

DEPARTMENT OF HIGHER EDUCATION

Enabling Laws

Act 286 of 2010

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

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

History and Organization

The creation of the Arkansas Department of Higher Education (ADHE), and its predecessor, the Commission on the Coordination of Higher Education Finance, was predicated on the State's need for financial analysis, coordination, and strategic planning for the provision of public higher education in Arkansas. The Arkansas Higher Education Coordinating Board (AHECB) was created by Act 1114 of 1997 which abolished the State Board of Higher Education and transferred its powers, duties and functions to the AHECB which now oversees the Department of Higher Education. The scope of the responsibilities of the ADHE has broadened over the years to include determining the role and scope (mission) of each public institution, approving new academic programs, reviewing existing programs for quality and productivity, and analyzing and reporting all types of institutional and student data. Information is the key commodity used by ADHE to serve the needs of its constituencies-- the Governor, the Legislature, and the people of Arkansas. This information includes data on the financial operations of the colleges and universities, statistics about the students who enroll and how they are progressing at these institutions, and information used to provide financial aid to over 50,000 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

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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 50,000 Arkansas college students.

The Arkansas Department of Higher Education (ADHE) is responsible for carrying out the policy directives of the Arkansas Higher Education Coordinating Board (AHECB), approving and reviewing college and university academic programs and developing funding recommendations for the state's 11 public universities and 22 public two-year colleges as well as several other post-secondary entities. In addition, the agency is responsible for distributing approximately \$170 million annually from state revenues and lottery funds intended to ease the financial burden of students seeking an education beyond high school

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 2011-2013 biennium. Each is designed to either restore or maintain capabilities of the agency to meet continuing mandates of the Governor and the Legislature for effective coordination of Arkansas higher education.

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

A. Personal Services Costs for Additional Requested Personnel

The Arkansas Department of Higher Education (ADHE) is formally requesting to surrender four (4) current budgeted positions in order to obtain two (2) higher graded positions to correctly position the agency to meet the increased demands that have occurred within ADHE since July of 2009. The purpose of this reorganization is to gain two higher graded positions to recruit and retain employees with a broader skill set that will allow ADHE to be more productive than positions with narrowly define responsibilities.

ADHE is requesting to surrender position 22104438 D052C, Software Support Analyst, C121, last occupied 10/18/2008 and position 22125428 D052C, Software Support Analyst, C121, last occupied 2/6/2010 to obtain one (1) G102C, ADHE Program Specialist, C122, a current classification at ADHE. It has become more cost effective for ADHE to utilize outsourcing on many areas in Information Technology. ADHE primarily is using the services the Department of Information Services and Information Network of Arkansas.

ADHE is requesting to surrender position 22104465 C073C, Administrative Specialist II, C109, last occupied 7/4/2009 and position 22109049 R025C, Human Resource Analyst, C117, last occupied 3/15/2010 to obtain one (1) G071C, ADHE Program Coordinator, C124, a current classification at ADHE. This request would allow ADHE to utilize the position across multiple divisions encompassing the duties of the surrendered positions as well as bringing much needed finance and management level experience to the organization.

This request will allow ADHE to reduce cost by salary and benefits savings while at the same time increase productivity and service. **This request is for appropriation only.**

B. Extra Help

ADHE is requesting an increase in Extra Help of \$12,000 above base for a total of \$15,000 each fiscal year of the biennium. Because of the new Universal Scholarship Application the number of applications each semester for the Financial Aid programs separate from Academic Challenge has increased from around seven thousand (7,000) in 2009 to around seventy thousand (70,000) in 2010. These positions will be used to help assist the Financial Aid Staff during peak volumes times each semester to insure that the awards can go out in a timely manner. Extra Help is requested because it is more cost effective to utilize these positions on an as needed basis versus employment of full time employees. **This request is for appropriation only.**

C. Operating Expenses

The Arkansas Department of Higher Education is requesting Change Levels of \$517,025 for the first year and \$316,025 for the second year of the biennium. The building lease for ADHE expires June 30, 2011 and the current facility will not be an available option. ADHE has worked closely with Arkansas State Building Services (SBS) on available facility space. SBS has helped ADHE develop possible new space options and estimated costs including relocation costs. The first year increases are as follows: estimated new facility lease will be approximately \$513,414 which is an increase of \$292,025 over the current lease. It is important to note that our current lease price is figures' at \$11.00 per square foot compared with SBS stated current market rate of \$18.00 per square foot. SBS estimates that utilizing for modular or cubicle offices will cost about \$175,000 to purchase. Additional cost is approximately \$45,000 for relocation including Information Technology and telephone system. The second year increases are for \$292,025 for facility lease and \$24,000 for other facility expenses. **This request is for appropriation and funding.**

D. Conference Fees & Travel

ADHE requests change Levels in Conference Fees and Travel of \$4,730 each fiscal year for a total of \$25,000 each year. The increase is to fund two Institutional Finance Employees professional development at the College Business Institute. The increased cost related to all travel

related categories such as meals, lodging, airfare and ground transportation and tuition. 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. **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 five thousand (\$5,000) for a total of fifteen thousand (\$15,000) 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 FY2011 Authorized appropriation level of \$25,000. 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. **This request is for appropriation and funding.**

II. Financial Aid Programs to Students

ADHE Financial Aid Programs are funded through the Higher Education Grants Fund (HEG) which receives funding from General Revenue and the Education Excellence Fund. For the past several years the HEG Fund had revenues that exceeded expenses and built up a rather large fund balance. In Fiscal 2010 the HEG fund received due to revenue revision received two million (\$2,000,000) less than received in Fiscal 2009. Further, pursuant to Section 17 of Act 286 of 2010, twenty million (\$20,000,000) was transferred by warrant to the Scholarship Shortfall Reserve Fund of the Arkansas Lottery Commission. All of these events have reduced the HEG Fund balance to around twenty four million (\$24,000,000). The current revenue and HEG Fund Balance will not be sufficient to sustain the growth in all of the Financial Aid Programs. Therefore some Programs will not be able to be funded and most others will have to have funding reduced or held to Fiscal 2011 levels to insure that current students in the pipeline will be funded as well as maximizing utilization of available funding to other Financial Aid programs that will serve the largest number of students maximize the number of students served in need and achievement based programs. **This request is for appropriation only.**

A. The Minority Masters Fellows (MMF) Program

Act 1215 of 2009 repealed this and consolidated it with the State Teacher Education Program. The reduced request is to provide funding for those students in the pipeline.

B. Arkansas Health Education Grant (ARHEG)

The Arkansas Health Education Grant (ARHEG) Program was created to assist Arkansas residents who must attend certain professional schools not provided by the State of Arkansas in the areas of dentistry, optometry, podiatry, osteopathy, and veterinary. Arkansas contracts through the Southern Regional Education Board (SREB) to ensure that Arkansas residents can secure seats in participating institutions in the SREB Compact Program. The fee for each seat is established by SREB and the ARHEG grant or loan amount is typically an amount sufficient to help offset the difference in the resident and non-resident tuition amounts at participating institutions. The Arkansas Health Education Grants (ARHEG) Program is funded with General Revenue and balances in the Higher Education Grants (HEG) Fund. Due to the declining balance in the HEG Fund, ARHEG Programs are being reduced along with other Financial Aid Programs to insure that current students in the pipeline will be funded as well as providing funding to other Financial Aid programs that maximize the number of students served in need and achievement based programs. Change Levels for each program are as follows for each year:

Dental Aid	\$ 1,700,000
Dental Loans	\$ 987,370
Optometry	\$ 320,400
Veterinary Aid	\$ 1,050,000
Podiatry	\$ 20,000
Osteopathy	\$ 148,000

This request is for appropriation only.

C. Arkansas Governor’s Scholars Program

The Governor's Distinguished Scholars awards students with a 32 ACT or 1410 SAT and a 3.5 GPA in academic courses, or National Merit and National Achievement Finalists; and 75 Governor's Scholars (one from each Arkansas county) from those applicants that do not meet the Distinguished criteria. The program is in its second year of awarding 300 students instead of the previous 250 so the pipeline has grown and also more and more students are meeting the ACT and grade requirements. The estimated awards for Fiscal 2011 will be \$12,700,000. ADHE requests an increase of \$1,375,000 for the first year and \$300,000 for the second year of the biennium. **This request is for appropriation only.**

D. Dependents of Military

This program is for full-time undergraduate students who are dependent children or spouses of persons who were declared killed in action, missing in action or service-connected 100% permanently & totally disabled. Due to the length of the Iraq war and the ongoing actions in Afghanistan the number of eligible students has increased and given the current conditions it is expected to continue to increase. Based on estimated awards of \$350,000 for fiscal 2011, we are requesting an increase of \$200,000 for a total of \$450,000 each year. **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. The award amount is expected to increase and the increase is for the authority to award scholarships. Change Levels for this program are \$250,000 each year, which would increase the total request to \$750,000 for each fiscal year of the biennium. **This is Federal Funding and request is for appropriation only.**

IV. Research Development Fund

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

V. Technical Education - Federal Programs (Perkins)

The Carl D. Perkins Vocational and Technical Education Act require each state to "establish a state performance accountability system to assess the effectiveness of vocational and technical education." This request includes support for multiple model project/pilot projects to be implemented to meet state leadership requirements. The purpose of the model projects is to encourage the implementation of new and innovative programs for career and technical education. Perkins will request proposals from postsecondary institutions receiving Perkins funding so specific projects to be funded are unknown at this time. However, based upon the type projects Perkins will seek, it is likely that the projects will use consultants to develop a program or provide a service. Potential projects include implementation of learning communities, development of retention strategies, creation of an online resource center, process mapping to identify gaps in support services for technical students, development of a leadership academy for faculty, and creation of a performance-based instruction design model. The Department requests Change Levels of \$50,000 for Travel and Conference Fees to be used for the Perkins sponsored training seminars and \$15,000 for Capital Outlay related to relocation of offices to new building. The request is for each fiscal year of the biennium. **The Program is federally funded and this request is for appropriation only.**

