

DEPARTMENT OF HIGHER EDUCATION

Enabling Laws

Act 1229 of 2007	Act 1592 of 2007
Act 1030 of 2007	Act 1046 of 2007
Act 820 of 2007	Act 514 of 2007

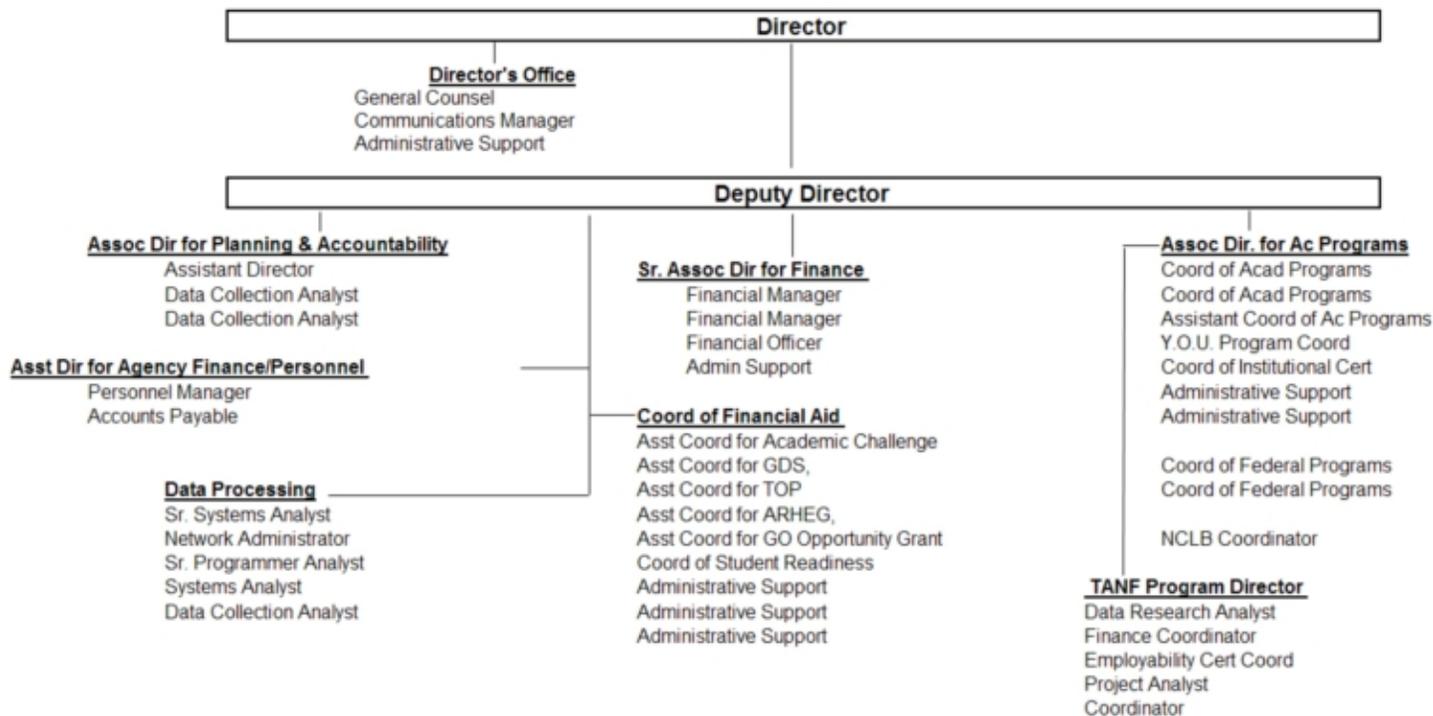
Higher Education financial aid programs as authorized by A.C.A., Title 6, et. al.
Higher Education financial aid program fund balances as authorized by A.C.A., Title 19, et. al.

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 approximately 16,000 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 to over 15,700 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.

The following define the priorities for the 2009-2011 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

A total of \$279,614 for the first year and \$285,335 for the second year is requested in appropriation and funding for salaries and associated matching costs for restoration of one (1) currently authorized position and five (5) new positions.

The restoration and funding of the Grade C112 Administrative Specialist III position will enhance the processing of additional financial aid awards and grants and scholarships to support the growing financial aid operations of the agency.

An additional Grade C116 Accountant I position is needed to assist in all areas of fiscal operations to ensure proper internal control, provide for compliance with AASIS security roles, and to insure efficient agency operations in case of employee absence. The focus of the position would be in the areas of student loan repayment processing, college savings bonds reconciliation and working monthly with DFA CAFR section. The additional Grade C117 Human Resources Analyst position is needed because the required division of tasks as necessitated by AASIS security means all three current employees must be available for payroll processing. This position would be trained to backup time keeping, time entry, time approval and payroll processing. Other duties would include all areas of human resources related activities as well as other department activities.

The request for the Grade C121 Software Support Analyst would permit ADHE to patch programs that are in great need of being rewritten. This is especially true in financial aid. This position would be primarily dedicated to maintaining programs and allow other staff to dedicate more time to the development of comprehensive software programs.

The two (2) additional Grade C122 Higher Education Program Specialists requested would be used in the planning and accountability division to meet the increasing demands for data from outside and internal sources. The recent awards of the "Non-traditional No More" and "Achieving the Dream" grants have immediate and direct dependency on data produced by the division. Currently, only three positions are dedicated to this division, making additional data requests difficult to address in a timely manner. This division must comply with federal and regional organization requests as well as generate the already-required state reports set forth in statutes. Increasing emphasis on performance and accountability at the institutional level will further increase the demand for data and information from this division. These two positions are needed to handle the increasing demand for such information by pulling data and generating reports. **This request is for appropriation and funding.**

B. Extra Help

Appropriation and funding increases of \$43,084 are requested for Extra Help and associated matching increases for each fiscal year of the biennium. The increase in programs and services provided to universities and colleges has created a greater demand for the use of Extra Help personnel. 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. ADHE also is working with the colleges and universities to utilize interns. **This request is for appropriation and funding.**

C. Operating Expenses

The Arkansas Department of Higher Education is requesting Change Levels of \$26,900 each year of the biennium. The largest single increase is the lease the Department has on the current building, which increased July 1, 2008 by \$6,500 annually. The building serves the Department's needs, and, upon consideration of costs associated with relocation, ADHE feels the increase in lease costs is justifiable and less costly than other alternatives. The remainder of the increase is tied directly to the rising cost of fuel and the effect these costs have on official business mileage and Board travel expenses. **This request is for appropriation and funding.**

D. Conference Fees & Travel

ADHE requests Change Levels in Conference Fees and Travel of \$20,000 each fiscal year for a total of \$45,000 each year. Justification is the increased cost in all travel related categories such as meals, lodging, airfare and ground transportation as well as continued increases in fees for professional development. The Department needs to be able to provide professional development for staff in order to insure the ability to provide continuing professional services in changing environments. Also, ADHE anticipates higher staffing levels than in the past to provide operational support necessary to fulfill the agency mission. **This request is for appropriation and funding.**

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 requests Change Levels of \$60,000 for each year of the biennium for authority 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. **This request is for appropriation and funding.**

F. Capital Outlay

The Department is requesting restoration of the current FY09 Authorized appropriation level of \$20,000 plus an additional appropriation request of \$15,000 for a total of \$35,000 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 and one network printer each year. Additional funding is needed to repair and replace flooring, heating and air and other facilities related equipment. The current building is extremely old and many of these areas have not been addressed in years. **This request is for appropriation and funding.**

G. Y.O.U. Grants

The Youth Opportunities Unlimited (Y.O.U.) Program is a statewide comprehensive youth intervention program designed to encourage economically disadvantaged youth to remain in high school and graduate. The key to this successful program is a six-week residential summer camp component that focuses on academics, work experience, and year round follow-up activities. This grant will be used to provide the follow-up activities to youth from across the State to participate in this most worthwhile program. Due to the fact that this program is a grants program designed to help disadvantaged youth, ADHE believes that the Higher Education Grants Fund would be the more appropriate source for payment of these costs. The Department is requesting negative Change Levels of \$40,000 each year to eliminate Base funding and further requests that this program be transferred to the Student Assistance Grants and Various Scholarships appropriation and made payable from the Higher Education Grants Fund. This request is to eliminate both appropriation and funding for this program within the General Operations appropriation.

II. Financial Aid Programs to Students

Based on 2000 U.S. Census data, Arkansas is 48th in the U.S. in the number of college graduates per capita and 47th in per capita income. These two are inextricably linked. Higher education attainment is highly correlated with economic development at the state, county, and individual levels. A major factor in Arkansas' low standing is low retention and low graduation rates. Arkansas can greatly benefit from an increased investment in human capital. The payoff will be immediate through continued increases in earning capacity, taxes paid, and workforce productivity. There will also be medium-term and long-term improvements in the health of Arkansas, attractiveness to industry, reduced crime, and improved quality of life.

