

# DEPARTMENT OF HIGHER EDUCATION

## **Enabling Laws**

Act 247 of 2012

Higher Education financial aid programs as authorized by A.C.A., Title 6, et. al.

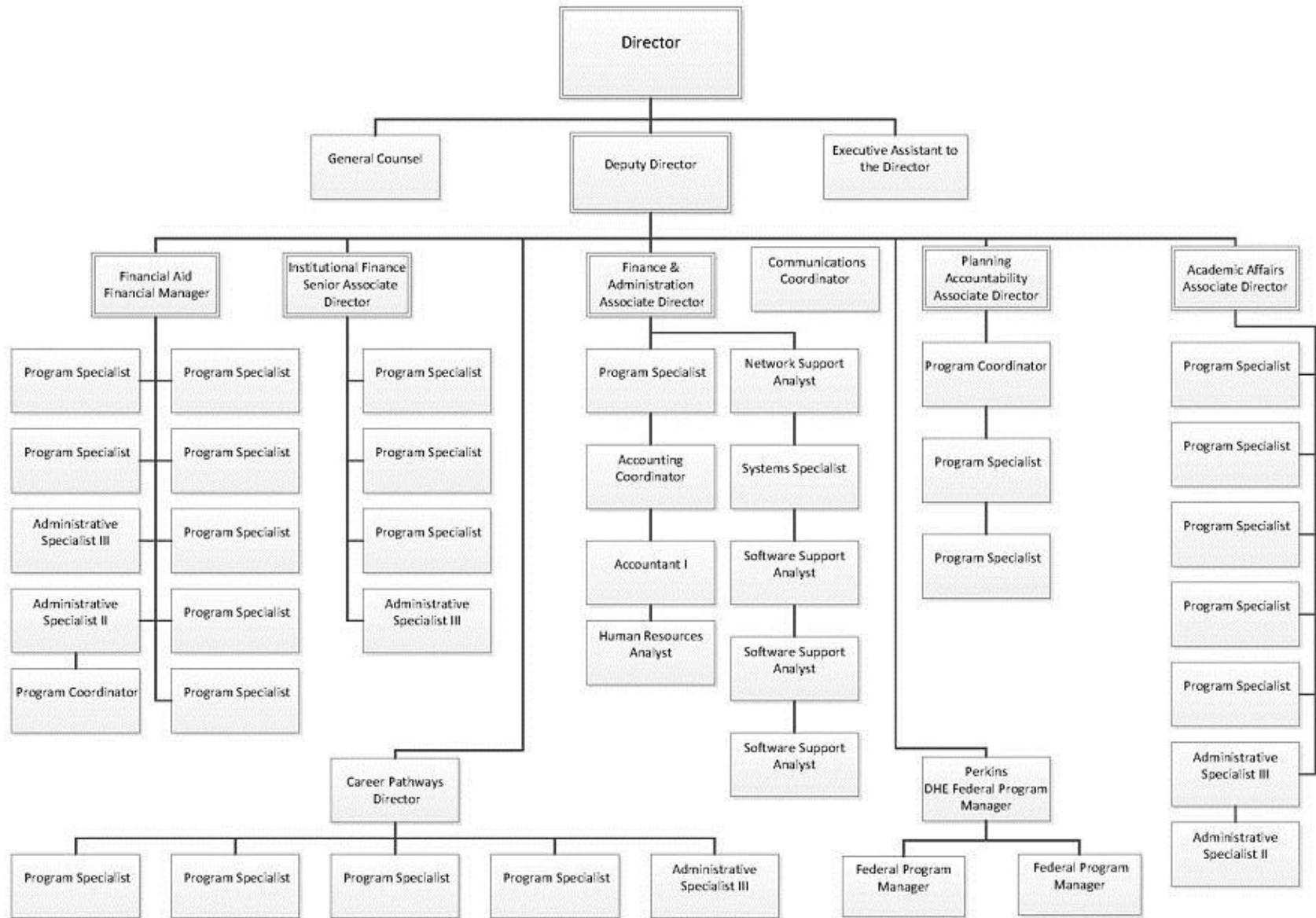
Higher Education financial aid program fund balances as authorized by A.C.A., Title 19, et. al.

## **History and Organization**

The creation of the Arkansas Department of Higher Education (ADHE), and its predecessor, the Commission on the Coordination of Higher Education Finance, was predicated on the State's need for financial analysis, coordination, and strategic planning for the provision of public higher education in Arkansas. The Arkansas Higher Education Coordinating Board (AHECB) was created by Act 1114 of 1997 which abolished the State Board of Higher Education and transferred its powers, duties and functions to the AHECB which now oversees the Department of Higher Education. The scope of the responsibilities of the ADHE has broadened over the years to include determining the role and scope (mission) of each public institution, approving new academic programs, reviewing existing programs for quality and productivity, and analyzing and reporting all types of institutional and student data. Information is the key commodity used by ADHE to serve the needs of its constituencies-- the Governor, the Legislature, and the people of Arkansas. This information includes data on the financial operations of the colleges and universities, statistics about the students who enroll and how they are progressing at these institutions, and information used to provide financial aid to over 30,000 Arkansas college students.

ADHE acquires, generates, analyzes, and monitors data on students, faculty, and institutions to meet monitoring and service obligations. Over the years, the Governor and the Legislature have given the Department increased responsibility to monitor and report on the academic and fiscal operations of public colleges and universities. This has included gubernatorial and legislative mandates to establish a statewide higher education information system with individual data on every enrolled student at public or private colleges and universities and all faculty members at the public colleges and universities. ADHE also maintains data on all recipients of financial aid programs managed by ADHE, whether attendance is at a public or private institution.

The mission of the Arkansas Department of Higher Education is to advocate for higher education; to promote a coordinated system of higher education in the State; and to provide for the orderly and effective development of each of the publicly and locally supported institutions of higher education in the state - all geared toward improving the delivery of higher education services to the citizens of Arkansas.



## **Agency Commentary**

The creation of the Arkansas Department of Higher Education (ADHE), and its predecessor, the Commission on the Coordination of Higher Education Finance, was predicated on the State's need for financial analysis, coordination, and strategic planning for the provision of public higher education in Arkansas. The scope of the responsibilities has broadened over the years to include determining the roles and scope (mission) of each public institution, approving new academic programs, reviewing existing programs for quality and productivity, and analyzing and reporting all types of institutional and student data. Information is the key commodity used by ADHE to serve the needs of its constituencies- -the Governor, the Legislature, and the people of Arkansas. This information includes data on the financial operations of the colleges and universities, statistics about the students who enroll and how they are progressing at these institutions, and information used to provide financial aid of over \$190 million to over 30,000 Arkansas college students.

ADHE acquires, generates, analyzes, and monitors data on students, faculty, and institutions to meet these monitoring and service obligations. Over the years, the Governor and the Legislature have given the Department increased responsibility to monitor and report on the academic and fiscal operations of public colleges and universities. This has included gubernatorial and legislative mandates to establish a statewide higher education information system with individual data on every enrolled student and all faculty positions.

On January 11, 2011, the Governor issued a challenge to the state and to its institutions of higher education by stating: "We can and must double the number of college graduates in Arkansas by 2025 if we are to stay competitive. This is a lofty goal aimed at the future, but we must begin implementing it today." Act 1203 was enacted by the Arkansas General Assembly and, on April 5, 2011, Gov. Beebe signed it into law. Over a period of five years starting with FY2013-14, 25% of an institution's base funding will be allocated according to performance. The Arkansas Department of Higher Education (ADHE) has dedicated significant time and effort working with the colleges and universities to develop an effective model for implementing the performance funding

The following define the priorities for the 2013 -2015 biennium. Each is designed to either restore or maintain capabilities of the agency to meet continuing mandates of the Governor and the Legislature for effective coordination of Arkansas higher education.

### **I. Agency Operations/Provision of Basic Services to Governor, Legislature, and Higher Education Institutions**

#### **A. Personal Services Costs for Additional Requested Personnel**

The Arkansas Department of Higher Education (ADHE) is formally requesting to upgrade three (N908) DHE Associate Director positions and one (N909) DHE Associate Director for Academic Affairs to the position of (N913)DHE Senior Associate Director. Pursuant to A.C.A. 6-61-203 the ADHE Director and staff shall be comparable to those in colleges and universities. ADHE salaries are currently not comparable which puts ADHE at a disadvantage when trying to recruit and retain employees because of the competition from colleges and universities. A recent

2011-2012 salary comparison indicate that the Senior Associate position would more closely be comparable to those in colleges and universities making it easier for DHE to recruit and retain qualified employees. **This request is for appropriation only.**

## **B. Extra Help**

These positions are used to help assist the Financial Aid Staff during peak volumes times each semester to insure that the awards can go out in a timely manner. Extra Help is requested because it is more cost effective to utilize these positions on an as needed basis versus employment of full time employees. **Base Level Request.**

## **C. Operating Expenses**

The Arkansas Department of Higher Education is requesting Change Levels of \$75,000 for each year of the biennium. ADHE has worked closely with Arkansas Building Authority (ABA) on a new facility space. ABA has helped ADHE develop estimated costs including relocation costs. The cost for relocation including Information Technology and telephone system is approximately \$45,000. Additional costs include the utilities and janitorial services of \$30,000. **This request is for appropriation and funding.**

## **D. Conference Fees & Travel**

AHDE uses this travel related categories such as to provide professional development for staff in order to insure the ability to provide continuing professional services in changing environments. **Base Level Request.**