VI. Career Pathways Program

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

these participants have received certificates or degrees since entering the program. Due to this expansion the grant will increase from thirteen million (\$13,000,000) to fifteen million (\$15,000,000), the program is requesting Change Levels as follows: Reallocation of fifty five thousand (\$55,000) from Operating Expenses to Conference and Travel expenses for the training seminars sponsored by the Program, Reallocation of forty two thousand (\$42,000) from Operating Expenses to Professional Fee's for Information Network of Arkansas (INA) to continue to upgrade and maintain the CPI budget software and student tracking system, fifteen thousand (\$15,000) for Capital Outlay and two million four hundred thousand two hundred seven (\$2,455,207) for direct grants for the two year institutions. **The Program is federally funded and this request is for appropriation only.**

VII. The College Access Challenge Grant Program (CACGP)

The College Access Challenge Grant Program. (CACGP) is a Federal Program funded by the U. S. Department of Education. The project is designed to foster partnerships among government entities and philanthropic organizations to increase the number of underrepresented students who enter and remain in postsecondary education. The purpose of this project is to encourage students and families to learn about, prepare for, and finance a postsecondary education. The project includes a statewide outreach effort that will provide tools that can be used on a long-range basis to help tell the story of the importance of higher education. A training program will also be developed for high school guidance counselors who are located in the poorest counties of Arkansas as a means to assist them in reaching out to children from economically disadvantaged families. The new grant award has increased to one million five hundred thousand (\$1,500,000). ADHE is requesting an increase for each fiscal year in the following areas to administer the grant. Operating Expenses including advertising: Two hundred three thousand eight hundred and 71 (\$203,871) Professional Fees and Reimbursable Expense Professional Fees six hundred five thousand (\$605,000) **The Program is federally funded and this request is for appropriation only.**

VIII. Scholarship Administration

Act 605 of 2009 provides that the Arkansas Department of Higher Education shall administer the scholarships funded by the net proceeds of the Arkansas Lottery Commission, and that the Commission shall reimburse the department of the costs of administering the scholarship awards. ADHE is requesting a transfer from operating expenses to professional fees of \$150,000 each year and an additional \$250,000 each year for professional fees transferred from the Web Application Fund. This request is to make needed changes to the Universal Financial Aid System to accommodate the new Non-Traditional and Current Achiever class of awards, development of interface for uniform electronic transcript submission, modifications for program changes and annual maintenance of the programs and to provide changes to the system as program. With the changes in Academic Challenge by the Lottery Act applications increased from approximately eight thousand (8,000) to fifty four thousand (54,000). ADHE request \$30,000 each year in Extra Help to assist in the intake process of the transcripts for the new Academic Challenge program. **This request is for appropriation only.**

IX. Scholarship Reserve

Section 17 of Act 286 of 2010, required the twenty million (\$20,000,000) in set aside reserve be transferred by warrant to the Scholarship Shortfall Reserve Fund of the Arkansas Lottery Commission. This appropriation is no longer required.

X. Cash Operations

ADHE receives grants from private foundations. The "Achieving the Dream: Community Colleges Count" national initiative is designed to help more community college students succeed. Achieving the Dream provides participating colleges with support to implement strategies designed to help more students-particularly students of color and low-income students-earn degrees, complete certificates. The Western Interstate Commission for Higher Education (WICHE) Non-traditional No More: Policy Solutions for Adult Learners grant will be used to stimulate and guide policy and practice changes that will create a more navigable path to degree attainment for adults. ADHE has been awarded a planning grant from the Lumina Foundation for Education, Inc. The grant will be used to conduct planning and implementation for a 2011 College Goal Sunday event in Arkansas. College Goal Sunday is a program that utilizes financial aid professionals in providing free assistance to potential college students completing the Free Application for Student Financial Aid (FASFA). Specifically, College Goal Sunday targets low income families. ADHE is requesting appropriation increase of four hundred twenty five thousand (\$285,000) each year for the administration of these programs. 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.**

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

A. Scholarship Shortfall Reserve Transfer (Section 17)

The deletion of the language is because the item has been completed. ADHE transferred the \$20,000,0000 to the Scholarship Shortfall reserve Fund in July 2010 and completed the Fiscal year requirement..

B. College Savings Bonds (Section 25)

This section was deleted because the Arkansas College Savings General Obligations Bonds Program has been completed and all funds expended.

C. Arkansas Geographical Needs Minority teacher Scholarship Program (Section 32)

The Higher Education Grants (HEG) Fund funded with General Revenue. Due to the declining balance in the HEG Fund, Financial Aid Programs are being reduced to insure that current students in the pipeline will be funded as well as providing funding to other Financial Aid programs that maximize the number of students served in need and achievement based programs. This program is not being funded for the biennium.

D. Transfer Provision (Section 35)

The Higher Education Grants (HEG) Fund funded with General Revenue. Due to the declining balance in the HEG Fund, Financial Aid Programs are being reduced to insure that current students in the pipeline will be funded as well as providing funding to other Financial Aid programs that maximize the number of students served in need and achievement based programs. Due to the reduced HEG Fund balance, transfers will not be needed.

E. Transfer of Health Education Grants and Loans (Section 36)

The Arkansas Health Education Grants (ARHEG) Program is funded with General Revenue and balances in the Higher Education Grants (HEG) Fund. Due to the declining balance in the HEG Fund, ARHEG Programs are being reduced along with other Financial Aid Programs to insure that current students in the pipeline will be funded as well as providing funding to other Financial Aid programs that maximize the number of students served in need and achievement based programs. Due to the limited funding, transfer cannot be funded and will not be required.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF HIGHER EDUCATION
FOR THE YEAR ENDED JUNE 30, 2008

Findings	Recommendations
None	None

Performance Audit Findings

Southeast Arkansas Education Cooperative – Arkansas Early College High School Program (AECHS)
Arkansas Department of Education (ADE) and Arkansas Department of Higher Education (ADHE)
(July 1, 2005 – June 30, 2008) - Issued 10-10-2008

Findings and Conclusions:

- Instructor qualification review were not adequately documented, putting the students and participating high schools at risk of not receiving credit for a course or meeting accreditation standards.
- Grading irregularities could not be adequately explained, however, the extent of the problem could not be determined due to lack of controls over progress reports and computerized grade books.
- Student and school district memorandums of understanding and the course syllabi did not always agree with regard to academic dishonesty or plagiarism. Further,

teacher turnover was high which created additional problems in areas such as instructor approval and credentialing.

- 5 of 9 instructors reviewed had exceptions relating to class size limits.
- AECHS did not provide all pertinent information in a review by ADE of a complaint regarding the hiring of the Cooperative Director's son.

Recommendations:

- To improve the instructor approval process: formalize the instructor approval process; maintain a master class schedule with appropriate addendums identifying changes of instructors; formally notify both college and high school officials of instructor changes; ADHE specifically address the issue of ownership of concurrent credit course at each participating institution; and partnering institutions provide the required training, orientation, and oversight to meet standards.
- ADE review its policy on the nontraditional licensure program and consider if modifications should be made for instructors in the AECHS Program.
- Create 1 standard syllabus for courses with more than 1 college granting credit and colleges be informed if a course is being taught to students enrolled in other colleges so that they may collaborate to meet State requirements.
- To address grade security issues: archive student progress reports in a central location; include documentation of archived grade changes with progress reports with approval signatures by the AECHS coordinator and the responsible instructor; provide for availability of records for review; and require a review each semester of a sample of grades for changes in each posted item.
- AECHS develop consistent policies addressing academic dishonesty and plagiarism.
- Adhere to required student to teacher ratios and ADE review the combined student enrollment numbers for all participating high schools in the individual AECHS classes to determine actual total class size.
- Contact ADE to determine if further action is required concerning the review of the hiring of the Cooperative Director's son.

Funding of Concurrent Credit Courses

Arkansas Department of Higher Education (ADHE)

(July 1, 2008 – December 31, 2008) - Issued 03-27-2009

Findings and Conclusions:

- In the absence of a uniform method of recording concurrent credit tuition and fees, some postsecondary institutions use scholarship monies which count against the 30% limitation on its unrestricted educational and general tuition and fee income while others do not.
- Both school districts and the State's institutions of higher education incur expenditures and receive funding related to concurrent credit students. However, due to complexities in the higher education funding formula, the amount of funding contributable to those students is undeterminable.

Recommendations:

- ADHE clarify the scholarship requirements and standardize the recording of concurrent credit tuition and fees.