A. The Minority Masters Fellows (MMF) Program

This program provides forgivable loans to African-American, Hispanic, Asian American, and Native American students seeking a master's degree in education in a field other than administration. MMF recipients may receive \$1,250 per three (3) graduate credit hours enrolled, with a maximum award of \$3,750 per semester. The maximum lifetime award is \$7,500. Students may receive funds until they (1) have received the maximum award of \$7,500, (2) their master's degree is completed, or (3) they are in the program for a maximum of three (3) years, whichever comes first. MMF recipients must teach full-time in an Arkansas public school or public institution of higher education for two (2) years for total forgiveness of the loan. This shall be in addition to any teaching obligation the fellow may have to fulfill based on receipt of other ADHE forgivable loans received in pursuit of a bachelor's degree. During the 2008-09 fiscal year, rules and regulations were amended to allow more students to be eligible for this program. Currently, 90 students are eligible to receive this award. The average award amount per student is \$4,000. In order to fully fund this program, Change Levels of \$80,000 each year are requested. **This request is for appropriation only.**

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. With continuing costs of higher education rising generally, and, in particular, in professional degrees, and to fully fund the pipeline of Arkansas students, it is necessary to increase the appropriations for the ARHEG Programs to provide Arkansas residents with this much needed assistance. Change Levels for each program are as follows for each year:

Dental Aid	\$ 340,000
Dental Loans	\$ 40,000
Optometry	\$ 68,400
Veterinary Aid	\$ 186,653
Podiatry	\$ 18,600
Osteopathy	\$ 50,200

This request is for appropriation only.

C. Y.O.U. Grants

The Youth Opportunities Unlimited (Y.O.U.) Program is a statewide comprehensive youth intervention program designed to encourage economically disadvantaged youth to remain in high school and graduate. The key to this successful program is a six-week residential summer camp component that focuses on academics, work experience, and year round follow-up activities. This grant will be used to provide follow-up activities to youth from across the State to participate in this most worthwhile program. The Department is requesting appropriation of \$75,000 for each fiscal year. The agency is requesting this program be merged into the Student Assistance Grants and Various Scholarships appropriation. This program is currently authorized in the General Operations appropriation made payable from the Department of Higher Education Fund. Due to the fact that this program is a grants program to help disadvantaged youth, ADHE believes that the Higher Education Grants Fund would be the more appropriate source for payment of these costs. **This request is for appropriation only.**

D. Arkansas National Guard Tuition Assistance Program

ADHE requests changing the title of the Arkansas National Guard Tuition Assistance Program to the Arkansas National Guard Tuition Incentive Program pursuant to A.C.A. 12-62-601 et al. The Arkansas Department of Higher Education is requesting Change Levels of \$1,000,000 each year of the biennium for the Arkansas National Guard Tuition Incentive Program. This is a state funded award to assist soldiers with their educational expenses. A soldier can receive up to \$1,000 per semester. The incentive that is targeted as a tuition payment has the dual benefit of encouraging and assisting the pursuit of postsecondary education while making enlistment in the Arkansas National Guard more attractive. The increase for the Arkansas National Guard Tuition Incentive Program will allow Arkansas to have a tuition assistance program comparable to those of neighboring states, thereby reducing competition with out-of-state schools and decreasing the numbers of those soldiers who leave Arkansas for states that offer greater financial aid. **This request is for appropriation only.**

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. Change Levels for this program are \$315,000 each year, which would increase the total request to \$500,000 for each fiscal year of the biennium. **This request is for appropriation only.**

IV. Research Development Fund

The Department is requesting restoration of the current biennial appropriation amount of \$2,000,000 and an additional \$4,000,000 for a total of \$6,000,000 in Change Levels for the 2009-2011 biennium for the Arkansas Research Development Program for provision of 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. **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 \$16,283 for Professional Fees and \$9,289 for Operating Expenses for each fiscal year of the biennium. **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. Due to this expansion, the program is requesting Change Levels of \$10,000 each year for Conference Fees & Travel to meet educational and training needs. **This request is for appropriation only.**

VII. Cash Operations

ADHE receives two grants from private foundations and funds for scholarships and conference fees for a total cash appropriation request of \$520,000 each fiscal year of the new biennium. 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, or transfer to other institutions to continue their studies. ADHE is requesting appropriation of \$214,310 each year for the administration of this program. 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. Non-traditional No More will help states identify their "ready adult" population - those adults who are close to having enough credits to obtain a degree but have not yet returned to college. ADHE is requesting appropriation of \$161,310 each year for the administration of this program. Also, appropriation totaling \$100,000 each year is requested for Mahlon Martin minority scholarships awards and \$40,000 each year is requested to support expenses of educational conferences hosted by ADHE. **This request is for appropriation only.**

VIII. Higher Education Grants Fund Administration

ADHE requests the consolidation of all administrative costs associated with the operation of Financial Aid Programs not to exceed two percent (2%) of the total amount appropriated and made payable from the Higher Education Grants Fund Account. A total of \$1,373,000 each year of the biennium is sufficient to meet these purposes. Funds will be used for operational expenses and costs associated with public information campaigns. This would allow for better efficiency of funds in order that all programs can be equally promoted to better provide for the needs of their specific target groups. **This request is for appropriation only.**

IX. Explanations for Revisions to Special Language & New Special Language

A. Refund To Expenditures (Section 24)

The deletion of the language is for accounting purposes. These funds are deposited into the State Treasury to their respective funds and recorded as loan repayments to reduce accounts receivable. However, since the original loan was made four to six years prior, the Refund to Expenditure has no real impact. This revision was suggested by DFA CAFR as loan repayments are made and recorded.

B. Institutions' Positions Analysis/Report (Section 20)

This section was deleted because the position analysis report required has been completed and submitted.

C. Governor's Scholars Program (Section 27)

This change is to reflect the new rules and regulation of the Governor's Scholars Program that increases the number of scholarships awarded to 375.

D. Carry Forward - Health Education Grants (Sections 30 & 39)

The change requested would add the word "LOANS" to the language as a result of the fact that Dental Loans are currently authorized as part of the Arkansas Health Education Grants Program.

E. DHE Program Coordinator Funding (Section 37)

The justification for this request takes into account the possibility that employee turnover may at times require adjustments to the specified amounts transferred and this language provides ADHE with the flexibility needed to support the actual personal services costs of this position.

F. Title Change of National Guard Tuition Assistance Program to National Guard Tuition Incentive Program (Section 26)

G. New Special Language (Section New) - Administrative Costs of Financial Aid Programs - Higher Education Grants Fund.

Special language is requested to stipulate that administrative costs incurred for all financial aid and scholarship programs payable from the Higher Education Grants Fund shall be made from the appropriation requested herein not to exceed two percent (2%) of the total amounts appropriated for each program. In concert with this new special language, ADHE is also requesting that Section 41 for the Student Undergraduate Research Fellowship (SURF) Program be amended to delete authorizations for payment of administrative costs.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF HIGHER EDUCATION

FOR THE YEAR ENDED JUNE 30, 2007

Findings	Recommendations
Review of the Student Loan Collection account revealed that three (3) checks totaling \$11,225 were not deposited in a timely manner. The time elapsed from receipting to deposit ranged from three (3) to six (6) months.	Establish controls to ensure that all checks received are deposited in a timely manner.

Employment Summary

	Male	Female	Total	%
White Employees	11	18	29	66 %
Black Employees	1	13	14	32 %
Other Racial Minorities	0	1	1	2 %
Total Minorities			15	34 %
Total Employees			44	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.
Athletic 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 education 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.
Financial Programs 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 Programs	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.

A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
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 Monetary 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 Affairs and Senate Interim Committee on Children and Youth beginning October 1, 2006