## **E. Professional Fees**

Arkansas Code §6-61-214 and 6-61-208 requires ADHE to review new and existing academic degree programs for the public institutions of higher education in Arkansas. The agency utilizes this to hire consultants for the review of doctoral, selected master's degree proposals, and some technical/professional baccalaureate programs that are highly specialized and beyond the general or specific expertise of the agency's Academic Affairs staff. **Base Level Request.**

## **F. Capital Outlay**

The Department is requesting Change Levels of \$30,000 for each year of the biennium. This appropriation is based on the increased requirements for the Department to purchase and maintain high end network server printers and other information technology related equipment. Information has become a key commodity used by ADHE to serve the needs of its constituencies. ADHE acquires, generates, analyzes, and monitors data on students, faculty, and institutions. Additional hardware has been acquired to host web sites and student servers to comply with new State laws and programs. The Department now operates six student servers for such programs as well as the

Academic Challenge, Governor's Scholar, and Credit Transfer Programs. The Department's Technology plan calls for the replacement of one server, network storage and one network printer each year. **This request is for appropriation and funding.**

## **II. Financial Aid Programs to Students**

ADHE Financial Aid Programs are funded through the Higher Education Grants Fund (HEG) which receives funding from General Revenue and the Education Excellence Fund. For the past several years the HEG Fund had revenues that exceeded expenses and built up a rather large fund balance. Further, pursuant to Section 17 of Act 286 of 2010, twenty million (\$20,000,000) was transferred by warrant to the Scholarship Shortfall Reserve Fund of the Arkansas Lottery Commission. All of these events have reduced the HEG Fund balance to around \$6,000,000. The current revenue and HEG Fund Balance will not be sufficient to sustain all of the Financial Aid Programs. The Arkansas Governor's Scholarship Program has seen a continued increase in the number of eligible students and now runs at a level of 1,500 students which will require a change level of \$2,700,000 each year to sustain the current level of students. The Law Enforcement Dependents Program has also grown and will require a change level of \$175,000 each year to maintain the growth in the program. The Military Dependents Program has seen a steady increase in the last years due to the many overseas conflicts; the program now has a waiting list of over 50 students and will require a change level of \$325,000 each year to fund the current students plus those on a waiting list.

Without these change levels and increased funding, many programs will not be funded and most others will have to have funding reduced to insure that current students in the pipeline will be funded as well as maximizing utilization of available funding to other Financial Aid programs that will serve the largest number of students maximize the number of students served in need and achievement based programs.

### **B. Arkansas Health Education Grant (ARHEG)**

The Arkansas Health Education Grant (ARHEG) Program was created to assist Arkansas residents who must attend certain professional schools not provided by the State of Arkansas in the areas of dentistry, optometry, podiatry, osteopathy, and veterinary. Arkansas contracts through the Southern Regional Education Board (SREB) to ensure that Arkansas residents can secure seats in participating institutions in the SREB Compact Program. The fee for each seat is established by SREB and the ARHEG grant or loan amount is typically an amount sufficient to help offset the difference in the resident and non-resident tuition amounts at participating institutions. The Arkansas Health Education Grants (ARHEG) Program is funded with General Revenue and balances in the Higher Education Grants (HEG) Fund. SREB continues to increase the slot fee for these programs each year. The current increase is five percent each year requiring the change levels below to continue to fund the current number of students.

Change Levels for each program are as follows for each year:

	<u>2013-2014</u>	<u>2014-2015</u>
Dental Aid	\$ 166,100	\$ 311,100
Optometry	\$ 20,000	\$ 40,000
Veterinary Aid	\$ 35,000	\$ 100,000

### **III. State Scholarship - Federal**

This program is Arkansas' participation in the federally funded "Leveraging Educational Assistance Partnership (LEAP)" Program. This is a need based grant for the non-traditional student or those at least 24 years old. The program's goal is to help those students returning to school who have financial need but may not be eligible for assistance from traditional state and federal programs. **Federal Funding, Base Level Request.**

### **IV. Research Development Fund**

This Arkansas Research Development Program is for research grants to applicable institutions of higher education. Funding for this program is transferred from the Higher Education Building Maintenance Fund from proceeds from the sale or lease of minerals, oil and gas on military and non-military federal lands in Arkansas. The Department is requesting restoration of the current biennial appropriation amount of \$2,000,000 and an additional \$2,000,000 for a total of \$4,000,000 for the Arkansas Research Development Program. The requested increase is to allow the increase in proceeds to be distributed. **This request is for appropriation only.**

### **V. Technical Education - Federal Programs (Perkins)**

The Carl D. Perkins Vocational and Technical Education Act require each state to "establish a state performance accountability system to assess the effectiveness of vocational and technical education." This request includes support for multiple model project/pilot projects to be implemented to meet state leadership requirements. The purpose of the model projects is to encourage the implementation of new and innovative programs for career and technical education. Perkins will request proposals from postsecondary institutions receiving Perkins funding so specific projects to be funded are unknown at this time. However, based upon the type projects Perkins will seek, it is likely that the projects will use consultants to develop a program or provide a service. Potential projects include implementation of learning communities, development of retention strategies, creation of an online resource center, process mapping to identify gaps in support services for technical students, development of a leadership academy for faculty, and creation of a performance-based instruction design model. The Department requests Change Levels of \$27,000 for Operating Expenses and \$39,000 for Professional Fees and Services related to these projects. The request is for each fiscal year of the biennium. **The Program is federally funded and this request is for appropriation only.**

## **VI. Career Pathways Program**

The Career Pathways Program operates under the State's Temporary Assistance to Needy Families (TANF) Block Grant. Under these guidelines, all recipients of TANF funds as approved by the Arkansas Transitional Employment Board (TEB) are eligible to receive "educational activities designed to increase self-sufficiency & job training skills". The Department works with the Arkansas Association of Two-Year Colleges (AATYC) to coordinate services to eligible recipients attending selected two-year institutions. The initiative began in March, 2005 and has since expanded to all 22 Two Year Colleges while serving more than 10,000 participants since implementation. More than 4,000 of these participants have received certificates or degrees since entering the program. **Federal Funding, Base Level Request.**

## **VII. The College Access Challenge Grant Program (CACGP)**

The College Access Challenge Grant Program. (CACGP) is a Federal Program funded by the U. S. Department of Education. The project is designed to foster partnerships among government entities and philanthropic organizations to increase the number of underrepresented students who enter and remain in postsecondary education. The purpose of this project is to encourage students and families to learn about, prepare for, and finance a postsecondary education. The project includes a statewide outreach effort that will provide tools that can be used on a long-range basis to help tell the story of the importance of higher education. A training program will also be developed for high school guidance counselors who are located in the poorest counties of Arkansas as a means to assist them in reaching out to children from economically disadvantaged families. **Federal Funding, Base Level Request.**

## **VIII. Scholarship Administration**

Pursuant to Act 1195 of 2011, the Arkansas Department of Higher Education (ADHE) was directed to develop and maintain the Arkansas Higher Education Information System. This project will provide for a data integration and identity resolution solution. ADHE is starting a data warehousing and business intelligence project. The new data integration and identity resolution tools will require additional database tools and hardware. This capital request is to fund the tools needed to comply with Act 1195 of 2011.

## **IX. Complete College America.**

The Arkansas Department of Higher Education (ADHE) requests change levels for appropriation of \$1,000,000 for each fiscal year of the biennium. Of this amount, \$100,000 is requested for Operating Expenses, \$100,000 for Professional Fees, and \$800,000 for Grants.

This increase is requested due to the receipt by ADHE of a grant from the Complete College America. The grant will be used to inspire and enhance state efforts to significantly boost college completion and close attainment gaps for traditionally underrepresented populations. This project will be a comprehensive partnership that will focus the state's tremendous opportunity to change the way we deliver higher education. Nine colleges and universities will participate in the proposed initiative and will address transforming remediation and reducing time-to-degree and accelerating success. **Foundation Funding Appropriation Only**

## **X. Cash Operations**

ADHE receives grants from private foundations. The "Achieving the Dream: Community Colleges Count" national initiative is designed to help more community college students succeed. Achieving the Dream provides participating colleges with support to implement strategies designed to help more students-particularly students of color and low-income students-earn degrees, complete certificates. The Western Interstate Commission for Higher Education (WICHE) Non-traditional No More: Policy Solutions for Adult Learners grant will be used to stimulate and guide policy and practice changes that will create a more navigable path to degree attainment for adults. ADHE has been awarded a planning grant from the Lumina Foundation for Education, Inc. The grant will be used to conduct planning and implementation for a 2011 College Goal Sunday event in Arkansas. College Goal Sunday is a program that utilizes financial aid professionals in providing free assistance to potential college students completing the Free Application for Student Financial Aid (FASFA). Specifically, College Goal Sunday targets low income families. ADHE is requesting appropriation increase (\$750,000) each year for the administration of these programs as well as new programs we are anticipating. **This request is for appropriation only.**

## **XI. Explanations for Revisions to Special Language & New Special Language**

### **A. Building Maintenance Fund (Section 16)**

Streamlines the language to provide for the receipt of any additional deposits from the Higher Education Building Maintenance Fund continue to be allocated to the Research Development Fund for support of the Arkansas Research Education and Optical Network.

### **B. HIGHER EDUCATION CENTRAL POOL POSITIONS. (Section 38)**

Request to codify the section in what was the Higher Education Employee Classification and Compensation Act and to revise the language to review rather than approve. This request would make our central pool consistent with the OPM codified language (See Attachment of 21-2-225).

