

DEPARTMENT OF CAREER EDUCATION

Enabling Laws

Act 279 of 2014
Act 743 of 2011
Act 1285 of 2013
A.C.A. § 25-30-103 et seq.
A.C.A. § 25-30-201 et seq.
A.C.A. § 6-11-205 and 206

History and Organization

Mission Statement: The Arkansas Department of Career Education (ACE) has the mission of providing leadership and contributing resources to serve the diverse and changing career and educational needs of the youth and adults of Arkansas. Arkansans with disabilities are provided opportunities to work and to lead productive and independent lives through Arkansas Rehabilitation Services.

Agency History: Act 64 of 1981 created the Vocational and Technical Education Division (now the Department of Career Education) as a cabinet-level state agency equal to the Arkansas Department of Education (ADE). Prior to 1981, the Arkansas Department of Education had administered postsecondary and secondary vocational education, as well as adult education. The operation of the state board was changed in 1981 as well. Act 250 of 1981 required that the State Board of Vocational Education (composed of the same members as the State Board of Education) meet on different dates than its meeting dates as the State Board of Education. In 1991, the composition of the State Board of Vocational Education changed again with the passage of Act 773, which added three new board members to represent business and industry, including the service-oriented industries.

Act 803 of 1997 created the Arkansas Department of Workforce Education. The act abolished the Arkansas Vocational Technical Education Division, as well as the Governor's Commission on Adult Literacy and the Advisory Council for Vocational-Technical Education, transferring them to the newly created Arkansas Department of Workforce Education (DWE). Act 803 also abolished the State Board of Vocational Education, transferring it to the State Board of Workforce Education and Career Opportunities, which was created by the act.

Act 787 of 2009 renamed the Arkansas Department of Workforce Education as the Arkansas Department of Career Education and the State Board of Workforce Education and Career Opportunities as the State Board of Career Education.

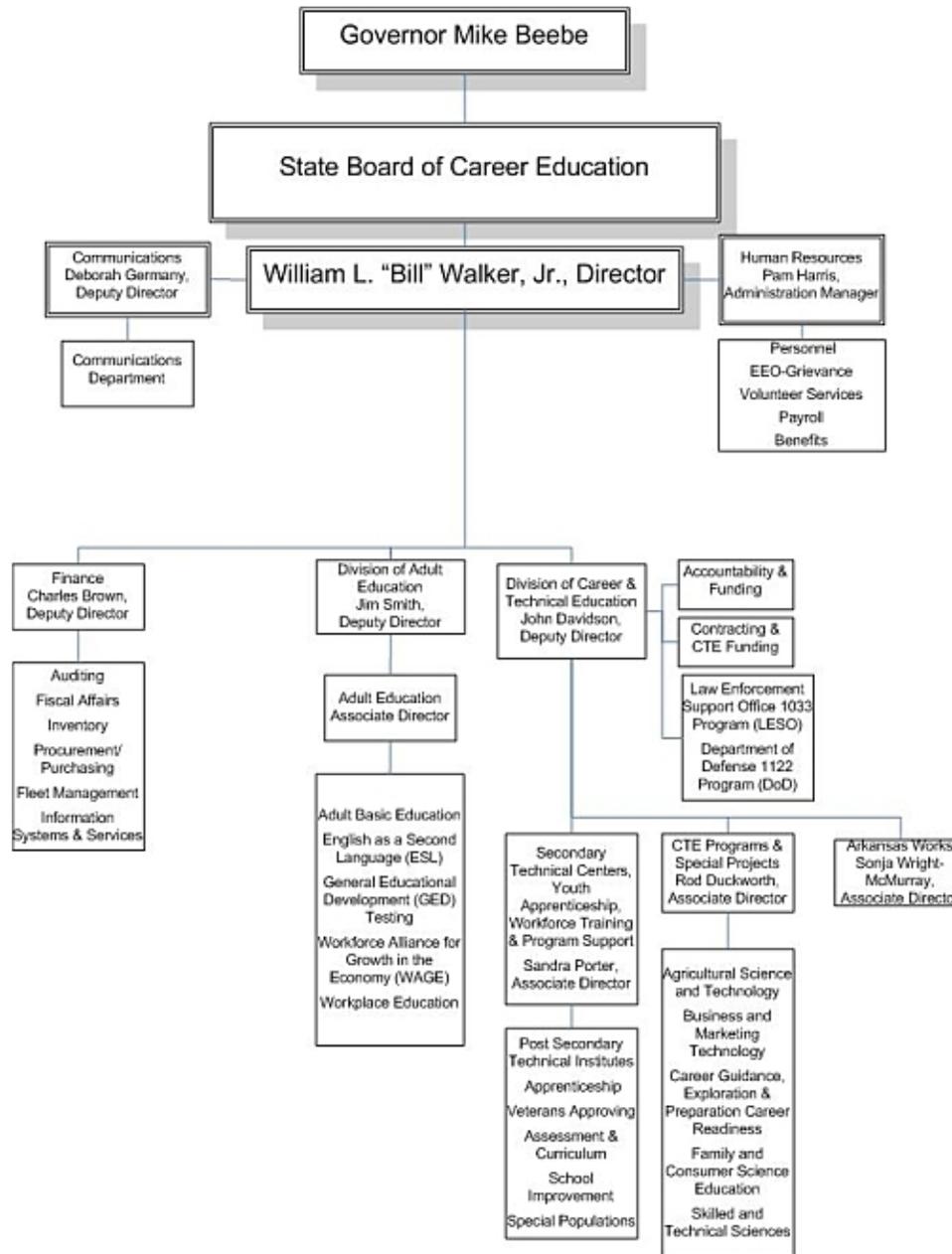
From 1971 until 1993, Arkansas Rehabilitation Services (ARS), known then as the Division of Rehabilitation Services, was administered by the

Department of Social and Rehabilitative Services (now the Department of Human Services). Act 574 of 1993 changed the name of the division to Arkansas Rehabilitation Services and transferred ARS back to the Department of Education, where it was placed under the oversight of the State Board of Vocational Education as a division of the Vocational and Technical Education Division. With the passage of Act 803, ARS became a division of the Department of Workforce Education, now the Department of Career Education.

ACE is comprised of three divisions as well as administrative support services. The three divisions are Adult Education, Career and Technical Education, and Arkansas Rehabilitation Services. ACE oversees career and technical education programs in the secondary schools, secondary area technical centers, adult and youth apprenticeship programs, Arkansas Rehabilitation Services, and adult education programs. ACE also works with the Veterans Administration to approve state educational programs for veterans' benefits and has oversight authority for the Law Enforcement Support Office 1033 and the Department of Defense 122 Program.

Statutory Responsibility and Primary Activities: The enabling legislation and the powers and duties of the Arkansas Department of Career Education are codified in Arkansas Code Annotated 25-3-103, 25-30-104, 25-30-106, 25-30-107, 25-30-201, 6-11-205, and 6-11-206. These responsibilities include, but are not limited to, the following:

1. Establishment of policies and procedures, criteria, and priorities for use in approving local programs of career and technical education, adult education, and vocational rehabilitation in all areas of the state.
2. Monitoring of local programs of career and technical education, adult education, vocational rehabilitation and provision of technical assistance to assist these programs in meeting federal and state mandates and accountability measures.
3. Performance of all administrative functions in relation to the management, control, and supervision of all programs of career and technical education, adult education, and vocational rehabilitation in Arkansas's public educational institutions, with the exception of technical colleges, community colleges, and colleges and universities.
4. Development of state plans required by state or federal laws and regulations as prerequisites to receiving federal funds for career and technical education, adult education, or vocational rehabilitation.
5. Receipt and distribution of all state and federal funds designated for adult education, federal funds provided by the Carl D. Perkins Career and Technical Education Act of 2006, and Title I formula grant funds provided by the U.S. Department of Education/Rehabilitation Services Administration.
6. Development of programs and services that prepare high school students for postsecondary education and careers through an integrated course of study blending specialized training and real-world work experience with strong academic instruction.
7. Development of programs and services designed to provide persons age 18 and older with less than a high school diploma opportunities to increase their basic academic skills and earn the General Educational Development (GED®) credential (In certain cases, 16- and 17-year-olds who have dropped out of the public schools can be served in adult education programs.)
8. Development of programs and services designed to provide increased employment of individuals with disabilities through the provision of individualized training, independent living services, educational and support services, and meaningful opportunities for employment in integrated work settings.



Agency Commentary

Proposed Budget Requests

ACA 6-5-10 outlines guidelines to develop, implement and sustain model CTE programs of study. In order to successfully support the efforts of our teachers, counselors and administrators to create a college and career ready environment in their schools, additional funding and appropriation will be needed to expand and enhance existing programs and resources. The funding request increases are as follows:

New Start-Up Equipment, Fund Center 200: During the last Request For Proposal process, the Career and Technical Education division received requests to fund new programs of study in the amount of \$6.5 million. Due to lack of funding and appropriation, only \$2.3 million of the requests were approved. To meet the needs of school districts' requests for funding to develop and implement programs of study within their districts, an increase of funding and appropriation in the amount of \$4.7 million will be required.

Secondary Career Centers, Fund Center 201: Secondary Career Centers serve as a great resource to allow students to enroll in high-cost programs unable to be offered at their schools and receive college credit. Unfortunately, every student in the state does not have access to this opportunity. Increased funding is needed to fund the additions of new Secondary Career Centers, expanded course offerings, and anticipated growth in enrollment. In FY16 funding and appropriations will increase to \$27,289,500. In FY17 funding and appropriations will increase to \$29,163,800.

On-Line Internet Based College and Career Planning System, Fund Center M96: To provide students with an opportunity for career exploration through career interests and aptitude evaluations, funding is needed to support an on-line career assessment tool. A request of \$500,000 in funding and appropriation is requested to support the continuation and maintenance of on-line college and career planning system.

College and Career Coaches: ACA 6-1-601 was designed to allow all students, grades 8-12, access to a College and Career Coach. The College and Career Coach Initiative has shown great results by meeting and exceeding all established Performance Measures goals. Currently the program is supported by temporary funding due to expire June 30, 2015. To continue and expand the program statewide, the Arkansas Works Initiative will need \$17,516,150. This funding request includes Career Coaches, Enrichment programs (such as ACT Academies and Career Cluster Campus) and Administrative Staff.

