000	25,000,000
Smart Start/Smart Step	5900046	9,957,160	8,457,160	10,666,303	8,457,160	8,457,160	10,666,303	8,457,160	8,457,160	10,666,303
Serious Offender	5900046	1,066,735	1,050,946	1,050,946	1,050,946	1,050,946	1,683,067	1,050,946	1,050,946	1,716,859
School Worker Defense	5900046	221,665	0	390,000	0	0	390,000	0	0	390,000
Ntl Bd Prof Teaching Standards	5900046	7,193,650	9,106,160	7,475,840	9,106,160	9,106,160	10,516,160	9,106,160	9,106,160	12,016,160
National School Lunch	5900046	161,448,823	170,778,746	161,071,480	170,778,746	170,778,746	178,897,567	170,778,746	170,778,746	187,235,597
Master Principal Bonus	5900046	56,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000
Prof Development Fund	5900046	23,052,341	23,171,500	23,279,850	23,171,500	23,171,500	23,709,798	23,171,500	23,171,500	24,244,209
Residential Ctrs/Juv Detention	5900046	15,188,234	15,188,254	15,188,254	15,188,254	15,188,254	16,115,234	15,188,254	15,188,254	16,345,087
Pygmalion Commission	5900046	40,000	0	40,000	0	0	0	0	0	0
Public School Employee Ins	5900046	36,358,601	37,273,600	37,273,600	37,273,600	37,273,600	37,273,600	37,273,600	37,273,600	37,273,600
Special Ed-Catastrophic	5900046	10,999,825	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000
Teacher Retirement Matching	5900046	7,726,011	6,655,000	6,655,000	6,655,000	6,655,000	6,655,000	6,655,000	6,655,000	6,655,000
Teacher Recruitment	5900046	2,099,998	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000
Teacher of the Year	5900046	84,161	100,000	125,000	100,000	100,000	100,000	100,000	100,000	100,000
Tech Improvements	5900046	905,186	500,000	1,000,000	500,000	500,000	500,000	500,000	500,000	500,000
Youth Shelters	5900046	165,000	165,000	165,000	165,000	165,000	165,000	165,000	165,000	165,000
Workers' Compensation	5900046	337,948	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000