### **C. New Language for E&G Athletic Transfer.**

Revisions are requested to streamline existing language and to offer parity among the institutions by allowing transfers based upon the campus educational and general (E&G) budget.

## Audit Findings

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
DEPARTMENT OF HIGHER EDUCATION  
FOR THE YEAR ENDED JUNE 30, 2010

Findings

Recommendations

None

None

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

None

## Employment Summary

	Male	Female	Total	%
White Employees	12	15	27	66 %
Black Employees	1	11	12	29 %
Other Racial Minorities	0	2	2	5 %
Total Minorities			14	34 %
Total Employees			41	100 %

## Publications

### A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
A-Book Operating & Capital	A.C.A. 6-61-209	Y	Y	250	Presents biennial recommendations for each institution.
Agenda Books	A.C.A. 6-61-202	N	N	80	Provides notice of higher education issues to be addressed by AHECB.
AR Academic Cost Accounting	A.C.A. 6-61-222	N	Y	200	Reflects cost of each academic program provided to Board and ALC - Interim Committees.
AR Challenge Scholarships	A.C.A. 6-82-1004	N	N	40,000	Sent to high schools and, upon request, to students for informational purposes.
Atheltic Costs & Revenues	A.C.A. 6-62-106	N	Y	100	Presented to AHECB and Joint Audit Committee annually.
B-Book - Personal Services	A.C.A. 6-61-209	Y	Y	250	Presents biennial recommendations for institutional personal services & positions.
Degrees Awarded	A.C.A. 6-61-206	N	N	200	Available on web site - distributed for informational purposes upon request to higher educ community & others.
Fact Book	A.C.A. 6-61-202	Y	Y	250	Historical reference - information also provided to institutions.
Financial Aid Guide	A.C.A. 6-82-1004	N	N	40,000	Sent to high schools and students and counselors and guidance officers.

**A.C.A. 25-1-204**

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
Financial Prgms. Handbook	A.C.A. 8-82-1004	N	N	40,000	For informational purposes, this report is sent to high schools and students upon request.
Governor's Scholars	A.C.A. 8-82-1004	N	N	40,000	For informational purposes, this report is sent to high schools and students upon request.
Health Education Grants	Acts 1180 of 99 & 1612 of 01	N	Y	25	Provides student information for those receiving grants & their return rates.
Impact of Scholarship Prgms.	A.C.A. 6-82-104	N	Y	1	Assesses the impact of scholarship programs and reported to Council annually.
Legislative Summary	A.C.A. 6-61-202	Y	Y	50	Provides information on legislation affecting higher education
Minimum Core Curriculum	A.C.A. 6-53-205 & 6-61-218	N	N	256	For informational purposes, copies are distributed to each public institution of higher education.
Retention & Graduation	A.C.A. 6-61-220	N	N	0	Appears annually in AHECB agenda book published & distributed quarterly to Board, Governor, Institutions
Student Enrollments	A.C.A. 6-61-206	N	N	5	Available on web site - distributed for informational purposes to higher educ community & others.
Student Semester Credit & FTE	A.C.A. 6-61-206	N	N	5	On Web site - Distributed upon request for informational purposes to Higher Education community & others.
Type Amount Compensation for Monitary Losses of Students called into Military Service	A.C.A. 6-61-112	N	Y	100	Mandated for House Interim Committee on Aging, Children and Youth, Legislative and Military Affiars and Senate Interim Committee on Children and Youth beginning October 1, 2006

# Department Appropriation Summary

## Historical Data

## Agency Request and Executive Recommendation

Appropriation	2011-2012		2012-2013		2012-2013		2013-2014					2014-2015						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
135 Dental Aid Grant & Loans	2,922,570	0	3,121,270	0	3,121,270	0	3,121,270	0	3,287,370	0	3,121,270	0	3,121,270	0	3,432,370	0	3,121,270	0
137 Optometry Aid Grants & Loans	461,800	0	550,000	0	550,000	0	550,000	0	570,000	0	550,000	0	550,000	0	590,000	0	550,000	0
138 Veterinary Aid	1,044,638	0	1,100,000	0	1,100,000	0	1,100,000	0	1,135,000	0	1,100,000	0	1,100,000	0	1,200,000	0	1,100,000	0
140 Chiropractic Aid	185,010	0	260,000	0	260,000	0	260,000	0	260,000	0	260,000	0	260,000	0	260,000	0	260,000	0
153 General Operations	3,415,262	36	3,841,202	39	3,958,998	39	3,939,462	39	4,112,909	39	4,037,062	39	3,941,200	39	4,114,647	39	4,038,800	39
156 Research Development Program Grants	2,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0
160 State Scholarship-Federal	0	0	750,000	0	750,000	0	750,000	0	750,000	0	750,000	0	750,000	0	750,000	0	750,000	0
197 Student Asst Grants/Scholarships	46,462,887	0	55,675,000	0	74,811,860	0	55,675,000	0	51,675,000	0	55,675,000	0	55,675,000	0	51,675,000	0	55,675,000	0
1GF Improving Teacher Quality	795,382	0	1,565,258	0	1,565,258	0	1,565,258	0	1,565,258	0	1,565,258	0	1,565,258	0	1,565,258	0	1,565,258	0
2XK TANF	14,249,726	6	10,999,468	5	15,031,501	5	10,975,637	5	10,975,637	5	10,975,637	5	10,976,369	5	10,976,369	5	10,976,369	5
58B College Access Challenge Grant	1,232,868	0	1,500,000	0	1,500,000	0	1,500,000	0	1,500,000	0	1,500,000	0	1,500,000	0	1,500,000	0	1,500,000	0
59B ADHE-Scholarship Admn	596,110	6	967,069	6	971,129	6	968,695	6	1,063,953	7	1,063,953	7	968,695	6	1,063,953	7	1,063,953	7
772 Technical Education-Federal Programs	381,712	3	385,521	2	546,775	2	371,827	2	437,827	2	437,827	2	371,827	2	437,827	2	437,827	2
773 Osteopathy Aid	87,200	0	230,000	0	230,000	0	230,000	0	230,000	0	230,000	0	230,000	0	230,000	0	230,000	0
783 Podiatry Aid	34,400	0	130,400	0	130,400	0	130,400	0	130,400	0	130,400	0	130,400	0	130,400	0	130,400	0
921 Dept Higher Education - Cash in Treasury	238,664	0	945,000	0	945,000	0	945,000	0	1,695,000	0	1,695,000	0	945,000	0	1,695,000	0	1,695,000	0
97E Compl't Coll Amer Grt	280,998	0	0	0	0	0	0	0	1,000,000	0	1,000,000	0	0	0	1,000,000	0	1,000,000	0
<b>Total</b>	<b>74,389,227</b>	<b>51</b>	<b>87,020,188</b>	<b>52</b>	<b>110,472,191</b>	<b>52</b>	<b>87,082,549</b>	<b>52</b>	<b>85,388,354</b>	<b>53</b>	<b>89,091,407</b>	<b>53</b>	<b>87,085,019</b>	<b>52</b>	<b>85,620,824</b>	<b>53</b>	<b>89,093,877</b>	<b>53</b>

Funding Sources		%		%		%		%		%		%		%		%		%	
Fund Balance	4000005	20,234,371	22.5	15,350,741	17.3			1,474,649	2.0	1,474,649	2.0	1,474,649	2.0	219,002	0.3	219,002	0.3	219,002	0.3
General Revenue	4000010	3,145,964	3.5	3,291,808	3.7			3,291,808	4.6	3,522,909	4.7	3,389,408	4.6	3,291,808	4.7	3,524,647	4.5	3,389,408	4.3
Federal Revenue	4000020	16,659,688	18.6	15,200,247	17.2			15,162,722	21.1	15,228,722	20.5	15,228,722	20.6	15,163,454	21.4	15,229,454	19.3	15,229,454	19.4
Cash Fund	4000045	850,928	0.9	750,000	0.8			945,000	1.3	1,945,000	2.6	1,945,000	2.6	945,000	1.3	1,945,000	2.5	1,945,000	2.5
Trust Fund	4000050	419,781	0.5	5,000,000	5.7			2,500,000	3.5	2,500,000	3.4	2,500,000	3.4	2,500,000	3.5	2,500,000	3.2	2,500,000	3.2
Educational Excellence Fund	4000220	12,679,729	14.1	12,942,065	14.6			12,942,065	18.0	12,942,065	17.4	12,942,065	17.5	12,942,065	18.3	12,942,065	16.4	12,942,065	16.5
Gen Rev Higher Ed Grants	4000258	35,003,220	39.0	34,491,806	39.0			34,491,806	47.9	35,491,806	47.8	35,270,706	47.7	34,491,806	48.8	41,491,806	52.5	41,040,706	52.3
HEG Fund Transfers/Adjust.	4000280	66,125	0.1	90,000	0.1			90,000	0.1	90,000	0.1	90,000	0.1	90,000	0.1	90,000	0.1	90,000	0.1
Institution Certification Fees	4000297	150,000	0.2	150,000	0.2			150,000	0.2	150,000	0.2	150,000	0.2	150,000	0.2	150,000	0.2	150,000	0.2
Inter-agency Fund Transfer	4000316	476,989	0.5	918,776	1.0			600,000	0.8	600,000	0.8	600,000	0.8	600,000	0.8	600,000	0.8	600,000	0.8
Reimbursement	4000425	53,173	0.1	309,394	0.3			350,000	0.5	350,000	0.5	350,000	0.5	350,000	0.5	350,000	0.4	350,000	0.4
<b>Total Funds</b>		<b>89,739,968</b>	<b>100.0</b>	<b>88,494,837</b>	<b>100.0</b>			<b>71,998,050</b>	<b>100.0</b>	<b>74,295,151</b>	<b>100.0</b>	<b>73,940,550</b>	<b>100.0</b>	<b>70,743,135</b>	<b>100.0</b>	<b>79,041,974</b>	<b>100.0</b>	<b>78,455,635</b>	<b>100.0</b>

Excess Appropriation/(Funding)	(15,350,741)	(1,474,649)		15,084,499	11,093,203	15,150,857	16,341,884	6,578,850	10,638,242
Grand Total	74,389,227	87,020,188		87,082,549	85,388,354	89,091,407	87,085,019	85,620,824	89,093,877

Variance in fund balance due to unfunded appropriation in appropriations (153) General Operations, (197) Student Asst Grants/Scholarships, (921) Dept Higher Education - Cash in Treasury, and (156) Research Development Program Grants.