Employment Summary

	Male	Female	Total	%
White Employees	12	19	31	66 %
Black Employees	2	12	14	30 %
Other Racial Minorities	0	2	2	4 %
	Total Minorities		16	34 %
	Total Employees		47	100 %

Publications

A.C.A. 25-1-204

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

A.C.A. 25-1-204

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

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2009-2010		2010-2011		2010-2011		2011-2012						2012-2013						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	
135 Dental Aid Grant & Loans	2,652,568	0	3,121,270	0	3,121,270	0	3,121,270	0	2,687,370	0	2,687,370	0	3,121,270	0	2,687,370	0	2,687,370	0	
137 Optometry Aid Grants & Loans	470,300	0	550,000	0	550,000	0	550,000	0	320,400	0	320,400	0	550,000	0	320,400	0	320,400	0	
138 Veterinary Aid	1,039,287	0	1,100,000	0	1,100,000	0	1,100,000	0	1,050,000	0	929,000	0	1,100,000	0	1,050,000	0	929,000	0	
140 Chiropractic Aid	130,007	0	260,000	0	260,000	0	260,000	0	102,000	0	102,000	0	260,000	0	102,000	0	102,000	0	
153 General Operations	3,350,091	37	3,553,894	39	3,757,758	39	3,535,940	39	4,035,128	37	3,988,398	37	3,535,940	39	3,834,128	37	3,787,398	37	
156 Research Development Program Grants	1,000,000	0	1,000,000	0	1,000,000	0	1,000,000	0	2,000,000	0	5,000,000	0	1,000,000	0	2,000,000	0	5,000,000	0	
160 State Scholarship-Federal	411,857	0	500,000	0	500,000	0	500,000	0	750,000	0	750,000	0	500,000	0	750,000	0	750,000	0	
197 Student Asst Grants/Scholarships	49,710,623	0	61,311,860	0	74,311,860	0	61,311,860	0	47,104,000	0	46,774,000	0	61,311,860	0	45,690,000	0	43,625,000	0	
1GF Improving Teacher Quality	678,046	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	12,379,989	6	12,508,827	6	12,497,548	6	12,506,311	6	14,999,518	6	14,999,518	6	12,506,311	6	14,999,518	6	14,999,518	6	
58B College Access Challenge Grant	613,359	0	706,129	0	706,129	0	691,129	0	1,500,000	0	1,500,000	0	691,129	0	1,500,000	0	1,500,000	0	
59B ADHE-Scholarship Admn	216,849	6	695,842	6	732,666	6	673,356	6	953,356	6	953,356	6	673,356	6	953,356	6	953,356	6	
772 Technical Education-Federal Programs	403,203	3	467,408	3	455,910	3	466,691	3	531,691	3	531,691	3	466,691	3	531,691	3	531,691	3	
773 Osteopathy Aid	158,000	0	230,000	0	230,000	0	230,000	0	148,000	0	148,000	0	230,000	0	148,000	0	148,000	0	
783 Podiatry Aid	18,400	0	130,400	0	130,400	0	130,400	0	20,000	0	20,000	0	130,400	0	20,000	0	20,000	0	
921 Dept Higher Education - Cash in Treasury	184,350	0	520,000	0	520,000	0	520,000	0	945,000	0	945,000	0	520,000	0	945,000	0	945,000	0	
NOT REQUESTED FOR THE BIENNIUM																			
81R ARRA-SFSF-Educ Grnts	12,899,987	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
81Y ARRA-SFSF-GS Proj	4,404,193	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
83B Scholarship Reserve	0	0	20,000,000	0	20,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total	90,721,109	52	108,220,888	54	121,438,799	54	88,162,215	54	78,711,721	52	81,213,991	52	88,162,215	54	77,096,721	52	77,863,991	52	

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	27,087,846	22.9	47,678,030	41.5	6,718,989	9.0	6,718,989	8.4	6,718,989	8.1	3,183,662	4.5	3,183,662	4.2	3,183,662	4.0	
General Revenue	4000010	3,123,491	2.6	3,309,762	2.9	3,291,808	4.4	3,790,996	4.7	3,100,000	3.7	3,291,808	4.6	3,589,996	4.7	3,100,000	3.9	
Federal Revenue	4000020	31,790,634	26.9	15,747,622	13.7	15,729,389	21.1	19,346,467	24.1	19,346,467	23.3	15,729,389	22.2	19,346,467	25.3	19,346,467	24.3	
Cash Fund	4000045	288,095	0.2	170,000	0.1	170,000	0.2	595,000	0.7	595,000	0.7	170,000	0.2	595,000	0.8	595,000	0.7	
Trust Fund	4000050	4,183,662	3.5	1,000,000	0.9	1,000,000	1.3	2,000,000	2.5	5,000,000	6.0	1,000,000	1.4	2,000,000	2.6	5,000,000	6.3	
Educational Excellence Fund	4000220	12,864,130	10.9	12,081,676	10.5	12,081,676	16.2	12,081,676	15.1	12,081,676	14.5	12,081,676	17.0	12,081,676	15.8	12,081,676	15.2	
Gen Rev Higher Ed Grants	4000258	38,834,681	32.8	34,491,806	30.0	34,491,806	46.4	34,491,806	43.0	34,491,806	41.5	34,491,806	48.7	34,491,806	45.1	34,491,806	43.4	
HEG Fund Transfers/Adjust.	4000280	98,600	0.1	99,132	0.1	99,132	0.1	99,132	0.1	99,132	0.1	99,132	0.1	99,132	0.1	99,132	0.1	
Institution Certification Fees	4000297	128,000	0.1	145,000	0.1	145,000	0.2	145,000	0.2	145,000	0.2	145,000	0.2	145,000	0.2	145,000	0.2	
Inter-agency Fund Transfer	4000316	0	0.0	216,849	0.2	673,356	0.9	953,356	1.2	1,512,808	1.8	673,356	1.0	953,356	1.2	1,512,808	1.9	
Total Funds		118,399,139	100.0	114,939,877	100.0	74,401,156	100.0	80,222,422	100.0	83,090,878	100.0	70,865,829	100.0	76,486,095	100.0	79,555,551	100.0	
Excess Appropriation/(Funding)		(27,678,030)		(6,718,989)		13,761,059		(1,510,701)		(1,876,887)		17,296,386		610,626		(1,691,560)		
Grand Total		90,721,109		108,220,888		88,162,215		78,711,721		81,213,991		88,162,215		77,096,721		77,863,991		

Variances in fund balance due to unfunded appropriation in (153) General Operations, (197) Student Assistance Grants and Scholarships, (921) Cash in Treasury, and (HEG) Health Education Grants and Loans. The FY11 Budget amounts in (2XK) TANF and (772) Technical Education - Federal Programs exceed the authorized amounts due to salary and matching rate adjustments during the 2009-2011 biennium.

Agency Position Usage Report

FY2008 - 2009						FY2009 - 2010						FY2010 - 2011					
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	Filled	Unfilled			Total	Total	Filled	Unfilled	
48	44	3	47	1	8.33 %	54	48	6	54	0	11.11 %	54	47	7	54	0	12.96 %

Analysis of Budget Request

Appropriation: 153 - General Operations

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

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

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments. The Base Level salary of unclassified positions reflects the FY11 line item maximum.

The agency Base Level request for this appropriation is \$3,535,940 each year of the biennium with thirty-nine (39) budgeted base level positions.

The agency Change Level request for this appropriation and general revenue is \$499,188 for FY2012 and \$298,188 for FY2013, and are as follows:

- A total reduction of \$64,567 in both years of the 2011-2013 biennium in Salaries and Personal Services Matching associated with the relinquishing of four (4) positions and establishment of two (2) new positions. Two (2) Software Support Analyst (C121) positions, one (1) Administrative Specialist II (C109) position, and one (1) Human Resources Analyst (C117) position are being surrendered in exchange for the creation of one (1) DHE Program Specialist (C122) and one (1) DHE Program Coordinator (C124). Both higher graded positions' skill levels will be used across multiple divisions, with the DHE Program Coordinator adding needed finance and management experience.
- \$12,000 increase in both years of the biennium in Extra Help to help with the 700% increase in Arkansas Challenge Scholarship Applications.
- \$517,025 in FY2012 and \$316,025 in FY2013 in Operating Expenses for costs associated with the relocation of ADHE office facilities. The current lease will expire on 06/30/2011, and the property owner is not renewing due to proposed costs for renovation. The estimated need for space and costs associated with the relocation were provided by State Building Services and are as follows:
 - \$292,025 in both years of the biennium for Rent. ADHE is currently billed at \$11.00 per sq. ft. for its current space. Estimated rent at new facility is \$18.00 per sq. ft.

- \$175,000 in FY2012 for the purchase for forty-five (45) modular office units and \$24,000 in FY2013 for other office expenses relating to the move.
- \$40,000 in FY2012 only for relocation of phone and network systems.
- \$10,000 in FY2012 only for Hauling and Moving Expenses.
- \$4,730 increase in both years for Conference Fees and Travel to send two Institutional Finance employees to the College Business Institute for training and professional development.
- \$5,000 increase in both years for Professional Fees to hire outside consultants for the review of Advanced Degrees that are beyond the working knowledge of the Academic Affairs Staff.
- Restoration of \$25,000 in both years for Capital Outlay for costs associated with upgrading and maintaining the six (6) servers and high output printers servicing all scholarship programs. The IT Support Costs section of ADHE's IT plan calls for the replacement of one (1) server and one (1) printer, respectively.

The Executive Recommendation provides for Base Level. In addition, the Agency Request for Salaries, Personal Services Matching, and Operating Expenses is recommended. General Revenue funding of \$3,100,000 is recommended for both years of the biennium.

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			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	2,281,041	2,407,028	2,470,973	2,395,084	2,349,146	2,349,146	2,395,084	2,349,146	2,349,146
#Positions	37	39	39	39	37	37	39	37	37
Extra Help 5010001	4,562	3,000	10,000	3,000	15,000	3,000	3,000	15,000	3,000
#Extra Help	1	7	7	7	7	7	7	7	7
Personal Services Matching 5010003	590,375	653,866	689,954	657,856	639,227	639,227	657,856	639,227	639,227
Operating Expenses 5020002	430,976	449,730	481,831	449,730	966,755	966,755	449,730	765,755	765,755
Conference & Travel Expenses 5050009	17,493	20,270	25,000	20,270	25,000	20,270	20,270	25,000	20,270
Professional Fees 5060010	2,445	10,000	15,000	10,000	15,000	10,000	10,000	15,000	10,000
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Grants and Aid 5100004	0	0	40,000	0	0	0	0	0	0
Capital Outlay 5120011	23,199	10,000	25,000	0	25,000	0	0	25,000	0
Total	3,350,091	3,553,894	3,757,758	3,535,940	4,035,128	3,988,398	3,535,940	3,834,128	3,787,398
Funding Sources									
General Revenue 4000010	3,123,491	3,309,762		3,291,808	3,790,996	3,100,000	3,291,808	3,589,996	3,100,000
HEG Fund Transfers/Adjust. 4000280	98,600	99,132		99,132	99,132	99,132	99,132	99,132	99,132
Institution Certification Fees 4000297	128,000	145,000		145,000	145,000	145,000	145,000	145,000	145,000
Inter-agency Fund Transfer 4000316	0	0		0	0	559,452	0	0	559,452
Total Funding	3,350,091	3,553,894		3,535,940	4,035,128	3,903,584	3,535,940	3,834,128	3,903,584
Excess Appropriation/(Funding)	0	0		0	0	84,814	0	0	(116,186)
Grand Total	3,350,091	3,553,894		3,535,940	4,035,128	3,988,398	3,535,940	3,834,128	3,787,398