Additional Positions for the division of Career and Technical Education:

Arkansas Works, Fund Center M77: As per ACA 6-1-603, the Arkansas Department of Career Education will be responsible for

administering the College and Career Coach program. It also states that the administrative staff will consist of a Division Manager, two Program Managers and an Administrative Analyst. Currently, the administrative staff for Arkansas Works only consists of a Division Manager and Administrative Analyst. To be considered fully staffed and increase capacity for administration and monitoring of the Arkansas Works College and Career Coach Initiative, two positions (grade 123) with funding and appropriation are requested.

Career and Technical Student Organization (CTSO), Fund Center 641: Career and Technical Student Organizations are an integral component of CTE programs of study. Involvement allows students an opportunity to learn more about careers, develop leadership and workplace skills. State-wide meetings and events attached to these organizations require extensive time to oversee and coordinate for students and their advisors. Currently, these responsibilities are being assigned to CTE program supervisors and managers to be complete in addition to their other job duties. Essentially, staff is being required to perform two full-time job assignments. In addition, the financial management system in the current structure lacks regulations and accountability, which creates liability issues for our division and agency. For those reasons, four additional positions (one C123, two C122, and one C113) are requested to establish a CTSO administrative support team

FUNDING FOR GED TESTING SERVICES AND EXPENSES, Fund Center F86: As of January 1, 2014, the GED® Testing Service introduced a new test that is computer-based and aligned with the Common Core State Standards. The new computer-based test is more expensive to administer, and the increased costs will have to be passed on to the test-takers unless funding can be provided. We are requesting \$1,881,000 annually in appropriation and funding to cover the costs for test-takers to take the GED® test and official practice test. The cost is broken down as follows:

- 9,000 first-time GED® testers @ \$120 = \$1,080,000
- 3,880 GED® re-testers @ \$120 = \$465,600
- 14,000 GED Ready™ testers @ \$24 = \$336,000 (The GED Ready™ is the official practice test.)
- Total Cost of \$1,881,000.

Full-Time Teachers for Adult Education Centers, Fund Center 453: The Department of Career Education is requesting \$7.03 million in appropriation and funding (annually) to provide four full-time instructors for each of the 38 Adult Education centers on twelve month contracts. Funding these positions will allow the Adult Education programs to provide equal access to quality instruction in each of the 75 counties of the state.

The cost to provide a full-time instructor is approximately \$37,000. The additional cost of fringe benefits for each instructor is approximately 25% of the instructor's salary. Therefore, the total cost for each instructor will be approximately \$46,250. In order to provide 152 instructors state-wide (four instructors for each of the 38 Adult Education programs), an investment of \$7.03 million is needed.

FUNDING FOR THE SMARTER SENTENCING PROGRAM (SSP), Fund Center M98: The Department of Career Education, Adult Education Division, is requesting \$1,700,000 in appropriation and funding with a 6% guaranteed annual capacity increase in appropriation

and funding through the Adult Education Division to serve Arkansas residents through the Smarter Sentencing program. The funds will be used to hire Smarter Sentencing instructors at each of the twenty-eight Judicial Districts across the state of Arkansas. These instructors will serve students by reducing the overall state prison population, thus saving taxpayer funds. This will increase the number of Arkansans served and better their chance of postsecondary and career readiness.

FUNDING FOR ADULT EDUCATION CAREER COACHES, Fund Center M97: The College Career Coach Initiative, which is a component of Arkansas Works, has shown great results by meeting and exceeding all established Performance Measures goals. Adult Education Career Coaches served 1,210 unduplicated students from July 1, 2013 to June 30, 2014. Currently the program is supported by temporary funding for adult education that is due to expire June 30, 2014. To provide all adult education students access to a College and Career Coach, the Adult Education Division is requesting appropriation and funding of \$2,450,000 annually. This amount would fund 40 Career Coaches for Adult Education at a cost for each position of approximately \$60,000.

Amendments to Special Language: The Agency is requesting to delete Secondary Technical center Aid Provisions. The Special Policies and Procedures for Secondary Technical Centers effective December 3, 2013, reflect the funding structure as follows: Technical center aid will be calculated and distributed by Department of Career Education based upon each secondary technical center's eligible student FTE count. The language which necessitated this Special Language has been removed from Policies and Procedures.

The Agency is also requesting a 6% annual capacity increase in appropriation and funding to accommodate the cost of living increases including increase in teacher's salary, teacher's insurance and the cost of rent and utilities. The 6% increase will prevent the termination of teachers who have already been trained in adult education with state funds.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF CAREER EDUCATION
FOR THE YEAR ENDED JUNE 30, 2013

Findings

Recommendations

None

None

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2014

None

Employment Summary

	Male	Female	Total	%
White Employees	19	31	50	62 %
Black Employees	6	21	27	34 %
Other Racial Minorities	1	2	3	4 %
Total Minorities			30	38 %
Total Employees			80	100 %

Cash Fund Balance Description as of June 30, 2014

Fund Account	Balance	Type	Location
1500300	\$323,020	Checking, Money Market	Simmons First National Bank

Statutory/Other Restrictions on use:

A.C.A. 24-7-904 establishes that the Agency has the authority to administer retirement plans and authorizes such functions as may be reasonably appropriate.

Statutory Provisions for Fees, Fines, Penalties:

A.C.A. 24-7-908 authorizes collection of contributions to plans established under the authority of the Agency.

Revenue Receipts Cycle:

Received at irregular intervals throughout the year.

Fund Balance Utilization:

To be used for operations of the Alternate Retirement Plan.

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
None	N/A	N	N	0	N/A	0	0.00

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2013-2014		2014-2015		2014-2015		2015-2016					2016-2017						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
179 High-Tech Scholarship Program	9,750	0	10,000	0	10,000	0	10,000	0	10,000	0	10,000	0	10,000	0	10,000	0	10,000	0
35S Housing Construction Program	0	0	329,613	0	329,613	0	329,613	0	329,613	0	329,613	0	329,613	0	329,613	0	329,613	0
640 Vo Tech Admin-Operations	6,610,901	62	6,618,744	59	6,743,677	59	6,660,073	59	6,781,755	61	6,670,869	59	6,663,841	59	6,785,523	61	6,674,637	59
641 Fed Voc Educ-Operations	13,426,577	16	19,360,899	18	21,436,262	18	19,372,252	18	19,591,984	22	19,591,984	22	19,373,193	18	19,592,925	22	19,592,925	22
644 Adult Basic Education	438,749	7	535,192	7	550,767	7	540,134	7	616,568	8	540,134	7	540,134	7	616,568	8	540,134	7
645 Fed-Adult Basic Education	5,400,907	3	8,291,513	2	8,368,745	2	8,292,042	2	8,332,757	3	8,292,042	2	8,292,042	2	8,332,757	3	8,292,042	2
647 Fed Equipment & Training-Operations	1,112	0	14,800	0	14,800	0	14,800	0	14,800	0	14,800	0	14,800	0	14,800	0	14,800	0
649 Fed-Veteran's Approving Agency	268,585	4	304,440	4	283,490	4	307,159	4	307,159	4	307,159	4	307,159	4	307,159	4	307,159	4
755 Construction Craft	808,410	1	884,759	1	963,741	1	885,485	1	885,485	1	885,485	1	885,485	1	885,485	1	885,485	1
82V LESO Program	20,662	0	55,000	0	15,000	0	15,000	0	75,000	0	75,000	0	15,000	0	75,000	0	75,000	0
96V Career Coaches Grant	144,831	0	122,900	0	60,000	0	60,000	0	20,000	0	20,000	0	60,000	0	0	0	0	0
A88 Alternate Retirement Plan	24,133	0	122,522	0	122,522	0	122,522	0	122,522	0	122,522	0	122,522	0	122,522	0	122,522	0
F48 AR Works - School Districts	507,049	0	1,537,500	0	0	0	0	0	1,537,500	0	1,537,500	0	0	0	1,537,500	0	1,537,500	0
Total	27,661,666	93	38,187,882	91	38,898,617	91	36,609,080	91	38,625,143	99	38,397,108	95	36,613,789	91	38,609,852	99	38,381,817	95

Funding Sources		%		%		%		%		%		%		%		%		%	
Fund Balance	4000005	2,961,402	9.7	2,951,016	7.3			2,096,046	5.3	2,096,046	5.2	2,096,046	5.3	3,293,133	8.0	1,695,633	4.3	1,695,633	4.3
General Revenue	4000010	3,480,593	11.4	3,499,579	8.7			3,530,275	8.9	3,728,391	9.3	3,530,275	8.9	3,534,043	8.6	3,732,159	9.4	3,534,043	9.0
Federal Revenue	4000020	19,143,470	62.5	27,952,412	69.4			27,954,181	70.7	28,214,628	70.6	28,173,913	70.9	27,955,276	68.3	28,215,723	71.0	28,175,008	71.4
Special Revenue	4000030	607,122	2.0	470,000	1.2			615,228	1.6	615,228	1.5	615,228	1.5	763,000	1.9	763,000	1.9	763,000	1.9
Cash Fund	4000045	819,475	2.7	1,710,364	4.2			1,662,500	4.2	1,622,500	4.1	1,622,500	4.1	1,665,500	4.1	1,605,500	4.0	1,605,500	4.1
Educational Excellence Fund	4000220	3,578,807	11.7	3,679,932	9.1			3,679,932	9.3	3,679,932	9.2	3,679,932	9.3	3,679,932	9.0	3,679,932	9.3	3,679,932	9.3
Interest & Forfeitures	4000305	20,199	0.1	35,000	0.1			25,000	0.1	25,000	0.1	25,000	0.1	30,000	0.1	30,000	0.1	30,000	0.1
M & R Sales	4000340	1,614	0.0	1,200	0.0			600	0.0	600	0.0	600	0.0	500	0.0	500	0.0	500	0.0
Total Funds		30,612,682	100.0	40,299,503	100.0			39,563,762	100.0	39,982,325	100.0	39,743,494	100.0	40,921,384	100.0	39,722,447	100.0	39,483,616	100.0
Excess Appropriation/(Funding)		(2,951,016)		(2,111,621)				(2,954,682)		(1,357,182)		(1,346,386)		(4,307,595)		(1,112,595)		(1,101,799)	
Grand Total		27,661,666		38,187,882				36,609,080		38,625,143		38,397,108		36,613,789		38,609,852		38,381,817	

Variance in Fund Balance is due to unfunded appropriation.
 Budget exceeds Authorized Appropriation in Fund Centers 82V, 96V and F48 due to transfers from the Cash Fund Holding Account.
 Budget exceeds Authorized Appropriation in Fund Center 649 due to a transfer from the Miscellaneous Federal Grant Holding Account.