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2007-2008		2008-2009		2008-2009		2009-2010					2010-2011						
	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	1,827,002	0	1,970,000	0	1,970,000	0	1,970,000	0	2,350,000	0	1,970,000	0	1,970,000	0	2,350,000	0	1,970,000	0
137 Optometry Aid	340,600	0	341,600	0	341,600	0	341,600	0	410,000	0	341,600	0	341,600	0	410,000	0	341,600	0
138 Veterinary Aid	912,800	0	913,347	0	913,347	0	913,347	0	1,100,000	0	913,347	0	913,347	0	1,100,000	0	913,347	0
140 Chiropractic Aid	115,007	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	3,370,346	39	3,449,947	39	3,533,204	40	3,587,435	39	4,012,033	45	3,587,435	39	3,649,601	39	4,079,919	45	3,649,601	39
156 Research Development Program Grants	1,000,000	0	0	0	0	0	0	0	6,000,000	0	2,000,000	0	0	0	0	0	0	0
160 State Scholarship-Federal	185,000	0	185,000	0	185,000	0	185,000	0	500,000	0	500,000	0	185,000	0	500,000	0	500,000	0
197 Student Asst Grants/Scholarships	39,482,862	0	64,090,783	0	64,090,783	0	64,090,783	0	65,245,783	0	64,090,783	0	64,090,783	0	65,245,783	0	64,090,783	0
1GF Improving Teacher Quality	894,278	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	11,474,015	6	12,514,526	6	12,522,378	6	12,488,498	6	12,498,498	6	12,488,498	6	12,497,548	6	12,507,548	6	12,497,548	6
54X Higher Education Grants-Administration	0	0	0	0	0	0	0	0	1,373,000	0	0	0	0	0	1,373,000	0	0	0
772 Teacher Education-Federal Programs	291,605	2	361,259	2	343,651	2	365,764	2	391,336	2	391,336	2	369,838	2	395,410	2	395,410	2
773 Osteopathy Aid	135,500	0	179,800	0	179,800	0	179,800	0	230,000	0	179,800	0	179,800	0	230,000	0	179,800	0
783 Podiatry Aid	28,900	0	111,800	0	111,800	0	111,800	0	130,400	0	111,800	0	111,800	0	130,400	0	111,800	0
921 Dept Higher Education - Cash in Treasury	64,715	0	304,380	0	4,380	0	4,380	0	520,000	0	520,000	0	4,380	0	520,000	0	520,000	0
NOT REQUESTED FOR THE BIENNIIUM																		
170 Higher Education Building Maintenance	645,826	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4HU Elementary Science Special Program	0	0	0	0	570,303	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	60,122,630	47	86,247,700	47	86,591,504	48	86,063,665	47	96,586,308	53	88,919,857	47	86,138,955	47	90,667,318	53	86,995,147	47

Funding Sources		%		%		%		%		%		%		%		%		%	
Fund Balance	4000005	48,713,757	42.5	53,755,218	44.9			31,584,747	32.4	31,584,747	29.8	31,584,747	31.5	10,183,795	13.4	10,183,795	12.9	10,183,795	13.2
General Revenue	4000010	3,265,100	2.9	3,291,152	2.8			3,428,975	3.5	3,853,573	3.6	3,395,475	3.4	3,491,141	4.6	3,921,459	5.0	3,457,641	4.5
Federal Revenue	4000020	12,844,898	11.2	14,626,043	12.2			14,604,520	15.0	14,955,092	14.1	14,945,092	14.9	14,617,644	19.2	14,968,216	19.0	14,958,216	19.5
Cash Fund	4000045	151,735	0.1	196,465	0.2			4,380	0.0	520,000	0.5	520,000	0.5	4,380	0.0	520,000	0.7	520,000	0.7
Trust Fund	4000050	1,969,492	1.7	0	0.0			0	0.0	6,000,000	5.7	2,000,000	2.0	0	0.0	0	0.0	0	0.0
Merit Adjustment Fund	4000055	0	0.0	16,019	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
DFA Motor Vehicle Acquisition	4000184	14,772	0.0	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Educational Excellence Fund	4000220	13,513,869	11.8	12,960,179	10.8			12,960,179	13.3	12,960,179	12.2	12,960,179	12.9	12,960,179	17.0	12,960,179	16.5	12,960,179	16.9
Gen Rev Higher Ed Grants	4000258	33,959,577	29.7	34,661,199	29.0			34,661,199	35.6	34,661,199	32.7	34,661,199	34.6	34,661,199	45.6	34,661,199	44.0	34,661,199	45.1
HEG Fund Transfers/Adjust.	4000280	90,474	0.1	92,776	0.1			98,460	0.1	98,460	0.1	98,460	0.1	98,460	0.1	98,460	0.1	98,460	0.1
Institution Certification Fees	4000297	0	0.0	50,000	0.0			60,000	0.1	60,000	0.1	60,000	0.1	60,000	0.1	60,000	0.1	60,000	0.1

Funding Sources		%		%		%		%		%		%		%		%			
Unfunded Appropriation	4000715	0	0.0	0	0.0														
		0	0.0	1,373,000	1.3			0	0.0			0	0.0	1,373,000	1.7	0	0.0		
Total Funds		114,523,674	100.0	119,649,051	100.0			97,402,460	100.0	106,066,250	100.0	100,225,152	100.0	76,076,798	100.0	78,746,308	100.0	76,899,490	100.0
Excess Appropriation/(Funding)		(53,755,218)		(33,401,351)				(11,338,795)		(9,479,942)		(11,305,295)		10,062,157		11,921,010		10,095,657	
Grand Total		60,122,630		86,247,700				86,063,665		96,586,308		88,919,857		86,138,955		90,667,318		86,995,147	

FY09 ending & FY10 beginning fund balances differ by \$1,816,604, which is a balance of the Higher Educ. Research Dev. Fund not carried forward since AHECB may distribute funds to institutions at any time.

FY09 Budget exceeds Authorized due to salary adjustments made during the 2007-09 biennium (App. 772).

Actual & Budgeted exceeds Authorized for transfers authorized for FY08 & FY09 from Cash Fund Holding (App. 921).

Agency Position Usage Report

FY2006 - 2007						FY2007 - 2008						FY2008 - 2009					
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			Total	Total	Total	Total			Total				
42	45	1	46	-4	-7.14 %	48	45	2	47	1	6.25 %	48	44	3	47	1	8.33 %

For FY2006-2007, the number of unbudgeted positions total -4 due to authorization of an additional six (6) regular salary positions for the federally funded Temporary Assistance to Needy Families (TANF) Program through the authority of the Miscellaneous Federal Grant process.

Analysis of Budget Request

Appropriation: 153 - General Operations

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

The Arkansas Department of Higher Education (ADHE) requests a total of \$4,012,033 for FY2010 and \$4,079,919 for FY2011 in appropriation and funding for General Operations. ADHE 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).

Seventeen Base Level positions were changed from unclassified to classified to reflect the recommendations of the Pay Plan Study and salaries were adjusted accordingly. Salaries for other Base Level classified and unclassified positions reflect the recommendations of the Pay Plan Study. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries may include board member Stipend payments and Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

Of the amounts requested for General Operations, \$424,598 for FY2010 and \$430,318 for FY2011 in general revenue appropriation and funding are requested as Changes Levels as follows:

- For personal services, a total of \$279,614 for FY2010 and \$285,334 for FY2011 is requested for salaries and associated matching costs for six (6) positions as follows:
 - restoration of an Administrative Specialist III position at a cost of \$35,099 for FY2010 and \$35,788 in salaries and associated matching support. This position will be used to assist with processing additional academic program reviews and management of financial aid applications.
 - a new Accountant I position at a cost of \$41,562 for FY2010 and \$42,400 for FY2011 in salaries and associated matching support. This request will be used by ADHE to provide assistance with proper internal audit control, compliance with AASIS security roles, student loan processing, and bond reconciliation functions.
 - a new Human Resource Analyst position at a cost of \$43,387 for FY2010 and \$44,265 for FY2011 in salary and associated matching support is requested to provide support in human resources areas such as time entry, time approval, and payroll processing.
 - a new Software Support Analyst at a cost of \$51,638 for FY2010 and \$52,707 for FY2011 is requested primarily to patch software programs in need of being rewritten, especially in the area of financial aid.
 - two new Higher Education Program Specialist positions at a cost of \$107,928 for FY2010 and \$110,174 for FY2011 are requested to assist with Departmental responses to data requests on the state, local, regional, and federal levels.

- Extra Help: Extra Help and associated matching requests total \$43,084 each year and is requested as a response to an increase in the number of programs and services provided to institutions of higher education.
- Operating Expenses: Change Levels of \$26,900 each year are requested each year, of which \$6,500 each year is associated with an increase in building lease costs. Due to rising costs of fuel, increases are requested for official business mileage and Board travel expenses.
- Conference Fees & Travel: Change Levels total \$20,000 each year as a result of increased costs in all travel related categories such as meals, lodging, ground and air transportation as well as increases in staff professional development fees.
- Professional Fees: ADHE is requesting \$60,000 each year in Change Level requests to support hiring consultants for the review of new and existing doctoral and selected master degree programs submitted by the institutions for review by ADHE as required by law. ADHE contends that these specialized services are beyond the expertise of the Agency's Academic Affairs staff.
- Capital Outlay: The Department is requesting \$35,000 each year in Change Levels, \$20,000 each year of which would restore the FY09 Authorized Level and permit upgrading of heat and air and other facility equipment. The balance of the request (\$15,000/year) will allow ADHE to replace high end network server printers and purchase other information technology related equipment in accordance with the Agency's technology plan.
- Grants and Aid: Negative Change Levels of \$40,000 each year is requested to delete Base Level in terms of both appropriation and general revenue funding in the Grants and Aid line item for the Youth Opportunities Unlimited (Y.O.U.) Program. This is a youth intervention program designed to encourage economically disadvantaged youth to remain in high school and graduate. The Agency is requesting Change Level requests of \$75,000 each year in appropriation only for this program in the Student Assistance Grants & Various Scholarships appropriation (Fund Center 197). As this program is designed to help disadvantaged youth, ADHE contends that the Student Assistance Grants & Various Scholarships appropriation is a more appropriate source for the authority and funding of this program.