Change Level by Appropriation

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

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	3,535,940	39	3,535,940	100.0	3,535,940	39	3,535,940	100.0
C01	Existing Program	652,105	2	4,188,045	118.4	451,105	2	3,987,045	112.8
C03	Discontinue Program	(177,917)	(4)	4,010,128	113.4	(177,917)	(4)	3,809,128	107.7
C08	Technology	25,000	0	4,035,128	114.1	25,000	0	3,834,128	108.4

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	3,535,940	39	3,535,940	100.0	3,535,940	39	3,535,940	100.0
C01	Existing Program	630,375	2	4,166,315	117.8	429,375	2	3,965,315	112.1
C03	Discontinue Program	(177,917)	(4)	3,988,398	112.8	(177,917)	(4)	3,787,398	107.1
C08	Technology	0	0	3,988,398	112.8	0	0	3,787,398	107.1

Justification

C01	ADHE must relocate when current lease expires on June 30 2011. ADHE has worked with State Building Services on all aspects of relocation. The first year increases are as follows: \$292,025 new facility increased lease rate. Current rate \$11.00 per sq. ft., current market rate \$18.00 per sq. ft. \$175,000 estimated cost of for modular or cubicle offices for new facility. \$50,000 for relocation including Information Technology and telephone system. The second year increases are for \$292,025 for facility lease and \$20,000 for other move related facility expenses. The Arkansas Department of Higher Education (ADHE) requesting to surrender four (4) currently budgeted positions in order to obtain two (2) higher graded positions. The purpose of this reorganization is to gain two higher graded positions with a broader skill set that will allow ADHE to be more productive than positions with narrowly defined responsibilities. Net savings around \$65,000. ADHE is requesting an increase in Extra Help of \$12,000 above base for a total of \$15,000 each fiscal year of the biennium. Because of the new Universal Scholarship Application, the number of applications each semester for the Financial Aid programs separate from Academic Challenge has increase from 7,000 in 2009 to 70,000 in 2010. These positions will be used to help assist the Financial Aid staff during peak volume times each semester to insure that the awards can go out in a timely manner.
C03	The Department requests to surrender four (4) currently budgeted positions in order to obtain two (2) higher graded positions.
C08	The Department is requesting restoration of the current FY2011 Authorized appropriation level of \$25,000. 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 as outlined in the "IT Support Costs" Section of the IT plan. Information has become a key commodity used by ADHE to serve the needs of its constituencies. In particular is the increased activity in the Financial Aid division and new reporting requirement due to the new Academic Challenge Lottery Scholarship.

Analysis of Budget Request

Appropriation: 156 - Research Development Program Grants

Funding Sources: THD - Higher Education Research Development - Trust

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

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

The agency Change Level request for this appropriation is \$1,000,000 for each year of the biennium. Recently, revenues have exceeded appropriation. This request will allow ADHE to better utilize the funding available.

Due to anticipated future revenues, the Executive Recommendation provides for \$5,000,000 in appropriation for each year of the 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			2011-2012			2012-2013		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	1,000,000	1,000,000	1,000,000	1,000,000	2,000,000	5,000,000	1,000,000	2,000,000	5,000,000
Total		1,000,000	1,000,000	1,000,000	1,000,000	2,000,000	5,000,000	1,000,000	2,000,000	5,000,000
Funding Sources										
Fund Balance	4000005	0	3,183,662		3,183,662	3,183,662	3,183,662	3,183,662	3,183,662	3,183,662
Trust Fund	4000050	4,183,662	1,000,000		1,000,000	2,000,000	5,000,000	1,000,000	2,000,000	5,000,000
Total Funding		4,183,662	4,183,662		4,183,662	5,183,662	8,183,662	4,183,662	5,183,662	8,183,662
Excess Appropriation/(Funding)		(3,183,662)	(3,183,662)		(3,183,662)	(3,183,662)	(3,183,662)	(3,183,662)	(3,183,662)	(3,183,662)
Grand Total		1,000,000	1,000,000		1,000,000	2,000,000	5,000,000	1,000,000	2,000,000	5,000,000

Change Level by Appropriation

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

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	1,000,000	0	1,000,000	100.0	1,000,000	0	1,000,000	100.0
C01	Existing Program	1,000,000	0	2,000,000	200.0	1,000,000	0	2,000,000	200.0

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	1,000,000	0	1,000,000	100.0	1,000,000	0	1,000,000	100.0
C01	Existing Program	4,000,000	0	5,000,000	500.0	4,000,000	0	5,000,000	500.0

Justification

C01	This Arkansas Research Development Program is for research grants to applicable institutions of higher education. Funding for this program is transferred from the Higher Education Building Maintenance Fund from proceeds from the sale or lease of minerals, oil and gas on military and non-military federal lands in Arkansas. The Department is requesting restoration of the current biennial appropriation amount of \$2,000,000 and an additional \$2,000,000 for a total of \$4,000,000 for the Arkansas Research Development Program. The requested increase is to allow the increase in proceeds to be distributed. This request is for appropriation only.
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Analysis of Budget Request

Appropriation: 160 - State Scholarship-Federal

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

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

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

The agency Change Level request for appropriation is \$250,000 for each year of the biennium. The Department anticipates increased federal funding for this program.

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	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	411,857	500,000	500,000	500,000	750,000	750,000	500,000	750,000	750,000
Total	411,857	500,000	500,000	500,000	750,000	750,000	500,000	750,000	750,000
Funding Sources									
Federal Revenue 4000020	411,857	500,000		500,000	750,000	750,000	500,000	750,000	750,000
Total Funding	411,857	500,000		500,000	750,000	750,000	500,000	750,000	750,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	411,857	500,000		500,000	750,000	750,000	500,000	750,000	750,000

Change Level by Appropriation

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

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	500,000	0	500,000	100.0	500,000	0	500,000	100.0
C01	Existing Program	250,000	0	750,000	150.0	250,000	0	750,000	150.0

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	500,000	0	500,000	100.0	500,000	0	500,000	100.0
C01	Existing Program	250,000	0	750,000	150.0	250,000	0	750,000	150.0

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 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 \$250,000 each year, which would increase the total request to \$750,000 for each fiscal year of the biennium. This is Federal Funding and request is for appropriation only.
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Analysis of Budget Request

Appropriation: 197 - Student Asst Grants/Scholarships

Funding Sources: HEG - Higher Education Grants

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

The agency Base Level request for appropriation is \$61,311,860 for each year of the biennium.

The agency Change Level request for a reduction in appropriation is \$14,207,860 in FY2012 and 15,621,860 in FY2013. No additional funding is requested beyond continuation of Base Level funding for each year of the biennium.

In FY2011, ADHE transferred by warrant \$20,000,000 in funding from the Higher Education Grants Fund Account (83B Appropriation established by Section 16 of Act 286 of 2010) to the Scholarship Shortfall Reserve Trust Account of the Arkansas Lottery Commission in accordance with Section 17 of Act 286 of 2010. As a result of this transfer, ADHE requests reduction of appropriation for the 2011 - 2013 Biennium to reflect the declining balance of the Higher Education Grants Fund. The Change Level reductions are summarized as follows:

- State Teacher Education Program (STEP) - \$3,200,000 in both years
- Teacher Opportunity Program - \$2,000,000 in both years, which discontinues program
- Workforce Improvement Grants - \$1,777,169 in both years
- Higher Education Opportunity Grants - \$4,000,000 in both years
- Second Effort Scholarships - \$20,000 in both years, which discontinues program
- Minority Masters Fellowship - \$176,250 in FY2012 and \$227,500 in FY2013
- Washington Center Scholarships - \$120,000 in both years, which discontinues program
- Dependents of Law Enforcement Officers - \$25,000 in both years
- AR Geographical Critical Needs - \$200,000 in both years, which discontinues program

- JR/SR Minority Teacher Scholarships - \$210,000 in FY2012 and \$255,000 in FY2013
- State Teacher Assistance Resource (STAR) Program - \$3,096,467 in FY2012 and \$3,339,217 in FY2013
- Student Undergraduate Research Fellowship (SURF) Program - \$157,974 in both years
- Web Based Applications - \$550,000 reduction in both years, as well as a reallocation of \$250,000 to ADHE's Scholarship Administration appropriation, which discontinues the program.

In addition to the Change Level reductions, the Agency requests Change Level increases in appropriation for two scholarship programs. Those increases are as follows:

- Arkansas Governor's Scholars - \$1,375,000 in FY2012 and \$300,000 in FY2013. This request will allow ADHE to fund current students currently receiving this scholarship, as well as the three hundred (300) new students that are to receive the award for FY2011.
- Dependents of POWs, MIAs, KIAs - Tuition Waiver Scholarships - \$200,000 in both years of the biennium. With the length of on-going military actions in the Middle East and Afghanistan, the number of eligible recipients of this award has continued to increase.

These adjustments will allow ADHE to best serve the students of the State while responsibly managing funding levels during the current economic situation.

The Executive Recommendation provides for the following adjustments:

- Workforce Improvement Grants - \$777,169 reduction in FY2012, \$2,277,169 reduction in FY2013.
- Higher Education Opportunities Grants - \$5,000,000 reduction in both years.
- Dependents of POWs, MIAs, KIAs Tuition Waiver Scholarships - \$105,000 increase in both years.
- Arkansas Governor's Scholars - \$1,140,000 increase in FY2012, \$170,000 reduction in FY2013.

The Executive Recommendation provides for Agency Request for all other Scholarship programs.