Agency Position Usage Report

FY2012 - 2013						FY2013 - 2014						FY2014 - 2015					
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	
93	80	13	93	0	13.98 %	93	90	9	99	-6	3.23 %	93	85	8	93	0	8.60 %

Total Budgeted positions exceed Authorized due to positions authorized through the Miscellaneous Federal Grant process.

Analysis of Budget Request

Appropriation: 179 - High-Tech Scholarship Program

Funding Sources: EGB - Workforce Education Fund Account

This appropriation is used to award scholarships to Arkansas students attending Arkansas' educational institutions. Twenty (20) high tech scholarships of \$500.00 each as required in A.C.A. 6-82-401 et seq. can be given per student per semester. For FY2014, nineteen (19) full scholarships and one (1) half scholarships were issued. This appropriation is funded with general revenue.

The Agency requests Base Level for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 179 - High-Tech Scholarship Program
Funding Sources: EGB - Workforce Education Fund Account

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Scholarships 5100030	9,750	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Total	9,750	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Funding Sources									
General Revenue 4000010	9,750	10,000		10,000	10,000	10,000	10,000	10,000	10,000
Total Funding	9,750	10,000		10,000	10,000	10,000	10,000	10,000	10,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	9,750	10,000		10,000	10,000	10,000	10,000	10,000	10,000

Analysis of Budget Request

Appropriation: 35S - Housing Construction Program

Funding Sources: MTR - Building Trades Rev

This is a revolving loan program that allows the Department of Workforce Education to make loans available to Secondary Area Technical Center and other eligible entities for the purchase of building materials, supplies and fixtures to be used in construction of a single family dwelling unit or other non-residential building projects approved in the Housing Construction Program.

The Agency requests Base Level for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 35S - Housing Construction Program

Funding Sources: MTR - Building Trades Rev

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Loans 5120029	0	329,613	329,613	329,613	329,613	329,613	329,613	329,613	329,613
Total	0	329,613	329,613	329,613	329,613	329,613	329,613	329,613	329,613
Funding Sources									
Fund Balance 4000005	329,613	329,613		0	0	0	0	0	0
Total Funding	329,613	329,613		0	0	0	0	0	0
Excess Appropriation/(Funding)	(329,613)	0		329,613	329,613	329,613	329,613	329,613	329,613
Grand Total	0	329,613		329,613	329,613	329,613	329,613	329,613	329,613

Analysis of Budget Request

Appropriation: 640 - Vo Tech Admin-Operations

Funding Sources: EGB - Workforce Education Fund

This appropriation provides the majority of general revenue support for the administrative functions of the Department of Workforce Education. Programs such as the Plumbing Apprenticeship program, Industrial Coordinators, and Tech Prep program are included in the activities carried out through this appropriation. In addition to general revenue, Educational Excellence funds are used to provide support for the Apprenticeship program. Additionally, during the 2007-2009 Biennium, the Motor Vehicle Education Program was added to this appropriation. This education program is funded by a transfer from the Motor Vehicle Commission.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries do not include appropriation for Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY15 line item maximum plus the previously authorized 2015 1% Cost of Living Adjustment.

The Base Level Request is \$6,660,073 in FY16 and \$6,663,941 in FY17.

The Agency requests a Change Level of \$121,682 in appropriation and general revenue funding in each year as follows:

- Regular Salaries and Personal Services Matching of \$110,886 each year for two (2) new positions, Senior Auditor and a Fiscal Support Manager, and reclassifications of three positions.
- Extra Help and Personal Services Matching of \$10,796.

The Executive Recommendation provides for Base Level, with the addition of the Extra Help and Personal Services Matching request with appropriation only.

Appropriation Summary

Appropriation: 640 - Vo Tech Admin-Operations

Funding Sources: EGB - Workforce Education Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	3,011,650	3,034,461	3,034,485	3,061,559	3,143,979	3,061,559	3,064,359	3,146,779	3,064,359
#Positions	62	59	59	59	61	59	59	61	59
Extra Help 5010001	10,261	3,541	3,923	3,541	13,541	13,541	3,541	13,541	13,541
#Extra Help	2	69	69	69	69	69	69	69	69
Personal Services Matching 5010003	980,999	950,662	1,075,189	964,893	994,155	965,689	965,861	995,123	966,657
Operating Expenses 5020002	954,082	979,873	987,373	979,873	979,873	979,873	979,873	979,873	979,873
Conference & Travel Expenses 5050009	26,306	36,251	28,751	36,251	36,251	36,251	36,251	36,251	36,251
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	16,147	0	0	0	0	0	0	0	0
Apprenticeship Program 5900047	1,611,456	1,611,456	1,611,456	1,611,456	1,611,456	1,611,456	1,611,456	1,611,456	1,611,456
Motor Vehicle Education Prgm 5900048	0	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Total	6,610,901	6,618,744	6,743,677	6,660,073	6,781,755	6,670,869	6,663,841	6,785,523	6,674,637
Funding Sources									
General Revenue 4000010	3,032,094	2,938,812		2,980,141	3,101,823	2,980,141	2,983,909	3,105,591	2,983,909
Educational Excellence Fund 4000220	3,578,807	3,679,932		3,679,932	3,679,932	3,679,932	3,679,932	3,679,932	3,679,932
Total Funding	6,610,901	6,618,744		6,660,073	6,781,755	6,660,073	6,663,841	6,785,523	6,663,841
Excess Appropriation/(Funding)	0	0		0	0	10,796	0	0	10,796
Grand Total	6,610,901	6,618,744		6,660,073	6,781,755	6,670,869	6,663,841	6,785,523	6,674,637

Budget exceeds Authorized Appropriation in Conference and Travel Expenses by authority of a Budget Classification Transfer.

Change Level by Appropriation

Appropriation: 640 - Vo Tech Admin-Operations
Funding Sources: EGB - Workforce Education Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	6,660,073	59	6,660,073	100.0	6,663,841	59	6,663,841	100.0
C01	Existing Program	116,946	2	6,777,019	101.8	116,946	2	6,780,787	101.8
C10	Reclass	4,736	0	6,781,755	101.8	4,736	0	6,785,523	101.8

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	6,660,073	59	6,660,073	100.0	6,663,841	59	6,663,841	100.0
C01	Existing Program	38,175	0	6,698,248	100.6	38,175	0	6,702,016	100.6
C10	Reclass	0	0	6,698,248	100.6	0	0	6,702,016	100.6
C13	Not Recommended	(27,379)	0	6,670,869	100.2	(27,379)	0	6,674,637	100.2

Justification

C01	<p>ACE is requesting 2 positions for Finance Department; first is the Senior Auditor. The Agency awards over 75M in multiple grants to 324 school districts, colleges, vocational and adult education centers. We are requesting to add one senior auditor to our agency. Currently, we only have two auditors and one audit coordinator. In addition to the large number of grants recipients, each recipient received multiple grants from the agency's different programs: federal, state and other funding sources. The complexity of the policies of the programs necessitates that the agency conduct routine financial reviews of the grants. The lack of staff makes it very difficult for the agency to provide monitoring visits ever two years. Currently we can only provide monitoring visits every 5 years. The second position is Fiscal Support Manager; the Agency has grown and added two programs, Construction Trades and AR Works. This growth requires one high level supervisor to oversee the accounting transactions of the programs. We are accommodating the growth with the same number of staff for many years. A manager with higher level skills will be very helpful to manage our workload more efficiently. This position will direct the fiscal activities of several programs of the Agency and will be responsible for preparing federal and state financial reports. This position will monitor program budget, review and approved appropriate expenditures, advise on potential budget issues and recommend changes as necessary, prepare monthly reports and present to program managers and interpret federal, state and agency policies and procedures and provide technical assistance to co-workers, vendors and program participants. The complex, increased funding, monitoring, transparency and audit compliance requirements warrant sufficient, knowledgeable financial professionals to achieve management goals and objectives. We are requesting increase of \$10,000 in Extra-Help appropriation, for a total of \$13,541. Utilizing extra-help positions generates salary savings by temporarily filling administrative vacant positions with lower compensated extra help personnel.</p>
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Change Level by Appropriation

Justification

C10	<p>Fiscal Support Supervisor to Grants Manager: This is an agency growth position with managerial tasks that require a higher level of competencies and skill sets. The Arkansas Department of Career Education - Division of Adult Education administers approximately \$31M state and federal grants. The job duties for the Fiscal Support Supervisor have evolved because grants management requirements require greater financial skills and expertise, and technical assistance to recipients. The current functional job duties are the following: coordinates and monitors grants by overseeing funding procedures, and monitoring implementation to ensure compliance with federal and state policies, laws, and regulations. This position is responsible for preparing federal and state financial reports, monitors disbursements and invoices and allocates resources for programs. This position also interprets federal and state policies and provides technical assistance to staff and grantees.</p> <p>Fiscal Support Specialists to Fiscal Support Analysts: These are agency growth positions with assigned financial tasks that require a higher level of competencies and skill sets. The purpose of this position is to assist the Assistant Controller in maintaining all the financial operations for approved awards to local school districts, colleges, and universities, provide technical assistance to grants participants and co-workers, monitor fund balance for various Agency programs, process fed wire from U.S. Department of Education and other federal granting agencies, monitor and audit expenditure reports for payment to local programs and enter into database, assist with budget preparation for local programs and perform a wide variety of tasks including escrow accounting for the Alternate Retirement Plan and providing technical assistance in these areas.</p> <p>Senior Auditor to Audit Coordinator: During the previous biennial budget process, the agency did not request a reclassification of a position to create an Audit Coordinator position. Although the incumbent has the functional title and is compensated at the C122 salary level through a cross grade, this classification error must be corrected. This reclassification request of the Senior Auditor title will correct the error. There is no salary change with this transaction. The Audit Coordinator supervises the Unit Staff. As a part of the financial management team, the Auditor Coordinator will lead the audit staff to assist the agency and its providers to comply with the provisions of the Transparency Act. This position is expected to coordinate, analyze, and review accounting records, compliance audits, and implement quality assurance programs to verify the accuracy and overall efficiency of internal fiscal and administrative controls. This position is governed by state and federal laws, Generally Accepted Accounting Principles (GAAP), state and federal statutes and agency/institution policy.</p>
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Analysis of Budget Request

Appropriation: 641 - Fed Voc Educ-Operations

Funding Sources: FEV - Federal Vocational Education

This appropriation is the federal counterpart to the general revenue appropriation (640) and together they serve as the basis for the administrative support of the Agency. Funds are received from the U.S. Department of Education through the following program sources:

- Carl D. Perkins Vocational & Applied Technology Education Act- Basic Grant
- Jobs Training Partnership Act- School-to-Work Opportunities program
- Carl D. Perkins Applied Technology Education Act- Tech Prep Education

Only the 5% administrative funds in the Carl Perkins Basic Grant must be matched and this is provided in the state funded appropriation (640).

