

DOE - Public School Fund

Enabling Laws

Act 2126 of 2005
Act 2131 of 2005
Act 20 of the 1st Extraordinary Session 2006
AR Code §6-5-301 et seq.
AR Code §6-10-101 thru §6-26-305
AR Code §6-42-101 et seq.
AR Code §6-45-101 et seq.
AR Code §6-47-201 et seq.
AR Code §26-80-101 et seq.
AR Code §25-6-101 et seq.

History and Organization

HISTORY OF PUBLIC EDUCATION IN ARKANSAS

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

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

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

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

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

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

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

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

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

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

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

In 1987-88, the Arkansas General Assembly provided the state education system with acts such as establishing residency requirements for persons attending public schools; providing waivers from the

teacher salary requirement due to a one time increase in new current revenue; establishing guidelines for reporting data on students leaving high school prior to graduation; establishing the Commission on Teaching Excellence; and changing the date of the annual school election to the third Tuesday in September.

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

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

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

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

act to expand the K-3 Initiative of 1993 to include grades K-5; and an act to increase the number of State Board of Education members from nine (9) to 12.

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

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

In 2001-2002, the Arkansas General Assembly created the Arkansas Blue Ribbon Commission on Public Education to define an equitable and adequate system of free public education in the state as mandated under the "general, suitable and efficient" components of the Arkansas Constitution; directed the State Board of Education to conduct a study of public education, its structure, financial needs, and funds needed for improvement; adopted ethical guidelines to prohibit self-dealing in transactions between public educational entities and board members, administrators, or employees; passed the Educator Compensation Act to supplement traditional pay increases for the state's teachers; authorized the Department of Education to conduct a study of grade inflation within the state's high schools and to notify schools of such finding; established procedures for identifying critical teacher shortage areas and granting retired teachers a waiver of earnings limitations to return to active employment to help meet the needs of these areas; and clarified the state's ethics law to allow teachers and other school employees to receive gifts or compensation which recognize the employee's contribution to education.

In 2003-2004, the General Assembly addressed four major areas in the public education system of Arkansas: structure of the K-12 system, public school funding, public school facilities, and the structure of the Arkansas Department of Education. During the Regular Session, the legislature; enacted the Omnibus Quality Education Act, requiring all school districts to meet the Standards for Accreditation with sanctions for non-compliance; established requirements for school districts to

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

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

STATE BOARD OF EDUCATION

OVERSIGHT AND AUTHORITY

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

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

In addition, "the State Board of Education may organize and, from time to time, change and alter the Department of Education into such branches or sections as may be found necessary and desirable by the Director of the Department of Education . . ." These changes are to be brought forward in order for the Department of Education " . . . to perform all proper functions and to render maximum service relating to the operation and improvement of general education programs of the state."

Agency Commentary

ARKANSAS DEPARTMENT OF EDUCATION PUBLIC SCHOOL FUND

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

SMART START/SMART STEP

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 twelve. 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 request for this program is \$7,181,815 in each year of the 2007-2009 biennium. The Change Level request is for general revenue funded appropriation of \$3,120,685 each year. The major component of the requested increase is \$2,545,000 each year for twenty-seven (27) science specialists that are currently working under a federal grant to the Department of Higher Education that is not expected to continue. The remainder of the requested increase, \$575,685 each year, is to increase specialist grants from \$74,850 to \$85,000, or \$10,150 each, to be more in line with school level salaries and to provide for an increase in the number of individuals participating in state delivered professional development. The program has lost specialists each year to school districts due to the lower salaries currently paid for specialists.

ENGLISH LANGUAGE LEARNERS

English Language Learners (formerly Limited English Proficiency, amended by Act 59 of the Second Extraordinary Session of 2003) serves 151 school districts enrolling over 19,000 students from homes where a language other than English is spoken. Of these 19,000 students, over 12,000 have

been assessed as limited in their English proficiency. A.C.A. §6-20-2005(3)(A) states that for the 2005-2005 school year English language learners funding shall be \$195 for each identified English language learner.

The Base Level request for the English Language Learners program is \$4,745,000 and the Change Level request for the program is \$186,500 in FY08 and \$648,000 in FY09. The program is funded by general revenue. The requested increase is based on additional program participants of 700 in FY08 and 1,700 in FY09. The request also includes \$50,000 in FY08 and \$80,000 in FY09 for additional support for Summer training academies.

SPECIAL EDUCATION - CATASTROPHIC

A.C.A. §6-20-323(17) 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 \$15,000 for the special education child. Medicaid and other third party funding are obtained prior to requesting state catastrophic funding.

Base Level for the program is \$8,800,000 each year. The Change Level request for the program is for \$2,200,000 of general revenue funded appropriation for each year of the 2007-2009 biennium. Increases are related to moving Intermediate Care Facility (ICF) students from Residential programs, general cost increases, and overall program growth.

TECHNOLOGY GRANTS

The Technology Grants appropriation is used to make technology grants to school districts for such programs as the EAST Initiative and Explor Net. The EAST program has received high praise from local school administrators and parents as well as national recognition. The U.S. Department of Education provided a grant to the Arkansas Department of Education to conduct an experimentally designed scientific evaluation of the EAST Program. Preliminary results are very positive and indicate the program is obtaining the stated goals and objectives. Schools in six other states have adopted the program and a National Training Center has been established in Little Rock for training facilitators from these states as well as Arkansas teachers and students. Last year over 2,000 teachers and students from seven states attended the National EAST Conference in Hot Springs.

The Base Level request for the Technology Grants appropriation is \$1,602,678 each year. The Change Level request for the program is \$2,000,000 of general revenue funded appropriation for each year of the 2007-2009 biennium. Funding for the technology grants has remained constant for the last several years but the number of schools that have implemented the Environmental and Spatial Technologies (EAST) program has grown from approximately 20 to well over 100. Funds to maintain and expand the program are insufficient and services will have to be drastically reduced without increased funding.

HOME SCHOOL TESTING

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 general revenue funded appropriation is \$150,000 for each year of the 2007-2009 biennium. The Change Level request is for an additional \$100,000 each year. The increase will allow the program to continue the revised FY07 operating level into the 2007-2009 biennium.

STATE FOUNDATION FUNDING

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 19 of the 1st Extraordinary Session of 2006 amended the foundation funding amount to \$5,486 in FY06 and \$5,620 in FY07 plus \$42 for the employer Arkansas Teacher Retirement contribution.

State foundation funding is computed as the difference between the foundation funding amount established by the General Assembly (\$5,860 recommended for FY08 and \$6,065 recommended for FY07) times the average daily membership of the previous school year and the sum of 98% of the uniform rate of tax (25 mills) times the property assessment of the school district plus 75% of miscellaneous funds of the school district. The Base Level is \$1,819,336,000 for both fiscal years.

The Change Level request is an increase of \$70,563,466 for FY08 and \$130,936,846 for FY09. This requested amount is based upon an increase of 3.5% over the FY06 and FY07 amounts.

NATIONAL SCHOOL LUNCH FUNDING

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 identified on the Arkansas public school computer network cycle two report.

For the 2007-2008 school year the Department has a recommendation of a 3.28% increase and a 3.5% increase for the 2008-2009 school year over the current \$480 base. The base would become \$496 in FY08 and \$513 in FY09.

For the 2007-2008 school year:

-School districts in which 90% or greater of the enrolled students are national school lunch students, funding shall be \$1,984;

-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.

For the 2008-2009 school year:

-School districts in which 90% or greater of the enrolled students are national school lunch students, funding shall be \$2,052;

-For school districts in which at least 70% but less than 90% of the enrolled students are national school lunch students, funding shall be \$1,026; and

-For school districts in which less than 70% of the enrolled students are national school lunch students, funding shall be \$513.

Additionally, the Department has requested an additional \$1,550,000 in FY08 and \$3,100,000 in FY09 for the projected growth in students. The student growth is based on \$500 per student with a growth projection of 3,100 students each fiscal year. Final updated student counts for FY08 will not be available until approximately December 15, 2006.

The total increase in appropriation and funding requested is \$6,050,000 for FY08 and \$13,000,000 for FY09.

PROFESSORIAL DEVELOPMENT FUNDING

This aid is provided to school districts for professional development activities. Professional development shall result in individual, school-wide, and system-wide improvement designed to ensure that all students demonstrate proficiency in the state academic standards. Professional development funding for the 2006-2007 school year shall be equal to \$50 times the district's previous year average daily membership (A.C.A. §6-20-2005 (b)(4)(B)).

The Change Level requests are for \$155,000 in FY08 and \$310,000 in FY09.

OFFICE OF EDUCATIONAL RENEWAL ZONES

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

Base Level for the 2007-2009 biennium for this program is general revenue funded appropriation of \$2,020,132 in each year including five (5) Base Level positions. The Change Level request for the program is \$2,486,562 in FY08 and \$3,118,000 in FY09. Additional funding will allow participating institutions of higher education to employ Assistant ERZ Directors to enhance and expand services to more schools classified as being in school improvement. It will also allow the ADE to address requests by colleges and universities for incentives, materials/supplies, and the need to expand high quality professional development for college and university professors and staff to be aligned with the Arkansas Comprehensive Testing, Assessment and Accountability Program.

SECONDARY VOCATIONAL AREA CENTERS

ACA §6-20-2305(b)(2) provides that funding for Secondary Vocational Area Centers shall be \$3,250 multiplied by the number of students enrolled in the program during the previous school year.

The general revenue funded Base Level request for the 2007-2009 biennium is \$8,800,000 each year. The Change Level request for the program is \$404,000 in FY08 and \$1,470,000 in FY09. The request is based on an estimate by the Department of Workforce Education of the FTE students participating in the Secondary Vocational Area Centers. The estimate for FY08 represents a 5% increase in existing programs over the previous year. The estimate for FY09 represents a 7% increase in existing programs and the addition of 2 new area centers in FY08 .

SCHOOL FUNDING CONTINGENCY

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. ADE 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 in each year of the 2007-2009 biennium. This is the same amount that was appropriated in each year of the 2005-2007 biennium.

MASTER PRINCIPAL BONUS

ACA §6-17-1603 provides for incentive bonuses for principals achieving Master Principal status through the Arkansas Leadership Academy. It allows for \$9,000 annually for five years while serving as a full-time principal in a public school in Arkansas. ACA §6-17-1604 provides for \$25,000 annually while working as a full-time principal in an Arkansas "low-performing" school.

The Change Level request for the program is \$200,000 for each year of the 2007-2009 which is the estimate for the cost for each year all bonuses.

DEPARTMENT OF CORRECTION

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. Act 496 of 2005 reorganized the Department of Correction School District into the Corrections School System (CSS). With the reorganization the CSS is to take a more active role in providing educational services to the Department of Community Correction.

The Base Level request for the Department of Correction is general revenue funded appropriation of \$4,547,675 each year of the 2007-2009 biennium. The Change Level request for the program is \$480,000 in FY08 and \$600,000 in FY09. Increased funding is needed for additional programs at Osceola, Fort Smith, Fayetteville, Texarkana, Pine Bluff, Malvern, Wrightsville, Newport and Little Rock. With the reorganization the CSS is to take a more active role in providing educational services to the Department of Community Correction.

RESIDENTIAL CENTERS/JUVENILE DETENTION

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 request for the program is general revenue funded appropriation of \$11,384,482 in each year of the 2007-2009 biennium. The Change Level request for the program is \$130,000 in FY08 and \$266,500 in FY09. Increases requested each year are related to annual adjustments in the foundation aid amounts. The Juvenile Detention funding level is based on the foundation aid amount.

COOPERATIVE ED TECH CENTERS OPERATIONS

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.

The Base Level request is general revenue funded appropriation of \$750,000 in each year of the 2007-2009 biennium. The Change Level request is for an additional \$450,000 for each year. This request would provide for increasing the grants to the 15 Education Service Cooperatives from \$50,000 to \$75,000. It would also provide for a \$75,000 grant to the Pulaski County District Consortium. The need for technology technical assistance has increased significantly in the last few years. Additional funds are needed to meet the needs of the school districts and coordinate school district technology initiatives with Arkansas Department of Education efforts and pay for increased salaries and expenses of technology coordinators.

TEACHER RETIREMENT MATCHING

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 request for this program is general revenue funded appropriation of \$5,122,080 each year of the 2007-2009 biennium. The Change Level request for the program is \$938,000 in FY08 and \$1,533,000 in FY09. The requested increase assumes a 10% increase each year over an FY07 projection of \$5.5 million.

NATIONAL BOARD OF PROFESSIONAL TEACHING STANDARDS

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: \$5,000 bonuses to National Board Certified Teachers (NBCT), participation fees and substitute pay required for candidacy, and a support system for those candidates.

The Base Level request for the program is general revenue funded appropriation of \$2,705,500 in each year of the 2007-2009 biennium. The Change Level request for the program is \$1,176,000 in FY08 and \$1,926,000 in FY09. The requested increase is due to an estimated 150 new teacher participants in each year of the 2007-2009 biennium.

ADVANCED PLACEMENT INCENTIVE

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 request for the program is \$675,000 of general revenue funded appropriation. The Change Level request for the program is \$150,000 each year. Due to the large number of teachers requiring training for Advanced Placement courses due to Act 2152 of 2005 , there was not enough money in this budget to also continue with the equipment and material grants for new AP Courses. Since that time several hundred new AP courses have been organized and there is a great need to offer this grant opportunity once again. This \$150,000 would provide for 150 new AP courses to apply. Since these grants are one time only, the next year a new set of courses could apply.

PUBLIC SCHOOL EMPLOYEES INSURANCE

This program pays the health insurance contribution rate of \$131, as established by ACA §6-17-1117, for employees of the Education Service Cooperatives, Vocational Centers, the Model Vocational-Technical Resource Center, Arkansas Easter Seals, the school operated by the Department of Correction, and sixty-one dollars (\$61.00) per month for each eligible employee of a public school district

who participate in the Arkansas Public School Life and Health Insurance Program

The Base Level for the program is \$36,878,600 of general revenue funded appropriation in each year of the 2007-2009 biennium. The Change Level request for the program is \$188,000 in FY08 and \$395,000 in FY09. The requested addition represents an increase of 10% each year over a base of \$1,878,600. Therefore, no increase is requested for the amount associated with the public school district employees.

SURPLUS COMMODITIES

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 request for the program is \$630,000 of general revenue funded appropriation in each year of the 2007-2009 biennium. The Change Level request for an additional \$100,000 each year is due to fuel price increases.

GIFTED AND TALENTED

This program provides (1) salary support for 15 Gifted and Talented supervisors in the Cooperatives; (2) funding for Arkansas Governor's School; (3) Act 56 - Outstanding Gifted Program Awards (3 annually); and t an annual contribution to the AGATE (Arkansans for Gifted and Talented Education Conference).

The Base Level request is \$1,292,896 of general revenue funded appropriation in each year of the 2007-2009 biennium. The Change Level request is \$650,000 in each year. 1-This request would partially restore the Academic Enrichment for Gifted in Summer (AEGIS) programs which was eliminated in the Spring of 2001 due to budget cuts. These programs provided 900-1200 Arkansas students in grades 7-12 challenging, rigorous summer programs for the eighteen years funding was available. This request for \$500,000 would allow us to reinstate these programs on a smaller scale. Arkansas was well known in surrounding states for these stimulating, challenging programs. 2-The state GT Supervisors' positions at the cooperatives assists the ADE Office of Gifted and Talented in every aspect of gifted education. They are invaluable to the ADE in working with districts, parents, community members, etc. We are at an all time low for numbers of full-time supervisors because of the small amount of salary reimbursement we are able to give coops for these positions. Currently we only send \$40,000 per supervisor. Most 9 1/4 month teaching positions pay more than this and this is a 12-month position. This additional \$150,000 would allow for an increase to \$50,000 per supervisor.

COURT ORDERED DESEGREGATION

This appropriation was established for costs stemming from the Pulaski County School Desegregation Settlement Agreement and the Camden Fairview Desegregation Settlement.

The Base Level request is \$60,388,078 of net general revenue as certified by the Department of Education. The Change Level request is for \$5,567,845 in FY08 and \$9,426,294 in FY09. The requested increase for Court Ordered Desegregation is based on a 6% across-the-board increase in all programs.

BETTER CHANCE PROGRAM

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 request for the program is \$71,166,500 of general revenue funded appropriation in each year of the 2007-2009 biennium. The Change Level request is for an additional \$28,833,500 each year. The requested increase will raise the overall Better Chance program to \$100 million as discussed in previous legislative sessions.