Appropriation Summary

Appropriation: 197 - Student Asst Grants/Scholarships

Funding Sources: HEG - Higher Education Grants

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
St Teacher Educ Prgm	5100004	1,474,551	5,000,000	5,000,000	5,000,000	1,800,000	1,800,000	5,000,000	1,800,000	1,800,000
Teacher Opportunity Program	5100004	1,014,157	2,000,000	2,000,000	2,000,000	0	0	2,000,000	0	0
Workforce Improvement Grants	5100004	4,183,149	4,277,169	4,277,169	4,277,169	2,500,000	3,500,000	4,277,169	2,500,000	2,000,000
H E Opportunities Grant	5100004	5,640,718	11,000,000	11,000,000	11,000,000	7,000,000	6,000,000	11,000,000	7,000,000	6,000,000
National Guard Tuition Asst.	5100004	1,499,999	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Single Parent Scholarship Program	5100004	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000
Second Effort Scholarships	5100030	14,960	20,000	20,000	20,000	0	0	20,000	0	0
Minority Masters Fellows	5100030	220,864	280,000	280,000	280,000	103,750	103,750	280,000	52,500	52,500
Washington Center Scholarships	5100030	118,000	120,000	120,000	120,000	0	0	120,000	0	0
SREB Minority Doctoral Scholars	5100030	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Dependents-Law Enf. Off, etc	5100030	174,574	200,000	200,000	200,000	175,000	175,000	200,000	175,000	175,000
AR Geographical Critical Needs	5100030	0	200,000	200,000	200,000	0	0	200,000	0	0
Jr/Sr Minority Teacher Scholars	5100030	174,544	300,000	300,000	300,000	90,000	90,000	300,000	45,000	45,000
Dependents-POW'S, MIA'S, etc.	5100030	351,063	250,000	250,000	250,000	450,000	355,000	250,000	450,000	355,000
Tuition Adjustment	5110014	0	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000
Refunds/Reimbursements	5110014	0	0	5,000,000	0	0	0	0	0	0
St Teacher Asst. Resource Prgm	5120029	969,000	3,581,717	3,581,717	3,581,717	485,250	485,250	3,581,717	242,500	242,500
AR Academic Challenge Schship	5900046	22,127,947	20,000,000	28,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Arkansas Governor Sch	5900047	10,745,885	10,750,000	10,750,000	10,750,000	12,125,000	11,890,000	10,750,000	11,050,000	10,580,000
SURF	5900048	307,771	307,974	307,974	307,974	150,000	150,000	307,974	150,000	150,000
Web Based Applications	5900049	318,441	800,000	800,000	800,000	0	0	800,000	0	0
Total		49,710,623	61,311,860	74,311,860	61,311,860	47,104,000	46,774,000	61,311,860	45,690,000	43,625,000

Funding Sources										
Fund Balance	4000005	26,793,119	24,095,896		3,486,855	3,486,855	3,486,855	0	0	0
Educational Excellence Fund	4000220	12,864,130	12,081,676		12,081,676	12,081,676	12,081,676	12,081,676	12,081,676	12,081,676
Gen Rev Higher Ed Grants	4000258	34,149,270	28,621,143		30,164,036	30,164,036	30,285,036	30,164,036	30,164,036	30,285,036
Total Funding		73,806,519	64,798,715		45,732,567	45,732,567	45,853,567	42,245,712	42,245,712	42,366,712
Excess Appropriation/(Funding)		(24,095,896)	(3,486,855)		15,579,293	1,371,433	920,433	19,066,148	3,444,288	1,258,288
Grand Total		49,710,623	61,311,860		61,311,860	47,104,000	46,774,000	61,311,860	45,690,000	43,625,000

Change Level by Appropriation

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

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	61,311,860	0	61,311,860	100.0	61,311,860	0	61,311,860	100.0
C01	Existing Program	1,575,000	0	62,886,860	102.6	500,000	0	61,811,860	100.8
C03	Discontinue Program	(15,532,860)	0	47,354,000	77.2	(15,871,860)	0	45,940,000	74.9
C04	Reallocation	(250,000)	0	47,104,000	76.8	(250,000)	0	45,690,000	74.5

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	61,311,860	0	61,311,860	100.0	61,311,860	0	61,311,860	100.0
C01	Existing Program	1,245,000	0	62,556,860	102.0	105,000	0	61,416,860	100.2
C03	Discontinue Program	(15,532,860)	0	47,024,000	76.7	(17,541,860)	0	43,875,000	71.6
C04	Reallocation	(250,000)	0	46,774,000	76.3	(250,000)	0	43,625,000	71.2

Justification

C01	The estimated awards for FY 2011 will be \$12,700,000. This request is to fund current students in pipeline and to be able to continue to award the FY 2011 level of 300 new students. ADHE requests an increase of \$1,375,000 for the first year and \$300,000 for the second year of the biennium. Due to the length of the Iraq war and the ongoing actions in Afghanistan the number of eligible students has continued to increase. Based on estimated awards of \$350,000 for fiscal 2011, we are requesting an increase of \$200,000 for a total of \$450,000 each year. These requests are for appropriation only.
C03	The Higher Education Grants (HEG) Fund is funded with General Revenue. Due to the declining balance in the HEG Fund, Financial Aid Programs are being reduced to insure that current students in the pipeline will be funded as well as providing funding to other Financial Aid programs that maximize the number of students served in need and achievement based programs.
C04	ADHE is requesting a transfer of \$250,000 each year from the Web Application Fund to the ADHE Scholarship Administration for professional fees. This request is to make needed changes to the Universal Financial Aid System to accommodate the new Non-Traditional and Current Achiever class of awards, development of interface for uniform electronic transcript submission, modifications for program changes and annual maintenance of the programs and to provide changes to the system as needed.

Analysis of Budget Request

Appropriation: 1GF - Improving Teacher Quality

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

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

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

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

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

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	2,588	26,856	26,856	26,856	26,856	26,856	26,856	26,856	26,856
Conference & Travel Expenses	5050009	700	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000
Professional Fees	5060010	3,600	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	671,158	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		678,046	1,565,258	1,565,258	1,565,258	1,565,258	1,565,258	1,565,258	1,565,258	1,565,258
Funding Sources										
Federal Revenue	4000020	678,046	1,565,258		1,565,258	1,565,258	1,565,258	1,565,258	1,565,258	1,565,258
Total Funding		678,046	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		678,046	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 Temporary Assistance to Needy Families (TANF) appropriation is a collaboration between the Arkansas Department of Higher Education (ADHE) and all twenty-two (22) two-year institutions of higher education. Known as the "Career Pathways" program, it provides educational and training services to recipients deemed eligible under the TANF Block Grant. ADHE works with the Arkansas Association of Two-Year Colleges (AATYC) to coordinate services to eligible recipients, and over 100,000 students have participated. The goal of this appropriation is to increase client self-sufficiency and job skills. This program is federally funded through the U.S. Department of Health and Human Services.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

The agency Base Level request for this appropriation is \$12,506,311 each year of the biennium and six (6) base level positions.

The agency is requesting that \$97,000 in appropriation be reallocated from Operating Expenses to Conference Fees and Travel and Professional Fees for both years of the 2011-2013 biennium.

- \$55,000 in appropriation would shift to Conference Fees and Travel to cover the costs of training seminars sponsored by the Career Pathways Program.
- \$42,000 in appropriation would shift to Professional Fees to support ADHE's use of the Information Network of Arkansas (INA) and other upgrades required to maintain and update the scholastic records of those participating in the Career Pathways program.

The agency Change Level request for this appropriation is \$2,493,207 for each year the biennium, and are as follows:

- \$23,000 in appropriation for Professional Fees which, in conjunction with the aforementioned reallocation, would provide comparable levels made available in FY2010 by the use of a Budget Classification Transfer.
- \$12,000 in appropriation for Capital Outlay to upgrade hardware needed in student record keeping.
- \$2,455,207 in appropriation for Grants and Aid to allow for increases in the federally-awarded Career Pathways program.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2XK - TANF

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

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	384,688	388,845	381,762	386,545	386,545	386,545	386,545	386,545	386,545
#Positions		6	6	6	6	6	6	6	6	6
Extra Help	5010001	148	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
#Extra Help		1	2	2	2	2	2	2	2	2
Personal Services Matching	5010003	101,786	108,189	103,993	107,973	107,973	107,973	107,973	107,973	107,973
Operating Expenses	5020002	146,969	257,000	257,000	257,000	160,000	160,000	257,000	160,000	160,000
Conference & Travel Expenses	5050009	29,785	20,000	20,000	20,000	75,000	75,000	20,000	75,000	75,000
Professional Fees	5060010	149,509	65,000	65,000	65,000	130,000	130,000	65,000	130,000	130,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	11,554,311	11,644,793	11,644,793	11,644,793	14,100,000	14,100,000	11,644,793	14,100,000	14,100,000
Capital Outlay	5120011	12,793	0	0	0	15,000	15,000	0	15,000	15,000
Total		12,379,989	12,508,827	12,497,548	12,506,311	14,999,518	14,999,518	12,506,311	14,999,518	14,999,518

Funding Sources										
Federal Revenue	4000020	12,379,989	12,508,827		12,506,311	14,999,518	14,999,518	12,506,311	14,999,518	14,999,518
Total Funding		12,379,989	12,508,827		12,506,311	14,999,518	14,999,518	12,506,311	14,999,518	14,999,518
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		12,379,989	12,508,827		12,506,311	14,999,518	14,999,518	12,506,311	14,999,518	14,999,518

The FY11 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2009-2011 biennium.