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries do not include appropriation for Merit Pay Increases.

The Base Level Request is \$19,372,252 in FY16 and \$19,373,193 in FY17.

The Agency requests a Change Level of \$219,732 in each year as follows:

- Regular Salaries and Personal Services Matching of \$208,936 each year for four (4) new positions, two (2) ACE Program Advisors, one (1) ACE Program Coordinator, and one (1) Administrative Analyst.
- Extra Help and Personal Services Matching increase of \$10,796.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 641 - Fed Voc Educ-Operations
Funding Sources: FEV - Federal Vocational Education

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	806,261	745,626	694,132	752,978	907,764	907,764	753,729	908,515	908,515
#Positions	16	18	18	18	22	22	18	22	22
Extra Help 5010001	7,966	4,306	5,000	4,305	14,305	14,305	4,305	14,305	14,305
#Extra Help	2	4	4	4	4	4	4	4	4
Personal Services Matching 5010003	284,013	251,014	249,653	255,016	309,962	309,962	255,206	310,152	310,152
Operating Expenses 5020002	908,041	1,673,381	1,673,936	1,673,381	1,673,381	1,673,381	1,673,381	1,673,381	1,673,381
Conference & Travel Expenses 5050009	72,723	46,175	46,175	46,175	46,175	46,175	46,175	46,175	46,175
Professional Fees 5060010	15,082	100,000	748,350	100,000	100,000	100,000	100,000	100,000	100,000
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Grants and Aid 5100004	11,332,491	16,540,397	18,019,016	16,540,397	16,540,397	16,540,397	16,540,397	16,540,397	16,540,397
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	13,426,577	19,360,899	21,436,262	19,372,252	19,591,984	19,591,984	19,373,193	19,592,925	19,592,925
Funding Sources									
Federal Revenue 4000020	13,426,577	19,360,899		19,372,252	19,591,984	19,591,984	19,373,193	19,592,925	19,592,925
Total Funding	13,426,577	19,360,899		19,372,252	19,591,984	19,591,984	19,373,193	19,592,925	19,592,925
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	13,426,577	19,360,899		19,372,252	19,591,984	19,591,984	19,373,193	19,592,925	19,592,925

FY15 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2013-2015 Biennium.

Change Level by Appropriation

Appropriation: 641 - Fed Voc Educ-Operations
Funding Sources: FEV - Federal Vocational Education

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	19,372,252	18	19,372,252	100.0	19,373,193	18	19,373,193	100.0
C01	Existing Program	219,732	4	19,591,984	101.1	219,732	4	19,592,925	101.1

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	19,372,252	18	19,372,252	100.0	19,373,193	18	19,373,193	100.0
C01	Existing Program	219,732	4	19,591,984	101.1	219,732	4	19,592,925	101.1

Justification

C01	The Division of Career and Technical Education is requesting an appropriation increase for Extra-Help and the following four (4) positions: ACE Program Coordinator, class code E061C, grade C123; two (2) ACE Program Advisors, class code E062C; and an Administrative Analyst, class code C037C, grade C115. These positions are needed to manage the financial requirements, provide technical assistance and guidance to students and teachers, and to manage the logistics of local, state, and national projects and conferences. Career and Technical Student Organizations (CTSOs) are an integral component of CTE programs of study. CTSO participation allows students an opportunity to learn more about careers, develop leadership and workplace skills. Statewide meetings and events attached to these organizations require extensive time to manage and facilitate for students and their advisors. Currently, these responsibilities are being assigned to CTE program supervisors and managers to be completed in addition to their other job duties. Essentially, current staff is required to perform these full-time job assignments. In addition, the financial management system in the current structure lacks regulations and accountability, which creates liability issues for our division and agency.
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Analysis of Budget Request

Appropriation: 644 - Adult Basic Education

Funding Sources: EGB - Workforce Education Fund Account

This general revenue appropriation is utilized by the Agency to administer the State's adult education programs. These programs are generally found in adult education centers, community colleges, post-secondary vocational institutions, and area high schools.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries do not include appropriation for Merit Pay Increases.

The Base Level Request is \$540,134 each year.

The Agency requests a Change Level of \$76,434 in appropriation and general revenue funding for Regular Salaries and Personal Services Matching of \$76,434 each year for one (1) new position, an ACE Division Manager, and reclassification of two (2) positions.

The Executive Recommendation provides for Base Level.

Appropriation Summary

Appropriation: 644 - Adult Basic Education
Funding Sources: EGB - Workforce Education Fund Account

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	312,435	389,743	395,155	392,990	451,367	392,990	392,990	451,367	392,990
#Positions	7	7	7	7	8	7	7	8	7
Personal Services Matching 5010003	101,325	120,942	130,612	122,637	140,694	122,637	122,637	140,694	122,637
Operating Expenses 5020002	24,989	24,507	25,000	24,507	24,507	24,507	24,507	24,507	24,507
Conference & Travel Expenses 5050009	0	0	0	0	0	0	0	0	0
Professional Fees 5060010	0	0	0	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	438,749	535,192	550,767	540,134	616,568	540,134	540,134	616,568	540,134
Funding Sources									
General Revenue 4000010	438,749	535,192		540,134	616,568	540,134	540,134	616,568	540,134
Total Funding	438,749	535,192		540,134	616,568	540,134	540,134	616,568	540,134
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	438,749	535,192		540,134	616,568	540,134	540,134	616,568	540,134

Change Level by Appropriation

Appropriation: 644 - Adult Basic Education
Funding Sources: EGB - Workforce Education Fund Account

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	540,134	7	540,134	100.0	540,134	7	540,134	100.0
C01	Existing Program	72,308	1	612,442	113.4	72,308	1	612,442	113.4
C10	Reclass	4,126	0	616,568	114.2	4,126	0	616,568	114.2

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	540,134	7	540,134	100.0	540,134	7	540,134	100.0
C01	Existing Program	17,152	0	557,286	103.2	17,152	0	557,286	103.2
C10	Reclass	0	0	557,286	103.2	0	0	557,286	103.2
C13	Not Recommended	(17,152)	0	540,134	100.0	(17,152)	0	540,134	100.0

Justification

C01	An ACE Division Manager, Grade C128 is requested. There is a consistent, increasing student and employer demand for Adult Education programs and services, to support a 21st century, post-recession workforce. Our constituencies mandate competent, knowledgeable management staff to address the education and training needs of adult Arkansans. Citizen demands warrant a higher level manager to facilitate directives, manage frequent projects, collect, analyze and report data, and who can supervise support personnel.
C10	Reclassification of two positions: Fiscal Support Specialist, Grade C112, to Fiscal Support Analyst, Grade C115. The purpose of this position is to assist the Fiscal Support Supervisor in maintaining all the financial operations for approved awards to local school districts, colleges, and universities, while providing technical assistance to grants participants and co-workers, monitoring fund balances for various Agency programs, processing federal wire from the U.S. Department of Education and other federal granting agencies., monitoring and auditing expenditure reports for payment to local programs and enter into database, assisting with budget preparation for local Adult Education programs and performing a wide variety of tasks and providing technical assistance in these areas. Fiscal Support Supervisor, Grade C118, to Grants Manager, Grade C121. This is a salary neutral reclassification to better align the position with the current job duties.

Analysis of Budget Request

Appropriation: 645 - Fed-Adult Basic Education

Funding Sources: FEA - Federal Adult Basic Education

This federal appropriation is utilized by the Agency to administer adult education programs. Funding is received from the U.S. Department of Education- Basic State Grant and requires a 25% match by the State. Funds from the State funded counterpart for adult education programs (appropriation 644), as well as Public School Funds received by the Agency are used to meet the matching requirement.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries do not include appropriation for Merit Pay Increases.

The Base Level Request is \$8,292,042 each year.

The Agency requests a Change Level of \$40,715 for Regular Salaries and Personal Services Matching of \$40,715 each year for one (1) new position, an Administrative Analyst.

The Executive Recommendation provides for Base Level.

Appropriation Summary

Appropriation: 645 - Fed-Adult Basic Education
Funding Sources: FEA - Federal Adult Basic Education

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2015-2016			2016-2017		
	2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	133,830	76,269	134,054	76,472	105,723	76,472	76,472	105,723	76,472
#Positions	3	2	2	2	3	2	2	3	2
Personal Services Matching 5010003	44,640	27,298	46,745	27,624	39,088	27,624	27,624	39,088	27,624
Operating Expenses 5020002	0	77,467	77,467	77,467	77,467	77,467	77,467	77,467	77,467
Conference & Travel Expenses 5050009	16,534	25,200	25,200	25,200	25,200	25,200	25,200	25,200	25,200
Professional Fees 5060010	0	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Grants and Aid 5100004	5,205,903	8,076,279	8,076,279	8,076,279	8,076,279	8,076,279	8,076,279	8,076,279	8,076,279
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	5,400,907	8,291,513	8,368,745	8,292,042	8,332,757	8,292,042	8,292,042	8,332,757	8,292,042
Funding Sources									
Federal Revenue 4000020	5,400,907	8,291,513		8,292,042	8,332,757	8,292,042	8,292,042	8,332,757	8,292,042
Total Funding	5,400,907	8,291,513		8,292,042	8,332,757	8,292,042	8,292,042	8,332,757	8,292,042
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	5,400,907	8,291,513		8,292,042	8,332,757	8,292,042	8,292,042	8,332,757	8,292,042

Change Level by Appropriation

Appropriation: 645 - Fed-Adult Basic Education
Funding Sources: FEA - Federal Adult Basic Education

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	8,292,042	2	8,292,042	100.0	8,292,042	2	8,292,042	100.0
C01	Existing Program	40,715	1	8,332,757	100.5	40,715	1	8,332,757	100.5

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	8,292,042	2	8,292,042	100.0	8,292,042	2	8,292,042	100.0
C01	Existing Program	11,464	0	8,303,506	100.1	11,464	0	8,303,506	100.1
C13	Not Recommended	(11,464)	0	8,292,042	100.0	(11,464)	0	8,292,042	100.0

Justification

C01	An Administrative Analyst position, Grade C115, is requested. This position will supervise administrative support staff, and provide administrative oversight of procurement, conference and meetings, client requests, and other division activities. There is a consistent, increasing student and employer demand for Adult Education programs and services, to support a 21st century, post-recession workforce. Our constituencies mandate competent, knowledgeable staff to address the education and training needs of adult Arkansans. Citizen demands warrant a technically proficient paraprofessional to facilitate directives, manage frequent projects, collect, analyze and report data.
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Analysis of Budget Request

Appropriation: 647 - Fed Equipment & Training-Operations

Funding Sources: FEM - Federal Equipment & Training Operations

This federal appropriation is used for inventory control and is funded from M&R proceeds derived from the sale of equipment purchased with federal funds.