Commitment Item		2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Traveling Teachers	5900046	11,731	0	500,000	0	0	0	0	0	0
State Foundation Funding	5900046	1,788,683,790	1,813,597,668	1,843,181,242	1,813,597,668	1,813,597,668	1,858,834,526	1,813,597,668	1,813,597,668	1,904,969,759
Special Needs Isolated Funding	5900046	7,410,757	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Special Education Services	5900046	4,109,725	1,145,285	4,145,285	1,145,285	1,145,285	4,145,285	1,145,285	1,145,285	4,145,285
Student Growth	5900046	28,480,965	28,500,000	54,851,000	28,500,000	28,500,000	28,500,000	28,500,000	28,500,000	28,500,000
Teacher Licensing/Mentoring	5900046	6,697,200	5,008,758	7,508,758	5,008,758	5,008,758	5,008,758	5,008,758	5,008,758	5,008,758
Surplus Commodities	5900046	0	780,000	1,027,858	780,000	780,000	780,000	780,000	780,000	780,000
Supplemental Millage	5900046	5,982,656	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Consolidation Incentive	5900046	1,395,233	9,415,127	5,210,100	9,415,127	9,415,127	9,415,127	9,415,127	9,415,127	9,415,127
Bonded Debt Assistance	5900046	17,555,911	28,455,384	28,455,384	28,455,384	28,455,384	28,455,384	28,455,384	28,455,384	28,455,384
At Risk	5900046	4,529,358	1,688,530	5,188,530	1,688,530	1,688,530	1,688,530	1,688,530	1,688,530	1,688,530
Content & Curriculum	5900046	294	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Coord School Health	5900046	1,674,900	2,000,000	3,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Coop Education Tech Centers	5900046	1,200,000	0	1,200,000	0	0	1,200,000	0	0	1,200,000
Content Standards	5900046	114,336	161,000	161,000	161,000	161,000	161,000	161,000	161,000	161,000
Advanced Placement Incentive	5900046	825,000	825,000	825,000	825,000	825,000	825,000	825,000	825,000	825,000
Academic Improvement Training	5900046	500,000	0	500,000	0	0	0	0	0	0
98% URT Actual Collection Adj	5900046	34,191,012	34,500,000	26,508,621	34,500,000	34,500,000	34,500,000	34,500,000	34,500,000	34,500,000
Alternative Learning	5900046	20,529,609	20,529,609	19,968,837	20,529,609	20,529,609	21,149,603	20,529,609	20,529,609	21,775,797
Assessment/End Course Testing	5900046	19,038,235	22,401,677	23,887,747	22,401,677	24,409,349	24,409,349	22,401,677	24,375,349	24,375,349
AR Easter Seals	5900046	193,113	193,113	193,113	193,113	193,113	193,113	193,113	193,113	193,113
Alternative Pay	5900046	0	807,907	2,500,000	807,907	807,907	807,907	807,907	807,907	807,907
Court Ordered Desegregation	5900046	68,882,279	69,814,372	69,814,372	69,814,372	69,814,372	69,814,372	69,814,372	69,814,372	69,814,372
Home School Test	5900046	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Gifted & Talented	5900046	1,451,354	1,085,381	1,480,381	1,085,381	1,085,381	1,085,381	1,085,381	1,085,381	1,085,381
General Facilities Funding	5900046	4,853,535	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000
Human Dev Ctr Education Aid	5900046	0	526,150	526,150	526,150	526,150	526,150	526,150	526,150	526,150
Leadership Acdmy-Mstr Principal	5900046	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Isolated Funding	5900046	3,485,235	7,896,000	7,896,000	7,896,000	7,896,000	7,896,000	7,896,000	7,896,000	7,896,000
Intensive School Support	5900046	0	0	320,000	0	0	0	0	0	0
Distance Learning	5900046	6,150,000	4,760,000	6,500,000	4,760,000	4,760,000	4,760,000	4,760,000	4,760,000	4,760,000
Dept of Correction	5900046	5,447,675	5,597,675	5,597,675	5,597,675	5,597,675	5,881,973	5,597,675	5,597,675	6,024,799
Criminal Background Checks	5900046	1,690	25,000	50,000	25,000	25,000	25,000	25,000	25,000	25,000
Distressed School District Support	5900046	8,031	50,000	450,000	50,000	50,000	50,000	50,000	50,000	50,000
English Language Learners	5900046	9,410,735	10,144,383	10,231,111	10,144,383	10,144,383	11,115,341	10,144,383	10,144,383	12,162,924
Education Service Cooperatives	5900046	6,129,270	6,129,270	6,129,270	6,129,270	6,129,270	6,129,270	6,129,270	6,129,270	6,129,270
Early Childhood Special Educ	5900046	15,524,710	15,623,079	15,623,079	15,623,079	15,623,079	16,248,000	15,623,079	15,623,079	16,897,920
Total		2,498,326,234	2,552,057,657	2,646,963,484	2,552,057,657	2,579,065,329	2,646,877,721	2,552,057,657	2,579,031,329	2,706,081,563

Funding Sources										
Fund Balance	4000005	54,913,877	40,604,967		33,925,732	33,925,732	33,925,732	27,246,497	33,925,732	27,246,497
Court Ordered Desegregation	4000180	68,864,615	69,814,372		69,814,372	69,814,372	69,814,372	69,814,372	69,814,372	69,814,372
DOE Public School Fund	4000195	1,776,596,998	1,831,825,263		1,831,825,263	1,840,512,170	1,887,310,192	1,831,825,263	1,840,478,170	1,943,991,644