## Agency Position Usage Report

FY2010 - 2011						FY2011 - 2012						FY2012 - 2013					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
54	47	7	54	0	12.96 %	52	41	11	52	0	21.15 %	52	47	7	54	-2	9.62 %

Budgeted Number of Positions in FY13 exceeds the Authorized Number due to positions added from the Central Growth Pool.

## **Analysis of Budget Request**

**Appropriation:** 153 - General Operations

**Funding Sources:** HQA - Dept. of Higher Education - State

The Arkansas Department of Higher Education utilizes this appropriation to meet costs associated with general administrative functions tied to the specific mission of the Agency. This appropriation is primarily funded by general revenue payable from the Department of Higher Education Fund Account (HQA). Funding is also provided by the Arkansas Lottery Commission with proceeds from the Arkansas Scholarship Lottery for costs associated with the administration of the Arkansas Academic Challenge Scholarship.

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

The agency Base Level request for this appropriation is \$3,939,462 in FY14 and \$3,941,200 in FY15 with \$3,291,808 each year of general revenue funding and thirty-nine (39) budgeted base level positions.

The agency Change Level request for this appropriation is \$173,447 each year of the biennium and general revenue of \$231,101 in FY14 and \$232,839 in FY15, and are as follows:

- \$68,447 each year of the 2013-2015 biennium in appropriation and general revenue funding for Salaries and Personal Services Matching associated with the reclassification of four (4) positions to DHE Senior Associate Director. Those positions requested to be reclassified are three (3) DHE Associate Director and one (1) DHE Associate Director for Academic Affairs.
- \$75,000 each year of the biennium in appropriation and general revenue funding for Operating Expenses for utility costs and janitorial services associated with the relocation of ADHE office facilities.
- \$30,000 in each year in appropriation and general revenue funding for Capital Outlay to purchase and maintain high end network server printers and other information technology related equipment.
- \$57,564 in FY14 and \$59,392 in general revenue funding to support unfunded base level appropriation.

The Executive Recommendation provides for Base Level in addition to the following:

- \$22,600 each year of the 2013-2015 biennium in appropriation and general revenue funding for Salaries and Personal Services Matching associated with the reclassification of one (1) DHE Associate Director to DHE Senior Associate Director.
- \$75,000 each year of the biennium in appropriation and general revenue funding for Operating Expenses for utility costs and janitorial services associated with the relocation of ADHE office facilities.
- \$30,000 each year in Capital Outlay to be requested from Capital Projects to be funded from the General Improvement Fund.

## Appropriation Summary

**Appropriation:** 153 - General Operations  
**Funding Sources:** HQA - Dept. of Higher Education - State

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	2,110,421	2,373,700	2,495,956	2,424,411	2,480,230	2,442,942	2,425,411	2,481,230	2,443,942
<b>#Positions</b>		<b>36</b>	<b>39</b>	<b>39</b>	<b>39</b>	<b>39</b>	<b>39</b>	<b>39</b>	<b>39</b>	<b>39</b>
Extra Help	5010001	2,902	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
<b>#Extra Help</b>		<b>0</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>
Personal Services Matching	5010003	587,705	668,477	664,017	716,026	728,654	720,095	716,764	729,392	720,833
Operating Expenses	5020002	689,642	765,755	765,755	765,755	840,755	840,755	765,755	840,755	840,755
Conference & Travel Expenses	5050009	20,092	20,270	20,270	20,270	20,270	20,270	20,270	20,270	20,270
Professional Fees	5060010	4,500	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	30,000	0	0	30,000	0
<b>Total</b>		<b>3,415,262</b>	<b>3,841,202</b>	<b>3,958,998</b>	<b>3,939,462</b>	<b>4,112,909</b>	<b>4,037,062</b>	<b>3,941,200</b>	<b>4,114,647</b>	<b>4,038,800</b>

Funding Sources										
General Revenue	4000010	3,145,964	3,291,808		3,291,808	3,522,909	3,389,408	3,291,808	3,524,647	3,389,408
HEG Fund Transfers/Adjust.	4000280	66,125	90,000		90,000	90,000	90,000	90,000	90,000	90,000
Institution Certification Fees	4000297	150,000	150,000		150,000	150,000	150,000	150,000	150,000	150,000
Reimbursement	4000425	53,173	309,394		350,000	350,000	350,000	350,000	350,000	350,000
<b>Total Funding</b>		<b>3,415,262</b>	<b>3,841,202</b>		<b>3,881,808</b>	<b>4,112,909</b>	<b>3,979,408</b>	<b>3,881,808</b>	<b>4,114,647</b>	<b>3,979,408</b>
Excess Appropriation/(Funding)		0	0		57,654	0	57,654	59,392	0	59,392
<b>Grand Total</b>		<b>3,415,262</b>	<b>3,841,202</b>		<b>3,939,462</b>	<b>4,112,909</b>	<b>4,037,062</b>	<b>3,941,200</b>	<b>4,114,647</b>	<b>4,038,800</b>

FY13 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2011-2013 Biennium.

## Change Level by Appropriation

**Appropriation:** 153 - General Operations  
**Funding Sources:** HQA - Dept. of Higher Education - State

### Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>3,939,462</b>	<b>39</b>	<b>3,939,462</b>	<b>100.0</b>	<b>3,941,200</b>	<b>39</b>	<b>3,941,200</b>	<b>100.0</b>
C01	Existing Program	105,000	0	4,044,462	102.7	105,000	0	4,046,200	102.7
C10	Reclass	68,447	0	4,112,909	104.4	68,447	0	4,114,647	104.4

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>3,939,462</b>	<b>39</b>	<b>3,939,462</b>	<b>100.0</b>	<b>3,941,200</b>	<b>39</b>	<b>3,941,200</b>	<b>100.0</b>
C01	Existing Program	75,000	0	4,014,462	101.9	75,000	0	4,016,200	101.9
C10	Reclass	22,600	0	4,037,062	102.5	22,600	0	4,038,800	102.5

### Justification

C01	The Arkansas Department of Higher Education is requesting Change Levels of \$105,000 for each year of the biennium. ADHE has worked closely with Arkansas Building Authority (ABA) on a new facility space. ABA has helped ADHE develop estimated costs including relocation costs. The operating cost for relocation including Information Technology and telephone system is approximately \$45,000. Additional Operating costs include the utilities and janitorial services of \$30,000. Capital Outlay of \$30,000 is requested to purchase and maintain high end network server printers and other information technology related equipment. These items are located in the Agency's IT plan.
C10	ADHE requests \$55,819 in regular salaries and \$12,628 in corresponding personal services matching for the reclassification of 4 positions to Senior Associate Director.

## **Analysis of Budget Request**

**Appropriation:** 156 - Research Development Program Grants

**Funding Sources:** THD - Higher Education Research Development - Trust

The Arkansas Research Development Program provides grants to institutions of higher education for development of scientific research capability per Arkansas Code § 6-61-807. Funding for this program is required to be transferred from the Higher Education Building Maintenance Fund in accordance with Section 22 of Act 286 of 2010. Revenues in the Higher Education Building Maintenance Fund accumulate from the sale or lease of minerals, oil, gas, etc. on military and non-military federal lands located within the State of Arkansas.

The agency Base Level request for this appropriation is \$5,000,000 each year of the Biennium.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 156 - Research Development Program Grants

**Funding Sources:** THD - Higher Education Research Development - Trust

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	2,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Total		2,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
<b>Funding Sources</b>										
Fund Balance	4000005	2,476,493	896,274		896,274	896,274	896,274	0	0	0
Trust Fund	4000050	419,781	5,000,000		2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Total Funding		2,896,274	5,896,274		3,396,274	3,396,274	3,396,274	2,500,000	2,500,000	2,500,000
Excess Appropriation/(Funding)		(896,274)	(896,274)		1,603,726	1,603,726	1,603,726	2,500,000	2,500,000	2,500,000
Grand Total		2,000,000	5,000,000		5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000

## **Analysis of Budget Request**

**Appropriation:** 160 - State Scholarship-Federal

**Funding Sources:** FCP - Dept. of Higher Education - Federal

This appropriation represents the federal share of the Workforce Improvement Grants Program, which is the State's only financial aid program based solely on financial need. The federal grant received is for Arkansas' participation in the "Leveraging Educational Assistance Partnership" (LEAP) Program. The goal is to help the non-traditional student (24 years old or older) returning to school who has financial need but may not be eligible for assistance from traditional state and federal programs. This appropriation is funded entirely from federal revenue received from the U.S. Department of Education.