The Agency Requests Base Level of \$14,800 for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 647 - Fed Equipment & Training-Operations
Funding Sources: FEM - Federal Equipment & Training Operations

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	0	14,800	14,800	14,800	14,800	14,800	14,800	14,800	14,800
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	1,112	0	0	0	0	0	0	0	0
Total		1,112	14,800	14,800	14,800	14,800	14,800	14,800	14,800	14,800
Funding Sources										
Fund Balance	4000005	18,460	18,962		5,362	5,362	5,362	0	0	0
M & R Sales	4000340	1,614	1,200		600	600	600	500	500	500
Total Funding		20,074	20,162		5,962	5,962	5,962	500	500	500
Excess Appropriation/(Funding)		(18,962)	(5,362)		8,838	8,838	8,838	14,300	14,300	14,300
Grand Total		1,112	14,800		14,800	14,800	14,800	14,800	14,800	14,800

Analysis of Budget Request

Appropriation: 649 - Fed-Veteran's Approving Agency

Funding Sources: FEW - Federal Veteran's Approving Agency

Any educational program or course at a school or training facility other than an installation of the federal government must be approved by the Arkansas Approving Agency before an eligible veteran, service person, or eligible dependent can receive educational benefits. This Agency evaluates public and private schools, as well as specialized training programs, such as, apprenticeship and on-the-job training programs. Federal funds are received from the Veterans Administration.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries do not include appropriation for Merit Pay Increases.

The Agency Requests Base Level \$307,159 for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 649 - Fed-Veteran's Approving Agency

Funding Sources: FEW - Federal Veteran's Approving Agency

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	187,919	181,245	161,506	183,035	183,035	183,035	183,035	183,035	183,035
#Positions		4	4	4	4	4	4	4	4	4
Personal Services Matching	5010003	61,646	59,426	58,215	60,355	60,355	60,355	60,355	60,355	60,355
Operating Expenses	5020002	11,750	53,546	53,546	53,546	53,546	53,546	53,546	53,546	53,546
Conference & Travel Expenses	5050009	7,270	9,623	9,623	9,623	9,623	9,623	9,623	9,623	9,623
Professional Fees	5060010	0	600	600	600	600	600	600	600	600
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		268,585	304,440	283,490	307,159	307,159	307,159	307,159	307,159	307,159
Funding Sources										
Fund Balance	4000005	413,638	461,039		456,599	456,599	456,599	439,327	439,327	439,327
Federal Revenue	4000020	315,986	300,000		289,887	289,887	289,887	290,041	290,041	290,041
Total Funding		729,624	761,039		746,486	746,486	746,486	729,368	729,368	729,368
Excess Appropriation/(Funding)		(461,039)	(456,599)		(439,327)	(439,327)	(439,327)	(422,209)	(422,209)	(422,209)
Grand Total		268,585	304,440		307,159	307,159	307,159	307,159	307,159	307,159

FY15 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2013-2015 Biennium.

Analysis of Budget Request

Appropriation: 755 - Construction Craft

Funding Sources: TCI - Construction Craft Training Trust Fund

This appropriation is funded with special revenues gained from a \$.50 per \$1,000 surcharge on building permits. Act 474 of 1999 established the Construction Industry Craft Training Program. Grants are made for training programs located in the two and four year colleges and in the Technical Institutes.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries do not include appropriation for Merit Pay Increases.

The Agency Requests Base Level of \$885,485 for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 755 - Construction Craft

Funding Sources: TCI - Construction Craft Training Trust Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	50,944	49,486	108,510	49,971	49,971	49,971	49,971	49,971	49,971
#Positions	1	1	1	1	1	1	1	1	1
Personal Services Matching 5010003	16,296	15,773	35,731	16,014	16,014	16,014	16,014	16,014	16,014
Operating Expenses 5020002	0	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Conference & Travel Expenses 5050009	0	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Professional Fees 5060010	0	0	0	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Grants and Aid 5100004	741,170	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	808,410	884,759	963,741	885,485	885,485	885,485	885,485	885,485	885,485
Funding Sources									
Fund Balance 4000005	1,447,301	1,246,013		831,254	831,254	831,254	560,997	560,997	560,997
Special Revenue 4000030	607,122	470,000		615,228	615,228	615,228	763,000	763,000	763,000
Total Funding	2,054,423	1,716,013		1,446,482	1,446,482	1,446,482	1,323,997	1,323,997	1,323,997
Excess Appropriation/(Funding)	(1,246,013)	(831,254)		(560,997)	(560,997)	(560,997)	(438,512)	(438,512)	(438,512)
Grand Total	808,410	884,759		885,485	885,485	885,485	885,485	885,485	885,485

Analysis of Budget Request

Appropriation: 82V - LESO Program

Funding Sources: NCE - Cash in Treasury

In FY2010, the Department of Career Education was designated as the state coordinator for the Law Enforcement Safety Office (LESO) program. This program assists local law enforcement agencies in acquiring federal property to assist them in performing their mission. For this assistance and the oversight responsibilities, the Agency collects a fee on each property transaction.

The Base Level Request is \$15,000 each year.

The Agency requests a Change Level of \$60,000 in appropriation in each year to allow for transportation of federal vehicles and heavy equipment to law enforcement agencies in the State. Expenses are reimbursed to the Agency.

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

Appropriation Summary

Appropriation: 82V - LESO Program

Funding Sources: NCE - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2015-2016			2016-2017		
	2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Law Enforcement Safety Program 5900046	20,662	55,000	15,000	15,000	75,000	75,000	15,000	75,000	75,000
Total	20,662	55,000	15,000	15,000	75,000	75,000	15,000	75,000	75,000
Funding Sources									
Fund Balance 4000005	149,636	194,296		189,296	189,296	189,296	239,296	179,296	179,296
Cash Fund 4000045	65,322	50,000		65,000	65,000	65,000	68,000	68,000	68,000
Total Funding	214,958	244,296		254,296	254,296	254,296	307,296	247,296	247,296
Excess Appropriation/(Funding)	(194,296)	(189,296)		(239,296)	(179,296)	(179,296)	(292,296)	(172,296)	(172,296)
Grand Total	20,662	55,000		15,000	75,000	75,000	15,000	75,000	75,000

Budget exceeds Authorized Appropriation due to a transfer from the Cash Fund Holding Account.
Expenditure of appropriation is contingent upon available funding.

Change Level by Appropriation

Appropriation: 82V - LESO Program
Funding Sources: NCE - Cash in Treasury

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	15,000	0	15,000	100.0	15,000	0	15,000	100.0
C01	Existing Program	60,000	0	75,000	500.0	60,000	0	75,000	500.0

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	15,000	0	15,000	100.0	15,000	0	15,000	100.0
C01	Existing Program	60,000	0	75,000	500.0	60,000	0	75,000	500.0

Justification

C01	The Agency is requesting additional appropriation of \$60,000 for FY16 and FY17, commitment item 46. We will be using this amount for transportation of federal vehicles and heavy equipment to be granted to law enforcement agencies in the State. This amount will be reimbursed back to the Agency.
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Analysis of Budget Request

Appropriation: 96V - Career Coaches Grant

Funding Sources: NCE - Cash in Treasury

Career Coaches Grants-The Department of Career Education receives funds from the Department of Higher Education to support Career Coaches in schools identified with high dropout rates. The source of the funds used to fund this program at the Department of Higher Education is a grant from the Winthrop Rockefeller Foundation.

The Base Level Request is \$60,000 each year.

The Agency requests a Change Level reduction of (\$40,000) in FY16 and (\$60,000) in FY17 for Grants and Aid to match available funding.

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

Appropriation Summary

Appropriation: 96V - Career Coaches Grant

Funding Sources: NCE - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2015-2016			2016-2017		
		2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	144,831	122,900	60,000	60,000	20,000	20,000	60,000	0	0
Total		144,831	122,900	60,000	60,000	20,000	20,000	60,000	0	0
Funding Sources										
Fund Balance	4000005	143,500	36		0	0	0	0	0	0
Cash Fund	4000045	1,367	122,864		60,000	20,000	20,000	60,000	0	0
Total Funding		144,867	122,900		60,000	20,000	20,000	60,000	0	0
Excess Appropriation/(Funding)		(36)	0		0	0	0	0	0	0
Grand Total		144,831	122,900		60,000	20,000	20,000	60,000	0	0

Budget exceeds Authorized Appropriation due to a transfer from the Cash Fund Holding Account.

Change Level by Appropriation

Appropriation: 96V - Career Coaches Grant
Funding Sources: NCE - Cash in Treasury

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	60,000	0	60,000	100.0	60,000	0	60,000	100.0
C03	Discontinue Program	(40,000)	0	20,000	33.3	(60,000)	0	0	0.0

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	60,000	0	60,000	100.0	60,000	0	60,000	100.0
C03	Discontinue Program	(40,000)	0	20,000	33.3	(60,000)	0	0	0.0

Justification

C03	Decrease appropriation to match available funding.
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Analysis of Budget Request

Appropriation: A88 - Alternate Retirement Plan

Funding Sources: 150 - Vo Tech Retirement

The Department of Career Education uses this cash appropriation for administration of various retirement plans available to their employees. Funding for this appropriation comes in the form of employee deductions and matching for retirement. The Agency pays the employee premiums to the companies offering the retirement plans.