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.

The Base Level request for APSCN is \$14,790,198 of general revenue funded appropriation including 45 Base Level positions. The Change Level request for the program is \$429,540 in FY08 and \$483,140 in FY09. The increase requested for the APSCN is due primarily to anticipated additional cost for Software Maintenance of \$310,800 in FY08 and \$364,400 in FY09. An increase in Conference Fees and Travel of \$2,250 is also requested for the new APSCN Director's out-of-state travel and meetings. The request also provides for salary and matching for the restoration of the Director of APSCN position which was created by the authority of Section 24 of Act 2126 of 2005. The Director of APSCN position is budgeted in FY07 and normally would be included in Base Level. However, language in Section 24 requires that positions created by this language that are requested to be continued in the next biennium must be requested as new positions. Regular Salaries - \$92,260 Personal Services Matching - \$24,230. The APSCN request also provides for a 10.8% increase each year in the Data Processing line item. The request is based on the average percentage increase in DIS service agreements over the past three years.

EARLY CHILDHOOD SPECIAL EDUCATION

This program provides base funding for special education services through local education agencies for 11,500 three to five year old preschool children with disabilities. Funds are also provided to

Education 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 funds for the Medicaid state match for preschool programs that bill for physical, occupational, and speech therapy services.

The Base Level request is \$10,000,000 of general revenue funded appropriation in each year of the 2007-2009 biennium. The Change Level request is for an additional \$1,500,000 in FY08 and \$2,650,000 in FY09. Increases requested are related to continuing funding that was transferred to this program from the Better Chance Program in FY06 and FY07, general program growth, and cost increases.

DISTANCE LEARNING

The purpose of this program is to provide for the establishment, organization, and administration of a distance learning program designed to improve distance learning resources available to students and teachers 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 request is \$3,500,000 of general revenue funded appropriation in each year of the 2007-2009 biennium. The Change Level request for the program is \$3,000,000 each year. This increase is necessary to meet the growing needs of schools and students for distance learning services. Enrollment requests for distance learning has more than doubled since the 2004-2005 school year. The distance learning program can be a significant factor in providing efficient and adequate education opportunities to students in Arkansas.

TEACHER LICENSING/MENTORING

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 90 assessors trained for this purpose.

The Base Level Request for the program is \$7,508,758 of general revenue funded appropriation in each year of the 2007-2009 biennium. The Change Level request for the program is \$400,000 in FY08 and \$800,000 in FY09. The requested additions are to provide for the continued funding of 80 Teach for America (TFA) teachers and mentoring cost growth related to the Early Childhood program and inflationary costs of educational materials.

Performance Audit Findings

Charter Schools – Arkansas Department of Education (July 1, 2003 – June 30, 2004) - Issued June 9, 2006

Findings and Conclusions:

- The Imboden Charter School did not obtain a financial audit of the 2004 fiscal year.
- An evaluation report by the Northwest Regional Educational Laboratory of Oregon (NWREL) reported that Arkansas' charter schools had 10% more students scoring at or above the proficient level on the Arkansas Benchmark Test than their respective districts.

Recommendations:

- None

Arkansas Home Schools – Issued September 10, 2004

Findings and Conclusions:

- Parents desiring to provide a home school for their children must provide a Notice of Intent with their local school district, however, there are no requirements to notify the local school district when home school students move from the district.
- Each individual home school operates independently and the State Board of Education has no authority to promulgate rules, regulations, or guidelines for the enforcement or administration of home schools.
- ADE receives only summary testing results for home school students and is therefore unable to monitor each student's development.
- In 2004, only 2,160 of 3,148 home school students notified of mandatory testing and various test sites available, were in attendance when the tests were administered. No follow-up is conducted to determine the reasons when home school students do not attend mandatory tests.
- The comparability of ACT scores of home school students and public school students is compromised because of the unavailability of statistics concerning the percentage of students sitting for the ACT exam and the number of students enrolling in out-of-state or private institutions.

Recommendations:

- Parents of home school students be required to notify their local school district when moving from the district.
- The Legislature consider the need for ADE to maintain a database of every student's enrollment, grade level, and standardized test results and whether there is a need for procedures to address the academic development of home school students that do not demonstrate satisfactory progression on standardized tests.
- ADE develop procedures to follow up on home school students not sitting for mandatory standardized tests and work with local school districts and their truancy boards to enforce current truancy laws.

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Department Appropriation Summary

| Appropriation | | Historical Data | | | | | | Agency Request and Executive Recommendation | | | | | | | |
|---------------|---------------------------------|-----------------|-----|---------------|-----|---------------|-----|---|-----|---------------|-----|---------------|-----|---------------|-----|
| | | 2005-2006 | | 2006-2007 | | 2006-2007 | | 2007-2008 | | | | 2008-2009 | | | |
| | | Actual | Pos | Budget | Pos | Authorized | Pos | Agency | Pos | Executive | Pos | Agency | Pos | Executive | Pos |
| 057 | Smart Start/Smart Step | 7,181,815 | 0 | 7,181,815 | 0 | 7,181,815 | 0 | 10,302,500 | 0 | 9,681,815 | 0 | 10,302,500 | 0 | 9,681,815 | 0 |
| 082 | English Language Learners | 4,583,135 | 0 | 4,745,000 | 0 | 5,257,795 | 0 | 7,058,100 | 0 | 7,058,100 | 0 | 7,586,200 | 0 | 7,586,200 | 0 |
| 088 | At Risk | 1,321,166 | 0 | 1,490,500 | 0 | 1,490,500 | 0 | 1,490,500 | 0 | 1,490,500 | 0 | 1,490,500 | 0 | 1,490,500 | 0 |
| 091 | Special Ed-Catastrophic | 8,799,825 | 0 | 8,800,000 | 0 | 8,800,000 | 0 | 11,000,000 | 0 | 10,000,000 | 0 | 11,000,000 | 0 | 10,000,000 | 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 |
| 108 | Tech Improvements | 1,000,000 | 0 | 1,000,000 | 0 | 1,000,000 | 0 | 1,000,000 | 0 | 1,000,000 | 0 | 1,000,000 | 0 | 1,000,000 | 0 |
| 119 | Tech Grants | 1,602,575 | 0 | 1,602,678 | 0 | 1,602,678 | 0 | 3,602,678 | 0 | 3,602,678 | 0 | 3,602,678 | 0 | 3,602,678 | 0 |
| 136 | Distressed District | 69,568 | 0 | 450,000 | 0 | 450,000 | 0 | 450,000 | 0 | 450,000 | 0 | 450,000 | 0 | 450,000 | 0 |
| 150 | Home Sch Test | 150,000 | 0 | 150,000 | 0 | 150,000 | 0 | 250,000 | 0 | 250,000 | 0 | 250,000 | 0 | 250,000 | 0 |
| 1PS | Non-Traditional Licensure | 37,950 | 0 | 50,000 | 0 | 50,000 | 0 | 50,000 | 0 | 50,000 | 0 | 50,000 | 0 | 50,000 | 0 |
| 1QV | Content & Curriculum | 99,980 | 0 | 0 | 0 | 0 | 0 | 100,000 | 0 | 100,000 | 0 | 0 | 0 | 0 | 0 |
| 1XE | Economic Education | 300,000 | 0 | 300,000 | 0 | 300,000 | 0 | 300,000 | 0 | 300,000 | 0 | 300,000 | 0 | 300,000 | 0 |
| 2GP | Leadership Academy | 600,000 | 0 | 600,000 | 0 | 600,000 | 0 | 600,000 | 0 | 600,000 | 0 | 600,000 | 0 | 600,000 | 0 |
| 2HP | State Foundation Funding | 1,773,162,068 | 0 | 1,819,336,000 | 0 | 1,832,075,234 | 0 | 1,889,899,466 | 0 | 1,887,284,307 | 0 | 1,950,272,846 | 0 | 1,942,101,786 | 0 |
| 2HR | National School Lunch | 141,199,691 | 0 | 152,700,000 | 0 | 144,661,380 | 0 | 158,750,000 | 0 | 158,750,000 | 0 | 165,700,000 | 0 | 165,700,000 | 0 |
| 2HS | Prof Development Fund | 19,650,159 | 0 | 22,850,000 | 0 | 22,735,471 | 0 | 23,005,000 | 0 | 22,850,000 | 0 | 23,160,000 | 0 | 22,850,000 | 0 |
| 2HT | Teacher Housing Development | 0 | 0 | 100,000 | 0 | 100,000 | 0 | 100,000 | 0 | 100,000 | 0 | 100,000 | 0 | 100,000 | 0 |
| 2HU | Supplemental Millage | 9,975,739 | 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 | 5,543,000 | 0 | 5,831,400 | 0 | 5,831,400 | 0 | 5,831,400 | 0 | 5,831,400 | 0 | 5,831,400 | 0 | 5,831,400 | 0 |
| 2HY | Education Renewal Zones | 1,586,541 | 4 | 2,018,332 | 5 | 2,018,332 | 5 | 4,506,694 | 5 | 2,020,132 | 5 | 5,138,132 | 5 | 2,020,132 | 5 |
| 2HZ | Academic Improvement Trng | 178,976 | 0 | 500,000 | 0 | 500,000 | 0 | 500,000 | 0 | 500,000 | 0 | 500,000 | 0 | 500,000 | 0 |
| 2JA | Content Standards | 160,799 | 0 | 161,000 | 0 | 161,000 | 0 | 161,000 | 0 | 161,000 | 0 | 161,000 | 0 | 161,000 | 0 |
| 2JB | Intensive School Support | 60,821 | 0 | 320,000 | 0 | 320,000 | 0 | 320,000 | 0 | 320,000 | 0 | 320,000 | 0 | 320,000 | 0 |
| 2JC | Teacher Recruitment | 1,276,821 | 0 | 1,600,000 | 0 | 2,100,000 | 0 | 1,600,000 | 0 | 1,600,000 | 0 | 1,600,000 | 0 | 1,600,000 | 0 |
| 2KW | Secondary Vocational Area Cntrs | 8,690,296 | 0 | 8,800,000 | 0 | 10,154,136 | 0 | 9,204,000 | 0 | 8,800,000 | 0 | 10,270,000 | 0 | 8,800,000 | 0 |
| 2ZH | School Funding Contingency | 0 | 0 | 0 | 0 | 25,000,000 | 0 | 25,000,000 | 0 | 25,000,000 | 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 |
| 2ZM | Master Principal Bonus | 0 | 0 | 0 | 0 | 200,000 | 0 | 200,000 | 0 | 200,000 | 0 | 200,000 | 0 | 200,000 | 0 |
| 2ZS | Special Needs Isolated Funding | 2,563,166 | 0 | 3,000,000 | 0 | 7,850,000 | 0 | 3,000,000 | 0 | 3,000,000 | 0 | 3,000,000 | 0 | 3,000,000 | 0 |
| 311 | Alternative Learning | 14,204,284 | 0 | 18,500,000 | 0 | 35,307,030 | 0 | 18,500,000 | 0 | 18,500,000 | 0 | 18,500,000 | 0 | 18,500,000 | 0 |
| 326 | General Facilities Funding | 8,089,230 | 0 | 8,100,000 | 0 | 8,108,762 | 0 | 8,100,000 | 0 | 8,100,000 | 0 | 8,100,000 | 0 | 8,100,000 | 0 |

Department Appropriation Summary

| Appropriation | Historical Data | | | | | | Agency Request and Executive Recommendation | | | | | | | |
|------------------------------|-----------------|-----|------------|-----|------------|-----|---|-----|-------------|-----|-------------|-----|-------------|-----|
| | 2005-2006 | | 2006-2007 | | 2006-2007 | | 2007-2008 | | | | 2008-2009 | | | |
| | Actual | Pos | Budget | Pos | Authorized | Pos | Agency | Pos | Executive | Pos | Agency | Pos | Executive | Pos |
| 331 Isolated Funding | 5,332,336 | 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 | 54,385,020 | 0 | 50,000,000 | 0 | 43,610,400 | 0 | 50,000,000 | 0 | 50,000,000 | 0 | 50,000,000 | 0 | 50,000,000 | 0 |
| 336 Debt Svcs Funding | 27,430,992 | 0 | 28,455,384 | 0 | 42,464,629 | 0 | 28,455,384 | 0 | 28,455,384 | 0 | 28,455,384 | 0 | 28,455,384 | 0 |
| 380 Dept of Correction | 4,547,675 | 0 | 4,547,675 | 0 | 4,547,675 | 0 | 5,027,675 | 0 | 5,027,675 | 0 | 5,147,675 | 0 | 5,147,675 | 0 |
| 394 Res Ctrs/Juv Detent | 11,369,262 | 0 | 11,384,482 | 0 | 11,384,482 | 0 | 11,514,482 | 0 | 11,514,482 | 0 | 11,650,982 | 0 | 11,650,982 | 0 |
| 421 Consol Incentive | 5,238,343 | 0 | 12,550,000 | 0 | 5,757,300 | 0 | 12,550,000 | 0 | 12,550,000 | 0 | 12,550,000 | 0 | 12,550,000 | 0 |
| 425 Pygmalion Comm | 40,000 | 0 | 40,000 | 0 | 40,000 | 0 | 40,000 | 0 | 40,000 | 0 | 40,000 | 0 | 40,000 | 0 |
| 434 Coop Educ Tech Ctrs | 750,000 | 0 | 750,000 | 0 | 750,000 | 0 | 1,200,000 | 0 | 750,000 | 0 | 1,200,000 | 0 | 750,000 | 0 |
| 437 Teacher Ret Match | 4,938,204 | 0 | 5,122,080 | 0 | 5,122,080 | 0 | 6,050,000 | 0 | 6,050,000 | 0 | 6,655,000 | 0 | 6,655,000 | 0 |
| 438 Natl Bd Prof Teach | 1,930,126 | 0 | 2,705,500 | 0 | 2,680,500 | 0 | 3,881,500 | 0 | 3,881,500 | 0 | 4,631,500 | 0 | 4,631,500 | 0 |
| 440 Adv Place Incentive | 674,853 | 0 | 675,000 | 0 | 675,000 | 0 | 825,000 | 0 | 825,000 | 0 | 825,000 | 0 | 825,000 | 0 |
| 444 Crim Bckgrnd Checks | 40,440 | 0 | 50,000 | 0 | 125,000 | 0 | 50,000 | 0 | 50,000 | 0 | 50,000 | 0 | 50,000 | 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 |
| 446 Pub Sch Emp Ins | 30,799,189 | 0 | 36,878,600 | 0 | 36,878,600 | 0 | 37,066,600 | 0 | 36,878,600 | 0 | 37,273,600 | 0 | 36,878,600 | 0 |
| 447 Sch Food Services | 1,650,000 | 0 | 1,650,000 | 0 | 1,650,000 | 0 | 1,650,000 | 0 | 1,650,000 | 0 | 1,650,000 | 0 | 1,650,000 | 0 |
| 450 Surplus Commodities | 157,500 | 0 | 630,000 | 0 | 630,000 | 0 | 730,000 | 0 | 630,000 | 0 | 730,000 | 0 | 630,000 | 0 |
| 451 Grants to Sch Distr | 50,000 | 0 | 50,000 | 0 | 50,000 | 0 | 50,000 | 0 | 50,000 | 0 | 50,000 | 0 | 50,000 | 0 |
| 452 Worker's Comp | 0 | 0 | 450,000 | 0 | 450,000 | 0 | 450,000 | 0 | 450,000 | 0 | 450,000 | 0 | 450,000 | 0 |
| 454 Sch Food-Leg Audit | 54,900 | 0 | 75,000 | 0 | 75,000 | 0 | 75,000 | 0 | 75,000 | 0 | 75,000 | 0 | 75,000 | 0 |
| 457 Gifted & Talented | 1,292,896 | 0 | 1,292,896 | 0 | 1,292,896 | 0 | 1,942,896 | 0 | 1,422,896 | 0 | 1,942,896 | 0 | 1,422,896 | 0 |
| 458 Sch Worker Defense | 270,986 | 0 | 390,000 | 0 | 390,000 | 0 | 390,000 | 0 | 390,000 | 0 | 390,000 | 0 | 390,000 | 0 |
| 459 Assess/End Level Testing | 16,255,862 | 0 | 23,887,747 | 0 | 23,887,747 | 0 | 23,887,747 | 0 | 23,887,747 | 0 | 23,887,747 | 0 | 23,887,747 | 0 |
| 460 Court Ordered Deseg | 59,513,310 | 0 | 60,388,078 | 0 | 60,388,078 | 0 | 65,955,923 | 0 | 65,955,923 | 0 | 69,814,372 | 0 | 69,814,372 | 0 |
| 4HM Teacher of the Year | 0 | 0 | 125,000 | 0 | 125,000 | 0 | 125,000 | 0 | 125,000 | 0 | 125,000 | 0 | 125,000 | 0 |
| 4HN Declining Enrollment | 0 | 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 |
| 565 Intervention Blk Grn | 132,000 | 0 | 132,000 | 0 | 132,000 | 0 | 132,000 | 0 | 132,000 | 0 | 132,000 | 0 | 132,000 | 0 |
| 566 Serious Offender | 942,716 | 0 | 1,050,946 | 0 | 1,050,946 | 0 | 1,050,946 | 0 | 1,050,946 | 0 | 1,050,946 | 0 | 1,050,946 | 0 |
| 652 Better Chance Prgm | 68,319,064 | 0 | 71,166,500 | 0 | 71,166,500 | 0 | 100,000,000 | 0 | 100,000,000 | 0 | 100,000,000 | 0 | 100,000,000 | 0 |
| 668 Spec Educ Services | 4,110,801 | 0 | 4,145,285 | 0 | 4,145,285 | 0 | 4,145,285 | 0 | 4,145,285 | 0 | 4,145,285 | 0 | 4,145,285 | 0 |
| 669 Human Dev Ctr Ed Aid | 0 | 0 | 526,150 | 0 | 526,150 | 0 | 526,150 | 0 | 526,150 | 0 | 526,150 | 0 | 526,150 | 0 |
| 670 Educ Service Coops | 4,929,270 | 0 | 4,929,270 | 0 | 4,929,270 | 0 | 4,929,270 | 0 | 4,929,270 | 0 | 4,929,270 | 0 | 4,929,270 | 0 |