The agency Base Level request for this appropriation is \$750,000 each year of the biennium.

the Executive Recommendation provides for the Agency Request.

# Appropriation Summary

**Appropriation:** 160 - State Scholarship-Federal  
**Funding Sources:** FCP - Dept. of Higher Education - Federal

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	0	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000
Total	0	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000
<b>Funding Sources</b>									
Federal Revenue 4000020	0	750,000		750,000	750,000	750,000	750,000	750,000	750,000
Total Funding	0	750,000		750,000	750,000	750,000	750,000	750,000	750,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	750,000		750,000	750,000	750,000	750,000	750,000	750,000

## **Analysis of Budget Request**

**Appropriation:** 197 - Student Asst Grants/Scholarships

**Funding Sources:** HEG - Higher Education Grants

The Student Assistance Grants and Scholarships appropriation provides the Arkansas Department of Higher Education (ADHE) the authority to award the State's current and prospective college students with financial aid based upon academic performance and, in some programs, financial need. This appropriation is currently funded from a combination of general revenue, Higher Education Grants Fund balances, and Educational Excellence Trust Fund revenues, payable from the Higher Education Grants (HEG) Fund Account.

The Agency Base Level request for appropriation is \$55,675,000 each year of the biennium with \$29,051,843 each year in general revenue funding.

The Agency Change Level request is for overall reduction in appropriation of \$4,000,000 each year of the biennium. Also, the Agency is requesting \$363,240 in FY14 and \$6,133,240 in FY15 in new general revenue funding. The Change Level requests are reflected as follows:

- State Teacher Education Program (STEP) - \$2,000,000 reduction each year to more adequately align with the number of new students in the program.
- Higher Education Opportunity Grants - \$2,000,000 reduction each year to more adequately align with the number of new students in the program.
- Second Effort Scholarships - \$10,000 increase each year due to an increase in the number of eligible students in the program.
- Washington Center Scholarships - \$100,000 increase each year due to an increase in the number of eligible students in the program.
- Dependents of Law Enforcement Officers - \$175,000 increase each year due to an increase in the number of eligible students in the program.
- Dependents of POWs, MIAs, KIAs - \$325,000 increase each year to accommodate an increase in the number of eligible students in the program due to the many overseas conflicts.
- Tuition Adjustment - \$350,000 increase each year to cover increased costs associated with rising tuition.
- Academic Challenge - \$3,660,000 decrease each year to more adequately align with the number of new students in the program.

- Arkansas Governor's Scholars - \$2,700,000 increase each year due to an increase in the number of eligible students in the program.

The Executive Recommendation provides for Base Level. In addition the Executive Recommendation is for special language to allow ADHE to reallocate appropriation between the different programs as needed.

# Appropriation Summary

**Appropriation:** 197 - Student Asst Grants/Scholarships

**Funding Sources:** HEG - Higher Education Grants

## Historical Data

## Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
					Base Level	Agency	Executive	Base Level	Agency	Executive
St Teacher Educ Prgm	5100004	1,430,383	4,000,000	5,000,000	4,000,000	2,000,000	4,000,000	4,000,000	2,000,000	4,000,000
Teacher Opportunity Program	5100004	1,044,246	1,500,000	2,000,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Workforce Improvement Grants	5100004	3,461,625	2,500,000	4,277,169	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
H E Opportunities Grant	5100004	5,552,672	8,000,000	11,000,000	8,000,000	6,000,000	8,000,000	8,000,000	6,000,000	8,000,000
National Guard Tuition Asst.	5100004	1,460,863	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Single Parent Scholarship Prograr	5100004	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000
Second Effort Scholarships	5100030	9,375	0	20,000	0	10,000	0	0	10,000	0
Minority Masters Fellows	5100030	0	0	280,000	0	0	0	0	0	0
Washington Center Scholarships	5100030	0	0	120,000	0	100,000	0	0	100,000	0
SREB Minority Doctoral Scholars	5100030	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Dependents-Law Enf. Off, etc	5100030	258,104	200,000	200,000	200,000	375,000	200,000	200,000	375,000	200,000
AR Geographical Critical Needs	5100030	0	150,000	200,000	150,000	150,000	150,000	150,000	150,000	150,000
Jr/Sr Minority Teacher Scholars	5100030	0	0	300,000	0	0	0	0	0	0
Dependents-POW'S, MIA'S, etc.	5100030	160,382	250,000	250,000	250,000	575,000	250,000	250,000	575,000	250,000
Tuition Adjustment	5110014	0	0	350,000	0	350,000	0	0	350,000	0
Refunds/Reimbursements	5110014	0	0	5,000,000	0	0	0	0	0	0
Capital Outlay	5120011	28,535	0	0	0	0	0	0	0	0
St Teacher Asst. Resource Prgm	5120029	0	0	3,581,717	0	0	0	0	0	0
Academic Challenge	5900046	20,259,457	25,000,000	28,000,000	25,000,000	21,340,000	25,000,000	25,000,000	21,340,000	25,000,000
AR Governor's Scholar	5900047	11,790,966	10,750,000	10,750,000	10,750,000	13,450,000	10,750,000	10,750,000	13,450,000	10,750,000
SURF	5900048	145,625	150,000	307,974	150,000	150,000	150,000	150,000	150,000	150,000
Web Based Applications	5900049	485,654	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000
<b>Total</b>		<b>46,462,887</b>	<b>55,675,000</b>	<b>74,811,860</b>	<b>55,675,000</b>	<b>51,675,000</b>	<b>55,675,000</b>	<b>55,675,000</b>	<b>51,675,000</b>	<b>55,675,000</b>

Funding Sources									
Fund Balance	4000005	17,315,769	13,681,092		0	0	0	0	0
Educational Excellence Fund	4000220	12,679,729	12,942,065		12,942,065	12,942,065	12,942,065	12,942,065	12,942,065
Gen Rev Higher Ed Grants	4000258	30,148,481	29,051,843		29,051,843	29,415,083	29,415,083	29,051,843	35,185,083
<b>Total Funding</b>		<b>60,143,979</b>	<b>55,675,000</b>		<b>41,993,908</b>	<b>42,357,148</b>	<b>42,357,148</b>	<b>41,993,908</b>	<b>48,127,148</b>
Excess Appropriation/(Funding)		(13,681,092)	0		13,681,092	9,317,852	13,317,852	13,681,092	7,547,852
<b>Grand Total</b>		<b>46,462,887</b>	<b>55,675,000</b>		<b>55,675,000</b>	<b>51,675,000</b>	<b>55,675,000</b>	<b>55,675,000</b>	<b>55,675,000</b>

## Change Level by Appropriation

**Appropriation:** 197 - Student Asst Grants/Scholarships  
**Funding Sources:** HEG - Higher Education Grants

### Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>55,675,000</b>	<b>0</b>	<b>55,675,000</b>	<b>100.0</b>	<b>55,675,000</b>	<b>0</b>	<b>55,675,000</b>	<b>100.0</b>
C03	Discontinue Program	(4,000,000)	0	51,675,000	92.8	(4,000,000)	0	51,675,000	92.8
C04	Reallocation	0	0	51,675,000	92.8	0	0	51,675,000	92.8

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>55,675,000</b>	<b>0</b>	<b>55,675,000</b>	<b>100.0</b>	<b>55,675,000</b>	<b>0</b>	<b>55,675,000</b>	<b>100.0</b>
C03	Discontinue Program	0	0	55,675,000	100.0	0	0	55,675,000	100.0
C04	Reallocation	0	0	55,675,000	100.0	0	0	55,675,000	100.0

### Justification

C03	The reduction is \$2,000,000 for the State Teacher Education Program and the (STEP) Program and \$2,000,000 for the Higher Education Opportunities Grant Program. The change level is to more adequately align the appropriation with the number of new students and those in pipeline
C04	The Arkansas Governor's Scholarship Program has seen a continued increase in the number of eligible students and now runs at a level of 1,500 students which will require a change level of \$2,700,000 each year to sustain the current level of students. The Law Enforcement Dependents Program has also grown and will require a change level of \$175,000 each year to maintain the growth in the program. The Military Dependents Program has seen a steady increase in the last years due to the many overseas conflicts; the program now has a waiting list of over 50 students and will require a change level of \$325,000 each year to fund the current students plus those on a waiting list. Without these change levels and increased funding, many programs will not be funded and most others will have to have funding reduced

## **Analysis of Budget Request**

**Appropriation:** 1GF - Improving Teacher Quality

**Funding Sources:** FCP - Dept. of Higher Education - Federal

The Arkansas Department of Higher Education's (ADHE) Improving Teacher Quality appropriation represents the State's 'No Child Left Behind' program. The goals of this appropriation stress the importance of preparing, training and recruiting high quality teachers and principals through competitive grants to institutions of higher education. Major emphasis is placed upon teacher quality as being a factor in improving student achievement. This program is federally funded through the U.S. Department of Education.