The Agency requests Base Level of \$122,522 for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: A88 - Alternate Retirement Plan

Funding Sources: 150 - Vo Tech Retirement

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Personal Services Matching	5010003	19,644	110,222	110,222	110,222	110,222	110,222	110,222	110,222	110,222
Operating Expenses	5020002	4,489	12,300	12,300	12,300	12,300	12,300	12,300	12,300	12,300
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		24,133	122,522	122,522	122,522	122,522	122,522	122,522	122,522	122,522
Funding Sources										
Fund Balance	4000005	326,954	323,020		235,498	235,498	235,498	137,976	137,976	137,976
Interest & Forfeitures	4000305	20,199	35,000		25,000	25,000	25,000	30,000	30,000	30,000
Total Funding		347,153	358,020		260,498	260,498	260,498	167,976	167,976	167,976
Excess Appropriation/(Funding)		(323,020)	(235,498)		(137,976)	(137,976)	(137,976)	(45,454)	(45,454)	(45,454)
Grand Total		24,133	122,522		122,522	122,522	122,522	122,522	122,522	122,522

Analysis of Budget Request

Appropriation: F48 - AR Works - School Districts

Funding Sources: NCE - Cash in Treasury

The Department of Career Education is the administrative agency for the Arkansas Works Initiative. To support the career coach positions serving middle and high schools in twenty-one counties and the Little Rock school district, school districts submit a portion of the funding to the Department. The Department then reimburses the participating two-year colleges and cooperative education center in the form of grants, for costs associated with travel, training, supplies and services, utilizing this appropriation.

The Agency requests a Change Level of \$1,537,500 each year for Grants and Aid for reimbursements to participating educational entities for costs related to the Arkansas Works Initiative.

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

Appropriation Summary

Appropriation: F48 - AR Works - School Districts

Funding Sources: NCE - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2015-2016			2016-2017		
		2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	507,049	1,537,500	0	0	1,537,500	1,537,500	0	1,537,500	1,537,500
Total		507,049	1,537,500	0	0	1,537,500	1,537,500	0	1,537,500	1,537,500
Funding Sources										
Fund Balance	4000005	132,300	378,037		378,037	378,037	378,037	1,915,537	378,037	378,037
Cash Fund	4000045	752,786	1,537,500		1,537,500	1,537,500	1,537,500	1,537,500	1,537,500	1,537,500
Total Funding		885,086	1,915,537		1,915,537	1,915,537	1,915,537	3,453,037	1,915,537	1,915,537
Excess Appropriation/(Funding)		(378,037)	(378,037)		(1,915,537)	(378,037)	(378,037)	(3,453,037)	(378,037)	(378,037)
Grand Total		507,049	1,537,500		0	1,537,500	1,537,500	0	1,537,500	1,537,500

Budget exceeds Authorized Appropriation in Grants and Aid due to a transfer from the Cash Fund Holding Account.

Change Level by Appropriation

Appropriation: F48 - AR Works - School Districts
Funding Sources: NCE - Cash in Treasury

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	0	0	0	0.0	0	0	0	0.0
C01	Existing Program	1,537,500	0	1,537,500	100.0	1,537,500	0	1,537,500	100.0

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	0	0	0	0.0	0	0	0	0.0
C01	Existing Program	1,537,500	0	1,537,500	100.0	1,537,500	0	1,537,500	100.0

Justification

C01	The Agency is requesting an appropriation increase of \$1,537,500 in each year to continue reimbursing participating two-year colleges and cooperative education centers for costs related to the Arkansas Works Initiative, using school district contributions.								
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Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2013-2014		2014-2015		2014-2015		2015-2016					2016-2017						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
200 Vocational Start-Up Grants	2,369,210	0	2,370,000	0	2,370,000	0	2,370,000	0	6,500,000	0	2,370,000	0	2,370,000	0	6,500,000	0	2,370,000	0
201 Vocational Center Aid	20,136,362	0	20,436,383	0	20,436,383	0	20,436,383	0	27,289,500	0	20,436,383	0	20,436,383	0	29,163,800	0	20,436,383	0
427 Governor's Commission on Adult Literacy	724,220	0	768,604	1	773,676	1	768,688	1	812,683	1	768,688	1	768,688	1	815,323	1	768,688	1
453 Adult Basic & General Education	19,734,811	0	19,860,569	0	19,860,569	0	19,860,569	0	28,082,203	0	19,860,569	0	19,860,569	0	28,575,501	0	19,860,569	0
681 Coordinated Career Education Services	792,173	0	1,119,433	0	1,119,433	0	1,119,433	0	1,119,433	0	1,119,433	0	1,119,433	0	1,119,433	0	1,119,433	0
F86 GED Testing	0	0	1,870,000	0	1,870,000	0	1,870,000	0	1,870,000	0	1,870,000	0	1,870,000	0	1,870,000	0	1,870,000	0
M77 Career Coaches Public School Fund	0	0	970,425	2	1,007,000	2	971,624	2	17,387,119	4	971,624	2	972,753	2	17,388,248	4	972,753	2
M96 KUDER - Public School Fund	0	0	0	0	0	0	0	0	500,000	0	0	0	0	0	500,000	0	0	0
M97 Adult Education Career Coaches	0	0	0	0	0	0	0	0	2,450,000	0	0	0	0	0	2,450,000	0	0	0
M98 Smarter Sentencing Program - PSF	0	0	0	0	0	0	0	0	1,700,000	0	0	0	0	0	1,802,000	0	0	0
Total	43,756,776	0	47,395,414	3	47,437,061	3	47,396,697	2	87,710,938	4	47,396,697	2	47,397,826	2	90,184,305	4	47,397,826	2

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	2,924,963	6.1	3,927,971	8.1		1,078,337	2.4	1,078,337	1.2	1,078,337	2.4	1,078,337	2.4	1,078,337	1.2	1,078,337	2.4
Educational Excellence Fund	4000220	11,924,609	25.0	12,261,556	25.3		12,261,556	26.9	12,261,556	13.8	12,261,556	26.9	12,261,556	26.9	12,261,556	13.4	12,261,556	26.9
Rainy Day Fund	4000267	450,000	0.9	0	0.0		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Intra-agency Fund Transfer	4000317	0	0.0	0	0.0		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Miscellaneous Adjustments	4000345	100,951	0.2	0	0.0		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Career Ed PSF	4000745	32,284,224	67.7	32,284,224	66.6		32,293,517	70.8	75,449,382	85.0	32,293,517	70.8	32,293,517	70.8	77,922,749	85.4	32,293,517	70.8
Total Funds		47,684,747	100.0	48,473,751	100.0		45,633,410	100.0	88,789,275	100.0	45,633,410	100.0	45,633,410	100.0	91,262,642	100.0	45,633,410	100.0
Excess Appropriation/(Funding)		(3,927,971)		(1,078,337)			1,763,287		(1,078,337)		1,763,287		1,764,416		(1,078,337)		1,764,416	
Grand Total		43,756,776		47,395,414			47,396,697		87,710,938		47,396,697		47,397,826		90,184,305		47,397,826	

Variance in Fund Balance is due to unfunded appropriation.

Analysis of Budget Request

Appropriation: 200 - Vocational Start-Up Grants

Funding Sources: JWE - Career Education Public School Fund

This appropriation is used to award funds to schools for the purpose of purchasing capital equipment, non-consumable supplies and program software to start newly approved vocational programs for the different occupational program areas, to support the minimum required equipment to meet program standards, and to support short-term adult skills training classes. The program is funded through the Career Education Public School Fund.

The Base Level Request is \$2,370,000 in appropriation and general revenue funding each year.

The Agency requests a Change Level of \$4,130,000 in appropriation and funding for Grants and Aid to award additional grants to school districts for start-up equipment for vocational programs.

The Executive Recommendation provides for Base Level.

Appropriation Summary

Appropriation: 200 - Vocational Start-Up Grants

Funding Sources: JWE - Career Education Public School Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	2,369,210	2,370,000	2,370,000	2,370,000	6,500,000	2,370,000	2,370,000	6,500,000	2,370,000
Total		2,369,210	2,370,000	2,370,000	2,370,000	6,500,000	2,370,000	2,370,000	6,500,000	2,370,000
Funding Sources										
Career Ed PSF	4000745	2,369,210	2,370,000		2,370,000	6,500,000	2,370,000	2,370,000	6,500,000	2,370,000
Total Funding		2,369,210	2,370,000		2,370,000	6,500,000	2,370,000	2,370,000	6,500,000	2,370,000
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		2,369,210	2,370,000		2,370,000	6,500,000	2,370,000	2,370,000	6,500,000	2,370,000

Change Level by Appropriation

Appropriation: 200 - Vocational Start-Up Grants
Funding Sources: JWE - Career Education Public School Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	2,370,000	0	2,370,000	100.0	2,370,000	0	2,370,000	100.0
C01	Existing Program	4,130,000	0	6,500,000	274.3	4,130,000	0	6,500,000	274.3

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	2,370,000	0	2,370,000	100.0	2,370,000	0	2,370,000	100.0
C01	Existing Program	0	0	2,370,000	100.0	0	0	2,370,000	100.0

Justification

C01	New Start-Up Equipment: During the last Request For Proposal process, the Career and Technical Education division received requests to fund new programs of study in the amount of \$6.5 million. Due to lack of funding, only \$2.3 million of the requests were approved. To meet the needs of school districts' requests for funding to develop and implement programs of study within their districts, an increase of funding and appropriation in the amount of \$4.13 million will be required.								
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Analysis of Budget Request

Appropriation: 201 - Vocational Center Aid

Funding Sources: JWE - Career Education Public School Fund

This program distributes aid to vocational centers, in a partnership with public high schools and two-year colleges, under the rules and regulations of the State Board based on full-time equivalency. The objective of these centers is to provide high school students affordable training for entry-level skills in areas where employment opportunities exist or need to be developed. Programs are approved on the basis of student interest and local economic development opportunities. The program is funded through the Career Education Public School Fund.

The Base Level Request is \$20,436,383 in appropriation and general revenue funding each year.

The Agency requests a Change Level of \$6,853,117 in FY16 and \$8,727,417 in FY17 for appropriation and general revenue funding for Grants and Aid to fund new Secondary Career Centers, expand course offerings, and accommodate anticipated growth in enrollment.

The Executive Recommendation provides for Base Level.