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

| Appropriation | 2005-2006 | | 2006-2007 | | 2006-2007 | | 2007-2008 | | | | 2008-2009 | | | |
|--|----------------------|-----------|----------------------|-----------|----------------------|-----------|----------------------|-----------|----------------------|-----------|----------------------|-----------|----------------------|-----------|
| | Actual | Pos | Budget | Pos | Authorized | Pos | Agency | Pos | Executive | Pos | Agency | Pos | Executive | Pos |
| 688 APSCN | 13,533,860 | 42 | 14,873,156 | 46 | 14,833,644 | 45 | 16,314,472 | 46 | 15,812,222 | 46 | 16,486,303 | 46 | 15,984,053 | 46 |
| 697 Early Childhood Spec | 9,063,943 | 0 | 10,000,000 | 0 | 10,000,000 | 0 | 11,500,000 | 0 | 10,000,000 | 0 | 12,650,000 | 0 | 10,000,000 | 0 |
| 698 Distance Learning | 3,373,000 | 0 | 3,500,000 | 0 | 3,500,000 | 0 | 6,500,000 | 0 | 3,500,000 | 0 | 6,500,000 | 0 | 3,500,000 | 0 |
| 699 Teacher Licen/Mentor | 6,963,318 | 0 | 7,508,758 | 0 | 7,508,758 | 0 | 7,908,758 | 0 | 7,508,758 | 0 | 8,308,758 | 0 | 7,508,758 | 0 |
| NOT REQUESTED FOR THE BIENNIUM | | | | | | | | | | | | | | |
| 2HW Capital Equipment Grants*** | 1,875,531 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2ZQ Office of Accountability-Operation | 0 | 0 | 0 | 0 | 288,968 | 5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 441 Safety Training*** | 0 | 0 | 0 | 0 | 765,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 2,352,911,115 | 46 | 2,458,870,345 | 51 | 2,514,580,554 | 55 | 2,618,559,539 | 51 | 2,604,617,883 | 51 | 2,695,562,237 | 51 | 2,672,455,242 | 51 |

| Funding Sources | | % | | % | | % | | % | | % | | % |
|---|----------------------|--------------|----------------------|--------------|----------------------|--------------|----------------------|--------------|----------------------|--------------|----------------------|--------------|
| Fund Balance 4000005 | 28,020,630 | 1.2 | 10,525,696 | 0.4 | 10,525,696 | 0.4 | 10,525,696 | 0.4 | 10,525,696 | 0.4 | 10,525,696 | 0.4 |
| Court Ordered Desegregation 4000180 | 59,513,310 | 2.5 | 60,388,078 | 2.4 | 65,955,923 | 2.5 | 65,955,923 | 2.5 | 69,814,372 | 2.6 | 69,814,372 | 2.6 |
| DOE Public School Fund 4000195 | 1,659,585,293 | 70.2 | 1,693,039,349 | 68.6 | 1,885,185,698 | 71.7 | 1,862,344,042 | 71.2 | 1,958,329,947 | 72.4 | 1,926,322,952 | 71.8 |
| Educational Adequacy Fund 4000210 | 432,808,569 | 18.3 | 458,839,987 | 18.6 | 458,839,987 | 17.5 | 458,839,987 | 17.5 | 458,839,987 | 17.0 | 458,839,987 | 17.1 |
| Educational Excellence Fund 4000220 | 178,219,241 | 7.5 | 187,912,931 | 7.6 | 187,912,931 | 7.1 | 187,912,931 | 7.2 | 187,912,931 | 6.9 | 187,912,931 | 7.0 |
| Excise Tax on Beer 4000230 | 6,074,364 | 0.3 | 6,900,000 | 0.3 | 0 | 0.0 | 6,900,000 | 0.3 | 0 | 0.0 | 6,900,000 | 0.3 |
| TANF Transfer 4000478 | 7,500,000 | 0.3 | 7,500,000 | 0.3 | 7,500,000 | 0.3 | 7,500,000 | 0.3 | 7,500,000 | 0.3 | 7,500,000 | 0.3 |
| Trnfr frm DOE Pub School Fund 4000525 | (17,740,656) | (0.8) | (11,880,000) | (0.5) | (11,880,000) | (0.5) | (11,880,000) | (0.5) | (11,880,000) | (0.4) | (11,880,000) | (0.4) |
| Transfer from General Imprv 4000540 | 12,756,199 | 0.5 | 56,125,000 | 2.3 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Trnfr to DOE Public School Fund 4000625 | 2,437,409 | 0.1 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Transfer to General Education 4000630 | 0 | 0.0 | (865,000) | 0.0 | (865,000) | 0.0 | (865,000) | 0.0 | (865,000) | 0.0 | (865,000) | 0.0 |
| Transfer to Gen Improvement 4000632 | (6,647,548) | (0.3) | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Transit Tax 4000700 | 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 | 25,000,000 | 1.0 | 27,000,000 | 1.1 | 25,000,000 | 0.8 | 27,000,000 | 0.9 |
| Total Funds | 2,363,436,811 | 100.0 | 2,469,396,041 | 100.0 | 2,629,085,235 | 100.0 | 2,615,143,579 | 100.0 | 2,706,087,933 | 100.0 | 2,682,980,938 | 100.0 |
| Excess Appropriation/(Funding) | (10,525,696) | | (10,525,696) | | (10,525,696) | | (10,525,696) | | (10,525,696) | | (10,525,696) | |
| Grand Total | 2,352,911,115 | | 2,458,870,345 | | 2,618,559,539 | | 2,604,617,883 | | 2,695,562,237 | | 2,672,455,242 | |

Content and Curriculum is a biennial appropriation. Special Language provides carry forward of appropriation.

Actual and Budget exceeds Authorized in Student Growth due to special language which provides Appropriation Transfer authority.

Budget exceeds Authorized in National School Lunch, Professional Development, Consolidation Incentive, National Board of Professional Teaching Standards and APSCN due to special language which provides Appropriation Transfer authority.

Agency Position Usage Report

| FY2004-2005 | | | | | FY2005-2006 | | | | | FY2006-2007 | | | | | | | |
|-------------------|----------|----------|------------|------------------------|-------------------|----------|--------|------------|------------------------|-------------------|----------|-------|------------|------------------------|----------|-------|--------|
| 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 |
| 50 | 38 | 12 | 50 | 0 | 24.00% | 50 | 39 | 11 | 50 | 0 | 22.00% | 50 | 41 | 9 | 50 | 0 | 18.00% |

Authorized positions for the Office of Accountability are authorized in the Department of Education-General Division's appropriations act.

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 FY07, the major funding sources for the Department of Education Public School Fund are projected as: General Revenue funding of approximately \$1.693 billion, the Educational Excellence Trust Fund will provide \$187.9 million, and the Educational Adequacy Fund will provide \$458.8 million.

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

Smart Start/Smart Step Assessment - 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.

Base Level is \$7,181,815 each year. Change Level requests total \$3,120,685 in each year.

The additional appropriation and funding will provide for an increase in specialist grants. Due to the state funded salary being lower than that paid at the local school districts there is a large turnover in personnel. Also, funding and appropriation is needed to support the current science specialists working under the Department of Education. Currently funding is received from a federal grant that is coming to an end. Additionally, increased funding will allow the Department to increase the number of individuals participating in State delivered Professional Development.

The Executive Recommendation provides for Base Level plus an additional \$2,500,000 of appropriation and funding for both fiscal years.

English Language Learners - English Language Learners (formerly Limited English Proficiency, amended by Act 59 of the Second Extraordinary Session of 2003) serves 151 school districts enrolling over 19,000 students from homes where a language other than English is spoken. Of these 19,000 students, over 12,000 have been assessed as limited in their English proficiency. A.C.A. §6-20-2305(3)(A) states that for the 2006-2007 school year English language learners funding shall be \$195 for each identified English language learner.

Base Level is \$4,745,000 each year. Change level requests total \$ 2,313,100 for FY08 and \$2,841,200 for FY09.

The Change Level request assumes a growth of 700 students for FY08 and an additional 1,700 in FY09 at a cost of \$136,500 and \$468,000, respectively for each year of the 2007-2009 biennium. Also included in the request is \$50,000 in both fiscal years for additional support for summer training academies. Additionally, the Senate and House Interim Committees on Education recommended a 50% increase in the funding. The current \$195 will be increased by \$98 to \$293. The additional \$98 will be times the number of projected students each fiscal year. FY08 21,700 X 98 = \$2,126,600 FY09 23,400 X \$98 = \$2,293,200.

The Executive Recommendation provides for Agency Request.

At Risk - 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. Over the last several years, the program has enrolled about 4,000 students, of the students who enrolled about 3,000 complete the program and take the ACT. Those students who completed the course have raised their scores about 2.6 points on the average. The Base Level is \$1,490,500 for both fiscal years

The Agency is requesting Base Level for the 2007-2009 Biennium.

The Executive Recommendation provides for Agency Request.

Special Education - Catastrophic - A.C.A. § 6-20-323(17) 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.

Base Level is \$8,800,000 for each year. The Change level request is \$2,200,000 for each year. The increases are related to moving Intermediate Care Facility (ICF) students from Residential programs, general cost increases and overall program growth.

The Executive Recommendation provides Base Level with additional appropriation and funding in the amount of \$1,200,000 for both fiscal years.

Youth Shelters - The Department of Health and Human Services-DHHS 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 DHHS. Base Level is \$165,000 for both fiscal years.

The Agency is requesting Base Level for the 2007-2009 Biennium.

The Executive Recommendation provides for Agency Request.

Technology Improvements - 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 is \$1,000,000 for both fiscal years.

The Agency is requesting Base Level for the 2007-2009 Biennium.

The Executive Recommendation provides for Agency Request.

Technology Grants - The Technology Grants appropriation is used to make technology grants to school districts for such programs as the EAST Initiative and Explor- Net. The EAST program has received high praise from local school administrators and parents as well as national recognition. The U.S. Department of Education provided a grant to the Arkansas Department of Education to conduct an experimentally designed scientific evaluation of the EAST Program. Preliminary results are very positive and indicate the program is obtaining the stated goals and objectives. Schools in six other states have adopted the program and a National Training Center has been established in Little Rock for training facilitators from these states as well as Arkansas Teachers and Students. Last year over 2,000 teachers and students from seven (7) states attended the National East Conference in Hot Springs.

Base Level is \$1,602,678 and the Department is requesting a Change level request of \$2,000,000 for both fiscal years. This will allow the Department to maintain and expand the program. Schools implementing the Environmental and Spatial Technologies (EAST) program have grown from approximately 20 to over 100 schools, without additional funding, services will have to be reduced.

The Executive Recommendation provides for Base Level and \$2,000,000 of unfunded appropriation for both fiscal years.

Distressed School District Support - 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. Base Level is \$450,000 for both fiscal years.

The Agency is requesting Base Level for the 2007-2009 Biennium.

The Executive Recommendation provides for Agency Request.

Home School Testing - 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. Home school enrollment continues to increase each year.

Base level for the 2007-2009 Biennium is \$150,000 each year. The agency request is for an additional \$100,000 each year. This will allow the Department to continue the revised FY07 operating level for this program which included expanding from 3 grades to 6 grades for home school testing.

The Executive Recommendation provides for Agency Request.

Non-Traditional Licensure Grants - 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 is \$50,000 for both fiscal years.

The Agency is requesting Base Level for the 2007-2009 Biennium.

The Executive Recommendation provides for Agency Request.

Content Standards and Curriculum Frameworks Revision - 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. This is a biennial appropriation and base level is \$100,000 in FY 2008 and \$0 in FY2009. Any remaining appropriation on June 30, 2006 will be carried forward to FY 2009.

The Agency is requesting Base Level for the 2007-2009 Biennium.

The Executive Recommendation provides for Agency Request.

Economic Education - 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 is \$300,000 for both fiscal years.

The Agency is requesting Base Level for the 2007-2009 Biennium.

The Executive Recommendation provides for Agency Request.

Arkansas Leadership Academy - 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 is \$600,000 for both fiscal years.

The Agency is requesting Base Level for the 2007-2009 Biennium.

The Executive Recommendation provides for Agency Request.

State Foundation Funding - 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 19 of the 1st Extraordinary Session of 2006 amended the foundation funding amount to \$5,486 in FY06 and \$5,620 in FY07 plus \$42 for the employer Arkansas Teacher Retirement contribution.

State foundation funding is computed as the difference between the foundation funding amount established by the General Assembly (\$5,860 recommended for FY08 and \$6,065 recommended for FY09) times the average daily membership of the previous school year and the sum of 98% of the uniform rate of tax (25 mills) times the property assessment of the school district plus 75% of miscellaneous funds of the school district. The Base Level is \$1,819,336,000 for both fiscal years.

The Agency is requesting an increase of \$70,563,466 for FY08 and \$130,936,846 for FY09. This requested amount is based upon an increase of 3.5% over the FY06 and FY07 amounts.

The Executive Recommendation provides for an increase of \$67,948,307 in FY08 and \$122,765,786 for FY09. This Executive Recommendation is based upon an increase of 3.4% for FY08 and a 3.3% increase for FY09.

National School Lunch Student Funding - 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 identified on the Arkansas public school computer network cycle two report. Base Level is \$152,700,000 for both fiscal years.

For the 2007-2008 school year the Department has a recommendation of a 3.28% increase and a 3.5% increase for the 2008-2009 school year over the current \$480 base. The base would become \$496 in FY08 and \$513 in FY09.

For the 2007-2008 school year:

- School districts in which 90% or greater of the enrolled students are national school lunch students, funding shall be \$1,984;
- 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.

For the 2008-2009 school year:

- School districts in which 90% or greater of the enrolled students are national school lunch students, funding shall be \$2,052;
- For school districts in which at least 70% but less than 90% of the enrolled students are national school lunch students, funding shall be \$1,026; and
- For school districts in which less than 70% of the enrolled students are national school lunch students, funding shall be \$513.

Additionally, the Department has requested an additional \$1,550,000 in FY08 and \$3,100,000 in FY09 for the projected growth in students. The student growth is based on \$500 per student with a

growth projection of 3,100 students each fiscal year. Final updated student counts for FY08 will not be available until approximately December 15, 2006.

The total increase in appropriation and funding requested is \$6,050,000 for FY08 and \$13,000,000 for FY09.

The Executive Recommendation provides for Agency Request.

Professional Development Funding - This aid is provided to school districts for professional development activities. Professional development shall result in individual, school-wide, and system-wide improvement designed to ensure that all students demonstrate proficiency in the state academic standards. Professional development funding for the 2006-2007 school year shall be equal to \$50 times the district's previous year average daily membership (A.C.A. §6-20-2005 (b)(4)(B)).

Base Level is \$22,850,000 each year and Change Level requests are for \$155,000 in FY08 and \$310,000 in FY09.

