

DEPARTMENT OF HIGHER EDUCATION

Enabling Laws

Act 104 of 2014

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

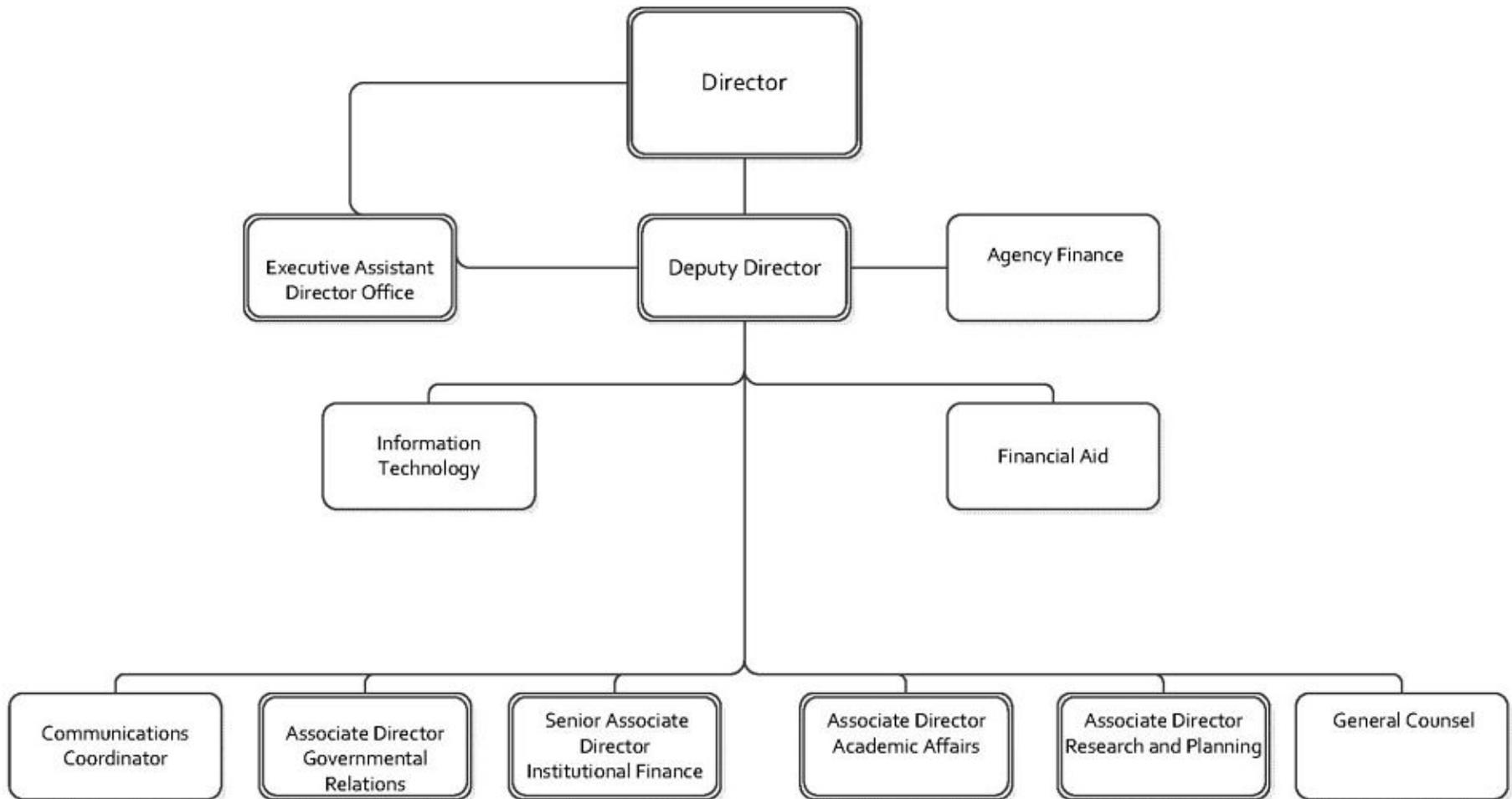
Higher Education financial aid program fund balances as authorized by A.C.A., Title 19, et. al.

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 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.

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 Department of Higher Education serves as the administrative staff for the Arkansas Higher Education Coordinating Board. The Board consists of 12 members who are appointed by the governor and serve staggered six-year terms. As part of its responsibilities, the staff develops and implements board policies and procedures. Additionally, the Department reviews and approves academic programs; administers statewide financial aid programs, recommends institutional operating, capital, and personal services budgets; and collects and reports on student and course data as part of a statewide data base and academic program inventory for policy studies. 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 \$160 million to over 60,000 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 2015-2017 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. With the exception of the Financial Aid request for \$2,000,000 for the Arkansas Governor's Scholar Program, all requests are for appropriation only.

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 reorganizing and reallocating resources to more effectively and efficiently meet our goals and missions. Because of the continued increase in the reliance on information technology and scope of financial aid it has become increasingly difficult to recruit and retain qualified employees. ADHE is requesting to eliminate three Administrative Assistant III and one Administrative Assistant II positions due to the low grade and salary. 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. This change level request will actually result in the reduction of salary and matching expense by \$103,532. ADHE has sufficient funding for this request.

Request 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 \$72,000 for each year of the biennium. ADHE is in its second year in the facility space and this request covers this increase for our lease agreement, utilities, janitorial, security and building maintenance. **Request Appropriation Only.**

D. Conference Fees & Travel

AHDE uses this travel related category to provide professional development for staff in order to insure the ability to provide continuing professional services in changing environments. The \$4,730 increase requested is due to the increased travel costs of fuel, lodging, and meals. **Request Appropriation Only.**

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 the requested monies 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. The increase of \$150,000 is for Information Technology services related to the continued development and maintenance of the Arkansas Higher Education Information System as required by Act 1195 of 2011. **Request Appropriation Only.**

F. Capital Outlay

The Department is requesting Change Levels of \$50,000 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 that exceed the capital threshold. Information has become a key commodity used by ADHE to serve the needs of its constituency. 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. **Request Appropriation Only.**

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 Trust Fund. For the past several years the HEG Fund has had revenues that exceeded expenses and has 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 1,800 students which will require a change level of \$2,000,000 each year to sustain the current level of operation. Without these change levels and the associated increase in funding, the Arkansas Governor's Scholarship Program will have to reduce the number of incoming students to insure that current students in the pipeline will be funded. **Request Appropriation and Funding.**

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. **Base Level Request.**

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 \$5,000,000. **Base Level Request.**

V. Technical Education - Federal Programs (Perkins)

The Carl D. Perkins Vocational and Technical Education Act requires 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; therefore, specific projects to be funded are unknown at this time. **Federal Funding, Base Level Request.**

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 two-year institutions.