The Executive Recommendation provides for Base Level in appropriation only for each year of the 2009-2011 biennium. In addition, the Executive Recommendation provides a net reduction of \$33,500 below Base Level in general revenue funding each year as follows:

- \$6,500 increase each year in general revenue funding above Base Level to meet costs associated with facility rental costs.
- \$40,000 decrease each year in general revenue funding below Base Level for the Grants and Aid line item. The transfer of the Y.O.U. Grants Program to the Student Assistance Grants and Various Scholarships appropriation (Fund Center 197) is not recommended.

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			2009-2010			2010-2011		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	2,167,576	2,294,531	2,228,693	2,376,458	2,586,205	2,376,458	2,428,462	2,643,030	2,428,462
#Positions	39	39	40	39	45	39	39	45	39
Extra Help 5010001	13,328	10,000	25,000	10,000	50,000	10,000	10,000	50,000	10,000
#Extra Help	7	7	7	7	7	7	7	7	7
Personal Services Matching 5010003	571,834	573,585	616,697	639,146	712,097	639,146	649,308	723,158	649,308
Operating Expenses 5020002	513,210	481,831	522,814	481,831	508,731	481,831	481,831	508,731	481,831
Conference & Travel Expenses 5050009	28,289	25,000	30,000	25,000	45,000	25,000	25,000	45,000	25,000
Professional Fees 5060010	13,195	15,000	15,000	15,000	75,000	15,000	15,000	75,000	15,000
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Grants and Aid 5100004	32,405	40,000	75,000	40,000	0	40,000	40,000	0	40,000
Capital Outlay 5120011	30,509	10,000	20,000	0	35,000	0	0	35,000	0
Total	3,370,346	3,449,947	3,533,204	3,587,435	4,012,033	3,587,435	3,649,601	4,079,919	3,649,601

Funding Sources									
General Revenue 4000010	3,265,100	3,291,152		3,428,975	3,853,573	3,395,475	3,491,141	3,921,459	3,457,641
Merit Adjustment Fund 4000055	0	16,019		0	0	0	0	0	0
DFA Motor Vehicle Acquisition 4000184	14,772	0		0	0	0	0	0	0
HEG Fund Transfers/Adjust. 4000280	90,474	92,776		98,460	98,460	98,460	98,460	98,460	98,460
Institution Certification Fees 4000297	0	50,000		60,000	60,000	60,000	60,000	60,000	60,000
Total Funding	3,370,346	3,449,947		3,587,435	4,012,033	3,553,935	3,649,601	4,079,919	3,616,101
Excess Appropriation/(Funding)	0	0		0	0	33,500	0	0	33,500
Grand Total	3,370,346	3,449,947		3,587,435	4,012,033	3,587,435	3,649,601	4,079,919	3,649,601

Funding for support of the personal services costs of the Higher Education Coordinator of Recruitment position for the 2007-2009 biennium is from fund transfers from the Higher Education Grants Fund pursuant to Section 37 of Act 1229 of 2007.

The FY09 Budgeted Level for Regular Salaries exceeds Authorized Level due to salary adjustments made during the 2007-2009 biennium.

Capital Outlay expenditures exceeds Authorized Level due to transfers from the Motor Vehicle Acquisition Fund.

Change Level by Appropriation

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

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	3,587,435	39	3,587,435	100.0	3,649,601	39	3,649,601	100.0
C01	Existing Program	414,499	5	4,001,934	111.6	419,530	5	4,069,131	111.5
C03	Discontinue Program	(40,000)	0	3,961,934	110.4	(40,000)	0	4,029,131	110.4
C06	Restore Position/Approp	35,099	1	3,997,033	111.4	35,788	1	4,064,919	111.4
C08	Technology	15,000	0	4,012,033	111.8	15,000	0	4,079,919	111.8

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	3,587,435	39	3,587,435	100.0	3,649,601	39	3,649,601	100.0
C01	Existing Program	0	0	3,587,435	100.0	0	0	3,649,601	100.0
C03	Discontinue Program	0	0	3,587,435	100.0	0	0	3,649,601	100.0
C06	Restore Position/Approp	0	0	3,587,435	100.0	0	0	3,649,601	100.0
C08	Technology	0	0	3,587,435	100.0	0	0	3,649,601	100.0

Justification

C01	The increase in salaries, extra help and associated personal services matching will fund positions to support the growing fiscal operations, programs and services provided by ADHE. The operating expenses increase is directly related to increased costs. Conference Fees and Travel is based on the increased cost in all travel related categories as well as professional development. The request for Professional Fees will allow consultants to be hired for the review of doctoral and selected master's degree proposals beyond the general or specific expertise of the agency's Academic Affairs staff. Restoration of the current appropriation level for capital outlay is needed for repair and maintenance of facilities.
C03	This program is a grants program designed to help disadvantaged youth. ADHE believes that the Higher Education Grants Fund would be the more appropriate source for payment of these costs and requests that this program be transferred to the Student Assistance Grants and Various Scholarships appropriation (Fund Center 197). This request would eliminate Base funding & appropriation for this program in the State Operations appropriation.
C06	Agency requests restoration of a Grade C112 Administrative Specialist III position (a former Secretary II position) to provide support for the increasing financial aid operations of the agency.
C08	The Department is requesting appropriation & funding of \$15,000 each year for capital outlay to be used for Information Technology. ADHE acquires, generates, analyzes, and monitors data on students, faculty, and institutions. The Department's Technology plan calls for the replacement of one server and one network printer each year. These items are located in the Hardware Category of the IT Support Item Subsection of the Operations Section of the IT Plan for the Department of Higher Education.

Analysis of Budget Request

Appropriation: 156 - Research Development Program Grants

Funding Sources: THD - Higher Education Research Development - Trust

The Arkansas Department of Higher Education requests a 2009-2011 biennial appropriation of \$6,000,000 for the Arkansas Research Development Program. This program provides Arkansas Research Development Program 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 23 of Act 1229 of 2007. 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 Executive Recommendation provides for a biennial appropriation of \$2 million for the 2009-2011 biennium.

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			2009-2010			2010-2011		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	1,000,000	0	0	0	6,000,000	2,000,000	0	0	0
Total		1,000,000	0	0	0	6,000,000	2,000,000	0	0	0
Funding Sources										
Fund Balance	4000005	847,112	1,816,604		0	0	0	0	0	0
Trust Fund	4000050	1,969,492	0		0	6,000,000	2,000,000	0	0	0
Total Funding		2,816,604	1,816,604		0	6,000,000	2,000,000	0	0	0
Excess Appropriation/(Funding)		(1,816,604)	(1,816,604)		0	0	0	0	0	0
Grand Total		1,000,000	0		0	6,000,000	2,000,000	0	0	0

ADHE requests biennial Change Levels of \$6 million for the 2009-2011 biennium. The anticipated ending FY09 fund balance of \$1,816,604 is not carried forward into the 2009-2011 biennium since these funds may be distributed at any point by the Arkansas Higher Education Coordinating Board (AHECB) to applicable institutions of higher education.

In accordance with Section 23 of Act 1229 of 2007, funds are transferred to the Higher Education Research Development Fund from the Higher Education Building Maintenance Fund.

This program is currently authorized as a biennial appropriation and is requested as a biennial appropriation for the 2009-2011 biennium. Appropriation and fund balances remaining on June 30, 2010 are requested to be carried forward and made available for fiscal year ending June 30, 2011.

Change Level by Appropriation

Appropriation: 156 - Research Development Program Grants
Funding Sources: THD - Higher Education Research Development - Trust

Agency Request

Change Level	2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
C01 Existing Program	6,000,000	0	6,000,000	100.0	0	0	0	0.0

Executive Recommendation

Change Level	2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
C01 Existing Program	2,000,000	0	2,000,000	100.0	0	0	0	0.0

Justification

C01	The Department is requesting restoration of the current biennial appropriation amount of \$2,000,000 and an additional \$4,000,000 for a total of \$6,000,000 in Change Levels for the 2009-2011 biennium for the Arkansas Research Development Program for provision of research grants to applicable institutions of higher education.							
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Analysis of Budget Request

Appropriation: 160 - State Scholarship-Federal

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

The Arkansas Department of Higher Education requests continuation of Base Level plus Change Levels of \$315,000 for each year of the 2009-2011 biennium for the federal share of the Workforce Improvement Grants Program, which is the State's only purely need-based financial aid program. 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.

Change Levels requested are in anticipation of federal funding to be received for this program for each year of the 2009-2011 biennium. This appropriation is funded entirely from federal revenue received from the U.S. Department of Education.