Funding Sources									
E-Rate Credit	4000207	0	4,500,000		4,500,000	4,500,000	4,500,000	4,500,000	4,500,000
Educational Adequacy Fund	4000210	439,761,621	462,761,621		462,761,621	462,761,621	462,761,621	462,761,621	462,761,621
Educational Excellence Fund	4000220	190,786,662	179,182,166		179,182,166	179,182,166	179,182,166	179,182,166	179,182,166
Miscellaneous Adjustments	4000345	3,066,917	0		0	0	0	0	0
TANF Transfer	4000478	10,191,000	7,500,000		7,500,000	7,500,000	7,500,000	7,500,000	7,500,000
Trnfr frm DOE Pub School Fund	4000525	(33,535,104)	(11,115,000)		(11,115,000)	(11,115,000)	(11,115,000)	(11,115,000)	(11,115,000)
Transfer frm General Education	4000535	3,180,000	0		0	0	0	0	0
Transfer from Partnership Fund	4000536	16,931,102	0		0	0	0	0	0
Transfer frm GR Allotment Rrsv	4000544	7,000,000	0		0	0	0	0	0
Transit Tax	4000700	1,173,513	910,000		910,000	910,000	910,000	910,000	910,000
Unfunded Appropriation	4000715	0	0		0	25,000,000	39,335,135	0	25,000,000
Total Funding		2,538,931,201	2,585,983,389		2,579,304,154	2,612,991,061	2,674,124,218	2,572,624,919	2,612,957,061
Excess Appropriation/(Funding)		(40,604,967)	(33,925,732)		(27,246,497)	(33,925,732)	(27,246,497)	(20,567,262)	(33,925,732)
Grand Total		2,498,326,234	2,552,057,657		2,552,057,657	2,579,065,329	2,646,877,721	2,552,057,657	2,579,031,329

Budget exceeds Authorized in National School Lunch, Alternative Learning, 98% URT Actual Collection Adj, Consolidation Incentive and Ntl Bd Prof Teaching Standards due to special language which provides for Appropriation Transfer authority.

Change Level by Appropriation

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

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	8,457,160	0	8,457,160	100.0	8,457,160	0	8,457,160	100.0

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	8,457,160	0	8,457,160	100.0	8,457,160	0	8,457,160	100.0
C19	Executive Changes	2,209,143	0	10,666,303	126.1	2,209,143	0	10,666,303	126.1

Justification

C19	When the FY2011 Public School Fund budget was prepared, the Department of Education identified budgetary adjustments that could be made to operate within the FY2011 funding level. It was determined for professional development that AETN could operate out of an existing balance for FY11. The funds previously budgeted for AETN, out of the Professional Development line item, were redirected to fund the Smart Start/Smart Step program to fund Math and Science Specialists at the STEM centers across the State. This was intended as a one-time arrangement. In order to continue all programming, the Executive Recommendation restores the appropriation for the Smart Start/ Smart Step Program to the FY2011 Authorized level.
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Change Level by Appropriation

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

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	10,144,383	0	10,144,383	100.0	10,144,383	0	10,144,383	100.0

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	10,144,383	0	10,144,383	100.0	10,144,383	0	10,144,383	100.0
C19	Executive Changes	970,958	0	11,115,341	109.6	2,018,541	0	12,162,924	119.9

Justification

C19	This increase assumes the previous three year average annual growth rate of 8% and a 2% increase in the per student funding rate of the English Language Learners Program.
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Change Level by Appropriation

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

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	1,813,597,668	0	1,813,597,668	100.0	1,813,597,668	0	1,813,597,668	100.0

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	1,813,597,668	0	1,813,597,668	100.0	1,813,597,668	0	1,813,597,668	100.0
C19	Executive Changes	45,236,858	0	1,858,834,526	102.5	91,372,091	0	1,904,969,759	105.0

Justification

C19	At the time of this request, there was no final recommendation from the Joint Interim Committee on Education for a Foundation Funding amount. However, the Executive Recommendation allows for an increase of 2% in the Foundation Funding amount per Average Daily Membership (ADM) student. It also assumes a 2.0% increase each year in assessments and an increase of 1,546 Average Daily Membership (ADM) students in FY2012 and an increase of 2,319 ADM in FY2013. Estimates for assessments and ADM students were determined by the Department of Education. Also included in the recommendation is an estimated increase in Open Enrollment Charter School students over FY11 of 620 in FY12 and 1,240 in FY13.
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Change Level by Appropriation

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

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	170,778,746	0	170,778,746	100.0	170,778,746	0	170,778,746	100.0