Due to a reduction in funding, the agency requests that the operations line item be reduce by \$3,869.

Federal Funding, Appropriation Only.

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, Appropriation Only.**

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 in the amount of \$35,000 each year. **Arkansas Scholarship Lottery Funding, Appropriation Only.**

IX. Complete College America.

The Arkansas Department of Higher Education (ADHE) requests Change Levels for appropriation of \$100,000 due to the termination of the grant. This change will allow ADHE to finish using the fund balance. **Foundation Funding, Appropriation Only.**

X. Cash Operations

ADHE receives grants from private foundations. Current and past grants are the "Achieving the Dream: Community Colleges Count" national initiative which is designed to help more community college students succeed. 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, Lumina Foundation for Education, Inc. used to conduct planning and implementation for a College Goal Sunday event in Arkansas and Complete College America. We are anticipating continuation of these programs as well new programs that have been applied for during the past year. **Request Appropriation Only.**

XI. Outcome Center Funding

Act 1203 of 2011 directed ADHE to develop an outcome-centered component of the funding formula for colleges and universities. We are requesting Outcome Centered Funding appropriation of \$314,178 to reflect the 10% of proposed RSA funding for Universities. **Appropriation Only.**

XII. Explanations for Revisions to Special Language

A. SECTION 25. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. COLLEGE SAVINGS BONDS.

All bonds that were authorized have been issued.

B. SECTION 26. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. COLLEGE SAVINGS BONDS LIMITATIONS.

All bonds that were authorized have been issued.

C. SECTION 41. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. SREB MINORITY DOCTORAL SCHOLARS PROGRAM REGULATIONS.

The Department of Higher Education has completed and approved the rules and regulations for the administration of the Southern Regional Education Board (SREB) Minority Doctoral Scholars program.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS DEPARTMENT OF HIGHER EDUCATION
FOR THE YEAR ENDED JUNE 30, 2012

Findings

Agencies are required to record amounts due for student loans in accordance with Ark. Code Ann. § 19-2-304. The Agency oversees several state-funded student loan programs. Students who receive the loans may be eligible to have the loans forgiven if they meet certain criteria; students not meeting the criteria are placed in repayment status. The Agency is required to maintain student loan subsidiary ledgers to track changes to total loan balances throughout the year. These subsidiary ledgers are then used to adjust loans receivables balances in AASIS during the fiscal year-end closing process.

Review of 225 individual loan files revealed the following deficiencies in accounts

Recommendations

Review the subsidiary ledgers to ensure receivables are properly recorded and develop procedures to ensure student loan files are regularly monitored. In addition, actively pursue the collection of its loan receivables.

Agency Response:

Arkansas Department of Higher Education (ADHE) assigned permanent financial aid staff in Fiscal 2012 to work on all of the state-funded loan programs to bring them up to date and maintain proper accounts receivable files and ledgers. Currently the only active loan programs are Dental and Optometry. All but \$42,000 of current loans in default status are related to inactive programs. All loans have been brought up to date

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS DEPARTMENT OF HIGHER EDUCATION
FOR THE YEAR ENDED JUNE 30, 2012

Findings

receivable:

- 41 instances in which students' loan balances do not match the subsidiary ledgers.
- 31 instances totaling \$174,365 in which loans should have been placed into repayment status and collection pursued as a result of recipients not meeting the loan requirements.
- 7 instances totaling \$30,292 in which supporting documentation was not maintained in loan files.

It also should be noted that, per Ark. Code Ann. § 19-2-305(a), "A state agency shall diligently and actively pursue the collection of their accounts and notes receivable." In the review of loans receivables totaling \$9,864,117, it was noted that \$3,682,322 of student loans in repayment status were past due more than 180 days and considered defaulted on; however, there was no evidence of the Agency pursuing collection of these accounts.

Per Ark. Code Ann. § 19-4-702(a)(2), "Payments of carryover obligations shall be charged against appropriations and fund cash balances of the fiscal year in which the obligations were incurred." Once again, a search for unrecorded payables revealed that 657 payments totaling \$995,599 to recipients of the Teachers Opportunity Program were not properly recorded as payables.

Recommendations

categorized in proper status of forgiven, repayment status, or in default. ADHE has been able to identify many loans that were in default status but where payments had been restarted. ADHE will continue to identify these loans. During this same time, staff has either located the misfiled loan documentation or has obtained the missing loan documentation. The finance staff has reconciled all student loan balances that do not correctly reflect the subsidiary ledgers and reconciles these ledgers on a monthly basis.

ADHE, while awarding state funded student loans, has never had the ability to service the loans. ADHE contracted with Campus Partners to service the loans; however, Campus Partners does not have the ability to serve as collection agency. Pursuant to Ark. Code Ann. § 19-2-305, ADHE through Campus Partners does notify students by letter when their account is delinquent on a 30, 60, 90, and 180 day basis. ADHE has recently added a new service with Campus Partners that allows them to report overdue loans to the three major Credit Bureaus. Students are being notified that their overdue loans will begin to be reported to the Credit Bureaus in April. AHE is currently reviewing several proposals to have an outside firm begin collection proceedings for all loans in default status. We are confident that with current and proposed procedures, ADHE will be compliant with Ark. Code Ann. § 19-2-305.

Review payments made after year-end to ensure they are recorded in the correct period.