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	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	185,000	185,000	185,000	185,000	500,000	500,000	185,000	500,000	500,000
Total	185,000	185,000	185,000	185,000	500,000	500,000	185,000	500,000	500,000
Funding Sources									
Federal Revenue 4000020	185,000	185,000		185,000	500,000	500,000	185,000	500,000	500,000
Total Funding	185,000	185,000		185,000	500,000	500,000	185,000	500,000	500,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	185,000	185,000		185,000	500,000	500,000	185,000	500,000	500,000

Change Level by Appropriation

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

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	185,000	0	185,000	100.0	185,000	0	185,000	100.0
C01	Existing Program	315,000	0	500,000	270.3	315,000	0	500,000	270.3

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	185,000	0	185,000	100.0	185,000	0	185,000	100.0
C01	Existing Program	315,000	0	500,000	270.3	315,000	0	500,000	270.3

Justification

C01	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 returning to school who have financial need but may not be eligible for assistance from traditional state and federal programs. This increase will allow the program to assist the growing number of eligible students.
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Analysis of Budget Request

Appropriation: 197 - Student Asst Grants/Scholarships

Funding Sources: HEG - Higher Education Grants

The Arkansas Department of Higher Education (ADHE) is requesting \$65,245,783 each year in appropriation and funding for the Student Assistance Grants and Various Scholarships appropriation. Of these amounts, Change Level appropriations total \$1,155,000 each year in **appropriation only**. No additional funding is requested beyond continuation of Base Level funding for each year of the new biennium. 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 Change Levels are summarized as follows:

- **\$1,000,000 each year in appropriation only for the National Guard Tuition Assistance Program.** For qualified applicants of the Arkansas National Guard Tuition Incentive Program, a one-time award of up to \$1,000, payable at \$500 per semester, may be made for admission to an approved institution of higher education. ADHE is requesting Change Levels of \$1 million each year to enhance the program and make it competitive with those of surrounding states who are offering tuition exemptions and other incentives to attract qualified active National Guard members. ADHE is also requesting a special language title change for this program to read "National Guard Tuition Incentive Program" in accordance with Arkansas Code 6-62-601 et. al.
- **\$80,000 each year in appropriation only for the Minority Masters Fellows Program.** This program provides forgivable loans to minority students seeking a master's degree at an accredited institution of higher education in a field other than administration. Recipients must teach full-time in an Arkansas public school or public institution of higher education for two (2) years for total forgiveness of the loan. Change Levels of \$80,000 each year are requested to fully fund the anticipated demand for this program.
- **\$75,000 each year in appropriation only for the Youth Opportunities Unlimited (Y.O.U.) Program.** The Y.O.U. Grants Program is a youth intervention program designed to encourage economically disadvantaged youth to remain in high school. The Department is requesting \$75,000 each year in appropriation only. This program is currently authorized in the General Operations appropriation payable from the Department of Higher Education Fund. Since this initiative is a grants program to help disadvantaged youth, ADHE believes that authority and funding should reside in the Student Assistance Grants and Various Scholarships appropriation payable from the Higher Education Grants Fund Account.

The Executive Recommendation provides Base Level for each year of the 2009-2011 biennium.

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			2010-2011		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010 Base Level	2009-2010 Agency	2009-2010 Executive	2010-2011 Base Level	2010-2011 Agency	2010-2011 Executive
Workforce Improvement Grants	5100004	3,696,887	3,710,345	3,710,345	3,710,345	3,710,345	3,710,345	3,710,345	3,710,345	3,710,345
Y. O. U. Grants/Aids	5100004	0	0	0	0	75,000	0	0	75,000	0
Teacher Opportunity Program	5100004	1,280,295	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
H E Opportunities Grant	5100004	1,112,115	11,200,000	11,200,000	11,200,000	11,200,000	11,200,000	11,200,000	11,200,000	11,200,000
National Guard Tuition Asst.	5100004	480,610	500,000	500,000	500,000	1,500,000	500,000	500,000	1,500,000	500,000
Second Effort Scholarships	5100030	10,625	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Minority Masters Fellows	5100030	132,500	280,000	280,000	280,000	360,000	280,000	280,000	360,000	280,000
Washington Center Scholarships	5100030	52,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000
SREB Minority Doctoral Scholars	5100030	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Jr/Sr Minority Teacher Scholars	5100030	216,868	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Dependents-Law Enf. Off, etc	5100030	147,754	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
AR Geographical Critical Needs	5100030	0	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Fac/Admin Dev Matching	5100030	0	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Dependents-POW'S, MIA'S, etc.	5100030	196,875	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Tuition Adjustment	5110014	0	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000
St Teacher Asst. Resource Prgm	5120029	3,028,890	3,581,717	3,581,717	3,581,717	3,581,717	3,581,717	3,581,717	3,581,717	3,581,717
AR Academic Challenge Schlshp	5900046	19,460,451	30,174,734	30,174,734	30,174,734	30,174,734	30,174,734	30,174,734	30,174,734	30,174,734
Arkansas Governor's Scholars	5900047	9,313,691	10,750,000	10,750,000	10,750,000	10,750,000	10,750,000	10,750,000	10,750,000	10,750,000
Student Undergraduate Resrch	5900048	153,301	153,987	153,987	153,987	153,987	153,987	153,987	153,987	153,987
Total		39,482,862	64,090,783	64,090,783	64,090,783	65,245,783	64,090,783	64,090,783	65,245,783	64,090,783

Funding Sources										
Fund Balance	4000005	47,199,924	51,830,699		31,584,747	31,584,747	31,584,747	10,183,795	10,183,795	10,183,795
Educational Excellence Fund	4000220	13,513,869	12,960,179		12,960,179	12,960,179	12,960,179	12,960,179	12,960,179	12,960,179
Gen Rev Higher Ed Grants	4000258	30,599,768	30,884,652		30,884,652	30,884,652	30,884,652	30,884,652	30,884,652	30,884,652
Total Funding		91,313,561	95,675,530		75,429,578	75,429,578	75,429,578	54,028,626	54,028,626	54,028,626
Excess Appropriation/(Funding)		(51,830,699)	(31,584,747)		(11,338,795)	(10,183,795)	(11,338,795)	10,062,157	11,217,157	10,062,157
Grand Total		39,482,862	64,090,783		64,090,783	65,245,783	64,090,783	64,090,783	65,245,783	64,090,783

For FY08, \$350,000 in funds were transferred to applicable institutions of higher education for Tuition Adjustment costs.

For FY08, \$142,414 in funds were transferred to UAPB for the Geographical Critical Needs Program.

For Academic Challenge & Governor's Scholars, appropriation & fund balances of \$10,714,282.80 and \$311,309.34 respectively were carried forward between years of the 2007-09 biennium in accordance with the provisions of Section 25 of Act 1229 of 2007.

Change Level by Appropriation

Appropriation: 197 - Student Asst Grants/Scholarships

Funding Sources: HEG - Higher Education Grants

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	64,090,783	0	64,090,783	100.0	64,090,783	0	64,090,783	100.0
C01	Existing Program	1,155,000	0	65,245,783	101.8	1,155,000	0	65,245,783	101.8

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	64,090,783	0	64,090,783	100.0	64,090,783	0	64,090,783	100.0
C01	Existing Program	0	0	64,090,783	100.0	0	0	64,090,783	100.0

Justification

C01	This increase requested for Minority Masters Fellows are to fully fund all eligible students and reflects costs associated with provision of forgivable loans to minority students seeking a master's degree in a field other than administration. The Youth Opportunities Unlimited (Y.O.U.) Program is a grants program and ADHE believes that the Higher Education Grants Fund would be the more appropriate source for payment of these costs. The increase for the Arkansas National Guard Tuition Incentive Program (GTIP) will allow Arkansas to have a comparable tuition assistance program to those of neighboring states, thereby better serving Arkansas soldiers while reducing competition with out-of-state schools and decreasing the numbers of those who may leave Arkansas for states that offer more financial aid.
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CARRY FORWARD OF ANY UNEXPENDED BALANCE OF APPROPRIATION AND/OR FUNDING FROM FISCAL YEAR 2008 TO FISCAL YEAR 2009

Agency: Higher Education, Department of

Program: Student Asst Grants/Scholarships

Act #: 1229 of 2007 Section(s) #: 4 & 25

Estimated Carry Forward Amount \$ 8,300,000.00 Appropriation Funds

Funding Source: General & Educ Exc Trust

Accounting Information:

Business Area: 0700 Funds Center: 197 Fund: HEG Functional Area: EDUC

Line Item	Commitment Item	Estimated Carry Forward Amount	Actual Carry Forward Amount
AR Academic Challenge Schlshp	5900046	8,000,000.00	10,714,282.08
Arkansas Governor's Scholars	5900047	300,000.00	311,309.34
Total		\$ 8,300,000.00	\$ 11,025,591.42

Current law requires a written statement be submitted to the DFA Office of Budget stating the reason(s) to carry forward appropriation and/or funding for a program or a specific line item within a program from the first fiscal year of the biennium to the second fiscal year of the biennium.

Justification for carry forward of unexpended balance of appropriation and/or funding:

ADHE needs the carry forward in the Academic Challenge and Governor's Scholars programs in order to assure full implementation of the programs and to provide for future funding of the growing number of students who are in the pipeline.

Actual Funding Carry Forward Amount \$ 11,025,591.42

Current status of carry forward appropriation/funding:

Carry forward will be utilized to serve more eligible students in the program without having to request transfers.