Change Level by Appropriation

Appropriation: 2XK - TANF
Funding Sources: FCP - Dept. of Higher Education - Federal

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	12,506,311	6	12,506,311	100.0	12,506,311	6	12,506,311	100.0
C01	Existing Program	2,493,207	0	14,999,518	119.9	2,493,207	0	14,999,518	119.9
C04	Reallocation	0	0	14,999,518	119.9	0	0	14,999,518	119.9

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	12,506,311	6	12,506,311	100.0	12,506,311	6	12,506,311	100.0
C01	Existing Program	2,493,207	0	14,999,518	119.9	2,493,207	0	14,999,518	119.9
C04	Reallocation	0	0	14,999,518	119.9	0	0	14,999,518	119.9

Justification

C01	The Career Pathways Program operates under the State's Temporary Assistance to Needy Families (TANF) Block Grant. Career Pathways works with the Arkansas Association of Two-Year Colleges (AATYC) to coordinate educational activities designed to increase self-sufficiency & job training skills to eligible recipients attending selected two-year institutions. The grant will increase from thirteen million (\$13,000,000) to fifteen million (\$15,000,000), the program is requesting Change Levels for each fiscal year of the biennium as follows: \$15,000 for Capital Outlay, \$23,000 for Professional Fees, and \$2,455,207 for direct grants for the two year institutions. The Program is federally funded and this request is for appropriation only.
C04	Reallocation of fifty five thousand (\$55,000) from Operating Expenses to Conference and Travel expenses for the training seminars sponsored by the Career Pathways Program under the State's Temporary Assistance to Needy Families (TANF) Block Grant. Reallocation of forty two thousand (\$42,000) from Operating Expenses to Professional Fees for Information Network of Arkansas (INA) to continue to upgrade and maintain the CPI budget software and student tracking system,

Analysis of Budget Request

Appropriation: 58B - College Access Challenge Grant

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

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

The agency Base Level request for this appropriation is \$691,129 each year of the biennium.

The agency Change Level request for appropriation is \$808,871 each year of the biennium. The total request for appropriation will allow ADHE to utilize the recent increase in grant award, which now totals \$1,500,000 annually. The request includes:

- \$203,871 in Operating Expenses for increased television, radio, and print advertising designed to inform more of the public of the available financial aid and other assistance that is provided by the CACGP.
- \$605,000 in Professional Fees directed at increased training seminars and materials for school counselors so as to better equip them with information concerning the CACGP and how it could assist their qualifying students.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

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

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	326,819	391,129	391,129	391,129	595,000	595,000	391,129	595,000	595,000
Conference & Travel Expenses 5050009	2,949	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Professional Fees 5060010	275,000	275,000	275,000	275,000	880,000	880,000	275,000	880,000	880,000
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	8,591	15,000	15,000	0	0	0	0	0	0
Total	613,359	706,129	706,129	691,129	1,500,000	1,500,000	691,129	1,500,000	1,500,000
Funding Sources									
Federal Revenue 4000020	613,359	706,129		691,129	1,500,000	1,500,000	691,129	1,500,000	1,500,000
Total Funding	613,359	706,129		691,129	1,500,000	1,500,000	691,129	1,500,000	1,500,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	613,359	706,129		691,129	1,500,000	1,500,000	691,129	1,500,000	1,500,000

Change Level by Appropriation

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

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	691,129	0	691,129	100.0	691,129	0	691,129	100.0
C01	Existing Program	808,871	0	1,500,000	217.0	808,871	0	1,500,000	217.0

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	691,129	0	691,129	100.0	691,129	0	691,129	100.0
C01	Existing Program	808,871	0	1,500,000	217.0	808,871	0	1,500,000	217.0

Justification

C01	The College Access Challenge Grant Program. (CACGP) is a Federal Program funded by the U. S. Department of Education. The project is designed to foster partnerships between government entities and philanthropic organizations to increase the number of underrepresented students who enter and remain in postsecondary education. The purpose of this project is to encourage students and families to learn about, prepare for, and finance a postsecondary education. The project includes a statewide outreach effort that will provide tools that can be used on a long-range basis to help tell the story of the importance of higher education. A training program will also be developed for high school guidance counselors who are located in the poorest counties of Arkansas as a means to assist them in reaching out to children from economically disadvantaged families. The new grant award has increased to \$1,500,000. ADHE is requesting an increase for each fiscal year in the following areas to administer the grant: \$203,871 for Operating Expenses including advertising; \$605,000 for Professional Fees and Reimbursable Expense Professional Fees. The Program is federally funded and this request is for appropriation only.
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Analysis of Budget Request

Appropriation: 59B - ADHE-Scholarship Admn

Funding Sources: HEG - Higher Education Grants

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

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

The agency Base Level request for this appropriation is \$673,356 each year of the biennium and 6 budgeted base level positions.

The agency Change Level request for is \$280,000 each year of the biennium, and is as follows:

- \$30,000 increase in Extra Help appropriation and an additional eight (8) Extra Help positions to help process applications, monitor transcripts of both applicants and current recipients, and other administrative duties as needed. In FY11, expanded eligibility for the Arkansas Academic Challenge Scholarship caused a 700% increase in applications.
- \$150,000 reallocation from Operating Expenses to Professional Fees and an additional \$250,000 increase in Professional Fees to make necessary changes to the Universal Financial Aid Management System. Changes are necessary to accommodate the additional Non-Traditional and Current Achiever award recipients, to development a system of uniform transcript submission, and for changes to and for annual maintenance of programs as needed. The additional \$250,000 requested is a reallocation from the Web-Based Applications (197) appropriation.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

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

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	132,848	297,330	303,746	274,842	274,842	274,842	274,842	274,842	274,842
#Positions	6	6	6	6	6	6	6	6	6
Extra Help 5010001	0	0	0	0	30,000	30,000	0	30,000	30,000
#Extra Help	0	0	0	0	8	8	0	8	8
Personal Services Matching 5010003	52,931	83,512	113,920	83,514	83,514	83,514	83,514	83,514	83,514
Operating Expenses 5020002	31,070	315,000	315,000	315,000	165,000	165,000	315,000	165,000	165,000
Conference & Travel Expenses 5050009	0	0	0	0	0	0	0	0	0
Professional Fees 5060010	0	0	0	0	400,000	400,000	0	400,000	400,000
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	216,849	695,842	732,666	673,356	953,356	953,356	673,356	953,356	953,356
Funding Sources									
Gen Rev Higher Ed Grants 4000258	216,849	478,993		0	0	0	0	0	0
Inter-agency Fund Transfer 4000316	0	216,849		673,356	953,356	953,356	673,356	953,356	953,356
Total Funding	216,849	695,842		673,356	953,356	953,356	673,356	953,356	953,356
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	216,849	695,842		673,356	953,356	953,356	673,356	953,356	953,356

Change Level by Appropriation

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

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	673,356	6	673,356	100.0	673,356	6	673,356	100.0
C01	Existing Program	30,000	0	703,356	104.5	30,000	0	703,356	104.5
C04	Reallocation	250,000	0	953,356	141.6	250,000	0	953,356	141.6

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	673,356	6	673,356	100.0	673,356	6	673,356	100.0
C01	Existing Program	30,000	0	703,356	104.5	30,000	0	703,356	104.5
C04	Reallocation	250,000	0	953,356	141.6	250,000	0	953,356	141.6

Justification

C01	With the changes in Academic Challenge by the Lottery Act, applications have increased from approximately 8,000 to 54,000. ADHE requests \$30,000 each year in Extra Help to assist in the intake process of the transcripts for the new Academic Challenge program. This request is for appropriation only.
C04	ADHE is requesting a transfer from operating expenses to professional fees of \$150,000 each year and an additional \$250,000 each year for professional fees transferred from the Web Application Fund. This requested is to make needed changes to the Universal Financial Aid System to accommodate the new Non-Traditional and Current Achiever class of awards, development of interface for uniform electronic transcript submission, modifications for program changes and annual maintenance of the programs and to provide changes to the system as needed. This request is for appropriation only.

Analysis of Budget Request

Appropriation: 772 - Technical Education-Federal Programs

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

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

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

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

The agency Base Level request for this appropriation is \$466,691 each year of the biennium and three (3) budgeted base level positions.

The agency Change Level request for this appropriation is \$65,000 each year of the biennium. For Conference Fees and Travel, \$50,000 is requested to be used for Perkins-sponsored training seminars, while \$15,000 is requested in Capital Outlay related to ADHE's relocation to a new office building.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 772 - Technical Education-Federal Programs

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

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	190,077	207,616	200,636	206,916	206,916	206,916	206,916	206,916	206,916
#Positions		3	3	3	3	3	3	3	3	3
Personal Services Matching	5010003	49,989	55,792	51,274	55,775	55,775	55,775	55,775	55,775	55,775
Operating Expenses	5020002	81,819	95,000	95,000	95,000	95,000	95,000	95,000	95,000	95,000
Conference & Travel Expenses	5050009	10,497	19,000	19,000	19,000	69,000	69,000	19,000	69,000	69,000
Professional Fees	5060010	70,821	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	15,000	15,000	0	15,000	15,000
Total		403,203	467,408	455,910	466,691	531,691	531,691	466,691	531,691	531,691
Funding Sources										
Federal Revenue	4000020	403,203	467,408		466,691	531,691	531,691	466,691	531,691	531,691
Total Funding		403,203	467,408		466,691	531,691	531,691	466,691	531,691	531,691
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		403,203	467,408		466,691	531,691	531,691	466,691	531,691	531,691

The FY11 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2009-2011 biennium.

Change Level by Appropriation

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

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	466,691	3	466,691	100.0	466,691	3	466,691	100.0
C01	Existing Program	65,000	0	531,691	113.9	65,000	0	531,691	113.9

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	466,691	3	466,691	100.0	466,691	3	466,691	100.0
C01	Existing Program	65,000	0	531,691	113.9	65,000	0	531,691	113.9

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 request includes support for multiple model project/pilot projects to be implemented to meet state leadership requirements. The Department requests Change Levels of \$50,000 for Travel and Conference Fees to be used for the Perkins sponsored training seminars and \$15,000 for Capital Outlay related to relocation of offices to new building. The request is for each fiscal year of the biennium. The Program is federally funded and this request is for appropriation only.
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Analysis of Budget Request

Appropriation: 921 - Dept Higher Education - Cash in Treasury

Funding Sources: NHE - Cash in Treasury

This appropriation is for Cash Operations of The Arkansas Department of Higher Education (ADHE) as defined by Arkansas Code §19-4-801.

The agency Base Level request for this appropriation is \$520,000 each year of the biennium.