Agency Response:

The awards for the Fiscal 1012 Teachers Opportunity Program could not be completed by June 30, 2012 due to an issue with supporting documentation. The awards were made in July 2012 and there was a lack of communication between financial aid and agency finance staff. Procedures were put in place to ensure compliance with Ark. Code Ann. § 19-4-702(a) regarding unrecorded payables. ADHE now works closely with all sections, DFA CAFR, and Legislative Audit to verify all payables in a timely manner.

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

None

Employment Summary

	Male	Female	Total	%
White Employees	12	11	23	62 %
Black Employees	1	11	12	32 %
Other Racial Minorities	0	2	2	6 %
Total Minorities			14	38 %
Total Employees			37	100 %

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				
A-Book Operating & Capital	A.C.A. 6-61-209	Y	Y	250	Presents biennial recommendations for each institution.	0	0.00
Agenda Books	A.C.A. 6-61-202	N	N	80	Provides notice of higher education issues to be addressed by AHECB.	0	0.00
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.	0	0.00
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.	0	0.00

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				
Atheltic Costs & Revenues	A.C.A. 6-62-106	N	Y	100	Presented to AHECB and Joint Audit Committee annually.	0	0.00
B-Book - Personal Services	A.C.A. 6-61-209	Y	Y	250	Presents biennial recommendations for institutional personal services & positions.	0	0.00
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.	0	0.00
Fact Book	A.C.A. 6-61-202	Y	Y	250	Historical reference - information also provided to institutions.	0	0.00
Financial Aid Guide	A.C.A. 6-82-1004	N	N	40,000	Sent to high schools and students and counselors and guidance officers.	0	0.00
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.	0	0.00
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.	0	0.00
Health Education Grants	Acts 1180 of 99 & 1612 of 01	N	Y	25	Provides student information for those receiving grants & their return rates.	0	0.00
Impact of Scholarship Prgms.	A.C.A. 6-82-104	N	Y	1	Assesses the impact of scholarship programs and reported to Council annually.	0	0.00
Legislative Summary	A.C.A. 6-61-202	Y	Y	50	Provides information on legislation affecting higher education	0	0.00

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				
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.	0	0.00
Retention & Graduation	A.C.A. 6-61-220	N	N	0	Appears annually in AHECB agenda book published & distributed quarterly to Board, Governor, Institutions	0	0.00
Student Enrollments	A.C.A. 6-61-206	N	N	5	Available on web site - distributed for informational purposes to higher educ community & others.	0	0.00
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.	0	0.00
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	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
135 Dental Aid Grant & Loans	3,040,570	0	3,121,270	0	3,121,270	0	3,121,270	0	3,121,270	0	3,121,270	0	3,121,270	0	3,121,270	0	3,121,270	0
137 Optometry Aid Grants & Loans	487,500	0	550,000	0	550,000	0	550,000	0	550,000	0	550,000	0	550,000	0	550,000	0	550,000	0
138 Veterinary Aid	1,047,692	0	1,100,000	0	1,350,000	0	1,100,000	0	1,100,000	0	1,100,000	0	1,100,000	0	1,100,000	0	1,100,000	0
140 Chiropractic Aid	123,339	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	3,624,956	37	4,086,060	42	4,086,272	42	4,137,228	42	4,310,426	38	4,310,426	38	4,139,631	42	4,312,095	38	4,312,095	38
156 Research Development Program Grants	750,000	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	45,677,095	0	55,050,000	0	59,995,000	0	55,050,000	0	57,050,000	0	57,050,000	0	55,050,000	0	57,050,000	0	57,050,000	0
1GF Improving Teacher Quality	703,823	0	715,500	0	1,565,258	0	715,500	0	715,500	0	715,500	0	715,500	0	715,500	0	715,500	0
2XK TANF	7,351,594	5	7,150,000	3	10,984,604	3	7,153,869	3	7,150,000	3	7,150,000	3	7,153,869	3	7,150,000	3	7,150,000	3
58B College Access Challenge Grant	1,487,740	0	2,309,000	0	3,000,000	0	2,279,000	0	2,000,000	0	2,000,000	0	2,279,000	0	2,000,000	0	2,000,000	0
59B ADHE-Scholarship Admn	413,427	3	831,497	5	1,067,804	6	790,936	5	882,096	6	882,096	6	790,936	5	882,096	6	882,096	6
772 Technical Education-Federal Programs	379,252	2	382,560	2	441,151	2	384,868	2	384,868	2	384,868	2	384,868	2	384,868	2	384,868	2
773 Osteopathy Aid	76,200	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	57,000	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	48,255	0	1,695,000	0	1,695,000	0	1,595,000	0	1,695,000	0	1,695,000	0	1,595,000	0	1,695,000	0	1,695,000	0
97E Complt Coll Amer Grt	142,147	0	1,000,000	0	1,000,000	0	1,000,000	0	100,000	0	100,000	0	1,000,000	0	100,000	0	100,000	0
F91 Outcome-Cent Funding	0	0	54,198,524	0	54,198,524	0	54,198,524	0	54,512,702	0	54,512,702	0	54,198,524	0	54,512,702	0	54,512,702	0
NOT REQUESTED FOR THE BIENNIUM																		
F85 InsExchangeGrant-FED	2,371,216	0	0	0	2,500,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	67,781,806	47	138,559,811	52	151,925,283	53	138,446,595	52	139,942,262	49	139,942,262	49	138,448,998	52	139,943,931	49	139,943,931	49