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	170,778,746	0	170,778,746	100.0	170,778,746	0	170,778,746	100.0
C19	Executive Changes	8,118,821	0	178,897,567	104.8	16,456,851	0	187,235,597	109.6

Justification

C19	This increase includes a growth amount based on the previous four year average annual growth rate of 2.7% and a 2% increase in the per student funding rate of the National School Lunch Student Funding Program.
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Change Level by Appropriation

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

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	23,171,500	0	23,171,500	100.0	23,171,500	0	23,171,500	100.0

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	23,171,500	0	23,171,500	100.0	23,171,500	0	23,171,500	100.0
C19	Executive Changes	538,298	0	23,709,798	102.3	1,072,709	0	24,244,209	104.6

Justification

C19	This increase includes a growth amount of \$73,400 for FY2012 and \$141,550 for FY2013 based upon projected Average Daily Membership (ADM) growth in School Districts and Charter Schools and a 2% increase in the per student funding rate of Professional Development Program.
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Change Level by Appropriation

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

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
C05	Unfunded Appropriation	25,000,000	0	25,000,000	100.0	25,000,000	0	25,000,000	100.0

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
C05	Unfunded Appropriation	25,000,000	0	25,000,000	100.0	25,000,000	0	25,000,000	100.0

Justification

C05	This request is for \$25 million of unfunded appropriation in each year of the 2011-2013 biennium. This will enable the Department of Education to address unforeseen circumstances that may arise in the biennium.								
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Change Level by Appropriation

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

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	20,529,609	0	20,529,609	100.0	20,529,609	0	20,529,609	100.0

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	20,529,609	0	20,529,609	100.0	20,529,609	0	20,529,609	100.0
C19	Executive Changes	619,994	0	21,149,603	103.0	1,246,188	0	21,775,797	106.1

Justification

C19	This increase represents an average annual growth rate of 1% based on the previous three year average and a 2% increase in the per student funding rate of the Alternative Learning Program.
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Change Level by Appropriation

Appropriation: 380 - Dept of Correction

Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	5,597,675	0	5,597,675	100.0	5,597,675	0	5,597,675	100.0

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	5,597,675	0	5,597,675	100.0	5,597,675	0	5,597,675	100.0
C19	Executive Changes	284,298	0	5,881,973	105.1	427,124	0	6,024,799	107.6

Justification

C19	The projection for the Department of Correction assumes a 3% COLA each year (\$134,298/ \$142,826) and provides for 3 new instructors (\$50,000 each) for new classrooms at the Pine Bluff Unit.
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Change Level by Appropriation

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

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	15,188,254	0	15,188,254	100.0	15,188,254	0	15,188,254	100.0

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	15,188,254	0	15,188,254	100.0	15,188,254	0	15,188,254	100.0
C19	Executive Changes	926,980	0	16,115,234	106.1	1,156,833	0	16,345,087	107.6

Justification

C19	The projection for the Residential Centers/ Juvenile Detention program provides for an additional 90 beds in FY2012 and another 20 beds in FY2013 (\$868,060/ \$1,035,090). This projection also assumes the 2% increase in the Foundation Funding amount per ADM (\$58,920/ \$121,743).
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Change Level by Appropriation

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

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
C19	Executive Changes	1,200,000	0	1,200,000	100.0	1,200,000	0	1,200,000	100.0

Justification

C19	When the FY2011 Public School Fund budget was prepared, the Department of Education identified budgetary adjustments that could be made to operate within the FY2011 funding level. It was determined that AETN, for Professional Development could operate out of an existing balance for FY11. The funds previously budgeted for AETN, out of the Professional Development line item, were redirected to fund the Educational Service Cooperatives Tech Coordinators. This was intended as a one-time arrangement. In order to continue all programming, the appropriation for the Tech Coordinators will need to be restored in the Public School Fund.
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Change Level by Appropriation

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

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	9,106,160	0	9,106,160	100.0	9,106,160	0	9,106,160	100.0

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	9,106,160	0	9,106,160	100.0	9,106,160	0	9,106,160	100.0
C19	Executive Changes	1,410,000	0	10,516,160	115.5	2,910,000	0	12,016,160	132.0