The requested increases are due to a projected increase in ADM students of 3,00 each year of the biennium.

The Executive Recommendation provides for Base Level.

Arkansas Teacher Housing Development Foundation - 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. Base Level is \$100,000 for both fiscal years.

The Agency is requesting Base Level for the 2007-2009 Biennium.

The Executive Recommendation provides for Agency Request.

Supplemental Millage Incentive Funding - 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. Base Level is 10,000,000 for both fiscal years.

The Agency is requesting Base Level for the 2007-2009 Biennium.

The Executive Recommendation provides for Agency Request.

Distance Learning Operating Grants - 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. Base Level is \$5,831,400 for both fiscal years.

The Agency is requesting Base Level for the 2007-2009 Biennium.

The Executive Recommendation provides for Agency Request.

Academic Improvement Training - 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. Base Level is \$500,000 for both fiscal years.

The Agency is requesting Base Level for the 2007-2009 Biennium.

The Executive Recommendation provides for Agency Request.

Content Standards Revision - 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 is \$161,000 for both fiscal years.

The Agency is requesting Base Level for the 2007-2009 Biennium.

The Executive Recommendation provides for Agency Request.

Intensive School Support - Section 5 of Act 35 of the 2nd Extraordinary Session of 2003 adds A.C.A. §6-15-1801 et seq. which 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. ACA §6-15-1808 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. The Base Level is \$320,000 for both fiscal years.

The Agency is requesting Base Level for the 2007-2009 Biennium.

The Executive Recommendation provides for Agency Request.

High-Priority District Teacher Recruitment - Act 101 of the 2nd Extraordinary Session of 2003 added ACA§ 6-17-811 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 is \$1,600,000 for both fiscal years.

The Agency is requesting Base Level for the 2007-2009 Biennium.

The Executive Recommendation provides for Agency Request.

Secondary Career Centers - A.C.A. § 6-20-2305(b)(2) provides that funding for Secondary Vocational Area Centers shall be \$3,250 multiplied by the number of students enrolled in the program during the previous school year.

Base level for this program is \$8,800,000 for both fiscal years. The Department requests change levels in the amount of \$404,000 for FY08 and \$1,470,000 for FY09. This request is based on estimates from the Department of Workforce Education of the full time equivalents participating in the Secondary Area Vocational Centers. The estimate for FY08 represents a 5% increase in existing programs, while the request for FY09 is for a 7% increase in existing programs and the addition of 2 new area centers.

The Executive Recommendation provides for Base Level.

School Funding Contingency-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 in each year of the 2007-2009 Biennium.

The Executive Recommendation provides for Agency Request.

Leadership Academy - Master Principal This program line item was added during the 2005-2007 biennium. The purpose of this program is to provide training programs and opportunities to expand the knowledge base and leadership skills of public school principals. The program shall consist of a process of no fewer than three (3) phases developed by the academy and approved by the State Board of Education. The Base Level is \$500,000 for both fiscal years.

The Agency is requesting Base Level for the 2007-2009 Biennium.

The Executive Recommendation provides for Agency Request.

Master Principal Bonus- Act 44 of the Second Extraordinary Session of the 84th General Assembly 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 Department is requesting a change level request of \$200,000 for both fiscal years. This is an estimate cost by the Department of the cost for all bonuses for the 2007-2009 Biennium.

The Executive Recommendation provides for Agency Request.

Special Needs Isolated - 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 Agency is requesting Base Level of \$3,000,000 for the 2007-2009 Biennium.

The Executive Recommendation provides for Agency Request.

Alternative Learning - A.C.A. §6-18-508 requires every school district to establish an alternative learning environment (ALE) for students who have shown and inability to function in a standard learning environment. It also requires the Department to establish an incentive program for districts whose ALE programs meet Department guidelines. ALE's must provide all of the educational programs available in other classrooms, and must provide additional services to meet the needs of this group of at-risk children.

The Agency is requesting Base Level of \$18,500,000 for the 2007-2009 Biennium.

The Executive Recommendation provides for Agency Request.

General Facilities Funding - 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.

This funding may only be used for the purchase of school buses, furniture, equipment, computer software, renovation or repairs of existing facilities, or repayment of commercial bonds or revolving loans.

The Agency is requesting Base level of \$8,100,000 for both fiscal years for the 2007-2009 Biennium.

The Executive Recommendation provides for Agency Request.

Isolated Funding - 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 Agency is requesting Base Level of \$7,896,000 for both fiscal years for the 2007-2009 Biennium.

The Executive Recommendation provides for Agency Request.

Student Growth Funding - Student Growth Funding is a program that provides supplemental funding to school districts that have a growth in students over the previous school year. For the 2007-2008 and 2008-2009 school years, student growth funding will be calculated as \$5,400 multiplied by the increase, if any, in the district's two-quarter average of the ADM of the current school year over the district's ADM for the previous school year, excluding any increase resulting solely from consolidation or annexation with another district.

The Agency is requesting Base Level of \$50,000,000 for both fiscal years for the 2007-2009 Biennium.

The Executive Recommendation provides for Agency Request.

Debt Service Funding Supplement- 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. Then 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 and then reduce the amount of the payment by 10 percent over a 10 year period.

The Agency is requesting Base Level of \$28,455,384 for both fiscal years for the 2007-2009 Biennium.

The Executive Recommendation provides for Agency Request.

Department of Correction - A.C.A §12-29-30 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.

Base Level for the biennium is \$4,547,675 each year. The agency request is \$480,000 for FY2008

and \$600,000 for FY2009. The increase in funding is needed for additional programs at Osecola, Fort Smith, Fayetteville, Texarkana, Pine Bluff, Malvern, Wrightsville, Newport and Little Rock. Act 496 of 2005 reorganized the Department of Correction School District into the Corrections School System (CSS). With the reorganization the CSS is taking a more active role in providing educational services to the Department of Community Correction.

The Executive Recommendation provides for Agency Request.

Residential Centers/Juvenile Detention - 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.

Base Level is \$11,384,482 each year and the agency requests \$130,000 for FY2008 and \$266,500 for FY09. The request is for a COLA and operational cost increases in the Juvenile Detention Centers.

The Executive Recommendation provides for Agency Request.

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

The Agency is requesting Base Level of \$12,550,000 for both fiscal years for the 2007-2009 Biennium.

The Executive Recommendation provides for Agency Request.

Pygmalion Commission - This grant to the Pygmalion Commission 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.

The Agency is requesting Base Level of \$40,000 for both fiscal years for the 2007-2009 Biennium.

The Executive Recommendation provides for Agency Request.

Cooperative Education Tech Centers - 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 of \$50,000 to each of the State's 15 Education Service Cooperatives.

Base level for the biennium is \$750,000 each year. The Change Level request is for \$450,000 each year to provide a technology technical assistance. This will allow the Department to meet the needs of the school districts and coordinate school district technology initiatives with the Department of Education's efforts and pay for increased salaries and expenses of technology coordinators.

The Executive Recommendation provides for Base Level.

Teacher Retirement Matching - 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.

Basel level is \$5,122,080 each year. The Change Level request is \$927,920 for FY2008 and \$1,532,920 for FY09. This increase is needed due to greater than expected increases in costs for FY06 and basic increases in costs for each year which are historically 10%.

The Executive Recommendation provides for Agency Request.

National Board of Professional Teaching Standards - 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.

Base level for the biennium is \$2,705,500 each year. The Change Level request is for an additional \$1,176,000 in FY08 and \$1,926,000 in FY09. This requested increase is due to an estimated increase of 150 teacher participants for each fiscal year.

The Executive Recommendation provides for Agency Request.

Advanced Placement Incentive - 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.

Base level for the biennium is \$675,000 each year. The Change Level request is for an additional \$150,000 each fiscal year. This request is due to the large number of teachers requiring training for Advanced Placement courses due to Act 2152 of 2005, therefore the budget was not large enough to support the increase of teachers and to continue with the equipment and material grants for new AP courses. This increase would provide for 150 new AP courses.

The Executive Recommendation provides for Agency Request.

Criminal Background Checks - 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 Agency is requesting Base Level of \$50,000 for both fiscal years for the 2007-2009 Biennium.

The Executive Recommendation provides for Agency Request.

Arkansas Easter Seals - 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 Agency is requesting Base Level of \$193,113 for both fiscal years for the 2007-2009 Biennium.

The Executive Recommendation provides for Agency Request.

Public School Employee Insurance - 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.

Basel level is \$36,878,600 for both fiscal years. The Change Level increase is \$188,000 for FY2008 and \$395,000 for FY2009. This is a 10% increase each year in the amount paid for employees of the Cooperative Education Services Areas, Vocational Centers, and the school operated by the Department of Correction.

The Executive Recommendation provides for Base Level.

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

The Agency is requesting Base Level of \$1,650,000 for both fiscal years for the 2007-2009 Biennium.

The Executive Recommendation provides for Agency Request.

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

The Base Level is \$630,000 for both fiscal years. The Agency is requesting a Change Level increase of \$100,000 for each fiscal year to allow DHHS to bring more food into the warehouse for the schools by accepting bonus products that will not come out of the entitlement money, but will still incur delivery expenses.

The Executive Recommendation provides for Base Level.

Grants to School Districts - 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, and it would require a round trip of more than 35 miles.

The Agency is requesting Base Level of \$50,000 for both fiscal years for the 2007-2009 Biennium.

The Executive Recommendation provides for Agency Request.

Workers' Compensation - 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. This appropriation will gradually decrease as old claims are paid off.

The Agency is requesting Base Level of \$450,000 for both fiscal years for the 2007-2009 Biennium.

The Executive Recommendation provides for Agency Request.

School Food- Legislative Audit - 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 Agency is requesting Base Level of \$75,000 for both fiscal years for the 2007-2009 Biennium.

The Executive Recommendation provides for Agency Request.

Gifted and Talented - 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).

Basel level is \$1,292,896 for both fiscal years. The Change Level increase is \$650,000 for both fiscal years. \$500,000 of this increase will allow the Department to partially restore the Academic Enrichment for Gifted in Summer (AEGIS) programs. This program was eliminated in the spring of 2001 due to budget cuts. Additionally, \$150,000 will allow for an increase of contract amounts paid to the GT supervisors for a total payment of \$50,000 per supervisor.

The Executive Recommendation provides for an increase of \$130,000 in appropriation and funding for each fiscal year.

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

The Agency is requesting Base Level of \$390,000 for both fiscal years for the 2007-2009 Biennium.

The Executive Recommendation provides for Agency Request.

Assessment/End of Level Testing - 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 Agency is requesting Base Level of \$23,887,747 for both fiscal years for the 2007-2009 Biennium.

The Executive Recommendation provides for Agency Request.

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

Base level is \$60,388,078 each year and the agency request is for \$5,567,845 in FY08 and \$9,426,294 in FY09.

The request consists of a projected increase of 6% each year for all programs.

The Executive Recommendation provides for Agency Request.

Teacher of the Year - Act 17 of the 1st extraordinary session 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. Act 18 of the 1st extraordinary session 2006 appropriates \$125,000 for the Arkansas Teacher of the Year program.

The Agency is requesting Base Level for the 2007-2009 Biennium.

The Executive Recommendation provides for Agency Request.

Declining Enrollment- 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 Agency is requesting Base Level of \$10,000,000 for both fiscal years for the 2007-2009 Biennium.

The Executive Recommendation provides for Agency Request.

Intervention Block Grants - 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 Agency is requesting Base Level of \$132,000 for both fiscal years for the 2007-2009 Biennium.

The Executive Recommendation provides for Agency Request.

Serious Offender Program - Serious Offender Units for juveniles are operated by the Department of Health and Human Services, but the Department of Education pays the educational costs of those located in these units through a Memorandum of Understanding (MOU) with DHHS. 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-Wheatly, and Dermott school districts.

The Agency is requesting Base Level of \$ 1,050,946 for both fiscal years for the 2007-2009 Biennium.

The Executive Recommendation provides for Agency Request.

Better Chance Program - 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 Health and Human Services with the Grants remaining with the Department of Education.

The base level is \$71,166,500 and the agency is requesting \$28,833,500 for both fiscal years. This would raise the overall Better Chance Program to \$100 million as discussed in pervious legislative sessions.

The Executive Recommendation provides for Agency Request.

Special Education Services - 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 Agency is requesting Base Level of \$4,145,285 for both fiscal years for the 2007-2009 Biennium.

The Executive Recommendation provides for Agency Request.

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

The Agency is requesting Base Level of \$526,150 for both fiscal years for the 2007-2009 Biennium.

The Executive Recommendation provides for Agency Request.

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

The Agency is request Base Level of \$4,929,270 for both fiscal years for the 2007-2009 Biennium.

The Executive Recommendation provides for Agency Request.

Early Childhood Special Education - 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 the funds for the Medicaid state match for preschool programs that bill for physical, occupational, and speech therapy services.

Base level for the biennium is \$10,000,000 each year. The agency request is for an additional \$1,500,000 in FY08 and \$2,650,000 in FY09.

The additional amount requested is related to continued funding that was transferred to this program from the Better Chance Program in FY06 and FY07, general program and cost growth.

The Executive Recommendation provides for Base Level.

Distance Learning - 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.

Base level for the biennium is \$3,500,000 each year. The agency request is for an additional \$3,000,000 for both fiscal years.

The increase is based upon the enrollment requests for distance learning program has more than doubled since the 2004-2005 school year.

The Executive Recommendation provides for Base Level.

Teacher Licensure/Mentoring - 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.

Base level for the biennium is \$7,508,758 each year. The Change Level request is for an additional \$400,000 for FY08 and \$800,000 for FY09.

This request is for the growth in costs related to the early childhood education program and inflationary costs of educational materials.

The Executive Recommendation provides for Base Level.

Fund Transfers - In each year of the biennium, \$11,880,000 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 Fund, 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.
- (4) Division of Public School Academic Facilities and Transportation - Transfers \$765,000 to the operations of the Division.

In summary, the Executive Recommendation for new general revenue above the Base Level is:

- \$2,500,000 in both fiscal years for the Smart Start/ Smart Step Assessment program
- \$2,313,100 for FY08 and \$2,841,200 in FY09 for the English Language Learners program
- \$1,200,000 in both fiscal years for the Special Education - Catastrophic program
- \$100,000 in both fiscal years for Home School Testing
- \$67,948,307 in FY08 and \$122,765,786 in FY09 for the State Foundation Funding
- \$6,050,000 in FY08 and \$13,000,000 in FY09 for the National School Lunch Act
- \$200,000 in both fiscal years for the Master Principal Bonus program
- \$480,000 in FY08 and \$600,000 for FY09 for the Department of Correction
- \$130,000 in FY08 and \$266,500 in FY09 for Residential Centers/ Juvenile Detention programs
- \$927,920 in FY08 and \$1,532,920 in FY09 for the Teacher Retirement Matching
- \$1,176,000 in FY08 and \$1,926,000 in FY09 for the National Board of Professional Teaching Standards
- \$150,000 in both fiscal years for Advanced Placement Incentive
- \$130,000 for both fiscal years for the Gifted and Talented program

- \$5,567,845 in FY08 and \$9,426,294 in FY09 for the Court Ordered Desegregation costs
- \$28,833,500 in both fiscal years for the Better Chance Program

Additionally, the Executive Recommendation provides that additional funding for the Public School Fund should continue to come from the excise tax on sale of alcohol as established in A.C.A. 3-7-201(e). This tax is due to sunset on June 30, 2007.