Funding Sources		%		%		%		%		%		%		%		%		%	
Fund Balance	4000005	11,558,333	13.9	15,109,318	10.3			7,766,934	5.6	7,766,934	5.5	7,766,934	5.6	1,291,181	1.0	1,117,983	0.8	1,117,979	0.9
General Revenue	4000010	3,440,728	4.2	3,440,731	2.4			3,440,731	2.5	3,440,731	2.5	3,440,731	2.5	3,440,731	2.6	3,440,731	2.6	3,440,731	2.6
Federal Revenue	4000020	12,446,934	15.0	11,307,060	7.7			11,279,368	8.2	11,000,368	7.8	11,000,368	8.0	11,279,368	8.6	11,000,368	8.2	11,000,368	8.4
Cash Fund	4000045	6,864	0.0	2,500,000	1.7			1,600,000	1.2	1,700,000	1.2	1,700,000	1.2	1,600,000	1.2	1,700,000	1.3	1,700,000	1.3
Trust Fund	4000050	379,428	0.5	5,000,000	3.4			5,000,000	3.6	5,000,000	3.6	5,000,000	3.6	5,000,000	3.8	5,000,000	3.7	5,000,000	3.8
Educational Excellence Fund	4000220	13,154,524	15.9	13,469,606	9.2			13,469,606	9.8	13,469,606	9.6	13,469,606	9.8	13,469,606	10.2	13,469,606	10.1	13,469,606	10.2
Gen Rev Higher Ed Grants	4000258	36,907,466	44.5	40,017,466	27.3			40,017,466	29.0	42,017,466	30.0	39,917,466	28.9	40,017,466	30.4	42,017,466	31.5	40,017,466	30.4
General Improvement Fund	4000265	3,555,000	4.3	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
HEG Fund Transfers/Adjust.	4000280	0	0.0	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Inter-agency Fund Transfer	4000316	413,835	0.5	934,040	0.6			790,936	0.6	882,096	0.6	882,096	0.6	790,936	0.6	882,096	0.7	882,096	0.7

Funding Sources			%		%		%		%		%		%		%		%		
Other	4000370	591,655	0.7	54,198,524	37.0			54,198,524	39.3	54,512,702	38.9	54,512,702	39.5	54,198,524	41.2	54,512,702	40.8	54,512,702	41.5
Reimbursement	4000425	436,357	0.5	350,000	0.2			350,000	0.3	350,000	0.2	350,000	0.3	350,000	0.3	350,000	0.3	350,000	0.3
Total Funds		82,891,124	100.0	146,326,745	100.0			137,913,565	100.0	140,139,903	100.0	138,039,903	100.0	131,437,812	100.0	133,490,952	100.0	131,490,948	100.0
Excess Appropriation/(Funding)		(15,109,318)		(7,766,934)				533,030		(197,641)		1,902,359		7,011,186		6,452,979		8,452,983	
Grand Total		67,781,806		138,559,811				138,446,595		139,942,262		139,942,262		138,448,998		139,943,931		139,943,931	

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.

DHE Program Coordinator Funding Transfer required by Section 32 of Act 1387 of 2013 was not made in Fiscal Year 2014 because the position was vacant.

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	
52	47	7	54	-2	9.62 %	53	40	13	53	0	24.53 %	53	39	13	52	1	26.42 %

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 include 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 and matching 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 \$4,137,228 in FY16 and \$4,139,631 in FY17.

The Agency's Change Level Requests total \$173,198 in FY16 and \$172,464 in FY17 in appropriation only and are summarized as follows:

- Regular Salaries and Personal Services Matching reduction of (\$103,532) in FY16 and (\$104,266) in FY17 resulting from eliminating three (3) Administrative Assistant III and one (1) Administrative Assistant II due to the inability to find qualified applicants because of the low grade and salary and the reclassification of 5 positions in order to attract and retain qualified applicants.
- Operating Expenses of \$72,000 each year to cover the increase in lease expenses.
- Conference and Travel Expenses of \$4,730 each year due to increased costs of fuel, lodging, and meals.
- Professional Fees of \$150,000 each year for data maintenance on the AR Higher Education Information System. This request is located in the Agency IT Plan.
- Capital Outlay of \$50,000 each year to replace a server, network storage, and a network printer. This request is located in the Agency IT Plan.

The Executive Recommendation provides for the Agency Request.

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			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	2,097,378	2,483,295	2,483,295	2,498,047	2,429,974	2,429,974	2,499,547	2,430,874	2,430,874
#Positions	37	42	42	42	38	38	42	38	38
Extra Help 5010001	0	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
#Extra Help	0	6	6	6	6	6	6	6	6
Personal Services Matching 5010003	673,767	728,740	728,952	765,156	729,697	729,697	766,059	730,466	730,466
Operating Expenses 5020002	830,222	840,755	840,755	840,755	912,755	912,755	840,755	912,755	912,755
Conference & Travel Expenses 5050009	17,273	20,270	20,270	20,270	25,000	25,000	20,270	25,000	25,000
Professional Fees 5060010	6,316	10,000	10,000	10,000	160,000	160,000	10,000	160,000	160,000
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	50,000	50,000	0	50,000	50,000
Total	3,624,956	4,086,060	4,086,272	4,137,228	4,310,426	4,310,426	4,139,631	4,312,095	4,312,095
Funding Sources									
Fund Balance 4000005	1,290,586	1,542,715		1,347,386	1,347,386	1,347,386	1,100,889	927,691	927,691
General Revenue 4000010	3,440,728	3,440,731		3,440,731	3,440,731	3,440,731	3,440,731	3,440,731	3,440,731
HEG Fund Transfers/Adjust. 4000280	0	100,000		100,000	100,000	100,000	100,000	100,000	100,000
Reimbursement 4000425	436,357	350,000		350,000	350,000	350,000	350,000	350,000	350,000
Total Funding	5,167,671	5,433,446		5,238,117	5,238,117	5,238,117	4,991,620	4,818,422	4,818,422
Excess Appropriation/(Funding)	(1,542,715)	(1,347,386)		(1,100,889)	(927,691)	(927,691)	(851,989)	(506,327)	(506,327)
Grand Total	3,624,956	4,086,060		4,137,228	4,310,426	4,310,426	4,139,631	4,312,095	4,312,095

DHE Program Coordinator Funding Transfer required by Section 32 of Act 1387 of 2013 was not made in Fiscal Year 2014 due to the position being vacant.