The agency Base Level and total request for this appropriation is \$1,565,258 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 1GF - Improving Teacher Quality  
**Funding Sources:** FCP - Dept. of Higher Education - Federal

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	845	26,856	26,856	26,856	26,856	26,856	26,856	26,856	26,856
Conference & Travel Expenses 5050009	2,058	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000
Professional Fees 5060010	0	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Grants and Aid 5100004	792,479	1,517,402	1,517,402	1,517,402	1,517,402	1,517,402	1,517,402	1,517,402	1,517,402
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>795,382</b>	<b>1,565,258</b>	<b>1,565,258</b>	<b>1,565,258</b>	<b>1,565,258</b>	<b>1,565,258</b>	<b>1,565,258</b>	<b>1,565,258</b>	<b>1,565,258</b>
<b>Funding Sources</b>									
Federal Revenue 4000020	795,382	1,565,258		1,565,258	1,565,258	1,565,258	1,565,258	1,565,258	1,565,258
Total Funding	795,382	1,565,258		1,565,258	1,565,258	1,565,258	1,565,258	1,565,258	1,565,258
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>795,382</b>	<b>1,565,258</b>		<b>1,565,258</b>	<b>1,565,258</b>	<b>1,565,258</b>	<b>1,565,258</b>	<b>1,565,258</b>	<b>1,565,258</b>

## **Analysis of Budget Request**

**Appropriation:** 2XK - TANF

**Funding Sources:** FCP - Dept. of Higher Education - Federal

The Temporary Assistance to Needy Families (TANF) appropriation is a collaboration between the Arkansas Department of Higher Education (ADHE) and all twenty-two (22) two-year institutions of higher education. Known as the "Career Pathways" program, it provides educational and training services to recipients deemed eligible under the TANF Block Grant. ADHE works with the Arkansas Association of Two-Year Colleges (AATYC) to coordinate services to eligible recipients, and over 100,000 students have participated. The goal of this appropriation is to increase client self-sufficiency and job skills. This program is federally funded through the U.S. Department of Health and Human Services.

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

The agency Base Level request for this appropriation is \$10,975,637 in FY14 and \$10,976,369 in FY15 with six (6) base level positions and two (2) extra help positions.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 2XK - TANF

**Funding Sources:** FCP - Dept. of Higher Education - Federal

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	Historical Data			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	361,149	339,605	413,562	340,205	340,205	340,205	340,805	340,805	340,805
<b>#Positions</b>	<b>6</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>
Extra Help 5010001	574	15,000	25,000	15,000	15,000	15,000	15,000	15,000	15,000
<b>#Extra Help</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
Personal Services Matching 5010003	102,879	109,863	112,939	100,432	100,432	100,432	100,564	100,564	100,564
Operating Expenses 5020002	99,242	90,000	160,000	90,000	90,000	90,000	90,000	90,000	90,000
Conference & Travel Expenses 5050009	21,557	25,000	75,000	25,000	25,000	25,000	25,000	25,000	25,000
Professional Fees 5060010	25,800	30,000	130,000	30,000	30,000	30,000	30,000	30,000	30,000
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Grants and Aid 5100004	13,638,525	10,375,000	14,100,000	10,375,000	10,375,000	10,375,000	10,375,000	10,375,000	10,375,000
Capital Outlay 5120011	0	15,000	15,000	0	0	0	0	0	0
<b>Total</b>	<b>14,249,726</b>	<b>10,999,468</b>	<b>15,031,501</b>	<b>10,975,637</b>	<b>10,975,637</b>	<b>10,975,637</b>	<b>10,976,369</b>	<b>10,976,369</b>	<b>10,976,369</b>
<b>Funding Sources</b>									
Federal Revenue 4000020	14,249,726	10,999,468		10,975,637	10,975,637	10,975,637	10,976,369	10,976,369	10,976,369
Total Funding	14,249,726	10,999,468		10,975,637	10,975,637	10,975,637	10,976,369	10,976,369	10,976,369
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>14,249,726</b>	<b>10,999,468</b>		<b>10,975,637</b>	<b>10,975,637</b>	<b>10,975,637</b>	<b>10,976,369</b>	<b>10,976,369</b>	<b>10,976,369</b>

## **Analysis of Budget Request**

**Appropriation:** 58B - College Access Challenge Grant

**Funding Sources:** FCP - Dept. of Higher Education - Federal

The College Access Challenge Grant Program (CACGP) is designed to foster partnerships among federal, state, and local governments and philanthropic organizations through matching challenge grants that are aimed at increasing the number of low-income students who are prepared to enter and succeed in postsecondary education. Projects funded by the CACGP are designed to: provide information to students and families regarding postsecondary education and career preparation; promote financial literacy and debt management; conduct outreach activities; assist students in completing the Free Application for Federal Student Financial Aid (FAFSA); provide need-based grant aid; conduct professional development for guidance counselors at middle and secondary schools, financial aid administrators, and college admissions counselors; and offer student loan cancellation or repayment or interest rate reductions for borrowers who are employed in a high-need geographical area or a high need profession. This program is federally funded.

The agency Base Level request for this appropriation is \$1,500,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 58B - College Access Challenge Grant  
**Funding Sources:** FCP - Dept. of Higher Education - Federal

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	591,552	595,000	595,000	595,000	595,000	595,000	595,000	595,000	595,000
Conference & Travel Expenses	5050009	154	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Professional Fees	5060010	641,162	880,000	880,000	880,000	880,000	880,000	880,000	880,000	880,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
<b>Total</b>		<b>1,232,868</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>1,500,000</b>
<b>Funding Sources</b>										
Federal Revenue	4000020	1,232,868	1,500,000		1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
<b>Total Funding</b>		<b>1,232,868</b>	<b>1,500,000</b>		<b>1,500,000</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>1,500,000</b>
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>1,232,868</b>	<b>1,500,000</b>		<b>1,500,000</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>1,500,000</b>

## **Analysis of Budget Request**

**Appropriation:** 59B - ADHE-Scholarship Admn

**Funding Sources:** HEG - Higher Education Grants

The Arkansas Department of Higher Education (ADHE) provides for the administration of the Arkansas Academic Challenge Scholarship program through Scholarship Administration appropriation. The Arkansas Lottery Commission provides funding for this appropriation with proceeds from the Arkansas Scholarship Lottery.

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

The agency Base Level request for this appropriation is \$968,695 each year of the biennium with \$48,293 in general revenue funding, six (6) budgeted base level positions and nine (9) budgeted extra help positions.

The agency Change Level request for is \$95,258 each year of the biennium in appropriation and \$415,660 in new general revenue funding. The requests are outlined as follows:

- \$60,258 each year of the biennium in appropriation and general revenue funding for Regular Salaries and Personal Services Matching associated with the restoration of one (1) Program Coordinator position.
- \$35,000 each year in appropriation and general revenue funding for Capital Outlay to provide for data integration and identity resolution solutions for the Arkansas Higher Education Information System. These items are located in the agency's IT plan.
- \$320,402 in additional general revenue to fully fund base level appropriation.

The Executive Recommendation provides for Agency Request.

## Appropriation Summary

**Appropriation:** 59B - ADHE-Scholarship Admn

**Funding Sources:** HEG - Higher Education Grants

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	218,429	280,330	287,857	280,330	325,707	325,707	280,330	325,707	325,707
<b>#Positions</b>		<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>7</b>	<b>7</b>	<b>6</b>	<b>7</b>	<b>7</b>
Extra Help	5010001	10,347	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
<b>#Extra Help</b>		<b>1</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>
Personal Services Matching	5010003	72,190	91,739	88,272	93,365	108,246	108,246	93,365	108,246	108,246
Operating Expenses	5020002	116,444	165,000	165,000	165,000	165,000	165,000	165,000	165,000	165,000
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	178,700	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	35,000	35,000	0	35,000	35,000
<b>Total</b>		<b>596,110</b>	<b>967,069</b>	<b>971,129</b>	<b>968,695</b>	<b>1,063,953</b>	<b>1,063,953</b>	<b>968,695</b>	<b>1,063,953</b>	<b>1,063,953</b>
<b>Funding Sources</b>										
Gen Rev Higher Ed Grants	4000258	119,121	48,293		48,293	463,953	463,953	48,293	463,953	463,953
Inter-agency Fund Transfer	4000316	476,989	918,776		600,000	600,000	600,000	600,000	600,000	600,000
<b>Total Funding</b>		<b>596,110</b>	<b>967,069</b>		<b>648,293</b>	<b>1,063,953</b>	<b>1,063,953</b>	<b>648,293</b>	<b>1,063,953</b>	<b>1,063,953</b>
Excess Appropriation/(Funding)		0	0		320,402	0	0	320,402	0	0
<b>Grand Total</b>		<b>596,110</b>	<b>967,069</b>		<b>968,695</b>	<b>1,063,953</b>	<b>1,063,953</b>	<b>968,695</b>	<b>1,063,953</b>	<b>1,063,953</b>

FY13 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2011-2013 Biennium.

## Change Level by Appropriation

**Appropriation:** 59B - ADHE-Scholarship Admn  
**Funding Sources:** HEG - Higher Education Grants

### Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>968,695</b>	<b>6</b>	<b>968,695</b>	<b>100.0</b>	<b>968,695</b>	<b>6</b>	<b>968,695</b>	<b>100.0</b>
C01	Existing Program	35,000	0	1,003,695	103.6	35,000	0	1,003,695	103.6
C06	Restore Position/Approp	60,258	1	1,063,953	109.8	60,258	1	1,063,953	109.8

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>968,695</b>	<b>6</b>	<b>968,695</b>	<b>100.0</b>	<b>968,695</b>	<b>6</b>	<b>968,695</b>	<b>100.0</b>
C01	Existing Program	35,000	0	1,003,695	103.6	35,000	0	1,003,695	103.6
C06	Restore Position/Approp	60,258	1	1,063,953	109.8	60,258	1	1,063,953	109.8

### Justification

C01	Pursuant to Act 1195 of 2011, the Arkansas Department of Higher Education (ADHE) was directed to develop and maintain the Arkansas Higher Education Information System. This project will provide for a data integration and identity resolution solution. ADHE is starting a data warehousing and business intelligence project. The new data integration and identity resolution tools will require additional database tools and hardware. This capital request is to fund the tools needed to comply with Act 1195 of 2011.
C06	ADHE is requesting \$45,377 in salary and \$14,881 in personal services matching each year of the biennium for the restoration of 1 Program Coordinator position.