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 | | | 2008-2009 | | |
|---------------------------------|---------|---------------------|---------------------|-------------------------|---|-------------|-------------|------------|-------------|-------------|
| | | 2005-2006 Actual | 2006-2007 Budget | 2006-2007 Authorized | 2007-2008 | | | Base Level | Agency | Executive |
| Better Chance Prgm | 5100004 | 68,319,064 | 71,166,500 | 71,166,500 | 71,166,500 | 100,000,000 | 100,000,000 | 71,166,500 | 100,000,000 | 100,000,000 |
| Capital Equipment Grants*** | 5100004 | 1,875,531 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Declining Enrollment | 5100004 | 0 | 10,000,000 | 10,000,000 | 10,000,000 | 10,000,000 | 10,000,000 | 10,000,000 | 10,000,000 | 10,000,000 |
| Distance Learning Operations | 5100004 | 5,543,000 | 5,831,400 | 5,831,400 | 5,831,400 | 5,831,400 | 5,831,400 | 5,831,400 | 5,831,400 | 5,831,400 |
| Economic Education | 5100004 | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 |
| Grants to Sch Distr | 5100004 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| Intervention Blk Grn | 5100004 | 132,000 | 132,000 | 132,000 | 132,000 | 132,000 | 132,000 | 132,000 | 132,000 | 132,000 |
| Non-Traditional Licensure | 5100004 | 37,950 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| Secondary Vocational Area Cntr: | 5100004 | 8,690,296 | 8,800,000 | 10,154,136 | 8,800,000 | 9,204,000 | 8,800,000 | 8,800,000 | 10,270,000 | 8,800,000 |
| Teacher Housing Development | 5100004 | 0 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| Tech Grants | 5100004 | 1,602,575 | 1,602,678 | 1,602,678 | 1,602,678 | 3,602,678 | 3,602,678 | 1,602,678 | 3,602,678 | 3,602,678 |
| Academic Improvement Trng | 5900046 | 178,976 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 |
| Adv Place Incentive | 5900046 | 674,853 | 675,000 | 675,000 | 675,000 | 825,000 | 825,000 | 675,000 | 825,000 | 825,000 |
| Alternative Learning | 5900046 | 14,204,284 | 18,500,000 | 35,307,030 | 18,500,000 | 18,500,000 | 18,500,000 | 18,500,000 | 18,500,000 | 18,500,000 |
| AR Easter Seals | 5900046 | 193,113 | 193,113 | 193,113 | 193,113 | 193,113 | 193,113 | 193,113 | 193,113 | 193,113 |
| Assess/End Level Testing | 5900046 | 16,255,862 | 23,887,747 | 23,887,747 | 23,887,747 | 23,887,747 | 23,887,747 | 23,887,747 | 23,887,747 | 23,887,747 |
| At Risk | 5900046 | 1,321,166 | 1,490,500 | 1,490,500 | 1,490,500 | 1,490,500 | 1,490,500 | 1,490,500 | 1,490,500 | 1,490,500 |
| Consol Incentive | 5900046 | 5,238,343 | 12,550,000 | 5,757,300 | 12,550,000 | 12,550,000 | 12,550,000 | 12,550,000 | 12,550,000 | 12,550,000 |
| Content & Curriculum | 5900046 | 99,980 | 0 | 0 | 100,000 | 100,000 | 100,000 | 0 | 0 | 0 |
| Content Standards | 5900046 | 160,799 | 161,000 | 161,000 | 161,000 | 161,000 | 161,000 | 161,000 | 161,000 | 161,000 |
| Coop Educ Tech Ctrs | 5900046 | 750,000 | 750,000 | 750,000 | 750,000 | 1,200,000 | 750,000 | 750,000 | 1,200,000 | 750,000 |
| Court Ordered Deseg | 5900046 | 59,513,310 | 60,388,078 | 60,388,078 | 60,388,078 | 65,955,923 | 65,955,923 | 60,388,078 | 69,814,372 | 69,814,372 |
| Crim Bckgrnd Checks | 5900046 | 40,440 | 50,000 | 125,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| Debt Svcs Funding | 5900046 | 27,430,992 | 28,455,384 | 42,464,629 | 28,455,384 | 28,455,384 | 28,455,384 | 28,455,384 | 28,455,384 | 28,455,384 |
| Dept of Correction | 5900046 | 4,547,675 | 4,547,675 | 4,547,675 | 4,547,675 | 5,027,675 | 5,027,675 | 4,547,675 | 5,147,675 | 5,147,675 |

| Commitment Item | | 2005-2006 | 2006-2007 | 2006-2007 | 2007-2008 | | | 2008-2009 | | |
|--------------------------------|---------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | | Actual | Budget | Authorized | Base Level | Agency | Executive | Base Level | Agency | Executive |
| Distance Learning | 5900046 | 3,373,000 | 3,500,000 | 3,500,000 | 3,500,000 | 6,500,000 | 3,500,000 | 3,500,000 | 6,500,000 | 3,500,000 |
| Distressed District | 5900046 | 69,568 | 450,000 | 450,000 | 450,000 | 450,000 | 450,000 | 450,000 | 450,000 | 450,000 |
| Early Childhood Spec | 5900046 | 9,063,943 | 10,000,000 | 10,000,000 | 10,000,000 | 11,500,000 | 10,000,000 | 10,000,000 | 12,650,000 | 10,000,000 |
| Educ Service Coops | 5900046 | 4,929,270 | 4,929,270 | 4,929,270 | 4,929,270 | 4,929,270 | 4,929,270 | 4,929,270 | 4,929,270 | 4,929,270 |
| English Language Learners | 5900046 | 4,583,135 | 4,745,000 | 5,257,795 | 4,745,000 | 7,058,100 | 7,058,100 | 4,745,000 | 7,586,200 | 7,586,200 |
| General Facilities Funding | 5900046 | 8,089,230 | 8,100,000 | 8,108,762 | 8,100,000 | 8,100,000 | 8,100,000 | 8,100,000 | 8,100,000 | 8,100,000 |
| Gifted & Talented | 5900046 | 1,292,896 | 1,292,896 | 1,292,896 | 1,292,896 | 1,942,896 | 1,422,896 | 1,292,896 | 1,942,896 | 1,422,896 |
| Home Sch Test | 5900046 | 150,000 | 150,000 | 150,000 | 150,000 | 250,000 | 250,000 | 150,000 | 250,000 | 250,000 |
| Human Dev Ctr Ed Aid | 5900046 | 0 | 526,150 | 526,150 | 526,150 | 526,150 | 526,150 | 526,150 | 526,150 | 526,150 |
| Intensive School Support | 5900046 | 60,821 | 320,000 | 320,000 | 320,000 | 320,000 | 320,000 | 320,000 | 320,000 | 320,000 |
| Isolated Funding | 5900046 | 5,332,336 | 7,896,000 | 7,896,000 | 7,896,000 | 7,896,000 | 7,896,000 | 7,896,000 | 7,896,000 | 7,896,000 |
| Leadership Academy | 5900046 | 600,000 | 600,000 | 600,000 | 600,000 | 600,000 | 600,000 | 600,000 | 600,000 | 600,000 |
| Leadership Acdmy-Mstr Principa | 5900046 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 |
| Master Principal Bonus | 5900046 | 0 | 0 | 200,000 | 0 | 200,000 | 200,000 | 0 | 200,000 | 200,000 |
| National School Lunch | 5900046 | 141,199,691 | 152,700,000 | 144,661,380 | 152,700,000 | 158,750,000 | 158,750,000 | 152,700,000 | 165,700,000 | 165,700,000 |
| Natl Bd Prof Teach | 5900046 | 1,930,126 | 2,705,500 | 2,680,500 | 2,705,500 | 3,881,500 | 3,881,500 | 2,705,500 | 4,631,500 | 4,631,500 |
| Prof Development Fund | 5900046 | 19,650,159 | 22,850,000 | 22,735,471 | 22,850,000 | 23,005,000 | 22,850,000 | 22,850,000 | 23,160,000 | 22,850,000 |
| Pub Sch Emp Ins | 5900046 | 30,799,189 | 36,878,600 | 36,878,600 | 36,878,600 | 37,066,600 | 36,878,600 | 36,878,600 | 37,273,600 | 36,878,600 |
| Pygmalion Comm | 5900046 | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 |
| Res Ctrs/Juv Detent | 5900046 | 11,369,262 | 11,384,482 | 11,384,482 | 11,384,482 | 11,514,482 | 11,514,482 | 11,384,482 | 11,650,982 | 11,650,982 |
| Safety Training*** | 5900046 | 0 | 0 | 765,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sch Food Services | 5900046 | 1,650,000 | 1,650,000 | 1,650,000 | 1,650,000 | 1,650,000 | 1,650,000 | 1,650,000 | 1,650,000 | 1,650,000 |
| Sch Food-Leg Audit | 5900046 | 54,900 | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 |
| Sch Worker Defense | 5900046 | 270,986 | 390,000 | 390,000 | 390,000 | 390,000 | 390,000 | 390,000 | 390,000 | 390,000 |
| School Funding Contingency | 5900046 | 0 | 0 | 25,000,000 | 0 | 25,000,000 | 25,000,000 | 0 | 25,000,000 | 25,000,000 |
| Serious Offender | 5900046 | 942,716 | 1,050,946 | 1,050,946 | 1,050,946 | 1,050,946 | 1,050,946 | 1,050,946 | 1,050,946 | 1,050,946 |
| Smart Start/Smart Step | 5900046 | 7,181,815 | 7,181,815 | 7,181,815 | 7,181,815 | 10,302,500 | 9,681,815 | 7,181,815 | 10,302,500 | 9,681,815 |
| Spec Educ Services | 5900046 | 4,110,801 | 4,145,285 | 4,145,285 | 4,145,285 | 4,145,285 | 4,145,285 | 4,145,285 | 4,145,285 | 4,145,285 |
| Special Ed-Catastrophic | 5900046 | 8,799,825 | 8,800,000 | 8,800,000 | 8,800,000 | 11,000,000 | 10,000,000 | 8,800,000 | 11,000,000 | 10,000,000 |
| Special Needs Isolated Funding | 5900046 | 2,563,166 | 3,000,000 | 7,850,000 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 |
| State Foundation Funding | 5900046 | 1,773,162,068 | 1,819,336,000 | 1,832,075,234 | 1,819,336,000 | 1,889,899,466 | 1,887,284,307 | 1,819,336,000 | 1,950,272,846 | 1,942,101,786 |
| Student Growth | 5900046 | 54,385,020 | 50,000,000 | 43,610,400 | 50,000,000 | 50,000,000 | 50,000,000 | 50,000,000 | 50,000,000 | 50,000,000 |
| Supplemental Millage | 5900046 | 9,975,739 | 10,000,000 | 10,000,000 | 10,000,000 | 10,000,000 | 10,000,000 | 10,000,000 | 10,000,000 | 10,000,000 |
| Surplus Commodities | 5900046 | 157,500 | 630,000 | 630,000 | 630,000 | 730,000 | 630,000 | 630,000 | 730,000 | 630,000 |

| Commitment Item | | 2005-2006 | 2006-2007 | 2006-2007 | 2007-2008 | | | 2008-2009 | | |
|----------------------|---------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | | Actual | Budget | Authorized | Base Level | Agency | Executive | Base Level | Agency | Executive |
| Teacher Licen/Mentor | 5900046 | 6,963,318 | 7,508,758 | 7,508,758 | 7,508,758 | 7,908,758 | 7,508,758 | 7,508,758 | 8,308,758 | 7,508,758 |
| Teacher of the Year | 5900046 | 0 | 125,000 | 125,000 | 125,000 | 125,000 | 125,000 | 125,000 | 125,000 | 125,000 |
| Teacher Recruitment | 5900046 | 1,276,821 | 1,600,000 | 2,100,000 | 1,600,000 | 1,600,000 | 1,600,000 | 1,600,000 | 1,600,000 | 1,600,000 |
| Teacher Ret Match | 5900046 | 4,938,204 | 5,122,080 | 5,122,080 | 5,122,080 | 6,050,000 | 6,050,000 | 5,122,080 | 6,655,000 | 6,655,000 |
| Tech Improvements | 5900046 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| Worker's Comp | 5900046 | 0 | 450,000 | 450,000 | 450,000 | 450,000 | 450,000 | 450,000 | 450,000 | 450,000 |
| Youth Shelters | 5900046 | 165,000 | 165,000 | 165,000 | 165,000 | 165,000 | 165,000 | 165,000 | 165,000 | 165,000 |
| Total | | 2,337,790,714 | 2,441,978,857 | 2,497,439,610 | 2,442,078,857 | 2,597,738,373 | 2,586,785,529 | 2,441,978,857 | 2,673,937,802 | 2,654,451,057 |

| Funding Sources | | | | | | | | | | |
|---------------------------------------|---------|----------------------|----------------------|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Fund Balance | 4000005 | 28,020,630 | 10,525,696 | | 10,525,696 | 10,525,696 | 10,525,696 | 3,625,696 | 10,525,696 | 10,525,696 |
| Court Ordered Desegregation | 4000180 | 59,513,310 | 60,388,078 | | 60,388,078 | 65,955,923 | 65,955,923 | 60,388,078 | 69,814,372 | 69,814,372 |
| DOE Public School Fund | 4000195 | 1,644,464,892 | 1,676,147,861 | | 1,732,372,861 | 1,864,364,532 | 1,844,511,688 | 1,732,272,861 | 1,936,705,512 | 1,908,318,767 |
| Educational Adequacy Fund | 4000210 | 432,808,569 | 458,839,987 | | 458,839,987 | 458,839,987 | 458,839,987 | 458,839,987 | 458,839,987 | 458,839,987 |
| Educational Excellence Fund | 4000220 | 178,219,241 | 187,912,931 | | 187,912,931 | 187,912,931 | 187,912,931 | 187,912,931 | 187,912,931 | 187,912,931 |
| Excise Tax on Beer | 4000230 | 6,074,364 | 6,900,000 | | 0 | 0 | 6,900,000 | 0 | 0 | 6,900,000 |
| TANF Transfer | 4000478 | 7,500,000 | 7,500,000 | | 7,500,000 | 7,500,000 | 7,500,000 | 7,500,000 | 7,500,000 | 7,500,000 |
| Trnfr frm DOE Pub School Fund | 4000525 | (17,740,656) | (11,880,000) | | (11,880,000) | (11,880,000) | (11,880,000) | (11,880,000) | (11,880,000) | (11,880,000) |
| Transfer from General Imprv | 4000540 | 12,756,199 | 56,125,000 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Trnfr to DOE Public School Func | 4000625 | 2,437,409 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfer to General Education | 4000630 | 0 | (865,000) | | (865,000) | (865,000) | (865,000) | (865,000) | (865,000) | (865,000) |
| Transfer to Gen Improvement | 4000632 | (6,647,548) | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Transit Tax | 4000700 | 910,000 | 910,000 | | 910,000 | 910,000 | 910,000 | 910,000 | 910,000 | 910,000 |
| Unfunded Appropriation | 4000715 | 0 | 0 | | 0 | 25,000,000 | 27,000,000 | 0 | 25,000,000 | 27,000,000 |
| Total Funding | | 2,348,316,410 | 2,452,504,553 | | 2,445,704,553 | 2,608,264,069 | 2,597,311,225 | 2,438,704,553 | 2,684,463,498 | 2,664,976,753 |
| Excess Appropriation/(Funding) | | (10,525,696) | (10,525,696) | | (3,625,696) | (10,525,696) | (10,525,696) | 3,274,304 | (10,525,696) | (10,525,696) |
| Grand Total | | 2,337,790,714 | 2,441,978,857 | | 2,442,078,857 | 2,597,738,373 | 2,586,785,529 | 2,441,978,857 | 2,673,937,802 | 2,654,451,057 |

Content and Curriculum is a biennial appropriation. Special language provides carry forward of appropriation.

Actual and Budget exceeds Authorized in Student Growth due to special language which provides Appropriation Transfer Authority.

Budget exceeds Authorized in National School Lunch, Professional Development, Consolidation Incentive, National Board of Professional Teaching Standards and APSCN due to special language which provides Appropriation Transfer authority.

***Capital Equipment Grants and Safety Training have not been requested for the Biennium.

Change Level by Appropriation

Appropriation: 652-Better Chance Prgm
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

| Change Level | | 2007-2008 | Pos | Cumulative | % of BL | 2008-2009 | Pos | Cumulative | % of BL |
|--------------|-------------------|-------------------|----------|-------------------|--------------|-------------------|----------|-------------------|--------------|
| BL | Base Level | 71,166,500 | 0 | 71,166,500 | 100.0 | 71,166,500 | 0 | 71,166,500 | 100.0 |
| C01 | Existing Program | 28,833,500 | 0 | 100,000,000 | 140.5 | 28,833,500 | 0 | 100,000,000 | 140.5 |

Executive Recommendation

| Change Level | | 2007-2008 | Pos | Cumulative | % of BL | 2008-2009 | Pos | Cumulative | % of BL |
|--------------|-------------------|-------------------|----------|-------------------|--------------|-------------------|----------|-------------------|--------------|
| BL | Base Level | 71,166,500 | 0 | 71,166,500 | 100.0 | 71,166,500 | 0 | 71,166,500 | 100.0 |
| C01 | Existing Program | 28,833,500 | 0 | 100,000,000 | 140.5 | 28,833,500 | 0 | 100,000,000 | 140.5 |

Justification

C01 To raise the overall Better Chance program to \$100 million as discussed in previous legislative sessions.