Change Level by Appropriation

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

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	4,137,228	42	4,137,228	100.0	4,139,631	42	4,139,631	100.0
C01	Existing Program	76,730	0	4,213,958	101.9	76,730	0	4,216,361	101.9
C03	Discontinue Program	(152,786)	(4)	4,061,172	98.2	(153,520)	(4)	4,062,841	98.1
C08	Technology	200,000	0	4,261,172	103.0	200,000	0	4,262,841	103.0
C10	Reclass	49,254	0	4,310,426	104.2	49,254	0	4,312,095	104.2

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	4,137,228	42	4,137,228	100.0	4,139,631	42	4,139,631	100.0
C01	Existing Program	76,730	0	4,213,958	101.9	76,730	0	4,216,361	101.9
C03	Discontinue Program	(152,786)	(4)	4,061,172	98.2	(153,520)	(4)	4,062,841	98.1
C08	Technology	200,000	0	4,261,172	103.0	200,000	0	4,262,841	103.0
C10	Reclass	49,254	0	4,310,426	104.2	49,254	0	4,312,095	104.2

Justification

C01	For increase in lease and building operating expense and increase in travel costs. Appropriation Only.
C03	These position were not requested because ADHE cannot find qualified applicants due to the low grade and salary. ADHE is using this change to balance budget cost of the requested reclass. Request is for appropriation only.
C08	Professional Fees for data maintenance and Capital Outlay for equipment. Appropriation Only.
C10	ADHE requested the reclass in these positions to increase the grade and salary in order to attract and retain qualified applicants. Request is for appropriation only.

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 Base Level and total Agency request is \$5,000,000 each year of the 2015-2017 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			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	750,000	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		750,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Funding Sources										
Fund Balance	4000005	230,787	13,524		13,524	13,524	13,524	13,524	13,524	13,524
Federal Revenue	4000020	153,309	0		0	0	0	0	0	0
Trust Fund	4000050	379,428	5,000,000		5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Total Funding		763,524	5,013,524		5,013,524	5,013,524	5,013,524	5,013,524	5,013,524	5,013,524
Excess Appropriation/(Funding)		(13,524)	(13,524)		(13,524)	(13,524)	(13,524)	(13,524)	(13,524)	(13,524)
Grand Total		750,000	5,000,000		5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000

Expenditure of appropriation is dependent on receipt of Mineral Lease Proceeds.

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 Base Level and total Agency Request is \$750,000 each year of the 2015-2017 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	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	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
Funding Sources									
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 Base Level Request is \$55,050,000 each year of the 2015-2017 Biennium.

The Agency's Change Level Request is for \$2,000,000 each year in appropriation and funding for the Arkansas Governors Scholarship due to the increased number of Governor's Distinguished Scholars.

The Executive Recommendation provides for the Agency Request for appropriation only. Agency will also request funding through the Capital Projects request process.

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			2015-2016			2016-2017		
		2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
St Teacher Educ Prgm	5100004	1,076,142	2,000,000	4,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Teacher Opportunity Program	5100004	1,077,204	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Workforce Improvement Grants	5100004	2,998,850	3,000,000	3,500,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
H E Opportunities Grant	5100004	5,284,376	6,000,000	8,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
National Guard Tuition Asst.	5100004	1,300,000	1,400,000	1,500,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000
Single Parent Scholarship Prograr	5100004	160,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000
Second Effort Scholarships	5100030	0	0	20,000	0	0	0	0	0	0
SREB Minority Doctoral Scholars	5100030	175,000	175,000	200,000	175,000	175,000	175,000	175,000	175,000	175,000
Washington Center Scholarships	5100030	96,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
AR Geographical Critical Needs	5100030	62,250	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Dependents-Law Enf. Off, etc	5100030	252,849	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
Dependents-POW'S, MIA'S, etc.	5100030	364,577	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000
Tuition Adjustment	5110014	0	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000
Academic Challenge	5900046	20,002,199	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000
AR Governor's Scholar	5900047	12,440,809	13,200,000	13,200,000	13,200,000	15,200,000	15,200,000	13,200,000	15,200,000	15,200,000
SURF	5900048	183,273	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Web Based Applications	5900049	203,566	1,000,000	1,300,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total		45,677,095	55,050,000	59,995,000	55,050,000	57,050,000	57,050,000	55,050,000	57,050,000	57,050,000

Funding Sources										
Fund Balance	4000005	9,489,609	13,188,858		6,134,260	6,134,260	6,134,260	0	0	0
Educational Excellence Fund	4000220	13,154,524	13,469,606		13,469,606	13,469,606	13,469,606	13,469,606	13,469,606	13,469,606
Gen Rev Higher Ed Grants	4000258	32,075,165	34,625,796		34,625,796	36,625,796	34,525,796	34,625,796	36,625,796	34,625,796
General Improvement Fund	4000265	3,555,000	0		0	0	0	0	0	0
HEG Fund Transfers/Adjust.	4000280	0	(100,000)		(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
Other	4000370	591,655	0		0	0	0	0	0	0
Total Funding		58,865,953	61,184,260		54,129,662	56,129,662	54,029,662	47,995,402	49,995,402	47,995,402
Excess Appropriation/(Funding)		(13,188,858)	(6,134,260)		920,338	920,338	3,020,338	7,054,598	7,054,598	9,054,598
Grand Total		45,677,095	55,050,000		55,050,000	57,050,000	57,050,000	55,050,000	57,050,000	57,050,000

DHE Program Coordinator Funding Transfer required by Section 32 of Act 1387 of 2013 was not made in Fiscal Year 2014 due to the position being vacant.

Change Level by Appropriation

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

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	55,050,000	0	55,050,000	100.0	55,050,000	0	55,050,000	100.0
C01	Existing Program	2,000,000	0	57,050,000	103.6	2,000,000	0	57,050,000	103.6

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	55,050,000	0	55,050,000	100.0	55,050,000	0	55,050,000	100.0
C01	Existing Program	2,000,000	0	57,050,000	103.6	2,000,000	0	57,050,000	103.6

Justification

C01	To Provide Funding for the increased number of Governor's Distinguished Scholars. Appropriation and Funding.								
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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 Base Level and total Agency Request is \$715,500 each year of the 2015-2017 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	2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	7,094	2,500	26,856	2,500	2,500	2,500	2,500	2,500	2,500
Conference & Travel Expenses 5050009	0	0	13,000	0	0	0	0	0	0
Professional Fees 5060010	0	0	8,000	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Grants and Aid 5100004	696,729	713,000	1,517,402	713,000	713,000	713,000	713,000	713,000	713,000
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	703,823	715,500	1,565,258	715,500	715,500	715,500	715,500	715,500	715,500
Funding Sources									
Federal Revenue 4000020	703,823	715,500		715,500	715,500	715,500	715,500	715,500	715,500
Total Funding	703,823	715,500		715,500	715,500	715,500	715,500	715,500	715,500
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	703,823	715,500		715,500	715,500	715,500	715,500	715,500	715,500

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 include 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 and matching do not include appropriation for Merit Pay Increases.