Dr. Jim Purcell
Director

08-25-2008
Date

Analysis of Budget Request

Appropriation: 1GF - Improving Teacher Quality

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

The Arkansas Department of Higher Education (ADHE) requests Base Level appropriation authority totaling \$1,565,258 each year of the 2009-2011 biennium for the Improving Teacher Quality - Federal appropriation. This program is federally funded through the U.S. Department of Education and places major emphasis upon teacher quality as a factor in improving student achievement. Also known as the No Child Left Behind Program, the importance of preparing, training, and recruiting high quality teachers and principals is stressed through competitive grants to institutions of higher education.

Base Level is requested for each year of the 2009-2011 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		2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	2,773	26,856	26,856	26,856	26,856	26,856	26,856	26,856	26,856
Conference & Travel Expenses	5050009	166	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000
Professional Fees	5060010	2,700	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	888,639	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
Total		894,278	1,565,258							
Funding Sources										
Federal Revenue	4000020	894,278	1,565,258		1,565,258	1,565,258	1,565,258	1,565,258	1,565,258	1,565,258
Total Funding		894,278	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
Grand Total		894,278	1,565,258		1,565,258	1,565,258	1,565,258	1,565,258	1,565,258	1,565,258

Analysis of Budget Request

Appropriation: 2XK - TANF

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

The Arkansas Department of Higher Education (ADHE) requests appropriation authority totaling \$12,498,498 for FY2010 and \$12,507,548 for FY2011 for the Temporary Assistance to Needy Families (TANF) - Federal appropriation. This Career Pathways Program is federally funded through the U.S. Department of Health & Human Services and 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. This initiative began in March, 2005 and has now expanded to include collaborative efforts with all twenty-two (22) two-year institutions of higher education. More than 100,000 participants have been served. The goal is to increase client self-sufficiency and job training skills.

Five Base Level positions were changed from unclassified to classified to reflect the recommendations of the Pay Plan Study and salaries were adjusted accordingly. The salary of the remaining Base Level classified position reflects the recommendations of the Pay Plan Study. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries may include board member Stipend payments and Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

Change Levels totaling \$10,000 each year are requested for Conference Fees & Travel costs to meet continuing education and training needs for this program.

The Executive Recommendation provides for Base Level for each year of the 2009-2011 biennium.

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		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	307,302	392,399	393,727	374,138	374,138	374,138	381,762	381,762	381,762
#Positions		6	6	6	6	6	6	6	6	6
Extra Help	5010001	7,006	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
#Extra Help		2	2	2	2	2	2	2	2	2
Personal Services Matching	5010003	83,180	100,334	106,858	102,567	102,567	102,567	103,993	103,993	103,993
Operating Expenses	5020002	107,422	257,000	257,000	257,000	257,000	257,000	257,000	257,000	257,000
Conference & Travel Expenses	5050009	18,565	20,000	20,000	20,000	30,000	20,000	20,000	30,000	20,000
Professional Fees	5060010	20,117	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	10,930,423	11,644,793	11,644,793	11,644,793	11,644,793	11,644,793	11,644,793	11,644,793	11,644,793
Capital Outlay	5120011	0	10,000	10,000	0	0	0	0	0	0
Total		11,474,015	12,514,526	12,522,378	12,488,498	12,498,498	12,488,498	12,497,548	12,507,548	12,497,548
Funding Sources										
Federal Revenue	4000020	11,474,015	12,514,526		12,488,498	12,498,498	12,488,498	12,497,548	12,507,548	12,497,548
Total Funding		11,474,015	12,514,526		12,488,498	12,498,498	12,488,498	12,497,548	12,507,548	12,497,548
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		11,474,015	12,514,526		12,488,498	12,498,498	12,488,498	12,497,548	12,507,548	12,497,548

Change Level by Appropriation

Appropriation: 2XK - TANF

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

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	12,488,498	6	12,488,498	100.0	12,497,548	6	12,497,548	100.0
C01	Existing Program	10,000	0	12,498,498	100.1	10,000	0	12,507,548	100.1

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	12,488,498	6	12,488,498	100.0	12,497,548	6	12,497,548	100.0
C01	Existing Program	0	0	12,488,498	100.0	0	0	12,497,548	100.0

Justification

C01	The Career Pathways Program has expanded to all 22 two-year institutions. Due to this expansion, the program is requesting Change Levels of \$10,000 each year for Conference Fees & Travel to meet educational and training needs.
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Analysis of Budget Request

Appropriation: 54X - Higher Education Grants-Administration

Funding Sources: HEG - Higher Education Grants

The Arkansas Department of Higher Education (ADHE) requests Change Levels of \$1,370,000 each year of the 2009-2011 biennium in **appropriation only** to provide authority for ADHE to support administrative costs for all financial aid and scholarship programs made payable from the Higher Education Grants (HEG) Fund. This request would consolidate all administrative costs for HEG funded programs within this new appropriation. The level of appropriation requested is based on a calculation of what is needed to support two percent (2%) of the total authorized for each respective financial aid program. ADHE contends that consolidation of administrative costs will allow for better efficiency of funds in order that all programs can be equally promoted to better serve their specific service groups.

The Executive Recommendation makes no provision for this new appropriation.

Appropriation Summary

Appropriation: 54X - Higher Education Grants-Administration

Funding Sources: HEG - Higher Education Grants

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2009-2010			2010-2011		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Administrative Costs 5900046	0	0	0	0	1,373,000	0	0	1,373,000	0
Total	0	0	0	0	1,373,000	0	0	1,373,000	0
Funding Sources									
Unfunded Appropriation 4000715	0	0		0	1,373,000	0	0	1,373,000	0
Total Funding	0	0		0	1,373,000	0	0	1,373,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	0		0	1,373,000	0	0	1,373,000	0

The Executive Recommendation does not provide authority for this appropriation for the 2009-2011 biennium.

Change Level by Appropriation

Appropriation: 54X - Higher Education Grants-Administration

Funding Sources: HEG - Higher Education Grants

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
C02	New Program	1,373,000	0	1,373,000	100.0	1,373,000	0	1,373,000	100.0

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
C02	New Program	0	0	0	0.0	0	0	0	0.0

Justification

C02	ADHE requests the consolidation of administrative costs associated with the management of all financial aid & scholarships programs made payable from the Higher Education Grant Fund, not to exceed two percent (2%) of the total amount appropriated for each respective program. These funds will be used for operational expenses and administrative costs associated with these financial aid programs.
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Analysis of Budget Request

Appropriation: 772 - Teacher Education-Federal Programs

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

The Arkansas Department of Higher Education (ADHE) requests appropriation authority totaling \$391,336 for FY2010 and \$395,410 for FY2011 for the Technical Education - Federal Programs appropriation. This program is federally funded through the U.S. Department of Education and provides technical education services to applicable institutions of higher education.

Base Level salaries for unclassified positions were changed from unclassified to classified to reflect the recommendations of the Pay Plan Study and salaries were adjusted accordingly. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries may include board member Stipend payments and Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

Change Level requests for this program total \$25,572 each year. For Operating Expenses, \$9,289 is requested each year to support software maintenance and \$16,283 is requested each year for Professional Fees to provide support for development and implementation of new and innovative programs to promote career and technical educations effort in the State.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 772 - Teacher 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		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	149,180	147,000	130,414	149,205	149,205	149,205	152,636	152,636	152,636
#Positions		2	2	2	2	2	2	2	2	2
Personal Services Matching	5010003	36,757	35,831	34,809	38,131	38,131	38,131	38,774	38,774	38,774
Operating Expenses	5020002	36,179	85,711	85,711	85,711	95,000	95,000	85,711	95,000	95,000
Conference & Travel Expenses	5050009	5,595	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000
Professional Fees	5060010	63,894	73,717	73,717	73,717	90,000	90,000	73,717	90,000	90,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		291,605	361,259	343,651	365,764	391,336	391,336	369,838	395,410	395,410
Funding Sources										
Federal Revenue	4000020	291,605	361,259		365,764	391,336	391,336	369,838	395,410	395,410
Total Funding		291,605	361,259		365,764	391,336	391,336	369,838	395,410	395,410
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		291,605	361,259		365,764	391,336	391,336	369,838	395,410	395,410

FY08 Actual Expenditures and FY09 Budgeted Levels for Regular Salaries and Personal Services Matching exceeds Authorized Levels due to salary adjustments made during the 2007-2009 biennium.