Appropriation Summary

Appropriation: 201 - Vocational Center Aid

Funding Sources: JWE - Career Education Public School Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	20,136,362	20,436,383	20,436,383	20,436,383	27,289,500	20,436,383	20,436,383	29,163,800	20,436,383
Total	20,136,362	20,436,383	20,436,383	20,436,383	27,289,500	20,436,383	20,436,383	29,163,800	20,436,383
Funding Sources									
Career Ed PSF 4000745	20,136,362	20,436,383		20,436,383	27,289,500	20,436,383	20,436,383	29,163,800	20,436,383
Total Funding	20,136,362	20,436,383		20,436,383	27,289,500	20,436,383	20,436,383	29,163,800	20,436,383
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	20,136,362	20,436,383		20,436,383	27,289,500	20,436,383	20,436,383	29,163,800	20,436,383

Change Level by Appropriation

Appropriation: 201 - Vocational Center Aid
Funding Sources: JWE - Career Education Public School Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	20,436,383	0	20,436,383	100.0	20,436,383	0	20,436,383	100.0
C01	Existing Program	6,853,117	0	27,289,500	133.5	8,727,417	0	29,163,800	142.7

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	20,436,383	0	20,436,383	100.0	20,436,383	0	20,436,383	100.0
C01	Existing Program	0	0	20,436,383	100.0	0	0	20,436,383	100.0

Justification

C01	<p>Secondary Career Centers serve as a great resource to allow students to enroll in high-cost programs unable to be offered at their schools and receive college credit. Unfortunately, every student in the state does not have access to this opportunity. Increased funding is needed to fund the additions of new Secondary Career Centers, expanded course offerings, and anticipated growth in enrollment. Request was made in 2013 Legislative Session for an additional \$300,000 for Vocational Center Aid to fund satellite locations for ATU-Ozark at Clarksville campus and Cossatot Community College at Murfreesboro campus to fund the additional FTE. We received the appropriation for the additional \$300,000, but we did not receive the funding. As a result, approximately 100 students were unable to receive the benefits of the Heath Science Technology program of study which would have been taught at these satellite locations. Vocational Center Aid has not been increased since 2004 and as a result no additional funding for new centers, satellites or programs of study have been approved. We are requesting an increase of \$6,853,117 in FY16 and \$8,727,417 in FY17 for the expansion of the vocational center network.</p>
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Analysis of Budget Request

Appropriation: 427 - Governor's Commission on Adult Literacy

Funding Sources: JWE - Career Education Public School Fund

The Governor's Commission on Adult Literacy is funded from the Career Education Public School Fund. The appropriation consists of one position, supporting Operating Expenses, Grants that are made to literacy councils, and the Recognition Program.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries do not include appropriation for Merit Pay Increases.

The Base Level Request is \$768,688 in appropriation and general revenue funding each year.

The Agency requests a Change Level of \$43,995 in FY16 and \$46,635 in FY17 in appropriation and general revenue for Grants and Aid as part of the Agency's request for an annual six (6) percent increase on Adult Education programs, due to increases in cost of living, teachers' salaries, teachers' health insurance and the cost of rent and utilities.

The Executive Recommendation provides for Base Level.

Appropriation Summary

Appropriation: 427 - Governor's Commission on Adult Literacy

Funding Sources: JWE - Career Education Public School Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	0	26,410	30,131	26,410	26,410	26,410	26,410	26,410	26,410
#Positions	0	1	1	1	1	1	1	1	1
Personal Services Matching 5010003	2,860	8,947	10,298	9,031	9,031	9,031	9,031	9,031	9,031
Operating Expenses 5020002	40,373	52,242	52,242	52,242	52,242	52,242	52,242	52,242	52,242
Conference & Travel Expenses 5050009	5,988	6,005	6,005	6,005	6,005	6,005	6,005	6,005	6,005
Professional Fees 5060010	0	0	0	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Grants and Aid 5100004	674,999	675,000	675,000	675,000	718,995	675,000	675,000	721,635	675,000
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	724,220	768,604	773,676	768,688	812,683	768,688	768,688	815,323	768,688
Funding Sources									
Career Ed PSF 4000745	724,220	768,604		768,688	812,683	768,688	768,688	815,323	768,688
Total Funding	724,220	768,604		768,688	812,683	768,688	768,688	815,323	768,688
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	724,220	768,604		768,688	812,683	768,688	768,688	815,323	768,688

Change Level by Appropriation

Appropriation: 427 - Governor's Commission on Adult Literacy
Funding Sources: JWE - Career Education Public School Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	768,688	1	768,688	100.0	768,688	1	768,688	100.0
C01	Existing Program	43,995	0	812,683	105.7	46,635	0	815,323	106.1

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	768,688	1	768,688	100.0	768,688	1	768,688	100.0
C01	Existing Program	0	0	768,688	100.0	0	0	768,688	100.0

Justification

C01	Adult Education Division is requesting a 6% annual capacity increase in appropriation and funding to accommodate the cost of living increases, including increases in teachers' salaries, teachers' health insurance and the cost of rent and utilities. The 6% increase will prevent us from terminating teachers who have already been trained in adult education with state funds.								
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Analysis of Budget Request

Appropriation: 453 - Adult Basic & General Education

Funding Sources: JWE - Career Education Public School Fund

The Adult Basic and General Adult Education program provides grants for educating those adults with less than a high school equivalency and for retraining those already in the workforce. Adult education serves adult learners through adult basic education classes, which are designed for adults functioning up to the 8th grade level. General adult education classes prepare adults who score at the 9th to 12th grade levels. Funding for this appropriation is provided from the Career Education Public School Fund.

The Base Level Request is \$19,860,569 in appropriation and general revenue funding each year.

The Agency requests a Change Level of \$8,221,634 in FY16 and \$8,714,932 in FY17 in appropriation and general revenue funding for Grants and Aid; \$7,030,000 of this increase each year is to provide funding for four (4) full-time instructors for each of the thirty-eight (38) Adult Education Centers. The remainder of the increase each year is part of the Agency's request for an annual six (6) percent increase on Adult Education programs, due to increases in cost of living, teachers' salaries, teachers' health insurance and the cost of rent and utilities.

The Executive Recommendation provides for Base Level.

Appropriation Summary

Appropriation: 453 - Adult Basic & General Education

Funding Sources: JWE - Career Education Public School Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	19,734,811	19,860,569	19,860,569	19,860,569	28,082,203	19,860,569	19,860,569	28,575,501	19,860,569
Total		19,734,811	19,860,569	19,860,569	19,860,569	28,082,203	19,860,569	19,860,569	28,575,501	19,860,569
Funding Sources										
Fund Balance	4000005	2,924,963	3,477,971		1,078,337	1,078,337	1,078,337	1,078,337	1,078,337	1,078,337
Educational Excellence Fund	4000220	11,924,609	12,261,556		12,261,556	12,261,556	12,261,556	12,261,556	12,261,556	12,261,556
Intra-agency Fund Transfer	4000317	0	(2,390,425)		0	0	0	0	0	0
Miscellaneous Adjustments	4000345	100,951	0		0	0	0	0	0	0
Career Ed PSF	4000745	8,262,259	7,589,804		7,599,013	15,820,647	7,599,013	7,599,013	16,313,945	7,599,013
Total Funding		23,212,782	20,938,906		20,938,906	29,160,540	20,938,906	20,938,906	29,653,838	20,938,906
Excess Appropriation/(Funding)		(3,477,971)	(1,078,337)		(1,078,337)	(1,078,337)	(1,078,337)	(1,078,337)	(1,078,337)	(1,078,337)
Grand Total		19,734,811	19,860,569		19,860,569	28,082,203	19,860,569	19,860,569	28,575,501	19,860,569

Miscellaneous Adjustments consist primarily of refund to expenditures.

Change Level by Appropriation

Appropriation: 453 - Adult Basic & General Education
Funding Sources: JWE - Career Education Public School Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	19,860,569	0	19,860,569	100.0	19,860,569	0	19,860,569	100.0
C01	Existing Program	8,221,634	0	28,082,203	141.4	8,714,932	0	28,575,501	143.9

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	19,860,569	0	19,860,569	100.0	19,860,569	0	19,860,569	100.0
C01	Existing Program	0	0	19,860,569	100.0	0	0	19,860,569	100.0

Justification

C01	The Department of Career Education is requesting \$7,030,000 in appropriation and funding to provide four full-time instructors for each of the 38 Adult Education centers on twelve month contracts. Funding these positions will allow the Adult Education programs to provide equal access to quality instruction in each of the 75 counties of the state. The cost to provide a full-time instructor is approximately \$46,250 salary and benefits. In order to provide 152 instructors state-wide (four instructors for each of the 38 Adult Education programs), an investment of \$7.03 million is needed. The Agency is also requesting 6% annual capacity increase in appropriation and funding to accommodate the cost of living increases, including increases in teachers' salaries, teachers' health insurance and the cost of rent and utilities. The 6% increase will prevent us from terminating teachers who have already been trained in adult education with state funds. The total request for YR1 is \$8,221,634 (6% of base + 7,030,000) and for year 2 will be \$8,714,932 (6% of YR1 total).
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Analysis of Budget Request

Appropriation: 681 - Coordinated Career Education Services

Funding Sources: JWE - Career Education Public School Fund

The Coordinated Career Education Services- Special Needs Students program provides grants to coordinated career education programs in which students with disabilities attend academic classes in the morning and work in the afternoon. Special Needs Programs provide special projects and adaptive equipment for secondary and postsecondary career and technical education students with disabilities and vocational counselors at several secondary area vocational centers. Funding for this appropriation is provided from the Career Education Public School Fund.

The Agency requests Base Level of \$1,119,433 for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 681 - Coordinated Career Education Services

Funding Sources: JWE - Career Education Public School Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	792,173	1,119,433	1,119,433	1,119,433	1,119,433	1,119,433	1,119,433	1,119,433	1,119,433
Total	792,173	1,119,433	1,119,433	1,119,433	1,119,433	1,119,433	1,119,433	1,119,433	1,119,433
Funding Sources									
Career Ed PSF 4000745	792,173	1,119,433		1,119,433	1,119,433	1,119,433	1,119,433	1,119,433	1,119,433
Total Funding	792,173	1,119,433		1,119,433	1,119,433	1,119,433	1,119,433	1,119,433	1,119,433
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	792,173	1,119,433		1,119,433	1,119,433	1,119,433	1,119,433	1,119,433	1,119,433

Analysis of Budget Request

Appropriation: F86 - GED Testing

Funding Sources: JWE - Career Education Public School Fund

As of January 1, 2014, the GED® Testing Service introduced a new test that is computer-based and aligned with the Common Core State Standards. The new computer-based test is more expensive to administer. The Department of Career Education utilizes this program to defer the increased practice test and test costs for test-takers. The program is funded through the Career Education Public School Fund.

The Base Level Request is \$1,870,000 in appropriation each year. Currently the Agency is utilizing Public School Fund fund balance to provide funding for this program in FY15.

The Agency requests a general revenue funding increase of \$1,870,000 each year to fully fund the appropriation.

The Executive Recommendation provides for Base Level.