The Base Level Request is \$7,153,869 each year of the biennium.

The Agency's Change Level Request is for a reduction of (\$3,869) each year in Operating Expenses due to reduced federal funding.

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			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	222,504	217,578	347,558	220,337	220,337	220,337	220,337	220,337	220,337
#Positions	5	3	3	3	3	3	3	3	3
Extra Help 5010001	0	0	15,000	0	0	0	0	0	0
#Extra Help	0	0	2	0	0	0	0	0	0
Personal Services Matching 5010003	64,167	63,520	102,046	64,630	64,630	64,630	64,630	64,630	64,630
Operating Expenses 5020002	81,834	60,567	90,000	60,567	56,698	56,698	60,567	56,698	56,698
Conference & Travel Expenses 5050009	0	0	25,000	0	0	0	0	0	0
Professional Fees 5060010	19,910	14,784	30,000	14,784	14,784	14,784	14,784	14,784	14,784
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Grants and Aid 5100004	6,963,179	6,793,551	10,375,000	6,793,551	6,793,551	6,793,551	6,793,551	6,793,551	6,793,551
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	7,351,594	7,150,000	10,984,604	7,153,869	7,150,000	7,150,000	7,153,869	7,150,000	7,150,000
Funding Sources									
Federal Revenue 4000020	7,351,594	7,150,000		7,150,000	7,150,000	7,150,000	7,150,000	7,150,000	7,150,000
Total Funding	7,351,594	7,150,000		7,150,000	7,150,000	7,150,000	7,150,000	7,150,000	7,150,000
Excess Appropriation/(Funding)	0	0		3,869	0	0	3,869	0	0
Grand Total	7,351,594	7,150,000		7,153,869	7,150,000	7,150,000	7,153,869	7,150,000	7,150,000

Change Level by Appropriation

Appropriation: 2XK - TANF

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

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	7,153,869	3	7,153,869	100.0	7,153,869	3	7,153,869	100.0
C03	Discontinue Program	(3,869)	0	7,150,000	99.9	(3,869)	0	7,150,000	99.9

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	7,153,869	3	7,153,869	100.0	7,153,869	3	7,153,869	100.0
C03	Discontinue Program	(3,869)	0	7,150,000	99.9	(3,869)	0	7,150,000	99.9

Justification

C03	To balance income with expenses due to reduced funding.
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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 Base Level Request is \$2,279,000 each year of the 2015-2017 Biennium.

The Change Level Requests total (\$279,000) each year of the biennium and are summarized as follows:

- Professional Fees reduction of (\$309,000) each year due to contract expiration.
- Capital Outlay increase of \$30,000 each year for IT hardware for the ADHE data warehouse. This request is located in the Agency's IT Plan.

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		
		2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	1,227,146	1,215,000	1,215,000	1,215,000	1,215,000	1,215,000	1,215,000	1,215,000	1,215,000
Conference & Travel Expenses	5050009	1,623	14,000	55,000	14,000	14,000	14,000	14,000	14,000	14,000
Professional Fees	5060010	258,971	1,050,000	1,700,000	1,050,000	741,000	741,000	1,050,000	741,000	741,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	30,000	30,000	0	30,000	30,000	0	30,000	30,000
Total		1,487,740	2,309,000	3,000,000	2,279,000	2,000,000	2,000,000	2,279,000	2,000,000	2,000,000
Funding Sources										
Federal Revenue	4000020	1,487,740	2,309,000		2,279,000	2,000,000	2,000,000	2,279,000	2,000,000	2,000,000
Total Funding		1,487,740	2,309,000		2,279,000	2,000,000	2,000,000	2,279,000	2,000,000	2,000,000
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		1,487,740	2,309,000		2,279,000	2,000,000	2,000,000	2,279,000	2,000,000	2,000,000

Change Level by Appropriation

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

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	2,279,000	0	2,279,000	100.0	2,279,000	0	2,279,000	100.0
C03	Discontinue Program	(309,000)	0	1,970,000	86.4	(309,000)	0	1,970,000	86.4
C08	Technology	30,000	0	2,000,000	87.8	30,000	0	2,000,000	87.8

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	2,279,000	0	2,279,000	100.0	2,279,000	0	2,279,000	100.0
C03	Discontinue Program	(309,000)	0	1,970,000	86.4	(309,000)	0	1,970,000	86.4
C08	Technology	30,000	0	2,000,000	87.8	30,000	0	2,000,000	87.8

Justification

C03	Reduction in Professional Fees due to contract expiration.
C08	Restoration of Capital Outlay. The College Access Challenge Program is now using the ADHE data warehouse to help identify underserved students. This request will only be used for Information Technology hardware. This request is for Appropriation only.

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 include 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 and matching do not include appropriation for Merit Pay Increases.

The Base Level Request is \$790,936 each year of the 2015-2017 Biennium.