Change Level by Appropriation

Appropriation: 772 - Teacher Education-Federal Programs

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

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	365,764	2	365,764	100.0	369,838	2	369,838	100.0
C01	Existing Program	25,572	0	391,336	107.0	25,572	0	395,410	106.9

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	365,764	2	365,764	100.0	369,838	2	369,838	100.0
C01	Existing Program	25,572	0	391,336	107.0	25,572	0	395,410	106.9

Justification

C01	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 increase is to support additional costs for consulting fees and operating expenses associated with administrative costs for implementation, review and monitoring of statewide projects.
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Analysis of Budget Request

Appropriation: 921 - Dept Higher Education - Cash in Treasury

Funding Sources: NHE - Cash in Treasury

The Arkansas Department of Higher Education is requesting Base Level of \$4,380 each year and \$515,620 each year in Change Levels for Cash Operations as defined by Arkansas Code §19-4-801. Cash appropriation is requested as follows:

- \$214,310 each year for the Achieving the Dream: Community Colleges Count Program. Specifically, private foundation funds received will provide participating community colleges with resources to help minority and low income students earn degrees and facilitate transfers of credits to other institutions of higher education to continue their studies.
- \$161,310 each year for the Non-Traditional No More: Policy Solutions for Adult Learners Program. A Western Interstate Commission for Higher Education (WICHE) private foundation grant will be used to stimulate and guide policy changes that will create a more navigable path to degree attainment for adults.
- \$100,000 each year for Mahlon Martin Scholarship awards for minority students, and
- \$40,000 each year to support agency costs associated with the hosting of educational conferences.

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		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	64,715	149,880	4,380	4,380	178,070	178,070	4,380	178,070	178,070
Conference & Travel Expenses	5050009	0	41,000	0	0	60,620	60,620	0	60,620	60,620
Professional Fees	5060010	0	113,500	0	0	176,310	176,310	0	176,310	176,310
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Scholarships	5100030	0	0	0	0	100,000	100,000	0	100,000	100,000
Refunds/Reimbursements	5110014	0	0	0	0	5,000	5,000	0	5,000	5,000
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		64,715	304,380	4,380	4,380	520,000	520,000	4,380	520,000	520,000
Funding Sources										
Fund Balance	4000005	20,895	107,915		0	0	0	0	0	0
Cash Fund	4000045	151,735	196,465		4,380	520,000	520,000	4,380	520,000	520,000
Total Funding		172,630	304,380		4,380	520,000	520,000	4,380	520,000	520,000
Excess Appropriation/(Funding)		(107,915)	0		0	0	0	0	0	0
Grand Total		64,715	304,380		4,380	520,000	520,000	4,380	520,000	520,000

Actual Expenditures & Budgeted Levels exceeds Authorized Levels due to transfers authorized for FY08 & FY09 from the Cash Fund Holding Account.

Change Level by Appropriation

Appropriation: 921 - Dept Higher Education - Cash in Treasury

Funding Sources: NHE - Cash in Treasury

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	4,380	0	4,380	100.0	4,380	0	4,380	100.0
C02	New Program	515,620	0	520,000	11,872.1	515,620	0	520,000	11,872.1

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	4,380	0	4,380	100.0	4,380	0	4,380	100.0
C02	New Program	515,620	0	520,000	11,872.1	515,620	0	520,000	11,872.1

Justification

C02	ADHE has received private foundation grants for the administration of the "Achieving the Dream: Community Colleges Count" and the "Non-Traditional No More: Policy Solutions for Adult Learners" programs. Cash appropriation is also requested for the awarding of Mahlon Martin minority scholarships to eligible recipients and for operating expenses associated with educational conferences hosted by ADHE.
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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.

ADHE's request for the various health education fields, including Base and Change Levels, totals \$4,480,400 each year of the 2009-2011 biennium for all Health Education Grants and Loan Programs. In order to fully fund the pipeline of Arkansas students already enrolled and to meet the rising costs of higher education, particularly in the pursuit of professional degrees, Change Level requests for appropriation only are requested as follows:

- Dental Aid Grants: \$340,000 each year
- Dental Aid Loans: \$40,000 each year
- Optometry Aid: \$68,400 each year
- Veterinary Aid: \$186,653 each year
- Podiatry Aid: \$18,600 each year
- Osteopathy Aid: \$50,200 each year

The Executive Recommendation provides for Base Level each year of the 2009-2011 biennium.

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		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Osteopathy Aid	5100004	135,500	179,800	179,800	179,800	230,000	179,800	179,800	230,000	179,800
Podiatry Aid	5100004	28,900	111,800	111,800	111,800	130,400	111,800	111,800	130,400	111,800
Veterinary Aid	5100004	912,800	913,347	913,347	913,347	1,100,000	913,347	913,347	1,100,000	913,347
Chiropractic Aid	5100004	115,007	260,000	260,000	260,000	260,000	260,000	260,000	260,000	260,000
Dental Aid Grants	5100004	1,467,002	1,610,000	1,610,000	1,610,000	1,950,000	1,610,000	1,610,000	1,950,000	1,610,000
Optometry Aid	5100004	340,600	341,600	341,600	341,600	410,000	341,600	341,600	410,000	341,600
Dental Aid Loans	5120029	360,000	360,000	360,000	360,000	400,000	360,000	360,000	400,000	360,000
Total		3,359,809	3,776,547	3,776,547	3,776,547	4,480,400	3,776,547	3,776,547	4,480,400	3,776,547
Funding Sources										
Gen Rev Higher Ed Grants	4000258	3,359,809	3,776,547		3,776,547	3,776,547	3,776,547	3,776,547	3,776,547	3,776,547
Total Funding		3,359,809	3,776,547		3,776,547	3,776,547	3,776,547	3,776,547	3,776,547	3,776,547
Excess Appropriation/(Funding)		0	0		0	703,853	0	0	703,853	0
Grand Total		3,359,809	3,776,547		3,776,547	4,480,400	3,776,547	3,776,547	4,480,400	3,776,547

Carry Forward amounts for FY09: Dental Aid Grants - \$142,997.70; Chiropractic Aid - \$144,993; Osteopathy Aid - \$44,300; and Podiatry Aid - \$73,900.

Change Level by Appropriation

Appropriation: 135 - Dental Aid Grant & Loans

Funding Sources: HEG - Higher Education Grants

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	1,970,000	0	1,970,000	100.0	1,970,000	0	1,970,000	100.0
C01	Existing Program	380,000	0	2,350,000	119.3	380,000	0	2,350,000	119.3

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	1,970,000	0	1,970,000	100.0	1,970,000	0	1,970,000	100.0
C01	Existing Program	0	0	1,970,000	100.0	0	0	1,970,000	100.0

Justification

C01	The Arkansas Health Education Grant (ARHEG) Program has experienced continuing increased costs associated with professional degrees in health related fields. The increases requested are to fully fund Arkansas students in the pipeline and to meet anticipated demand in these programs for the new biennium.
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CARRY FORWARD OF ANY UNEXPENDED BALANCE OF APPROPRIATION AND/OR FUNDING FROM FISCAL YEAR 2008 TO FISCAL YEAR 2009

Agency: Higher Education, Department of

Program: Dental Aid Grant & Loans

Act #: 1229 of 2007 Section(s) #: 10 & 30

Estimated Carry Forward Amount \$ 75,000.00 Appropriation Funds

Funding Source: General

Accounting Information:

Business Area: 0700 Funds Center: 135 Fund: HEG Functional Area: EDUC

Line Item	Commitment Item	Estimated Carry Forward Amount	Actual Carry Forward Amount
Grants and Aid	5100004	75,000.00	142,997.70
Total		\$ 75,000.00	\$ 142,997.70

Current law requires a written statement be submitted to the DFA Office of Budget stating the reason(s) to carry forward appropriation and/or funding for a program or a specific line item within a program from the first fiscal year of the biennium to the second fiscal year of the biennium.

Justification for carry forward of unexpended balance of appropriation and/or funding:

Because these are multi year grants, ADHE needs the carry forward to provide for future funding of the growing number of students who are in the pipeline and to assure full implementation of the programs for new students going forward.

Actual Funding Carry Forward Amount \$ 142,997.70

Current status of carry forward appropriation/funding:

Carry forward will be utilized to serve more eligible students in the program without having to request transfers.

Dr. Jim Purcell
Director

08-25-2008
Date

Change Level by Appropriation

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

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	341,600	0	341,600	100.0	341,600	0	341,600	100.0
C01	Existing Program	68,400	0	410,000	120.0	68,400	0	410,000	120.0

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	341,600	0	341,600	100.0	341,600	0	341,600	100.0
C01	Existing Program	0	0	341,600	100.0	0	0	341,600	100.0

Justification

C01	The Arkansas Health Education Grant (ARHEG) Program has experienced continuing increased costs associated with professional degrees in health related fields. The increases requested are to fully fund Arkansas students in the pipeline and to meet anticipated demand in these programs for the new biennium.
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CARRY FORWARD OF ANY UNEXPENDED BALANCE OF APPROPRIATION AND/OR FUNDING FROM FISCAL YEAR 2008 TO FISCAL YEAR 2009

Agency: Higher Education, Department of

Program: Optometry Aid

Act #: 1229 of 2007 Section(s) #: 10 & 30

Estimated Carry Forward Amount \$ 0.00 Appropriation Funds

Funding Source: General

Accounting Information:

Business Area: 0700 Funds Center: 137 Fund: HEG Functional Area: EDUC

Line Item	Commitment Item	Estimated Carry Forward Amount	Actual Carry Forward Amount
Total		\$ 0.00	\$ 0.00

Current law requires a written statement be submitted to the DFA Office of Budget stating the reason(s) to carry forward appropriation and/or funding for a program or a specific line item within a program from the first fiscal year of the biennium to the second fiscal year of the biennium.