Change Level by Appropriation

Appropriation:

2KW-Secondary Vocational Area Cntrs

Funding Sources:

JAA - Department of Education Public School Fund

Agency Request

| Change Level | | 2007-2008 | Pos | Cumulative | % of BL | 2008-2009 | Pos | Cumulative | % of BL |
|--------------|------------------|-----------|-----|------------|---------|-----------|-----|------------|---------|
| BL | Base Level | 8,800,000 | 0 | 8,800,000 | 100.0 | 8,800,000 | 0 | 8,800,000 | 100.0 |
| C01 | Existing Program | 404,000 | 0 | 9,204,000 | 104.5 | 1,470,000 | 0 | 10,270,000 | 116.7 |

Executive Recommendation

| Change Level | | 2007-2008 | Pos | Cumulative | % of BL | 2008-2009 | Pos | Cumulative | % of BL |
|--------------|------------------|-----------|-----|------------|---------|-----------|-----|------------|---------|
| BL | Base Level | 8,800,000 | 0 | 8,800,000 | 100.0 | 8,800,000 | 0 | 8,800,000 | 100.0 |
| C01 | Existing Program | 0 | 0 | 8,800,000 | 100.0 | 0 | 0 | 8,800,000 | 100.0 |

Justification

| | |
|-----|---|
| C01 | This request is based on an estimate by the Department of Workforce Education of the FTE's participating in the Secondary Area Vocational Centers. The estimate for FY08 represents a 5% increase in existing programs over the previous year. The estimate for FY09 represents a 7% increase in existing programs and the addition of 2 new area centers in FY08 . |
|-----|---|

Change Level by Appropriation

Appropriation: 119-Tech Grants

Funding Sources: JAA - Department of Education Public School Fund

Agency Request

| Change Level | | 2007-2008 | Pos | Cumulative | % of BL | 2008-2009 | Pos | Cumulative | % of BL |
|--------------|-------------------|------------------|----------|------------------|--------------|------------------|----------|------------------|--------------|
| BL | Base Level | 1,602,678 | 0 | 1,602,678 | 100.0 | 1,602,678 | 0 | 1,602,678 | 100.0 |
| C08 | Technology | 2,000,000 | 0 | 3,602,678 | 224.7 | 2,000,000 | 0 | 3,602,678 | 224.7 |

Executive Recommendation

| Change Level | | 2007-2008 | Pos | Cumulative | % of BL | 2008-2009 | Pos | Cumulative | % of BL |
|--------------|-------------------|------------------|----------|------------------|--------------|------------------|----------|------------------|--------------|
| BL | Base Level | 1,602,678 | 0 | 1,602,678 | 100.0 | 1,602,678 | 0 | 1,602,678 | 100.0 |
| C08 | Technology | 2,000,000 | 0 | 3,602,678 | 224.7 | 2,000,000 | 0 | 3,602,678 | 224.7 |

Justification

| | |
|-----|--|
| C08 | The funding for the technology grants has remained constant for the last several years but the number of schools that have implemented the Environmental and Spatial Technologies (EAST) program has grown from approximately 20 to well over 100. Funds to maintain and expand the program are insufficient and services will have to be drastically reduced without increased funding. |
|-----|--|

Change Level by Appropriation

Appropriation:

440-Adv Place Incentive

Funding Sources:

JAA - Department of Education Public School Fund

Agency Request

| Change Level | | 2007-2008 | Pos | Cumulative | % of BL | 2008-2009 | Pos | Cumulative | % of BL |
|--------------|-------------------|----------------|----------|----------------|--------------|----------------|----------|----------------|--------------|
| BL | Base Level | 675,000 | 0 | 675,000 | 100.0 | 675,000 | 0 | 675,000 | 100.0 |
| C01 | Existing Program | 150,000 | 0 | 825,000 | 122.2 | 150,000 | 0 | 825,000 | 122.2 |

Executive Recommendation

| Change Level | | 2007-2008 | Pos | Cumulative | % of BL | 2008-2009 | Pos | Cumulative | % of BL |
|--------------|-------------------|----------------|----------|----------------|--------------|----------------|----------|----------------|--------------|
| BL | Base Level | 675,000 | 0 | 675,000 | 100.0 | 675,000 | 0 | 675,000 | 100.0 |
| C01 | Existing Program | 150,000 | 0 | 825,000 | 122.2 | 150,000 | 0 | 825,000 | 122.2 |

Justification

| | |
|-----|--|
| C01 | Due to the large number of teachers requiring training for Advanced Placement courses due to Act 2152 of 2005 , there was not enough money in this budget to also continue with the equipment and material grants for new AP Courses. Since that time several hundred new AP courses have been organized and there is a great need to offer this grant opportunity once again. This \$150,000 would provide for 150 new AP courses to apply. Since these grants are one time only, the next year a new set of courses could apply. |
|-----|--|

Change Level by Appropriation

Appropriation: 434-Coop Educ Tech Ctrs

Funding Sources: JAA - Department of Education Public School Fund

Agency Request

| Change Level | | 2007-2008 | Pos | Cumulative | % of BL | 2008-2009 | Pos | Cumulative | % of BL |
|--------------|-------------------|----------------|----------|----------------|--------------|----------------|----------|----------------|--------------|
| BL | Base Level | 750,000 | 0 | 750,000 | 100.0 | 750,000 | 0 | 750,000 | 100.0 |
| C08 | Technology | 450,000 | 0 | 1,200,000 | 160.0 | 450,000 | 0 | 1,200,000 | 160.0 |

Executive Recommendation

| Change Level | | 2007-2008 | Pos | Cumulative | % of BL | 2008-2009 | Pos | Cumulative | % of BL |
|--------------|-------------------|----------------|----------|----------------|--------------|----------------|----------|----------------|--------------|
| BL | Base Level | 750,000 | 0 | 750,000 | 100.0 | 750,000 | 0 | 750,000 | 100.0 |
| C08 | Technology | 0 | 0 | 750,000 | 100.0 | 0 | 0 | 750,000 | 100.0 |

Justification

C08 The need for technology technical assistance has increased significantly in the last few years. Additional funds are needed to meet the needs of the school districts and coordinate school district technology initiatives with Arkansas Department of Education efforts and pay for increased salaries and expenses of technology coordinators.

Change Level by Appropriation

Appropriation: 460-Court Ordered Deseg

Funding Sources: JAA - Department of Education Public School Fund

Agency Request

| Change Level | | 2007-2008 | Pos | Cumulative | % of BL | 2008-2009 | Pos | Cumulative | % of BL |
|--------------|-------------------|-------------------|----------|-------------------|--------------|-------------------|----------|-------------------|--------------|
| BL | Base Level | 60,388,078 | 0 | 60,388,078 | 100.0 | 60,388,078 | 0 | 60,388,078 | 100.0 |
| C01 | Existing Program | 5,567,845 | 0 | 65,955,923 | 109.2 | 9,426,294 | 0 | 69,814,372 | 115.6 |

Executive Recommendation

| Change Level | | 2007-2008 | Pos | Cumulative | % of BL | 2008-2009 | Pos | Cumulative | % of BL |
|--------------|-------------------|-------------------|----------|-------------------|--------------|-------------------|----------|-------------------|--------------|
| BL | Base Level | 60,388,078 | 0 | 60,388,078 | 100.0 | 60,388,078 | 0 | 60,388,078 | 100.0 |
| C01 | Existing Program | 5,567,845 | 0 | 65,955,923 | 109.2 | 9,426,294 | 0 | 69,814,372 | 115.6 |

Justification

C01 | The requested increase for Court Ordered Desegregation is based on a 6% across-the-board increase in all programs.

Change Level by Appropriation

Appropriation: 380-Dept of Correction

Funding Sources: JAA - Department of Education Public School Fund

Agency Request

| Change Level | | 2007-2008 | Pos | Cumulative | % of BL | 2008-2009 | Pos | Cumulative | % of BL |
|--------------|------------------|-----------|-----|------------|---------|-----------|-----|------------|---------|
| BL | Base Level | 4,547,675 | 0 | 4,547,675 | 100.0 | 4,547,675 | 0 | 4,547,675 | 100.0 |
| C01 | Existing Program | 480,000 | 0 | 5,027,675 | 110.5 | 600,000 | 0 | 5,147,675 | 113.1 |

Executive Recommendation

| Change Level | | 2007-2008 | Pos | Cumulative | % of BL | 2008-2009 | Pos | Cumulative | % of BL |
|--------------|------------------|-----------|-----|------------|---------|-----------|-----|------------|---------|
| BL | Base Level | 4,547,675 | 0 | 4,547,675 | 100.0 | 4,547,675 | 0 | 4,547,675 | 100.0 |
| C01 | Existing Program | 480,000 | 0 | 5,027,675 | 110.5 | 600,000 | 0 | 5,147,675 | 113.1 |

Justification

C01 Increased funding is needed for additional programs at Osceola, Fort Smith, Fayetteville, Texarkana, Pine Bluff, Malvern, Wrightsville, Newport and Little Rock. Act 496 of 2005 (ACA 12-29-301) reorganized the Department of Correction School District into the Corrections School System (CSS). With the reorganization the CSS is to take a more active role in providing educational services to the Department of Community Correction.

Change Level by Appropriation

Appropriation: 698-Distance Learning

Funding Sources: JAA - Department of Education Public School Fund

Agency Request

| Change Level | | 2007-2008 | Pos | Cumulative | % of BL | 2008-2009 | Pos | Cumulative | % of BL |
|--------------|-------------------|-----------|-----|------------|---------|-----------|-----|------------|---------|
| BL | Base Level | 3,500,000 | 0 | 3,500,000 | 100.0 | 3,500,000 | 0 | 3,500,000 | 100.0 |
| C08 | Technology | 3,000,000 | 0 | 6,500,000 | 185.7 | 3,000,000 | 0 | 6,500,000 | 185.7 |

Executive Recommendation

| Change Level | | 2007-2008 | Pos | Cumulative | % of BL | 2008-2009 | Pos | Cumulative | % of BL |
|--------------|-------------------|-----------|-----|------------|---------|-----------|-----|------------|---------|
| BL | Base Level | 3,500,000 | 0 | 3,500,000 | 100.0 | 3,500,000 | 0 | 3,500,000 | 100.0 |
| C08 | Technology | 0 | 0 | 3,500,000 | 100.0 | 0 | 0 | 3,500,000 | 100.0 |

Justification

C08 This increase is necessary to meet the growing needs of schools and students for distance learning services. Enrollment requests for distance learning has more than doubled since the 2004-2005 school year. The distance learning program can be a significant factor in providing efficient and adequate education opportunities to students in Arkansas.

Change Level by Appropriation

Appropriation: 697-Early Childhood Spec

Funding Sources: JAA - Department of Education Public School Fund

Agency Request

| Change Level | | 2007-2008 | Pos | Cumulative | % of BL | 2008-2009 | Pos | Cumulative | % of BL |
|--------------|-------------------|-------------------|----------|-------------------|--------------|-------------------|----------|-------------------|--------------|
| BL | Base Level | 10,000,000 | 0 | 10,000,000 | 100.0 | 10,000,000 | 0 | 10,000,000 | 100.0 |
| C01 | Existing Program | 1,500,000 | 0 | 11,500,000 | 115.0 | 2,650,000 | 0 | 12,650,000 | 126.5 |

Executive Recommendation

| Change Level | | 2007-2008 | Pos | Cumulative | % of BL | 2008-2009 | Pos | Cumulative | % of BL |
|--------------|-------------------|-------------------|----------|-------------------|--------------|-------------------|----------|-------------------|--------------|
| BL | Base Level | 10,000,000 | 0 | 10,000,000 | 100.0 | 10,000,000 | 0 | 10,000,000 | 100.0 |
| C01 | Existing Program | 0 | 0 | 10,000,000 | 100.0 | 0 | 0 | 10,000,000 | 100.0 |

Justification

| | | | | | | | | | |
|-----|---|--|--|--|--|--|--|--|--|
| C01 | Increases requested are related to continuing funding that was transferred to this program from the Better Chance Program in FY06 and FY07, general program and costs growth. | | | | | | | | |
|-----|---|--|--|--|--|--|--|--|--|

Change Level by Appropriation

Appropriation: 082-English Language Learners

Funding Sources: JAA - Department of Education Public School Fund

Agency Request

| Change Level | | 2007-2008 | Pos | Cumulative | % of BL | 2008-2009 | Pos | Cumulative | % of BL |
|--------------|-------------------|------------------|----------|------------------|--------------|------------------|----------|------------------|--------------|
| BL | Base Level | 4,745,000 | 0 | 4,745,000 | 100.0 | 4,745,000 | 0 | 4,745,000 | 100.0 |
| C01 | Existing Program | 2,313,100 | 0 | 7,058,100 | 148.7 | 2,841,200 | 0 | 7,586,200 | 159.8 |

Executive Recommendation

| Change Level | | 2007-2008 | Pos | Cumulative | % of BL | 2008-2009 | Pos | Cumulative | % of BL |
|--------------|-------------------|------------------|----------|------------------|--------------|------------------|----------|------------------|--------------|
| BL | Base Level | 4,745,000 | 0 | 4,745,000 | 100.0 | 4,745,000 | 0 | 4,745,000 | 100.0 |
| C01 | Existing Program | 2,313,100 | 0 | 7,058,100 | 148.7 | 2,841,200 | 0 | 7,586,200 | 159.8 |

Justification

| | |
|-----|---|
| C01 | <p>The request for ELL assumes a growth of 700 students in FY08 and another 1,700 in FY09. This request also includes \$50,000 in FY08 and \$80,000 in FY09 for additional support for Summer training academies. Additionally, the Senate and House Interim Committees on Education recommended a 50% increase in the funding. The current \$195 will be increased by \$98 to \$293. The additional \$98 will be times the number of projected students in each fiscal year. FY08 21,700 X \$98 = \$2,126,600 FY09 23,400 X \$98 = \$2,293,200</p> |
|-----|---|

Change Level by Appropriation

Appropriation: 457-Gifted & Talented

Funding Sources: JAA - Department of Education Public School Fund

Agency Request

| Change Level | | 2007-2008 | Pos | Cumulative | % of BL | 2008-2009 | Pos | Cumulative | % of BL |
|--------------|-------------------|------------------|----------|------------------|--------------|------------------|----------|------------------|--------------|
| BL | Base Level | 1,292,896 | 0 | 1,292,896 | 100.0 | 1,292,896 | 0 | 1,292,896 | 100.0 |
| C01 | Existing Program | 650,000 | 0 | 1,942,896 | 150.2 | 650,000 | 0 | 1,942,896 | 150.2 |

Executive Recommendation

| Change Level | | 2007-2008 | Pos | Cumulative | % of BL | 2008-2009 | Pos | Cumulative | % of BL |
|--------------|-------------------|------------------|----------|------------------|--------------|------------------|----------|------------------|--------------|
| BL | Base Level | 1,292,896 | 0 | 1,292,896 | 100.0 | 1,292,896 | 0 | 1,292,896 | 100.0 |
| C01 | Existing Program | 130,000 | 0 | 1,422,896 | 110.0 | 130,000 | 0 | 1,422,896 | 110.0 |

Justification

C01 1-This request would partially restore the Academic Enrichment for Gifted in Summer (AEGIS) programs which was eliminated in the Spring of 2001 due to budget cuts. These programs provided 900-1200 Arkansas students in grades 7-12 challenging, rigorous summer programs for the eighteen years funding was available. This request for \$500,000 would allow us to reinstate these programs on a smaller scale. Arkansas was well known in surrounding states for these stimulating, challenging programs. 2-The state GT Supervisors' positions at the cooperatives assists the ADE Office of Gifted and Talented in every aspect of gifted education. They are invaluable to the ADE in working with districts, parents, community members, etc. We are at an all time low for numbers of full-time supervisors because of the small amount of salary reimbursement we are able to give coops for these positions. Currently we only send \$40,000 per supervisor. Most 9 1/4 month teaching positions pay more than this and this is a 12-month position. This additional \$150,000 would allow for an increase to \$50,000 per supervisor.