## **Analysis of Budget Request**

**Appropriation:** 772 - Technical Education-Federal Programs

**Funding Sources:** FCP - Dept. of Higher Education - Federal

The Teacher Education-Federal Programs appropriation is designed to utilize federal funding awarded by the Carl D. Perkins Vocational and Technical Act. This Act focuses on the academic achievement of career and technical education students, strengthening the connections between secondary and postsecondary education, and improving state and local accountability.

The Arkansas Department of Workforce Education has been designated as the agency eligible to receive federal Perkins funds from the Office of Vocational and Adult Education in the U.S. Department of Education. Through a Memorandum of Understanding, the Arkansas Department of Workforce Education makes funds available to the Arkansas Department of Higher Education (ADHE) to administer the postsecondary portion of the Perkins Act.

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

The agency Base Level request for this appropriation is \$371,827 each year of the biennium and two (2) budgeted base level positions.

The agency Change Level request for this appropriation is \$66,000 each year of the biennium and reflects the following:

- \$27,000 each year in Operating Expenses for conference and seminar fees related to Perkins-sponsored training seminars
- \$39,000 each year in Professional Fees for multiple model project/pilot projects to be implemented to meet state leadership requirements.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 772 - Technical Education-Federal Programs

**Funding Sources:** FCP - Dept. of Higher Education - Federal

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	153,675	137,051	219,585	137,751	137,751	137,751	137,751	137,751	137,751
<b>#Positions</b>		<b>3</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
Personal Services Matching	5010003	46,666	54,470	58,190	40,076	40,076	40,076	40,076	40,076	40,076
Operating Expenses	5020002	59,487	93,000	95,000	93,000	120,000	120,000	93,000	120,000	120,000
Conference & Travel Expenses	5050009	47,384	20,000	69,000	20,000	20,000	20,000	20,000	20,000	20,000
Professional Fees	5060010	74,500	81,000	90,000	81,000	120,000	120,000	81,000	120,000	120,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	15,000	0	0	0	0	0	0
<b>Total</b>		<b>381,712</b>	<b>385,521</b>	<b>546,775</b>	<b>371,827</b>	<b>437,827</b>	<b>437,827</b>	<b>371,827</b>	<b>437,827</b>	<b>437,827</b>
<b>Funding Sources</b>										
Federal Revenue	4000020	381,712	385,521		371,827	437,827	437,827	371,827	437,827	437,827
Total Funding		381,712	385,521		371,827	437,827	437,827	371,827	437,827	437,827
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>381,712</b>	<b>385,521</b>		<b>371,827</b>	<b>437,827</b>	<b>437,827</b>	<b>371,827</b>	<b>437,827</b>	<b>437,827</b>

## Change Level by Appropriation

**Appropriation:** 772 - Technical Education-Federal Programs  
**Funding Sources:** FCP - Dept. of Higher Education - Federal

### Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>371,827</b>	<b>2</b>	<b>371,827</b>	<b>100.0</b>	<b>371,827</b>	<b>2</b>	<b>371,827</b>	<b>100.0</b>
C01	Existing Program	66,000	0	437,827	117.8	66,000	0	437,827	117.8

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>371,827</b>	<b>2</b>	<b>371,827</b>	<b>100.0</b>	<b>371,827</b>	<b>2</b>	<b>371,827</b>	<b>100.0</b>
C01	Existing Program	66,000	0	437,827	117.8	66,000	0	437,827	117.8

### Justification

C01	The Carl D. Perkins Vocational and Technical Education Act require each state to "establish a state performance accountability system to assess the effectiveness of vocational and technical education." This request includes support for multiple model project/pilot projects to be implemented to meet state leadership requirements. The purpose of the model projects is to encourage the implementation of new and innovative programs for career and technical education. The Department requests Change Levels of \$27,000 for Operating Expenses and \$39,000 for Professional Fees and Services related to these projects. The request is for each fiscal year of the biennium. The Program is federally funded and this request is for appropriation only.
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## **Analysis of Budget Request**

**Appropriation:** 921 - Dept Higher Education - Cash in Treasury

**Funding Sources:** NHE - Cash in Treasury

This appropriation is for Cash Operations of The Arkansas Department of Higher Education (ADHE) as defined by Arkansas Code §19-4-801. This appropriation assists in the administration of grant awards related to the "Achieving the Dream", "Non-Traditional No More", and "College Goal Sunday" programs. "Achieving the Dream: Community Colleges Count" program receives private foundation funding to provide participating community colleges with resources to assist minority and low income students earn degrees and to facilitate transfers of credits to other institutions of higher education for continuing their studies. "Non-Traditional No More: Policy Solutions for Adult Learners" program is a Western Interstate Commission for Higher Education (WICHE) private foundation grant used to stimulate and guide policy changes to create a more navigable path to degree attainment for adults. "College Goal Sunday" uses funding provided via planning grant from the Lumina Foundation for Education, Inc. to provide low income families access to financial aid professionals and free assistance in completing the Free Application for Student Financial Aid (FAFSA), as well as helping those targeted students identify all financial aid available.

The agency Base Level request for this appropriation is \$945,000 each year of the biennium.

The agency Change Level request for this appropriation is \$750,000 each year of the biennium and reflects the following:

- \$500,000 each year in Operating Expenses for assistance grants and aid.
- \$150,000 each year in Professional Fees for increased costs associated with the grants.
- \$100,000 each year in Capital Outlay to purchase equipment related to the administration of the private grants.

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

## Appropriation Summary

**Appropriation:** 921 - Dept Higher Education - Cash in Treasury

**Funding Sources:** NHE - Cash in Treasury

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	155,086	378,070	378,070	378,070	878,070	878,070	378,070	878,070	878,070
Conference & Travel Expenses	5050009	14,193	60,620	60,620	60,620	60,620	60,620	60,620	60,620	60,620
Professional Fees	5060010	66,385	401,310	401,310	401,310	551,310	551,310	401,310	551,310	551,310
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Scholarships	5100030	3,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Refunds/Reimbursements	5110014	0	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Capital Outlay	5120011	0	0	0	0	100,000	100,000	0	100,000	100,000
<b>Total</b>		<b>238,664</b>	<b>945,000</b>	<b>945,000</b>	<b>945,000</b>	<b>1,695,000</b>	<b>1,695,000</b>	<b>945,000</b>	<b>1,695,000</b>	<b>1,695,000</b>
<b>Funding Sources</b>										
Fund Balance	4000005	442,109	554,373		359,373	359,373	359,373	0	0	0
Cash Fund	4000045	350,928	750,000		945,000	945,000	945,000	945,000	945,000	945,000
<b>Total Funding</b>		<b>793,037</b>	<b>1,304,373</b>		<b>1,304,373</b>	<b>1,304,373</b>	<b>1,304,373</b>	<b>945,000</b>	<b>945,000</b>	<b>945,000</b>
Excess Appropriation/(Funding)		(554,373)	(359,373)		(359,373)	390,627	390,627	0	750,000	750,000
<b>Grand Total</b>		<b>238,664</b>	<b>945,000</b>		<b>945,000</b>	<b>1,695,000</b>	<b>1,695,000</b>	<b>945,000</b>	<b>1,695,000</b>	<b>1,695,000</b>

## Change Level by Appropriation

**Appropriation:** 921 - Dept Higher Education - Cash in Treasury  
**Funding Sources:** NHE - Cash in Treasury

### Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>945,000</b>	<b>0</b>	<b>945,000</b>	<b>100.0</b>	<b>945,000</b>	<b>0</b>	<b>945,000</b>	<b>100.0</b>
C01	Existing Program	750,000	0	1,695,000	179.4	750,000	0	1,695,000	179.4

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>945,000</b>	<b>0</b>	<b>945,000</b>	<b>100.0</b>	<b>945,000</b>	<b>0</b>	<b>945,000</b>	<b>100.0</b>
C01	Existing Program	750,000	0	1,695,000	179.4	750,000	0	1,695,000	179.4

### Justification

C01	ADHE periodically receives grants from various state, federal programs as well as private foundations. Current programs include Achieving the Dream, The Western Interstate Commission for Higher Education (WICHE) Non-traditional No More: Policy Solutions for Adult Learners, Lumina Foundation for Education, Inc. and College Goal Sunday event in Arkansas. College Goal Sunday. ADHE is requesting appropriation increase (\$750,000) each year for the administration of these programs as well as new programs we are anticipating. This request is for appropriation only.
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## **Analysis of Budget Request**

**Appropriation:** 97E - Complt Coll Amer Grt

**Funding Sources:** NHE - Cash in Treasury

This appropriation is for Cash Operations of The Arkansas Department of Higher Education (ADHE) for the operation of the Complete College America Grant. This grant will be used to enhance state efforts to boost college completion and close attainment gaps for traditionally underrepresented populations. Nine colleges and universities will participate in the initiative and will address transforming remediation and reducing time-to-degree and accelerating success.