The agency Change Level request for this appropriation is \$425,000 each year of the biennium. This request will allow ADHE to inform the public of program availability and provide financial aid professionals' assistance to potential applicants, and consists of the following components:

- \$285,000 each year for increases in grant awards related to the "Achieving the Dream", "Non-Traditional No More", and "College Goal Sunday" programs. "Achieving the Dream: Community Colleges Count" program receives private foundation funding to provide participating community colleges with resources to assist minority and low income students earn degrees and to facilitate transfers of credits to other institutions of higher education for continuing their studies. "Non-Traditional No More: Policy Solutions for Adult Learners" program is a Western Interstate Commission for Higher Education (WICHE) private foundation grant used to stimulate and guide policy changes to create a more navigable path to degree attainment for adults. "College Goal Sunday" uses funding provided via planning grant from the Lumina Foundation for Education, Inc. to provide low income families access to financial aid professionals and free assistance in completing the Free Application for Student Financial Aid (FAFSA), as well as helping those targeted students identify all financial aid available.
- \$100,000 each year for Mahlon Martin minority scholarship awards.
- \$40,000 each year to support agency costs associated with hosting 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		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	47,992	178,070	178,070	178,070	378,070	378,070	178,070	378,070	378,070
Conference & Travel Expenses	5050009	10,364	60,620	60,620	60,620	60,620	60,620	60,620	60,620	60,620
Professional Fees	5060010	124,994	176,310	176,310	176,310	401,310	401,310	176,310	401,310	401,310
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Scholarships	5100030	1,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Refunds/Reimbursements	5110014	0	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		184,350	520,000	520,000	520,000	945,000	945,000	520,000	945,000	945,000
Funding Sources										
Fund Balance	4000005	294,727	398,472		48,472	48,472	48,472	0	0	0
Cash Fund	4000045	288,095	170,000		170,000	595,000	595,000	170,000	595,000	595,000
Total Funding		582,822	568,472		218,472	643,472	643,472	170,000	595,000	595,000
Excess Appropriation/(Funding)		(398,472)	(48,472)		301,528	301,528	301,528	350,000	350,000	350,000
Grand Total		184,350	520,000		520,000	945,000	945,000	520,000	945,000	945,000

Change Level by Appropriation

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

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	520,000	0	520,000	100.0	520,000	0	520,000	100.0
C01	Existing Program	425,000	0	945,000	181.7	425,000	0	945,000	181.7

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	520,000	0	520,000	100.0	520,000	0	520,000	100.0
C01	Existing Program	425,000	0	945,000	181.7	425,000	0	945,000	181.7

Justification

C01	ADHE receives grants from private foundations and funds for scholarships and conference fees. 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. 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 has been awarded a planning grant from the Lumina Foundation for Education, Inc. The grant will be used to conduct planning and implementation for a College Goal Sunday event in Arkansas. College Goal Sunday is a program that utilizes financial aid professionals in providing free assistance to potential college students completing the Free Application for Student Financial Aid (FASFA). Specifically, College Goal Sunday targets low income families. ADHE is requesting appropriation increase of \$285,000 each year for the administration of these programs. 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.
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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 totals \$4,327,770 each year of the 2011 - 2013 biennium for all Health Education Grants and Loan Programs. In order to fully fund the pipeline of Arkansas students already enrolled and to address the declining balance of the HEG Fund, Change Level requests for appropriation only are requested as follows:

- Osteopathy Aid: Decrease of \$82,000 each year
- Podiatry Aid: Decrease of \$110,400 each year
- Veterinary Aid: Decrease of \$50,000 each year
- Chiropractic Aid: Decrease of \$158,000 each year
- Dental Aid Grants: Decrease of \$433,000 each year
- Optometry Aid Grants: Decrease of \$89,600 each year
- Optometry Aid Loans: Decrease of \$140,000 each year

The Executive Recommendation provides for the Agency Request with the exception of Veterinary Aid, where a decrease \$171,000 each year of the biennium is recommended.

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		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Osteopathy Aid	5100004	158,000	230,000	230,000	230,000	148,000	148,000	230,000	148,000	148,000
Podiatry Aid	5100004	18,400	130,400	130,400	130,400	20,000	20,000	130,400	20,000	20,000
Veterinary Aid	5100004	1,039,287	1,100,000	1,100,000	1,100,000	1,050,000	929,000	1,100,000	1,050,000	929,000
Chiropractic Aid	5100004	130,007	260,000	260,000	260,000	102,000	102,000	260,000	102,000	102,000
Dental Aid Grants	5100004	1,677,450	2,133,900	2,133,900	2,133,900	1,700,000	1,700,000	2,133,900	1,700,000	1,700,000
Optometry Aid Grants	5100004	375,300	410,000	410,000	410,000	320,400	320,400	410,000	320,400	320,400
Optometry Aid Loans	5120029	95,000	140,000	140,000	140,000	0	0	140,000	0	0
Dental Aid Loans	5120029	0	987,370	987,370	987,370	987,370	987,370	987,370	987,370	987,370
Dental Aid Grant & Loans	5120029	975,118	0	0	0	0	0	0	0	0
Total		4,468,562	5,391,670	5,391,670	5,391,670	4,327,770	4,206,770	5,391,670	4,327,770	4,206,770
Funding Sources										
Gen Rev Higher Ed Grants	4000258	4,468,562	5,391,670		4,327,770	4,327,770	4,206,770	4,327,770	4,327,770	4,206,770
Total Funding		4,468,562	5,391,670		4,327,770	4,327,770	4,206,770	4,327,770	4,327,770	4,206,770
Excess Appropriation/(Funding)		0	0		1,063,900	0	0	1,063,900	0	0
Grand Total		4,468,562	5,391,670		5,391,670	4,327,770	4,206,770	5,391,670	4,327,770	4,206,770

Change Level by Appropriation

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

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	3,121,270	0	3,121,270	100.0	3,121,270	0	3,121,270	100.0
C03	Discontinue Program	(433,900)	0	2,687,370	86.1	(433,900)	0	2,687,370	86.1

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	3,121,270	0	3,121,270	100.0	3,121,270	0	3,121,270	100.0
C03	Discontinue Program	(433,900)	0	2,687,370	86.1	(433,900)	0	2,687,370	86.1

Justification

C03	The Arkansas Health Education Grants (ARHEG) Program is funded with General Revenue and balances in the Higher Education Grants (HEG) Fund. Due to the declining balance in the HEG Fund, ARHEG Programs are being reduced along with other Financial Aid Programs to levels that can be funded with General revenue. This will help to ensure that current students in the pipeline will be funded as well as providing funding to other Financial Aid programs to maximize the number of students served in need- and achievement-based programs. This request will fund the program at the estimated fiscal 2011 level.
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**CARRY FORWARD OF ANY REMAINING FUND BALANCES
FROM FISCAL YEAR 2010 TO FISCAL YEAR 2011**

Agency: Higher Education, Department of

Program: Dental Aid Grant & Loans

Act #: 286

Section(s) #: 9 & 27

Estimated Carry Forward Amount \$ 456,000.00 Funding Source: General Revenue

Accounting Information:

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

Current law requires a written statement be submitted to the DFA Office of Budget stating the reason(s) to carry forward funding for a program or a specific line item within a program remaining on June 30th of a fiscal year.

Justification for carry forward of fund balance:

Due to the fact that these grants and loans are provided to new students annually as well as to those existing medical education students already in the pipeline, carry forward of funds is requested to assure that continuity of educational services are fully maintained.

Actual Funding Carry Forward Amount \$ 477,489.89

Current status of carry forward funding:

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

Note from DFA – Office of Budget: Funds remaining at the end of any fiscal year from this fund must, by law, remain in the fund regardless of the future status of any project, contract or purpose. The Special Language that requires this report is no longer necessary.

Dr. Jim Purcell

Director

08-11-2010

Date

Change Level by Appropriation

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

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	550,000	0	550,000	100.0	550,000	0	550,000	100.0
C03	Discontinue Program	(229,600)	0	320,400	58.3	(229,600)	0	320,400	58.3

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	550,000	0	550,000	100.0	550,000	0	550,000	100.0
C03	Discontinue Program	(229,600)	0	320,400	58.3	(229,600)	0	320,400	58.3

Justification

C03	The Arkansas Health Education Grants (ARHEG) Program is funded with General Revenue and balances in the Higher Education Grants (HEG) Fund. Due to the declining balance in the HEG Fund, ARHEG Programs are being reduced along with other Financial Aid Programs to insure that current students in the pipeline will be funded as well as providing funding to other Financial Aid programs to maximize the number of students served in need- and achievement-based programs.
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**CARRY FORWARD OF ANY REMAINING FUND BALANCES
FROM FISCAL YEAR 2010 TO FISCAL YEAR 2011**

Agency: Higher Education, Department of

Program: Optometry Aid Grants & Loans

Act #: 286

Section(s) #: 9 & 27

Estimated Carry Forward Amount \$ 79,700.00 Funding Source: General Revenue

Accounting Information:

Business Area: 0700

Funds Center: 137

Fund: HEG

Functional Area: EDUC

Current law requires a written statement be submitted to the DFA Office of Budget stating the reason(s) to carry forward funding for a program or a specific line item within a program remaining on June 30th of a fiscal year.

Justification for carry forward of fund balance:

Due to the fact that these grants and loans are provided to new students annually as well as to those existing medical education students already in the pipeline, carry forward of funds is requested to assure that continuity of educational services are fully maintained.

Actual Funding Carry Forward Amount \$ 79,700.00

Current status of carry forward funding:

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

Note from DFA – Office of Budget: Funds remaining at the end of any fiscal year from this fund must, by law, remain in the fund regardless of the future status of any project, contract or purpose. The Special Language that requires this report is no longer necessary.