Justification

C19	The National Board or Professional Teaching Standards (NBPTS) increase assumes the continued expansion of participating teachers (282/300) in each year of the biennium.
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Change Level by Appropriation

Appropriation: 447 - School Food Services

Funding Sources: JAA - Department of Education Public School Fund

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
C19	Executive Changes	1,650,000	0	1,650,000	100.0	1,650,000	0	1,650,000	100.0

Justification

C19	This request restores the School Food Services program. Due to budget constraints, this program was not budgeted in FY2011, however it has been determined by the Arkansas Department of Education that this program is legally required to continue.
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Change Level by Appropriation

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

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
C19	Executive Changes	390,000	0	390,000	100.0	390,000	0	390,000	100.0

Justification

C19	This request restores the School Worker Defense line item. Due to budget constraints, this program was not budgeted in FY2011, however it has been determined by the Arkansas Department of Education that this program is legally required to continue.
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Change Level by Appropriation

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

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	22,401,677	0	22,401,677	100.0	22,401,677	0	22,401,677	100.0
C01	Existing Program	2,007,672	0	24,409,349	109.0	1,973,672	0	24,375,349	108.8

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	22,401,677	0	22,401,677	100.0	22,401,677	0	22,401,677	100.0
C01	Existing Program	2,007,672	0	24,409,349	109.0	1,973,672	0	24,375,349	108.8

Justification

C01	The ADE is requesting additional General Revenue funded appropriation of \$2,007,672 in FY12 and \$1,973,672 in FY13 for the Assessment/End of Course program. Additional amounts requested are needed to restore appropriation that was utilized from fund balance in FY11 and provide for cost estimates that were obtained from contractors for the various testing components of the program.								
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Change Level by Appropriation

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

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	1,050,946	0	1,050,946	100.0	1,050,946	0	1,050,946	100.0

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	1,050,946	0	1,050,946	100.0	1,050,946	0	1,050,946	100.0
C19	Executive Changes	632,121	0	1,683,067	160.1	665,913	0	1,716,859	163.4

Justification

C19	The increase for the Serious Offender Program provides for an additional 100 beds at the Juvenile and Assessment Treatment Center in Alexander (\$602,300 each year). This request also assumes a 2% increase each year in the Foundation Funding amount per ADM. (\$32,880/\$66,582).
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Change Level by Appropriation

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

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	1,145,285	0	1,145,285	100.0	1,145,285	0	1,145,285	100.0

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	1,145,285	0	1,145,285	100.0	1,145,285	0	1,145,285	100.0
C19	Executive Changes	3,000,000	0	4,145,285	361.9	3,000,000	0	4,145,285	361.9

Justification

C19	At the beginning of FY2011, the budget for Special Education was reduced by \$3 million for Special Education Supervisors. However, in order to meet federal Maintenance of Effort (MOE) requirements, this appropriation must be continued.
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Change Level by Appropriation

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

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	15,623,079	0	15,623,079	100.0	15,623,079	0	15,623,079	100.0

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	15,623,079	0	15,623,079	100.0	15,623,079	0	15,623,079	100.0
C19	Executive Changes	624,921	0	16,248,000	104.0	1,274,841	0	16,897,920	108.2

Justification

C19	The increase for Early Childhood Special Education of 4% is based on the growth in Special Education child count between 12/1/08 and 12/1/09 of 577 or 4.7%.
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**CARRY FORWARD OF ANY REMAINING FUND BALANCES
FROM FISCAL YEAR 2010 TO FISCAL YEAR 2011**

Agency: Education Department-Public School Fund

Program: Better Chance Program

Act #: 293 Section(s) #: 1 & 24

Estimated Carry Forward Amount \$ 6,679,235.00 Funding Source: Public School Fund

Accounting Information:

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

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

Justification for carry forward of fund balance:

These carry-forward funds are needed to allow the Department of Human Services - Child Care and Early Childhood Education Division to continue the Arkansas Better Chance program budget level of \$111,000,000 in the 2011 fiscal year.

Actual Funding Carry Forward Amount \$ 5,192,957.00

Current status of carry forward funding:

The carryforward amount has been budgeted for FY2011 to maintain the current program budget level of \$111,000,000.

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