The Agency's Change Level Requests total \$91,160 each year of the biennium and are summarized as follows:

- Regular Salaries and Personal Services Matching of \$56,160 each year due to the restoration of one (1) Software Support Analyst (C121) and reclassification of two (2) Software Support Analyst (C121) to Senior Software Support Specialist (C124).
- Capital Outlay of \$35,000 each year to purchase database tools and hardware for the ADHE data warehouse. This request is located in the Agency IT Plan listed as AR Challenge Data Warehouse under Agency Projects.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

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

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	142,693	285,649	328,864	288,579	330,320	330,320	288,579	330,320	330,320
#Positions	3	5	6	5	6	6	5	6	6
Extra Help 5010001	0	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
#Extra Help	0	11	9	11	11	11	11	11	11
Personal Services Matching 5010003	32,183	100,848	108,940	92,357	106,776	106,776	92,357	106,776	106,776
Operating Expenses 5020002	29,652	130,000	165,000	130,000	130,000	130,000	130,000	130,000	130,000
Conference & Travel Expenses 5050009	0	0	0	0	0	0	0	0	0
Professional Fees 5060010	185,914	250,000	400,000	250,000	250,000	250,000	250,000	250,000	250,000
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	22,985	35,000	35,000	0	35,000	35,000	0	35,000	35,000
Total	413,427	831,497	1,067,804	790,936	882,096	882,096	790,936	882,096	882,096
Funding Sources									
Fund Balance 4000005	20,110	20,518		123,061	123,061	123,061	123,061	123,061	123,061
Inter-agency Fund Transfer 4000316	413,835	934,040		790,936	882,096	882,096	790,936	882,096	882,096
Total Funding	433,945	954,558		913,997	1,005,157	1,005,157	913,997	1,005,157	1,005,157
Excess Appropriation/(Funding)	(20,518)	(123,061)		(123,061)	(123,061)	(123,061)	(123,061)	(123,061)	(123,061)
Grand Total	413,427	831,497		790,936	882,096	882,096	790,936	882,096	882,096

Budget Number of Extra Help Positions may exceed the Authorized Number due to single Extra Help section in appropriation act.

Change Level by Appropriation

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

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	790,936	5	790,936	100.0	790,936	5	790,936	100.0
C06	Restore Position/Approp	55,447	1	846,383	107.0	55,447	1	846,383	107.0
C08	Technology	35,000	0	881,383	111.4	35,000	0	881,383	111.4
C10	Reclass	713	0	882,096	111.5	713	0	882,096	111.5

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	790,936	5	790,936	100.0	790,936	5	790,936	100.0
C06	Restore Position/Approp	55,447	1	846,383	107.0	55,447	1	846,383	107.0
C08	Technology	35,000	0	881,383	111.4	35,000	0	881,383	111.4
C10	Reclass	713	0	882,096	111.5	713	0	882,096	111.5

Justification

C06	To restore position not requested during FY15 AOP.
C08	Restore Capital Outlay for Scholarship Administration.
C10	Reclass position to attract and retain programmers.

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 Career 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 Career 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 include 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 and matching do not include appropriation for Merit Pay Increases.

The Base Level and total Agency Request is \$384,868 each year of the 2015-2017 Biennium.

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			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	144,605	138,935	140,477	140,309	140,309	140,309	140,309	140,309	140,309
#Positions		2	2	2	2	2	2	2	2	2
Personal Services Matching	5010003	41,930	40,674	40,674	41,608	41,608	41,608	41,608	41,608	41,608
Operating Expenses	5020002	84,677	77,251	120,000	77,251	77,251	77,251	77,251	77,251	77,251
Conference & Travel Expenses	5050009	8,465	15,200	20,000	15,200	15,200	15,200	15,200	15,200	15,200
Professional Fees	5060010	99,575	110,500	120,000	110,500	110,500	110,500	110,500	110,500	110,500
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		379,252	382,560	441,151	384,868	384,868	384,868	384,868	384,868	384,868
Funding Sources										
Federal Revenue	4000020	379,252	382,560		384,868	384,868	384,868	384,868	384,868	384,868
Total Funding		379,252	382,560		384,868	384,868	384,868	384,868	384,868	384,868
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		379,252	382,560		384,868	384,868	384,868	384,868	384,868	384,868

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 Base Level request is \$1,595,000 each year of the 2015-2017 Biennium.

The Agency's Change Level Request is for Capital Outlay of \$100,000 each year of the biennium to update and maintain data processing equipment and storage. This request is located in the Agency's IT Plan, pages 37-49.

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		
		2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	16,255	878,070	878,070	878,070	878,070	878,070	878,070	878,070	878,070
Conference & Travel Expenses	5050009	0	60,620	60,620	60,620	60,620	60,620	60,620	60,620	60,620
Professional Fees	5060010	30,000	551,310	551,310	551,310	551,310	551,310	551,310	551,310	551,310
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Scholarships	5100030	2,000	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	100,000	100,000	0	100,000	100,000	0	100,000	100,000
Total		48,255	1,695,000	1,695,000	1,595,000	1,695,000	1,695,000	1,595,000	1,695,000	1,695,000
Funding Sources										
Fund Balance	4000005	385,094	343,703		148,703	148,703	148,703	53,707	53,707	53,703
Cash Fund	4000045	6,864	1,500,000		1,500,000	1,600,000	1,600,000	1,500,000	1,600,000	1,600,000
Total Funding		391,958	1,843,703		1,648,703	1,748,703	1,748,703	1,553,707	1,653,707	1,653,703
Excess Appropriation/(Funding)		(343,703)	(148,703)		(53,703)	(53,703)	(53,703)	41,293	41,293	41,297
Grand Total		48,255	1,695,000		1,595,000	1,695,000	1,695,000	1,595,000	1,695,000	1,695,000

Expenditure of appropriation is contingent upon available funding.

Change Level by Appropriation

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

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	1,595,000	0	1,595,000	100.0	1,595,000	0	1,595,000	100.0
C08	Technology	100,000	0	1,695,000	106.3	100,000	0	1,695,000	106.3

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	1,595,000	0	1,595,000	100.0	1,595,000	0	1,595,000	100.0
C08	Technology	100,000	0	1,695,000	106.3	100,000	0	1,695,000	106.3

Justification

C08	New funding from Foundation Program. This request is to meet the needs of updating and maintaining data processing equipment and storage. 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 Base Level Request is \$1,000,000 each year of the 2015-2017 Biennium.

The Agency's Change Level Requests total (\$900,000) each year of the biennium and are summarized as follows:

- Professional Fees reduction of (\$100,000) each year due to foundation funding ending.
- Grants and Aid reduction of (\$800,000) each year due to foundation funding ending.