Dr. Jim Purcell

Director

08-11-2010

Date

Change Level by Appropriation

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

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	1,100,000	0	1,100,000	100.0	1,100,000	0	1,100,000	100.0
C03	Discontinue Program	(50,000)	0	1,050,000	95.5	(50,000)	0	1,050,000	95.5

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	1,100,000	0	1,100,000	100.0	1,100,000	0	1,100,000	100.0
C03	Discontinue Program	(171,000)	0	929,000	84.5	(171,000)	0	929,000	84.5

Justification

C03	The Arkansas Health Education Grants (ARHEG) Program is funded with General Revenue and balances in the Higher Education Grants (HEG) Fund. Due to the declining balance in the HEG Fund, ARHEG Programs are being reduced along with other Financial Aid Programs to levels that can be funded with General revenue. This will help to ensure that current students in the pipeline will be funded as well as providing funding to other Financial Aid programs to maximize the number of students served in need- and achievement-based programs. This request will fund the program at the estimated fiscal 2011 level.
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**CARRY FORWARD OF ANY REMAINING FUND BALANCES
FROM FISCAL YEAR 2010 TO FISCAL YEAR 2011**

Agency: Higher Education, Department of

Program: Veterinary Aid

Act #: 286

Section(s) #: 9 & 27

Estimated Carry Forward Amount \$ 60,700.00 Funding Source: General Revenue

Accounting Information:

Business Area: 0700

Funds Center: 138

Fund: HEG

Functional Area: EDUC

Current law requires a written statement be submitted to the DFA Office of Budget stating the reason(s) to carry forward funding for a program or a specific line item within a program remaining on June 30th of a fiscal year.

Justification for carry forward of fund balance:

Due to the fact that these grants are provided to new students annually as well as to those existing medical education students already in the pipeline, carry forward of funds is requested to assure that continuity of educational services are fully maintained.

Actual Funding Carry Forward Amount \$ 60,713.30

Current status of carry forward funding:

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

Note from DFA – Office of Budget: Funds remaining at the end of any fiscal year from this fund must, by law, remain in the fund regardless of the future status of any project, contract or purpose. The Special Language that requires this report is no longer necessary.

Dr. Jim Purcell

Director

08-11-2010

Date

Change Level by Appropriation

Appropriation: 140 - Chiropractic Aid
Funding Sources: HEG - Higher Education Grants

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	260,000	0	260,000	100.0	260,000	0	260,000	100.0
C03	Discontinue Program	(158,000)	0	102,000	39.2	(158,000)	0	102,000	39.2

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	260,000	0	260,000	100.0	260,000	0	260,000	100.0
C03	Discontinue Program	(158,000)	0	102,000	39.2	(158,000)	0	102,000	39.2

Justification

C03	The Arkansas Health Education Grants (ARHEG) Program is funded with General Revenue and balances in the Higher Education Grants (HEG) Fund. Due to the declining balance in the HEG Fund, ARHEG Programs are being reduced along with other Financial Aid Programs to insure that current students in the pipeline will be funded as well as providing funding to other Financial Aid programs that maximize the number of students served in need and achievement based programs.
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**CARRY FORWARD OF ANY REMAINING FUND BALANCES
FROM FISCAL YEAR 2010 TO FISCAL YEAR 2011**

Agency: Higher Education, Department of

Program: Chiropractic Aid

Act #: 286 Section(s) #: 9 & 27

Estimated Carry Forward Amount \$ 144,000.00 Funding Source: General Revenue

Accounting Information:

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

Current law requires a written statement be submitted to the DFA Office of Budget stating the reason(s) to carry forward funding for a program or a specific line item within a program remaining on June 30th of a fiscal year.

Justification for carry forward of fund balance:

Due to the fact that these grants are provided to new students annually as well as to those existing medical education students already in the pipeline, carry forward of funds is requested to assure that continuity of educational services are fully maintained.

Actual Funding Carry Forward Amount \$ 129,993.00

Current status of carry forward funding:

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

Note from DFA – Office of Budget: Funds remaining at the end of any fiscal year from this fund must, by law, remain in the fund regardless of the future status of any project, contract or purpose. The Special Language that requires this report is no longer necessary.

Dr. Jim Purcell

Director

08-11-2010

Date

Change Level by Appropriation

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

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	230,000	0	230,000	100.0	230,000	0	230,000	100.0
C03	Discontinue Program	(82,000)	0	148,000	64.3	(82,000)	0	148,000	64.3

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	230,000	0	230,000	100.0	230,000	0	230,000	100.0
C03	Discontinue Program	(82,000)	0	148,000	64.3	(82,000)	0	148,000	64.3

Justification

C03	The Arkansas Health Education Grants (ARHEG) Program is funded with General Revenue and balances in the Higher Education Grants (HEG) Fund. Due to the declining balance in the HEG Fund, ARHEG Programs are being reduced along with other Financial Aid Programs to insure that current students in the pipeline will be funded as well as providing funding to other Financial Aid programs that maximize the number of students served in need- and achievement-based programs.
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**CARRY FORWARD OF ANY REMAINING FUND BALANCES
FROM FISCAL YEAR 2010 TO FISCAL YEAR 2011**

Agency: Higher Education, Department of

Program: Osteopathy Aid

Act #: 286

Section(s) #: 9 & 27

Estimated Carry Forward Amount \$ 70,000.00 Funding Source: General Revenue

Accounting Information:

Business Area: 0700

Funds Center: 773

Fund: HEG

Functional Area: EDUC

Current law requires a written statement be submitted to the DFA Office of Budget stating the reason(s) to carry forward funding for a program or a specific line item within a program remaining on June 30th of a fiscal year.

Justification for carry forward of fund balance:

Due to the fact that these grants are provided to new students annually as well as to those existing medical education students already in the pipeline, carry forward of funds is requested to assure that continuity of educational services are fully maintained.

Actual Funding Carry Forward Amount \$ 72,000.00

Current status of carry forward funding:

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

Note from DFA – Office of Budget: Funds remaining at the end of any fiscal year from this fund must, by law, remain in the fund regardless of the future status of any project, contract or purpose. The Special Language that requires this report is no longer necessary.

Dr. Jim Purcell

Director

08-11-2010

Date

Change Level by Appropriation

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

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	130,400	0	130,400	100.0	130,400	0	130,400	100.0
C03	Discontinue Program	(110,400)	0	20,000	15.3	(110,400)	0	20,000	15.3

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	130,400	0	130,400	100.0	130,400	0	130,400	100.0
C03	Discontinue Program	(110,400)	0	20,000	15.3	(110,400)	0	20,000	15.3

Justification

C03	The Arkansas Health Education Grants (ARHEG) Program is funded with General Revenue and balances in the Higher Education Grants (HEG) Fund. Due to the declining balance in the HEG Fund, ARHEG Programs are being reduced along with other Financial Aid Programs to levels that can be funded with General revenue. This will help to ensure that current students in the pipeline will be funded as well as providing funding to other Financial Aid programs to maximize the number of students served in need- and achievement-based programs. This request will fund the program at the estimated fiscal 2011 level.
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**CARRY FORWARD OF ANY REMAINING FUND BALANCES
FROM FISCAL YEAR 2010 TO FISCAL YEAR 2011**

Agency: Higher Education, Department of

Program: Podiatry Aid

Act #: 286

Section(s) #: 9 & 27

Estimated Carry Forward Amount \$ 112,000.00 Funding Source: General Revenue

Accounting Information:

Business Area: 0700

Funds Center: 783

Fund: HEG

Functional Area: EDUC

Current law requires a written statement be submitted to the DFA Office of Budget stating the reason(s) to carry forward funding for a program or a specific line item within a program remaining on June 30th of a fiscal year.

Justification for carry forward of fund balance:

Due to the fact that these grants are provided to new students annually as well as to those existing medical education students already in the pipeline, carry forward of funds is requested to assure that continuity of educational services are fully maintained.

Actual Funding Carry Forward Amount \$ 112,000.00

Current status of carry forward funding:

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

Note from DFA – Office of Budget: Funds remaining at the end of any fiscal year from this fund must, by law, remain in the fund regardless of the future status of any project, contract or purpose. The Special Language that requires this report is no longer necessary.

Dr. Jim Purcell

Director

08-11-2010

Date

Appropriation Summary

Appropriation: 81R - ARRA-SFSF-Educ Grnts

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

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	12,899,987	0	0	0	0	0	0	0	0
Total	12,899,987	0	0	0	0	0	0	0	0
Funding Sources									
Federal Revenue 4000020	12,899,987	0		0	0	0	0	0	0
Total Funding	12,899,987	0		0	0	0	0	0	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	12,899,987	0		0	0	0	0	0	0

APPROPRIATION NOT REQUESTED FOR THE 2011-2013 BIENNIUM.

Appropriation Summary

Appropriation: 81Y - ARRA-SFSF-GS Proj

Funding Sources: FCP - Dept of Higher Education - Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	4,404,193	0	0	0	0	0	0	0	0
Total	4,404,193	0	0	0	0	0	0	0	0
Funding Sources									
Federal Revenue 4000020	4,404,193	0		0	0	0	0	0	0
Total Funding	4,404,193	0		0	0	0	0	0	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	4,404,193	0		0	0	0	0	0	0

APPROPRIATION NOT REQUESTED FOR THE 2011-2013 BIENNIUM.

Appropriation Summary

Appropriation: 83B - Scholarship Reserve

Funding Sources: HEG - Higher Education Grants

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Investments/Transfers 5110020	0	20,000,000	20,000,000	0	0	0	0	0	0
Total	0	20,000,000	20,000,000	0	0	0	0	0	0
Funding Sources									
Fund Balance 4000005	0	20,000,000		0	0	0	0	0	0
Total Funding	0	20,000,000		0	0	0	0	0	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	20,000,000		0	0	0	0	0	0

APPROPRIATION NOT REQUESTED FOR THE 2011-2013 BIENNIUM

This appropriation was for the one-time fund transfer (Section 17 of Act 246 of 2010) from the Higher Education Grants fund to the Scholarship Shortfall Reserve Trust Account of the Arkansas Lottery Commission, which was appropriated in Section 16 of Act 246 of 2010.