Justification for carry forward of unexpended balance of appropriation and/or funding:

All funds provided are expected to be spent by year end. No carry forward is anticipated.

Actual Funding Carry Forward Amount \$ 0.00

Current status of carry forward appropriation/funding:

Actual carry forward amount is \$0, only currently authorized will be utilized.

Dr. Jim Purcell
Director

08-25-2008
Date

Change Level by Appropriation

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

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	913,347	0	913,347	100.0	913,347	0	913,347	100.0
C01	Existing Program	186,653	0	1,100,000	120.4	186,653	0	1,100,000	120.4

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	913,347	0	913,347	100.0	913,347	0	913,347	100.0
C01	Existing Program	0	0	913,347	100.0	0	0	913,347	100.0

Justification

C01	The Arkansas Health Education Grant (ARHEG) Program has experienced continuing increased costs associated with professional degrees in health related fields. The increases requested are to fully fund Arkansas students in the pipeline and to meet anticipated demand in these programs for the new biennium.
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CARRY FORWARD OF ANY UNEXPENDED BALANCE OF APPROPRIATION AND/OR FUNDING FROM FISCAL YEAR 2008 TO FISCAL YEAR 2009

Agency: Higher Education, Department of

Program: Veterinary Aid

Act #: 1229 of 2007 Section(s) #: 10 & 30

Estimated Carry Forward Amount \$ 0.00 Appropriation Funds

Funding Source: General

Accounting Information:

Business Area: 0700 Funds Center: 138 Fund: HEG Functional Area: EDUC

Line Item	Commitment Item	Estimated Carry Forward Amount	Actual Carry Forward Amount
Total		\$ 0.00	\$ 0.00

Current law requires a written statement be submitted to the DFA Office of Budget stating the reason(s) to carry forward appropriation and/or funding for a program or a specific line item within a program from the first fiscal year of the biennium to the second fiscal year of the biennium.

Justification for carry forward of unexpended balance of appropriation and/or funding:

All funds provided are expected to be spent by year end. No carry forward is anticipated.

Actual Funding Carry Forward Amount \$ 0.00

Current status of carry forward appropriation/funding:

Actual carry forward amount is \$0, only currently authorized will be utilized.

Dr. Jim Purcell
Director

08-25-2008
Date

CARRY FORWARD OF ANY UNEXPENDED BALANCE OF APPROPRIATION AND/OR FUNDING FROM FISCAL YEAR 2008 TO FISCAL YEAR 2009

Agency: Higher Education, Department of

Program: Chiropractic Aid

Act #: 1229 of 2007 Section(s) #: 10 & 30

Estimated Carry Forward Amount \$ 125,000.00 Appropriation Funds

Funding Source: General

Accounting Information:

Business Area: 0700 Funds Center: 140 Fund: HEG Functional Area: EDUC

Line Item	Commitment Item	Estimated Carry Forward Amount	Actual Carry Forward Amount
Grants and Aid	5100004	125,000.00	144,993.00
Total		\$ 125,000.00	\$ 144,993.00

Current law requires a written statement be submitted to the DFA Office of Budget stating the reason(s) to carry forward appropriation and/or funding for a program or a specific line item within a program from the first fiscal year of the biennium to the second fiscal year of the biennium.

Justification for carry forward of unexpended balance of appropriation and/or funding:

Because these are multi year grants, ADHE needs the carry forward to provide for future funding of the growing number of students who are in the pipeline and to assure full implementation of the programs for new students going forward.

Actual Funding Carry Forward Amount \$ 144,993.00

Current status of carry forward appropriation/funding:

Carry forward will be utilized to serve more eligible students in the program without having to request transfers.

Dr. Jim Purcell
Director

08-25-2008
Date

Change Level by Appropriation

Appropriation: 773 - Osteopathy Aid
Funding Sources: HEG - Higher Education Grants

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	179,800	0	179,800	100.0	179,800	0	179,800	100.0
C01	Existing Program	50,200	0	230,000	127.9	50,200	0	230,000	127.9

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	179,800	0	179,800	100.0	179,800	0	179,800	100.0
C01	Existing Program	0	0	179,800	100.0	0	0	179,800	100.0

Justification

C01	The Arkansas Health Education Grant (ARHEG) Program has experienced continuing increased costs associated with professional degrees in health related fields. The increases requested are to fully fund Arkansas students in the pipeline and to meet anticipated demand in these programs for the new biennium.
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CARRY FORWARD OF ANY UNEXPENDED BALANCE OF APPROPRIATION AND/OR FUNDING FROM FISCAL YEAR 2008 TO FISCAL YEAR 2009

Agency: Higher Education, Department of

Program: Osteopathy Aid

Act #: 1229 of 2007 Section(s) #: 10 & 30

Estimated Carry Forward Amount \$ 45,000.00 Appropriation Funds

Funding Source: General

Accounting Information:

Business Area: 0700 Funds Center: 773 Fund: HEG Functional Area: EDUC

Line Item	Commitment Item	Estimated Carry Forward Amount	Actual Carry Forward Amount
Grants and Aid	5100004	45,000.00	44,300.00
Total		\$ 45,000.00	\$ 44,300.00

Current law requires a written statement be submitted to the DFA Office of Budget stating the reason(s) to carry forward appropriation and/or funding for a program or a specific line item within a program from the first fiscal year of the biennium to the second fiscal year of the biennium.

Justification for carry forward of unexpended balance of appropriation and/or funding:

Because these are multi year grants, ADHE needs the carry forward to provide for future funding of the growing number of students who are in the pipeline and to assure full implementation of the programs for new students going forward.

Actual Funding Carry Forward Amount \$ 44,300.00

Current status of carry forward appropriation/funding:

Carry forward will be utilized to serve more eligible students in the program without having to request transfers.

Dr. Jim Purcell
Director

08-25-2008
Date

Change Level by Appropriation

Appropriation: 783 - Podiatry Aid
Funding Sources: HEG - Higher Education Grants

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	111,800	0	111,800	100.0	111,800	0	111,800	100.0
C01	Existing Program	18,600	0	130,400	116.6	18,600	0	130,400	116.6

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	111,800	0	111,800	100.0	111,800	0	111,800	100.0
C01	Existing Program	0	0	111,800	100.0	0	0	111,800	100.0

Justification

C01	The Arkansas Health Education Grant (ARHEG) Program has experienced continuing increased costs associated with professional degrees in health related fields. The increases requested are to fully fund Arkansas students in the pipeline and to meet anticipated demand in these programs for the new biennium.
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CARRY FORWARD OF ANY UNEXPENDED BALANCE OF APPROPRIATION AND/OR FUNDING FROM FISCAL YEAR 2008 TO FISCAL YEAR 2009

Agency: Higher Education, Department of

Program: Podiatry Aid

Act #: 1229 of 2007 Section(s) #: 10 & 30

Estimated Carry Forward Amount \$ 75,000.00 Appropriation Funds

Funding Source: General

Accounting Information:

Business Area: 0700 Funds Center: 783 Fund: HEG Functional Area: EDUC

Line Item	Commitment Item	Estimated Carry Forward Amount	Actual Carry Forward Amount
Grants and Aid	5100004	75,000.00	73,900.00
Total		\$ 75,000.00	\$ 73,900.00

Current law requires a written statement be submitted to the DFA Office of Budget stating the reason(s) to carry forward appropriation and/or funding for a program or a specific line item within a program from the first fiscal year of the biennium to the second fiscal year of the biennium.

Justification for carry forward of unexpended balance of appropriation and/or funding:

Because these are multi year grants, ADHE needs the carry forward to provide for future funding of the growing number of students who are in the pipeline and to assure full implementation of the programs for new students going forward.

Actual Funding Carry Forward Amount \$ 73,900.00

Current status of carry forward appropriation/funding:

Carry forward will be utilized to serve more eligible students in the program without having to request transfers.

Dr. Jim Purcell
Director

08-25-2008
Date

Appropriation Summary

Appropriation: 170 - Higher Education Building Maintenance
Funding Sources: THE - Higher Education Building Maintenance - Trust

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	645,826	0	0	0	0	0	0	0	0
Total	645,826	0	0	0	0	0	0	0	0
Funding Sources									
Fund Balance 4000005	645,826	0		0	0	0	0	0	0
Total Funding	645,826	0		0	0	0	0	0	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	645,826	0		0	0	0	0	0	0

NOT REQUESTED FOR THE 2009-2011 BIENNIUM.

Appropriation Summary

Appropriation: 4HU - Elementary Science Special Program

Funding Sources: HEG - Higher Education Grants

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2009-2010			2010-2011		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	0	0	570,303	0	0	0	0	0	0
Total	0	0	570,303	0	0	0	0	0	0

NOT REQUESTED FOR THE 2009-2011 BIENNIUM.