The agency request for this appropriation is for \$1,000,000 each year of the 2013-2015 biennium and reflects the following:

- \$100,000 each year in Operating Expenses for employee travel costs associated with the administration of this program
- \$100,000 each year in Professional Fees.
- \$800,000 each year in Grants.

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

## Appropriation Summary

**Appropriation:** 97E - Complt Coll Amer Grt

**Funding Sources:** NHE - Cash in Treasury

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	Historical Data			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	0	0	0	0	100,000	100,000	0	100,000	100,000
Professional Fees 5060010	0	0	0	0	100,000	100,000	0	100,000	100,000
Grants and Aid 5100004	280,998	0	0	0	800,000	800,000	0	800,000	800,000
<b>Total</b>	<b>280,998</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>0</b>	<b>1,000,000</b>	<b>1,000,000</b>
<b>Funding Sources</b>									
Fund Balance 4000005	0	219,002		219,002	219,002	219,002	219,002	219,002	219,002
Cash Fund 4000045	500,000	0		0	1,000,000	1,000,000	0	1,000,000	1,000,000
<b>Total Funding</b>	<b>500,000</b>	<b>219,002</b>		<b>219,002</b>	<b>1,219,002</b>	<b>1,219,002</b>	<b>219,002</b>	<b>1,219,002</b>	<b>1,219,002</b>
Excess Appropriation/(Funding)	(219,002)	(219,002)		(219,002)	(219,002)	(219,002)	(219,002)	(219,002)	(219,002)
<b>Grand Total</b>	<b>280,998</b>	<b>0</b>		<b>0</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>0</b>	<b>1,000,000</b>	<b>1,000,000</b>

## Change Level by Appropriation

**Appropriation:** 97E - Complt Coll Amer Grt  
**Funding Sources:** NHE - Cash in Treasury

### Agency Request

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

### Executive Recommendation

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

### Justification

C01	The Arkansas Department of Higher Education (ADHE) requests change levels for appropriation of \$1,000,000 for each fiscal year of the biennium. Of this amount, \$100,000 is requested for Operating Expenses, \$100,000 for Professional Fees, and \$800,000 for Grants. This increase is requested due to the receipt by ADHE of a grant from the Complete College America. The grant will be used to inspire and enhance state efforts to significantly boost college completion and close attainment gaps for traditionally underrepresented populations. This project will be a comprehensive partnership that will focus the state's tremendous opportunity to change the way we deliver higher education. Nine colleges and universities will participate in the proposed initiative and will address transforming remediation and reducing time-to-degree and accelerating success.								
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## **Analysis of Budget Request**

**Appropriation:** HEG - Health Education Grants & Loans

**Funding Sources:** HEG - Higher Education Grants

The Health Professions Financial Assistance Program of the Arkansas Department of Higher Education (ADHE) is responsible for developing rules and regulations for the Arkansas Health Education Grants (ARHEG) Program. ARHEG provides Arkansas residents financial assistance to attend certain out-of-state health and medical professional schools for graduate or professional programs not available in Arkansas. Education programs not offered in Arkansas are facilitated through contractual arrangements negotiated through the Southern Regional Education Board (SREB), of which Arkansas is a member. The State also contracts directly with out-of-state institutions for additional spaces or student slots at Non-SREB institutions. Such assistance is typically amounts sufficient to help offset the difference in the resident and non-resident tuition fees at participating institutions. Assistance is currently available for attendance at any accredited school of dentistry, veterinary medicine, optometry, osteopathy medicine, podiatric and chiropractic medicine. ARHEG is funded by general revenue payable from the Higher Education Grants (HEG) Fund.

Base Level appropriation and general revenue funding for the various health education fields totals \$5,391,670 each year of the 2013-2015 biennium for all Health Education Grants and Loan Programs.

In order to fully fund the pipeline of Arkansas students already enrolled, Change Level requests for appropriation and new general revenue funding are requested as follows:

- Veterinary Aid: \$35,000 in FY14 and \$100,000 in FY15.
- Dental Aid Grants: \$166,100 in FY14 and \$311,00 in FY15.
- Optometry Aid Grants: \$20,000 in FY14 and \$40,000 in FY15.

The Executive Recommendation provides for Base Level.

## Appropriation Summary

**Appropriation:** HEG - Health Education Grants & Loans

**Funding Sources:** HEG - Higher Education Grants

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Osteopathy Aid	5100004	87,200	230,000	230,000	230,000	230,000	230,000	230,000	230,000	230,000
Podiatry Aid	5100004	34,400	130,400	130,400	130,400	130,400	130,400	130,400	130,400	130,400
Veterinary Aid	5100004	1,044,638	1,100,000	1,100,000	1,100,000	1,135,000	1,100,000	1,100,000	1,200,000	1,100,000
Chiropractic Aid	5100004	185,010	260,000	260,000	260,000	260,000	260,000	260,000	260,000	260,000
Dental Aid Grants	5100004	1,935,200	2,133,900	2,133,900	2,133,900	2,300,000	2,133,900	2,133,900	2,445,000	2,133,900
Optometry Aid Grants	5100004	371,800	410,000	410,000	410,000	430,000	410,000	410,000	450,000	410,000
Optometry Aid Loans	5120029	90,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000
Dental Aid Loans	5120029	987,370	987,370	987,370	987,370	987,370	987,370	987,370	987,370	987,370
<b>Total</b>		<b>4,735,618</b>	<b>5,391,670</b>	<b>5,391,670</b>	<b>5,391,670</b>	<b>5,612,770</b>	<b>5,391,670</b>	<b>5,391,670</b>	<b>5,842,770</b>	<b>5,391,670</b>
<b>Funding Sources</b>										
Gen Rev Higher Ed Grants	4000258	4,735,618	5,391,670		5,391,670	5,612,770	5,391,670	5,391,670	5,842,770	5,391,670
Total Funding		4,735,618	5,391,670		5,391,670	5,612,770	5,391,670	5,391,670	5,842,770	5,391,670
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>4,735,618</b>	<b>5,391,670</b>		<b>5,391,670</b>	<b>5,612,770</b>	<b>5,391,670</b>	<b>5,391,670</b>	<b>5,842,770</b>	<b>5,391,670</b>

## Change Level by Appropriation

**Appropriation:** 135 - Dental Aid Grant & Loans  
**Funding Sources:** HEG - Higher Education Grants

### Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>3,121,270</b>	<b>0</b>	<b>3,121,270</b>	<b>100.0</b>	<b>3,121,270</b>	<b>0</b>	<b>3,121,270</b>	<b>100.0</b>
C01	Existing Program	166,100	0	3,287,370	105.3	311,100	0	3,432,370	110.0

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>3,121,270</b>	<b>0</b>	<b>3,121,270</b>	<b>100.0</b>	<b>3,121,270</b>	<b>0</b>	<b>3,121,270</b>	<b>100.0</b>
C01	Existing Program	0	0	3,121,270	100.0	0	0	3,121,270	100.0

### Justification

C01	Arkansas contracts through the Southern Regional Education Board (SREB) to ensure that Arkansas residents can secure seats in participating institutions in the SREB Compact Program. The fee for each seat is established by SREB and the ARHEG grant or loan amount is typically an amount sufficient to help offset the difference in the resident and non-resident tuition amounts at participating institutions. The current increase is five percent each year requiring the change levels below to continue to fund the current number of students.
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## Change Level by Appropriation

**Appropriation:** 137 - Optometry Aid Grants & Loans  
**Funding Sources:** HEG - Higher Education Grants

### Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>550,000</b>	<b>0</b>	<b>550,000</b>	<b>100.0</b>	<b>550,000</b>	<b>0</b>	<b>550,000</b>	<b>100.0</b>
C01	Existing Program	20,000	0	570,000	103.6	40,000	0	590,000	107.3

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>550,000</b>	<b>0</b>	<b>550,000</b>	<b>100.0</b>	<b>550,000</b>	<b>0</b>	<b>550,000</b>	<b>100.0</b>
C01	Existing Program	0	0	550,000	100.0	0	0	550,000	100.0

### Justification

C01	Arkansas contracts through the Southern Regional Education Board (SREB) to ensure that Arkansas residents can secure seats in participating institutions in the SREB Compact Program. The fee for each seat is established by SREB and the ARHEG grant or loan amount is typically an amount sufficient to help offset the difference in the resident and non-resident tuition amounts at participating institutions. The current increase is five percent each year requiring the change levels below to continue to fund the current number of students.
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## Change Level by Appropriation

**Appropriation:** 138 - Veterinary Aid  
**Funding Sources:** HEG - Higher Education Grants

### Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>1,100,000</b>	<b>0</b>	<b>1,100,000</b>	<b>100.0</b>	<b>1,100,000</b>	<b>0</b>	<b>1,100,000</b>	<b>100.0</b>
C01	Existing Program	35,000	0	1,135,000	103.2	100,000	0	1,200,000	109.1

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>1,100,000</b>	<b>0</b>	<b>1,100,000</b>	<b>100.0</b>	<b>1,100,000</b>	<b>0</b>	<b>1,100,000</b>	<b>100.0</b>
C01	Existing Program	0	0	1,100,000	100.0	0	0	1,100,000	100.0

### Justification

C01	Arkansas contracts through the Southern Regional Education Board (SREB) to ensure that Arkansas residents can secure seats in participating institutions in the SREB Compact Program. The fee for each seat is established by SREB and the ARHEG grant or loan amount is typically an amount sufficient to help offset the difference in the resident and non-resident tuition amounts at participating institutions. The current increase is five percent each year requiring the change levels below to continue to fund the current number of students.
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