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			2015-2016			2016-2017		
		2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	5,910	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	16,100	100,000	100,000	100,000	0	0	100,000	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	120,137	800,000	800,000	800,000	0	0	800,000	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		142,147	1,000,000	1,000,000	1,000,000	100,000	100,000	1,000,000	100,000	100,000
Funding Sources										
Fund Balance	4000005	142,147	0		0	0	0	0	0	0
Cash Fund	4000045	0	1,000,000		100,000	100,000	100,000	100,000	100,000	100,000
Total Funding		142,147	1,000,000		100,000	100,000	100,000	100,000	100,000	100,000
Excess Appropriation/(Funding)		0	0		900,000	0	0	900,000	0	0
Grand Total		142,147	1,000,000		1,000,000	100,000	100,000	1,000,000	100,000	100,000

Expenditure of appropriation is contingent upon available funding.

Change Level by Appropriation

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

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	1,000,000	0	1,000,000	100.0	1,000,000	0	1,000,000	100.0
C03	Discontinue Program	(900,000)	0	100,000	10.0	(900,000)	0	100,000	10.0

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	1,000,000	0	1,000,000	100.0	1,000,000	0	1,000,000	100.0
C03	Discontinue Program	(900,000)	0	100,000	10.0	(900,000)	0	100,000	10.0

Justification

C03	Reduction in foundation funding.
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Analysis of Budget Request

Appropriation: F91 - Outcome-Cent Funding

Funding Sources: HQA- Outcome Center Funding- Higher Education Grants Fund Account

Act 1203 of 2011 repealed Arkansas Code §6-61-223 and amended §6-61-224, §6-61-228, §6-61-229, and §6-61-230. The act directs the Department of Higher Education to develop an outcome-centered component of the funding formula for colleges and universities by December 31, 2011. Beginning in 2013-14 the funding recommendations will be based on the need component of student enrollment and the output components of student success and other performance measures. The proportion of the funding recommendation will begin with five percent based on outcome-centered measures, increasing by five percent each year to reach 25 percent in 2017-18. The Director and staff at the Department of Higher Education worked with the presidents, chancellors and key staff at the universities and colleges, along with the Executive Director and key staff at the Arkansas Association of Two-Year Colleges, to develop the university and college performance measures.

Funds are payable from the Higher Education Fund Account.

The Base Level Request is \$54,198,524 each year of the 2015-2017 Biennium.

The Agency's Change Level Requests total \$314,178 each year of the biennium in Outcome Centered Funding appropriation to reflect the 10% of proposed RSA funding for Universities.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: F91 - Outcome-Cent Funding

Funding Sources: HQA- Outcome Center Funding- Higher Education Grants Fund Account

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
outcome Centered Funding 5900046	0	40,006,106	40,006,106	40,006,106	40,320,284	40,320,284	40,006,106	40,320,284	40,320,284
Outcome-Centered Awards - Col 5900047	0	14,192,418	14,192,418	14,192,418	14,192,418	14,192,418	14,192,418	14,192,418	14,192,418
Total	0	54,198,524	54,198,524	54,198,524	54,512,702	54,512,702	54,198,524	54,512,702	54,512,702
Funding Sources									
Other 4000370	0	54,198,524		54,198,524	54,512,702	54,512,702	54,198,524	54,512,702	54,512,702
Total Funding	0	54,198,524		54,198,524	54,512,702	54,512,702	54,198,524	54,512,702	54,512,702
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	54,198,524		54,198,524	54,512,702	54,512,702	54,198,524	54,512,702	54,512,702

Change Level by Appropriation

Appropriation: F91 - Outcome-Cent Funding

Funding Sources: HQA- Outcome Center Funding- Higher Education Grants Fund Account

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	54,198,524	0	54,198,524	100.0	54,198,524	0	54,198,524	100.0
C01	Existing Program	314,178	0	54,512,702	100.6	314,178	0	54,512,702	100.6

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	54,198,524	0	54,198,524	100.0	54,198,524	0	54,198,524	100.0
C01	Existing Program	314,178	0	54,512,702	100.6	314,178	0	54,512,702	100.6

Justification

C01	To reflect the 10% of proposed RSA funding for Universities. Appropriation Only.
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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.

The Base Level and total Agency Request is \$5,391,670 each year of the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

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			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
Osteopathy Aid	5100004	76,200	230,000	230,000	230,000	230,000	230,000	230,000	230,000	230,000
Podiatry Aid	5100004	57,000	130,400	130,400	130,400	130,400	130,400	130,400	130,400	130,400
Veterinary Aid	5100004	1,047,692	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
Chiropractic Aid	5100004	123,339	260,000	260,000	260,000	260,000	260,000	260,000	260,000	260,000
Dental Aid Grants	5100004	2,053,200	2,133,900	2,133,900	2,133,900	2,133,900	2,133,900	2,133,900	2,133,900	2,133,900
Optometry Aid Grants	5100004	382,500	410,000	410,000	410,000	410,000	410,000	410,000	410,000	410,000
Veterinary Aid Loans	5120029	0	0	250,000	0	0	0	0	0	0
Optometry Aid Loans	5120029	105,000	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
Total		4,832,301	5,391,670	5,641,670	5,391,670	5,391,670	5,391,670	5,391,670	5,391,670	5,391,670
Funding Sources										
Gen Rev Higher Ed Grants	4000258	4,832,301	5,391,670		5,391,670	5,391,670	5,391,670	5,391,670	5,391,670	5,391,670
Total Funding		4,832,301	5,391,670		5,391,670	5,391,670	5,391,670	5,391,670	5,391,670	5,391,670
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		4,832,301	5,391,670		5,391,670	5,391,670	5,391,670	5,391,670	5,391,670	5,391,670

Appropriation Summary

Appropriation: F85 - InsExchangeGrant-FED

Funding Sources: InsExchangeGrant-Fed

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	2,371,216	0	2,500,000	0	0	0	0	0	0
Total	2,371,216	0	2,500,000	0	0	0	0	0	0
Funding Sources									
Federal Revenue 4000020	2,371,216	0		0	0	0	0	0	0
Total Funding	2,371,216	0		0	0	0	0	0	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	2,371,216	0		0	0	0	0	0	0

APPROPRIATION NOT REQUESTED FOR THE 2015-2017 BIENNIUM