Change Level by Appropriation

Appropriation: 150-Home Sch Test

Funding Sources: JAA - Department of Education Public School Fund

Agency Request

| Change Level | | 2007-2008 | Pos | Cumulative | % of BL | 2008-2009 | Pos | Cumulative | % of BL |
|--------------|-------------------|----------------|----------|----------------|--------------|----------------|----------|----------------|--------------|
| BL | Base Level | 150,000 | 0 | 150,000 | 100.0 | 150,000 | 0 | 150,000 | 100.0 |
| C01 | Existing Program | 100,000 | 0 | 250,000 | 166.6 | 100,000 | 0 | 250,000 | 166.6 |

Executive Recommendation

| Change Level | | 2007-2008 | Pos | Cumulative | % of BL | 2008-2009 | Pos | Cumulative | % of BL |
|--------------|-------------------|----------------|----------|----------------|--------------|----------------|----------|----------------|--------------|
| BL | Base Level | 150,000 | 0 | 150,000 | 100.0 | 150,000 | 0 | 150,000 | 100.0 |
| C01 | Existing Program | 100,000 | 0 | 250,000 | 166.6 | 100,000 | 0 | 250,000 | 166.6 |

Justification

| | |
|-----|---|
| C01 | To continue the revised FY07 operating level for this program into the 2007-2009 biennium |
|-----|---|

Change Level by Appropriation

Appropriation:

2ZM-Master Principal Bonus

Funding Sources:

JAA - Department of Education Public School Fund

Agency Request

| Change Level | | 2007-2008 | Pos | Cumulative | % of BL | 2008-2009 | Pos | Cumulative | % of BL |
|--------------|------------------|-----------|-----|------------|---------|-----------|-----|------------|---------|
| C01 | Existing Program | 200,000 | 0 | 200,000 | 100.0 | 200,000 | 0 | 200,000 | 100.0 |

Executive Recommendation

| Change Level | | 2007-2008 | Pos | Cumulative | % of BL | 2008-2009 | Pos | Cumulative | % of BL |
|--------------|------------------|-----------|-----|------------|---------|-----------|-----|------------|---------|
| C01 | Existing Program | 200,000 | 0 | 200,000 | 100.0 | 200,000 | 0 | 200,000 | 100.0 |

Justification

| | |
|-----|--|
| C01 | Act 44 of the Second Extraordinary Session of the 84th General Assembly 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. Our estimate for the cost for each year of the 2007-2009 biennium is \$200,000 for all bonuses. |
|-----|--|

Change Level by Appropriation

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

Agency Request

| Change Level | | 2007-2008 | Pos | Cumulative | % of BL | 2008-2009 | Pos | Cumulative | % of BL |
|--------------|-------------------|--------------------|----------|--------------------|--------------|--------------------|----------|--------------------|--------------|
| BL | Base Level | 152,700,000 | 0 | 152,700,000 | 100.0 | 152,700,000 | 0 | 152,700,000 | 100.0 |
| C01 | Existing Program | 6,050,000 | 0 | 158,750,000 | 103.9 | 13,000,000 | 0 | 165,700,000 | 108.5 |

Executive Recommendation

| Change Level | | 2007-2008 | Pos | Cumulative | % of BL | 2008-2009 | Pos | Cumulative | % of BL |
|--------------|-------------------|--------------------|----------|--------------------|--------------|--------------------|----------|--------------------|--------------|
| BL | Base Level | 152,700,000 | 0 | 152,700,000 | 100.0 | 152,700,000 | 0 | 152,700,000 | 100.0 |
| C01 | Existing Program | 6,050,000 | 0 | 158,750,000 | 103.9 | 13,000,000 | 0 | 165,700,000 | 108.5 |

Justification

| | |
|-----|--|
| C01 | The Senate and House Interim Committees on Education recommended an increase of 3.28% in FY08 and 3.5% in FY09 over the current \$480 base. The base would become \$496 in FY08 and \$513 in FY09. FY08 >70% = \$496 70-90% = \$992 >90% = \$1,984 FY09 >70% = \$513 70-90% = \$1,026 >90% = \$2,052. Using the FY07 data as a base this recommended change will require an additional \$4.5 million in FY08 and \$9.9 million in FY09 for the percentage increase. The department will also need an additional \$1,550,000 in FY08 and \$3,100,000 in FY09 for the projected growth in students. The student growth projection is based on \$500 per student with a growth projection of 3,100 each fiscal year. Final updated student counts for FY08 will not be available until approximately Dec. 15, 2006. |
|-----|--|

Change Level by Appropriation

Appropriation: 438-Natl Bd Prof Teach

Funding Sources: JAA - Department of Education Public School Fund

Agency Request

| Change Level | | 2007-2008 | Pos | Cumulative | % of BL | 2008-2009 | Pos | Cumulative | % of BL |
|--------------|-------------------|------------------|----------|------------------|--------------|------------------|----------|------------------|--------------|
| BL | Base Level | 2,705,500 | 0 | 2,705,500 | 100.0 | 2,705,500 | 0 | 2,705,500 | 100.0 |
| C01 | Existing Program | 1,176,000 | 0 | 3,881,500 | 143.4 | 1,926,000 | 0 | 4,631,500 | 171.1 |

Executive Recommendation

| Change Level | | 2007-2008 | Pos | Cumulative | % of BL | 2008-2009 | Pos | Cumulative | % of BL |
|--------------|-------------------|------------------|----------|------------------|--------------|------------------|----------|------------------|--------------|
| BL | Base Level | 2,705,500 | 0 | 2,705,500 | 100.0 | 2,705,500 | 0 | 2,705,500 | 100.0 |
| C01 | Existing Program | 1,176,000 | 0 | 3,881,500 | 143.4 | 1,926,000 | 0 | 4,631,500 | 171.1 |

Justification

C01 | This requested increase is due to an estimated increase of 150 teacher participants in each year of the 2007-2009 biennium.

Change Level by Appropriation

Appropriation: 2HS-Prof Development Fund

Funding Sources: JAA - Department of Education Public School Fund

Agency Request

| Change Level | | 2007-2008 | Pos | Cumulative | % of BL | 2008-2009 | Pos | Cumulative | % of BL |
|--------------|-------------------|------------|-----|------------|---------|------------|-----|------------|---------|
| BL | Base Level | 22,850,000 | 0 | 22,850,000 | 100.0 | 22,850,000 | 0 | 22,850,000 | 100.0 |
| C01 | Existing Program | 155,000 | 0 | 23,005,000 | 100.6 | 310,000 | 0 | 23,160,000 | 101.3 |

Executive Recommendation

| Change Level | | 2007-2008 | Pos | Cumulative | % of BL | 2008-2009 | Pos | Cumulative | % of BL |
|--------------|-------------------|------------|-----|------------|---------|------------|-----|------------|---------|
| BL | Base Level | 22,850,000 | 0 | 22,850,000 | 100.0 | 22,850,000 | 0 | 22,850,000 | 100.0 |
| C01 | Existing Program | 0 | 0 | 22,850,000 | 100.0 | 0 | 0 | 22,850,000 | 100.0 |

Justification

| | |
|-----|--|
| C01 | The Senate and House Interim Committees on Education recommended no increase in the per ADM funding rate of \$50. However, the funded appropriation needs to be increased because of a projected increase in the ADM of 3,100 each year. |
|-----|--|

Change Level by Appropriation

Appropriation: 446-Pub Sch Emp Ins

Funding Sources: JAA - Department of Education Public School Fund

Agency Request

| Change Level | | 2007-2008 | Pos | Cumulative | % of BL | 2008-2009 | Pos | Cumulative | % of BL |
|--------------|-------------------|-------------------|----------|-------------------|--------------|-------------------|----------|-------------------|--------------|
| BL | Base Level | 36,878,600 | 0 | 36,878,600 | 100.0 | 36,878,600 | 0 | 36,878,600 | 100.0 |
| C01 | Existing Program | 188,000 | 0 | 37,066,600 | 100.5 | 395,000 | 0 | 37,273,600 | 101.0 |

Executive Recommendation

| Change Level | | 2007-2008 | Pos | Cumulative | % of BL | 2008-2009 | Pos | Cumulative | % of BL |
|--------------|-------------------|-------------------|----------|-------------------|--------------|-------------------|----------|-------------------|--------------|
| BL | Base Level | 36,878,600 | 0 | 36,878,600 | 100.0 | 36,878,600 | 0 | 36,878,600 | 100.0 |
| C01 | Existing Program | 0 | 0 | 36,878,600 | 100.0 | 0 | 0 | 36,878,600 | 100.0 |

Justification

| | |
|-----|---|
| C01 | Add 10% increase each year on Base of \$1,878,600. Historic increase. |
|-----|---|

Change Level by Appropriation

Appropriation:

394-Res Ctrs/Juv Detent

Funding Sources:

JAA - Department of Education Public School Fund

Agency Request

| Change Level | | 2007-2008 | Pos | Cumulative | % of BL | 2008-2009 | Pos | Cumulative | % of BL |
|--------------|-------------------|-------------------|----------|-------------------|--------------|-------------------|----------|-------------------|--------------|
| BL | Base Level | 11,384,482 | 0 | 11,384,482 | 100.0 | 11,384,482 | 0 | 11,384,482 | 100.0 |
| C01 | Existing Program | 130,000 | 0 | 11,514,482 | 101.1 | 266,500 | 0 | 11,650,982 | 102.3 |

Executive Recommendation

| Change Level | | 2007-2008 | Pos | Cumulative | % of BL | 2008-2009 | Pos | Cumulative | % of BL |
|--------------|-------------------|-------------------|----------|-------------------|--------------|-------------------|----------|-------------------|--------------|
| BL | Base Level | 11,384,482 | 0 | 11,384,482 | 100.0 | 11,384,482 | 0 | 11,384,482 | 100.0 |
| C01 | Existing Program | 130,000 | 0 | 11,514,482 | 101.1 | 266,500 | 0 | 11,650,982 | 102.3 |

Justification

| | |
|-----|--|
| C01 | Increases requested each year are related to annual adjustments in the foundation aid amounts. The Juvenile Detention funding level is based on the foundation aid amount. |
|-----|--|

Change Level by Appropriation

Appropriation:

2ZH-School Funding Contingency

Funding Sources:

JAA - Department of Education Public School Fund

Agency Request

| Change Level | | 2007-2008 | Pos | Cumulative | % of BL | 2008-2009 | 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 | | 2007-2008 | Pos | Cumulative | % of BL | 2008-2009 | 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 | The Department of Education request unfunded appropriation of \$25,000,000 in each year of the 2007-2009 biennium to continue the School Funding Contingency appropriation which is used to address unforeseen problems that arise during the course of a biennium. This is the same appropriation level that was authorized for the 2005-2007 biennium. |
|-----|--|

Change Level by Appropriation

Appropriation: 057-Smart Start/Smart Step

Funding Sources: JAA - Department of Education Public School Fund

Agency Request

| Change Level | | 2007-2008 | Pos | Cumulative | % of BL | 2008-2009 | Pos | Cumulative | % of BL |
|--------------|-------------------|------------------|----------|------------------|--------------|------------------|----------|------------------|--------------|
| BL | Base Level | 7,181,815 | 0 | 7,181,815 | 100.0 | 7,181,815 | 0 | 7,181,815 | 100.0 |
| C01 | Existing Program | 3,120,685 | 0 | 10,302,500 | 143.4 | 3,120,685 | 0 | 10,302,500 | 143.4 |

Executive Recommendation

| Change Level | | 2007-2008 | Pos | Cumulative | % of BL | 2008-2009 | Pos | Cumulative | % of BL |
|--------------|-------------------|------------------|----------|------------------|--------------|------------------|----------|------------------|--------------|
| BL | Base Level | 7,181,815 | 0 | 7,181,815 | 100.0 | 7,181,815 | 0 | 7,181,815 | 100.0 |
| C01 | Existing Program | 2,500,000 | 0 | 9,681,815 | 134.8 | 2,500,000 | 0 | 9,681,815 | 134.8 |

Justification

- | | |
|-----|--|
| C01 | <p>1) Increase specialist grants to be more in line with school level salaries (we lost specialists each year to districts due to our lower salaries). 2) Funding to support the current science specialists working under DHE (currently working under a federal grant that is ending). Bringing on the state science assessments will require ADE to provide support to schools. 3) Increase the number of individuals participating in state delivered Professional Development.</p> |
|-----|--|

Change Level by Appropriation

Appropriation: 091-Special Ed-Catastrophic

Funding Sources: JAA - Department of Education Public School Fund

Agency Request

| Change Level | | 2007-2008 | Pos | Cumulative | % of BL | 2008-2009 | Pos | Cumulative | % of BL |
|--------------|-------------------|------------------|----------|------------------|--------------|------------------|----------|------------------|--------------|
| BL | Base Level | 8,800,000 | 0 | 8,800,000 | 100.0 | 8,800,000 | 0 | 8,800,000 | 100.0 |
| C01 | Existing Program | 2,200,000 | 0 | 11,000,000 | 125.0 | 2,200,000 | 0 | 11,000,000 | 125.0 |

Executive Recommendation

| Change Level | | 2007-2008 | Pos | Cumulative | % of BL | 2008-2009 | Pos | Cumulative | % of BL |
|--------------|-------------------|------------------|----------|------------------|--------------|------------------|----------|------------------|--------------|
| BL | Base Level | 8,800,000 | 0 | 8,800,000 | 100.0 | 8,800,000 | 0 | 8,800,000 | 100.0 |
| C01 | Existing Program | 1,200,000 | 0 | 10,000,000 | 113.6 | 1,200,000 | 0 | 10,000,000 | 113.6 |

Justification

| | |
|------|---|
| C01* | Increases are related to moving Intermediate Care Facility (ICF) students from Residential programs, general cost increases and overall program growth. |
|------|---|

Change Level by Appropriation

Appropriation: 2HP-State Foundation Funding

Funding Sources: JAA - Department of Education Public School Fund

Agency Request

| Change Level | | 2007-2008 | Pos | Cumulative | % of BL | 2008-2009 | Pos | Cumulative | % of BL |
|--------------|-------------------|----------------------|----------|----------------------|--------------|----------------------|----------|----------------------|--------------|
| BL | Base Level | 1,819,336,000 | 0 | 1,819,336,000 | 100.0 | 1,819,336,000 | 0 | 1,819,336,000 | 100.0 |
| C01 | Existing Program | 70,563,466 | 0 | 1,889,899,466 | 103.8 | 130,936,846 | 0 | 1,950,272,846 | 107.2 |

Executive Recommendation

| Change Level | | 2007-2008 | Pos | Cumulative | % of BL | 2008-2009 | Pos | Cumulative | % of BL |
|--------------|-------------------|----------------------|----------|----------------------|--------------|----------------------|----------|----------------------|--------------|
| BL | Base Level | 1,819,336,000 | 0 | 1,819,336,000 | 100.0 | 1,819,336,000 | 0 | 1,819,336,000 | 100.0 |
| C01 | Existing Program | 67,948,307 | 0 | 1,887,284,307 | 103.7 | 122,765,786 | 0 | 1,942,101,786 | 106.7 |

Justification

C01 Increasing Foundation amounts by 3.5% for both fiscal years to make the Foundation amount \$5,860 for FY08 and \$6,065 for FY09. State foundation funding is computed as the difference between the foundation funding amount times the average daily membership of the previous school year and the sum of 98% of the uniform rate of tax (25 mills) times the property assessment of the school district plus 75% of miscellaneous funds of the school district.