Appropriation Summary

Appropriation: F86 - GED Testing

Funding Sources: JWE - Career Education Public School Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
				Base Level	Agency	Executive	Base Level	Agency	Executive
GED Test Costs 5900046	0	1,870,000	1,870,000	1,870,000	1,870,000	1,870,000	1,870,000	1,870,000	1,870,000
Total	0	1,870,000	1,870,000	1,870,000	1,870,000	1,870,000	1,870,000	1,870,000	1,870,000
Funding Sources									
Fund Balance 4000005	0	450,000		0	0	0	0	0	0
Rainy Day Fund 4000267	450,000	0		0	0	0	0	0	0
Intra-agency Fund Transfer 4000317	0	1,420,000		0	0	0	0	0	0
Career Ed PSF 4000745	0	0		0	1,870,000	0	0	1,870,000	0
Total Funding	450,000	1,870,000		0	1,870,000	0	0	1,870,000	0
Excess Appropriation/(Funding)	(450,000)	0		1,870,000	0	1,870,000	1,870,000	0	1,870,000
Grand Total	0	1,870,000		1,870,000	1,870,000	1,870,000	1,870,000	1,870,000	1,870,000

Funding for FY15 derived from Public School Fund fund balance, which is shown as an intra-agency transfer from Fund Center 453.

Analysis of Budget Request

Appropriation: M77 - Career Coaches Public School Fund

Funding Sources: JWE - Career Education Public School Fund

Act 1285 of 2013 established the Career Coaches program. This program is designed to allow all students, grades eighth through twelfth, access to a Career Coach. The Agency is requesting the program to be funded through the Career Education Public School Fund.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries do not include appropriation for Merit Pay Increases.

The Base Level Request is \$971,624 for FY16 and \$972,753 for FY17 in appropriation. Currently the Agency is utilizing Public School Fund fund balance to provide funding for this program for FY15.

The Agency requests appropriation of \$16,415,495 each year as follows:

- Regular Salaries and Personal Services Matching of \$115,495 each year for two (2) new ACE Program Coordinators.
- Grants and Aid of \$16,300,000 to expand the program statewide.

The Agency requests general revenue funding increase of \$17,387,119 in FY16 and \$17,388,248 in FY17 to fully fund this appropriation.

The Executive Recommendation provides for Base Level.

Appropriation Summary

Appropriation: M77 - Career Coaches Public School Fund
Funding Sources: JWE - Career Education Public School Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	0	79,569	105,000	80,364	166,798	80,364	81,266	167,700	81,266
#Positions	0	2	2	2	4	2	2	4	2
Personal Services Matching 5010003	0	25,856	37,000	26,260	55,321	26,260	26,487	55,548	26,487
Operating Expenses 5020002	0	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Conference & Travel Expenses 5050009	0	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Grants and Aid 5100004	0	800,000	800,000	800,000	17,100,000	800,000	800,000	17,100,000	800,000
Total	0	970,425	1,007,000	971,624	17,387,119	971,624	972,753	17,388,248	972,753
Funding Sources									
Intra-agency Fund Transfer 4000317	0	970,425		0	0	0	0	0	0
Career Ed PSF 4000745	0	0		0	17,387,119	0	0	17,388,248	0
Total Funding	0	970,425		0	17,387,119	0	0	17,388,248	0
Excess Appropriation/(Funding)	0	0		971,624	0	971,624	972,753	0	972,753
Grand Total	0	970,425		971,624	17,387,119	971,624	972,753	17,388,248	972,753

Funding for FY15 derived from Public School Fund fund balance, which is shown as an intra-agency transfer from Fund Center 453.

Change Level by Appropriation

Appropriation: M77 - Career Coaches Public School Fund
Funding Sources: JWE - Career Education Public School Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	971,624	2	971,624	100.0	972,753	2	972,753	100.0
C01	Existing Program	16,415,495	2	17,387,119	1,789.5	16,415,495	2	17,388,248	1,787.5

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	971,624	2	971,624	100.0	972,753	2	972,753	100.0
C01	Existing Program	29,061	0	1,000,685	103.0	29,061	0	1,001,814	103.0
C13	Not Recommended	(29,061)	0	971,624	100.0	(29,061)	0	972,753	100.0

Justification

C01	This program was designed to allow all students, grades 8-12, access to a College and Career Coach. The College and Career Coach initiative has shown great results by meeting and exceeding all established Performance Measure Goals. Currently, the program operates in 21 counties and is supported by temporary funding due to expire June 30, 2015. To continue to expand the program statewide (75 counties), the Arkansas Works Initiative will need a total of \$17,387,119 in FY16 and \$17,388,248 in FY17. This funding and appropriation request includes Career Coaches; Enrichment programs such as ACT Academy and Career Cluster Campus and Administrative Staff.
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Analysis of Budget Request

Appropriation: M96 - KUDER - Public School Fund

Funding Sources: JWE - Career Education Public School Fund

This new appropriation will establish an online, internet based college and career planning system used as an online career assessment tool to provide students with an opportunity for career exploration through career interests and aptitude evaluations. The appropriation will be funded through the Career Education Public School Fund.

The Agency requests a Change Level of \$500,000 in appropriation and general revenue funding each year for Operating Expenses for the continuation and maintenance of the system.

The Executive Recommendation provides for Base Level.

Appropriation Summary

Appropriation: M96 - KUDER - Public School Fund

Funding Sources: JWE - Career Education Public School Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	0	0	0	0	500,000	0	0	500,000	0
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		0	0	0	0	500,000	0	0	500,000	0
Funding Sources										
Career Ed PSF	4000745	0	0		0	500,000	0	0	500,000	0
Total Funding		0	0		0	500,000	0	0	500,000	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		0	0		0	500,000	0	0	500,000	0

Change Level by Appropriation

Appropriation: M96 - KUDER - Public School Fund
Funding Sources: JWE - Career Education Public School Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
C08	Technology	500,000	0	500,000	100.0	500,000	0	500,000	100.0

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
C08	Technology	0	0	0	0.0	0	0	0	0.0

Justification

C08	On-Line Internet Based College and Career Planning System: To provide students with an opportunity for career exploration through career interests and aptitude evaluations, funding and appropriation are needed to support an on-line career assessment tool. \$500,000 in funding and appropriation in each year is requested to support the continuation and maintenance of on-line college and career planning system. This can be found in the agency's IT Plan, p. 16-17.								
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Analysis of Budget Request

Appropriation: M97 - Adult Education Career Coaches

Funding Sources: JWE - Career Education Public School Fund

The College Career Coach Initiative, a component of Arkansas Works, serves adult education students by providing them with access to a College and Career Coach. This appropriation was previously federally funded and is being temporarily funded with the Agency's Public School Fund fund balance. It is proposed to be funded through the Career Education Public School Fund.

The Agency requests a Change Level of \$2,450,000 in appropriation and general revenue funding each year for Grants and Aid for the addition of forty (40) Adult Education Coaches throughout the State.

The Executive Recommendation provides for Base Level.

Appropriation Summary

Appropriation: M97 - Adult Education Career Coaches

Funding Sources: JWE - Career Education Public School Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	0	0	0	0	2,450,000	0	0	2,450,000	0
Total	0	0	0	0	2,450,000	0	0	2,450,000	0
Funding Sources									
Career Ed PSF 4000745	0	0		0	2,450,000	0	0	2,450,000	0
Total Funding	0	0		0	2,450,000	0	0	2,450,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	0		0	2,450,000	0	0	2,450,000	0

Change Level by Appropriation

Appropriation: M97 - Adult Education Career Coaches
Funding Sources: JWE - Career Education Public School Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
C01	Existing Program	2,450,000	0	2,450,000	100.0	2,450,000	0	2,450,000	100.0

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
C01	Existing Program	0	0	0	0.0	0	0	0	0.0

Justification

C01	The College Career Coach Initiative, which is a component of Arkansas Works, has shown great results by meeting and exceeding all established Performance Measures goals. Adult Education Career Coaches served 1,210 unduplicated students from July 1, 2013 to June 30, 2014. Currently the program is supported by temporary funding for adult education that is due to expire June 30, 2014. To provide all adult education students' access to a College and Career Coach, the Adult Education Division is requesting appropriation and funding of \$2,450,000 annually. This amount would fund 40 Career Coaches for Adult Education at a cost for each position of approximately \$60,000.								
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Analysis of Budget Request

Appropriation: M98 - Smarter Sentencing Program - PSF

Funding Sources: JWE - Career Education Public School Fund

This appropriation would establish the Smarter Sentencing Program (SSP), designed to bring evidence-based, more effective sentencing practices by requiring first-time and non-violent offenders to complete educational goals, community service hours, and employment goals. The appropriation will be funded through the Career Education Public School Fund.

The Agency requests a Change Level of \$1,700,000 in FY16 and \$1,802,000 in FY17 in appropriation and general revenue funding for Grants and Aid of \$1,700,000 in FY16 for instructors in each of the twenty-eight Judicial Districts in the State and \$1,802,000 in FY17 is for an annual six (6) percent increase on Adult Education programs, due to increases in cost of living, teachers' salaries, teachers' health insurance and the cost of rent and utilities.

The Executive Recommendation provides for Base Level.

Appropriation Summary

Appropriation: M98 - Smarter Sentencing Program - PSF

Funding Sources: JWE - Career Education Public School Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	0	0	0	0	1,700,000	0	0	1,802,000	0
Total	0	0	0	0	1,700,000	0	0	1,802,000	0
Funding Sources									
Career Ed PSF 4000745	0	0		0	1,700,000	0	0	1,802,000	0
Total Funding	0	0		0	1,700,000	0	0	1,802,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	0		0	1,700,000	0	0	1,802,000	0

Change Level by Appropriation

Appropriation: M98 - Smarter Sentencing Program - PSF
Funding Sources: JWE - Career Education Public School Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
C02	New Program	1,700,000	0	1,700,000	100.0	1,802,000	0	1,802,000	100.0

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
C02	New Program	0	0	0	0.0	0	0	0	0.0

Justification

C02	The Department of Career Education, Adult Education Division, is requesting \$1,700,000 in appropriation and funding in FY16, with a 6% guaranteed annual capacity increase in appropriation and funding, resulting in a \$1,802,000 request in FY17, through the Adult Education Division to serve Arkansas residents through the Smarter Sentencing program. The funds will be used to hire Smarter Sentencing instructors at each of the twenty-eight Judicial Districts across the state of Arkansas. These instructors will serve students by reducing the overall state prison population, thus saving taxpayer funds. This will increase the number of Arkansans served and better their chance of postsecondary and career readiness.
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