Change Level by Appropriation

Appropriation: 450-Surplus Commodities

Funding Sources: JAA - Department of Education Public School Fund

Agency Request

| Change Level | | 2007-2008 | Pos | Cumulative | % of BL | 2008-2009 | Pos | Cumulative | % of BL |
|--------------|-------------------|----------------|----------|----------------|--------------|----------------|----------|----------------|--------------|
| BL | Base Level | 630,000 | 0 | 630,000 | 100.0 | 630,000 | 0 | 630,000 | 100.0 |
| C01 | Existing Program | 100,000 | 0 | 730,000 | 115.8 | 100,000 | 0 | 730,000 | 115.8 |

Executive Recommendation

| Change Level | | 2007-2008 | Pos | Cumulative | % of BL | 2008-2009 | Pos | Cumulative | % of BL |
|--------------|-------------------|----------------|----------|----------------|--------------|----------------|----------|----------------|--------------|
| BL | Base Level | 630,000 | 0 | 630,000 | 100.0 | 630,000 | 0 | 630,000 | 100.0 |
| C01 | Existing Program | 0 | 0 | 630,000 | 100.0 | 0 | 0 | 630,000 | 100.0 |

Justification

| | |
|-----|--|
| C01 | DHS is trying to bring more food into the warehouse for the schools by accepting bonus products that won't come out of our entitlement money or the schools' but we still incur expense for delivery. The best way to grow is to be able to process bonus products through your program. |
|-----|--|

Change Level by Appropriation

Appropriation: 699-Teacher Licen/Mentor

Funding Sources: JAA - Department of Education Public School Fund

Agency Request

| Change Level | | 2007-2008 | Pos | Cumulative | % of BL | 2008-2009 | Pos | Cumulative | % of BL |
|--------------|-------------------|------------------|----------|------------------|--------------|------------------|----------|------------------|--------------|
| BL | Base Level | 7,508,758 | 0 | 7,508,758 | 100.0 | 7,508,758 | 0 | 7,508,758 | 100.0 |
| C01 | Existing Program | 400,000 | 0 | 7,908,758 | 105.3 | 800,000 | 0 | 8,308,758 | 110.6 |

Executive Recommendation

| Change Level | | 2007-2008 | Pos | Cumulative | % of BL | 2008-2009 | Pos | Cumulative | % of BL |
|--------------|-------------------|------------------|----------|------------------|--------------|------------------|----------|------------------|--------------|
| BL | Base Level | 7,508,758 | 0 | 7,508,758 | 100.0 | 7,508,758 | 0 | 7,508,758 | 100.0 |
| C01 | Existing Program | 0 | 0 | 7,508,758 | 100.0 | 0 | 0 | 7,508,758 | 100.0 |

Justification

| | |
|-----|--|
| C01 | Continued funding of 80 Teach For America (TFA) teachers and mentoring cost growth related to the early childhood education program and inflationary costs of educational materials. |
|-----|--|

Change Level by Appropriation

Appropriation: 437-Teacher Ret Match

Funding Sources: JAA - Department of Education Public School Fund

Agency Request

| Change Level | | 2007-2008 | Pos | Cumulative | % of BL | 2008-2009 | Pos | Cumulative | % of BL |
|--------------|-------------------|------------------|----------|------------------|--------------|------------------|----------|------------------|--------------|
| BL | Base Level | 5,122,080 | 0 | 5,122,080 | 100.0 | 5,122,080 | 0 | 5,122,080 | 100.0 |
| C01 | Existing Program | 927,920 | 0 | 6,050,000 | 118.1 | 1,532,920 | 0 | 6,655,000 | 129.9 |

Executive Recommendation

| Change Level | | 2007-2008 | Pos | Cumulative | % of BL | 2008-2009 | Pos | Cumulative | % of BL |
|--------------|-------------------|------------------|----------|------------------|--------------|------------------|----------|------------------|--------------|
| BL | Base Level | 5,122,080 | 0 | 5,122,080 | 100.0 | 5,122,080 | 0 | 5,122,080 | 100.0 |
| C01 | Existing Program | 927,920 | 0 | 6,050,000 | 118.1 | 1,532,920 | 0 | 6,655,000 | 129.9 |

Justification

| | |
|-----|--|
| C01 | 10% increase each year on FY07 projection of \$5.5. Based on historic increases. |
|-----|--|

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.

A cost of living increase is not incorporated in Base Level pending the outcome of the Classification and Compensation Study. FY07 salary levels have been held flat each year for all incumbents. Personal Services Matching may reflect increases in the Base Level due to the Social Security Tax maximum income limit and certain increases in Worker's Compensation and Unemployment Tax rates. Personal Services Matching also includes a \$30 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$350 per month.

The Base Level for this program is \$2,020,132 for both Fiscal years. The Department is requesting increases of \$2,486,562 for FY08 and \$3,118,000 for FY09. The additional funding will allow participating institutions of higher education the ability to employ Assistant Education Renewal Zone Directors to enhance and expand services to more schools classified as being in school improvement. It will also allow the Department to address requests by colleges and universities for incentives and materials/supplies needed to expand high quality professional development for college and university professors and staff to be aligned with the Arkansas Comprehensive Testing, Assessment and Accountability Program.

The Executive Recommendation provides for Base Level.

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 | 2005-2006 | 2006-2007 | 2006-2007 | 2007-2008 | | | 2008-2009 | | |
|--------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | Actual | Budget | Authorized | Base Level | Agency | Executive | Base Level | Agency | Executive |
| Regular Salaries 5010000 | 106,008 | 236,161 | 236,161 | 236,161 | 236,161 | 236,161 | 236,161 | 236,161 | 236,161 |
| #Positions | 4 | 5 |
| Personal Services Matching 5010003 | 32,929 | 70,471 | 70,471 | 72,271 | 72,271 | 72,271 | 72,271 | 72,271 | 72,271 |
| Operating Expenses 5020002 | 39,520 | 29,700 | 29,700 | 29,700 | 35,700 | 29,700 | 29,700 | 35,700 | 29,700 |
| Conference & Travel Expenses 5050009 | 4,949 | 8,000 | 8,000 | 8,000 | 10,000 | 8,000 | 8,000 | 10,000 | 8,000 |
| Professional Fees 5060010 | 172,675 | 440,000 | 1,440,000 | 440,000 | 550,000 | 440,000 | 440,000 | 550,000 | 440,000 |
| Data Processing 5090012 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Grants and Aid 5100004 | 1,230,460 | 1,234,000 | 234,000 | 1,234,000 | 3,602,562 | 1,234,000 | 1,234,000 | 4,234,000 | 1,234,000 |
| Capital Outlay 5120011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 1,586,541 | 2,018,332 | 2,018,332 | 2,020,132 | 4,506,694 | 2,020,132 | 2,020,132 | 5,138,132 | 2,020,132 |
| Funding Sources | | | | | | | | | |
| DOE Public School Fund 4000195 | 1,586,541 | 2,018,332 | | 2,020,132 | 4,506,694 | 2,020,132 | 2,020,132 | 5,138,132 | 2,020,132 |
| Total Funding | 1,586,541 | 2,018,332 | | 2,020,132 | 4,506,694 | 2,020,132 | 2,020,132 | 5,138,132 | 2,020,132 |
| Excess Appropriation/(Funding) | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | 1,586,541 | 2,018,332 | | 2,020,132 | 4,506,694 | 2,020,132 | 2,020,132 | 5,138,132 | 2,020,132 |

Change Level by Appropriation

Appropriation:

2HY-Education Renewal Zones

Funding Sources:

JAA-Department of Education Public School Fund

Agency Request

| Change Level | | 2007-2008 | Pos | Cumulative | % of BL | 2008-2009 | Pos | Cumulative | % of BL |
|--------------|-------------------|------------------|----------|------------------|--------------|------------------|----------|------------------|--------------|
| BL | Base Level | 2,020,132 | 5 | 2,020,132 | 100.0 | 2,020,132 | 5 | 2,020,132 | 100.0 |
| C01 | Existing Program | 2,486,562 | 0 | 4,506,694 | 223.0 | 3,118,000 | 0 | 5,138,132 | 254.3 |

Executive Recommendation

| Change Level | | 2007-2008 | Pos | Cumulative | % of BL | 2008-2009 | Pos | Cumulative | % of BL |
|--------------|-------------------|------------------|----------|------------------|--------------|------------------|----------|------------------|--------------|
| BL | Base Level | 2,020,132 | 5 | 2,020,132 | 100.0 | 2,020,132 | 5 | 2,020,132 | 100.0 |
| C01 | Existing Program | 0 | 0 | 2,020,132 | 100.0 | 0 | 0 | 2,020,132 | 100.0 |

Justification

C01 Additional funding will allow participating institutions of higher education to employ Assistant ERZ Directors to enhance and expand services to more schools classified as being in school improvement. It will also allow the ADE to address requests by colleges and universities for incentives, materials/supplies, and the need to expand high quality professional development for college and university professors and staff to be aligned with the Arkansas Comprehensive Testing , Assessment and Accountability Program.

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.

A cost of living increase is not incorporated in Base level pending the outcome of the Classification and Compensation Study. The Base Level request of \$14,790,196 for FY08 and FY09 for Regular Salaries does include board member stipend payments. FY07 salary levels have been held flat each year for all incumbents. Personal Services Matching may reflect increases in the Base Level due to the Social Security Tax maximum income limit and certain increases in the Worker's Compensation and Unemployment Tax Rates. Personal Services Matching also includes a \$30 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$350 per month.

The Change Level request is for an additional \$1,524,274 in FY08 and \$1,696,105 in FY09 and consists of the following:

- (1) \$116,490 for both fiscal years is requested for salary and matching for the restoration of the Director of APSCN positions which was created by the authority of Section 24 of Act 2126 of 2005. This position is budgeted in FY2007 and normally would be included in base level, however language in Section 24 requires positions created from this section that are requested to be continued in the next biennium must be requested as new positions.
- (2) Additional appropriation and funding of \$310,800 for FY08 and \$364,400 for FY09 is anticipated additional cost for software maintenance. The Department purchased new software (Coginos) to provide a data warehouse for both financial and student reporting. This new software will require an increase in maintenance.
- (3) \$2,250 each year is also requested for the APSCN Director's out of state travel and meetings.
- (4) \$1,094,734 for FY08 and \$1,212,965 for FY09 is requested for Data Processing. This is a 10.8% increase each year and is based upon an average increase of DIS service agreements over the past three years.

The Executive Recommendation provides for the Agency Request for all line items except the Conference Fees and Travel, which is recommended at Base Level. Additionally, the Executive Recommendation is recommending a reduction in the Data Access Implementation Line item in the amount of \$500,000 for each fiscal year.

In summary, the Executive Recommendation for new general revenue above the Base Level is:

- \$116,490 in both fiscal years for the Regular Salary and Personal Services Matching of the

Director of APSCN operations

- \$310,800 for FY08 and \$364,400 for FY09 for Operating Expenses
- \$1,094,734 in FY08 and \$1,212,965 in FY09 for Data Processing
- A reduction in Data Access Implementation of \$500,000 for each fiscal year.

Appropriation Summary

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

Historical Data

Agency Request and Executive Recommendation

| Commitment Item | | 2005-2006 | 2006-2007 | 2006-2007 | 2007-2008 | | | 2008-2009 | | |
|--------------------------------|---------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | | Actual | Budget | Authorized | Base Level | Agency | Executive | Base Level | Agency | Executive |
| Regular Salaries | 5010000 | 1,641,919 | 1,975,117 | 1,930,963 | 1,881,957 | 1,974,217 | 1,974,217 | 1,881,957 | 1,974,217 | 1,974,217 |
| #Positions | | 42 | 46 | 45 | 45 | 46 | 46 | 45 | 46 | 46 |
| Personal Services Matching | 5010003 | 514,330 | 587,370 | 592,012 | 597,572 | 621,802 | 621,802 | 597,572 | 621,802 | 621,802 |
| Operating Expenses | 5020002 | 1,124,815 | 1,366,995 | 1,366,995 | 1,366,995 | 1,677,795 | 1,677,795 | 1,366,995 | 1,731,395 | 1,731,395 |
| Conference & Travel Expenses | 5050009 | 5,093 | 7,250 | 7,250 | 7,250 | 9,500 | 7,250 | 7,250 | 9,500 | 7,250 |
| Professional Fees | 5060010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Data Processing | 5090012 | 10,136,424 | 10,136,424 | 10,136,424 | 10,136,424 | 11,231,158 | 11,231,158 | 10,136,424 | 11,349,389 | 11,349,389 |
| Capital Outlay | 5120011 | 22,576 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Data Access Implementation | 5900046 | 88,703 | 800,000 | 800,000 | 800,000 | 800,000 | 300,000 | 800,000 | 800,000 | 300,000 |
| Total | | 13,533,860 | 14,873,156 | 14,833,644 | 14,790,198 | 16,314,472 | 15,812,222 | 14,790,198 | 16,486,303 | 15,984,053 |
| Funding Sources | | | | | | | | | | |
| DOE Public School Fund | 4000195 | 13,533,860 | 14,873,156 | | 14,790,198 | 16,314,472 | 15,812,222 | 14,790,198 | 16,486,303 | 15,984,053 |
| Total Funding | | 13,533,860 | 14,873,156 | | 14,790,198 | 16,314,472 | 15,812,222 | 14,790,198 | 16,486,303 | 15,984,053 |
| Excess Appropriation/(Funding) | | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | | 13,533,860 | 14,873,156 | | 14,790,198 | 16,314,472 | 15,812,222 | 14,790,198 | 16,486,303 | 15,984,053 |

The FY07 Budgeted amounts in Regular Salaries and Personal Services Matching may exceed the authorized amounts due to a transfer from the Agency Growth Pool during the 2005-2007 biennium.

Change Level by Appropriation

Appropriation:

688-APSCN

Funding Sources:

JAA-Department of Education Public School Fund

Agency Request

| Change Level | | 2007-2008 | Pos | Cumulative | % of BL | 2008-2009 | Pos | Cumulative | % of BL |
|--------------|-------------------|-------------------|-----------|-------------------|--------------|-------------------|-----------|-------------------|--------------|
| BL | Base Level | 14,790,198 | 45 | 14,790,198 | 100.0 | 14,790,198 | 45 | 14,790,198 | 100.0 |
| C01 | Existing Program | 1,094,734 | 0 | 15,884,932 | 107.4 | 1,212,965 | 0 | 16,003,163 | 108.2 |
| C06 | Restored Position | 116,490 | 1 | 16,001,422 | 108.1 | 116,490 | 1 | 16,119,653 | 108.9 |
| C08 | Technology | 313,050 | 0 | 16,314,472 | 110.3 | 366,650 | 0 | 16,486,303 | 111.4 |

Executive Recommendation

| Change Level | | 2007-2008 | Pos | Cumulative | % of BL | 2008-2009 | Pos | Cumulative | % of BL |
|--------------|-------------------|-------------------|-----------|-------------------|--------------|-------------------|-----------|-------------------|--------------|
| BL | Base Level | 14,790,198 | 45 | 14,790,198 | 100.0 | 14,790,198 | 45 | 14,790,198 | 100.0 |
| C01 | Existing Program | 1,094,734 | 0 | 15,884,932 | 107.4 | 1,212,965 | 0 | 16,003,163 | 108.2 |
| C06 | Restored Position | 116,490 | 1 | 16,001,422 | 108.1 | 116,490 | 1 | 16,119,653 | 108.9 |
| C08 | Technology | 310,800 | 0 | 16,312,222 | 110.2 | 364,400 | 0 | 16,484,053 | 111.4 |
| C19 | Executive Changes | (500,000) | 0 | 15,812,222 | 106.9 | (500,000) | 0 | 15,984,053 | 108.0 |

Justification

| | |
|-----|--|
| C01 | This request provides for a 10.8% increase each year in the Data Processing line item. This request is based on the average percentage increase in DIS service agreements over the past three years. |
| C06 | This request provides for salary and matching for the restoration of the Director of APSCN position which was created by the authority of Section 24 of Act 2126 of 2005. |
| C08 | The increase requested for the APSCN is due primarily to anticipated additional cost for Software Maintenance of \$310,800 in FY08 and \$364,400 in FY09. An increase in Conference Fees and Travel of \$2,250 each year is also requested for the new APSCN Director's out-of-state travel and meetings. The APSCN request also provides for a 10.8% increase each year in the Data Processing line item. This request is based on the average percentage increase in DIS service agreements over the past three years. |
| C19 | The Executive Recommendation recommends a reduction in the Data Access Implementation line item of \$500,000 for each fiscal year. |

Appropriation Summary

Appropriation: 2ZQ Office of Accountability-Operations
Funding Sources: JAA - Department of Education Public School Fund

Historical Data

Agency Request and Executive Recommendation

| Commitment Item | 2005-2006 | 2006-2007 | 2006-2007 | 2007-2008 | | | 2008-2009 | | |
|--------------------------------------|-----------|-----------|----------------|------------|----------|-----------|------------|----------|-----------|
| | Actual | Budget | Authorized | Base Level | Agency | Executive | Base Level | Agency | Executive |
| Regular Salaries 5010000 | 0 | 0 | 205,430 | 0 | 0 | 0 | 0 | 0 | 0 |
| #Positions | 0 | 0 | 5 | 0 | 0 | 0 | 0 | 0 | 0 |
| Personal Services Matching 5010003 | 0 | 0 | 57,520 | 0 | 0 | 0 | 0 | 0 | 0 |
| Operating Expenses 5020002 | 0 | 0 | 23,750 | 0 | 0 | 0 | 0 | 0 | 0 |
| Conference & Travel Expenses 5050009 | 0 | 0 | 2,268 | 0 | 0 | 0 | 0 | 0 | 0 |
| Professional Fees 5060010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Data Processing 5090012 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Outlay 5120011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 288,968 | 0 | 0 | 0 | 0 | 0 | 0 |

This Appropriation is not requested for the 2007-2009 Biennium.