

DOE - General Education

Enabling Laws

Act 230 of 2016
Act 42 of 2016
Act 229 of 2016 (PSF)
A.C.A. §6-5-301 et seq.
A.C.A. §6-10-101 thru §6-26-305
A.C.A. §6-42-101 et seq.
A.C.A. §6-45-101 et seq.
A.C.A. §6-47-201 et seq.
A.C.A. §26-80-101 et seq.
A.C.A. §25-6-101 et seq.

History and Organization

HISTORY OF PUBLIC EDUCATION IN ARKANSAS

Provisions were made within the framework of the Constitution of the State of Arkansas for free public education; directing the legislature to pass needed laws related to education; creating funding for public schools; providing local taxing units for school purposes; designing a method of levying a tax for maintenance and operation of local school districts; and providing authority for local school board members to carry out programs of the State's public education department.

The Arkansas Territorial Legislature in 1829 passed the first law for public education by requiring county judges to appoint a trustee for the sixteenth section of land in each township granted to education. The territory was organized in 1819. In 1853, the office of the County School Commissioner was created by the legislature. With various title changes and added responsibilities, this particular individual is now called the County School Supervisor.

In 1931, the Arkansas General Assembly established a reorganization law whereby consolidation of districts occurred only by the majority of the electors of those districts. In 1948, the Arkansas voters created the District Reorganization Bill that reduced the number of school districts from 1,500 to 424.

From 1875 to 1931, the office of the State's Superintendent of Public Instruction was reestablished. In 1931, the elected office of State Superintendent was abolished, and the State Board of Education was given the power to select a Commissioner of Education.

In 1965, the improvement of elementary and secondary schools was emphasized during a Presidential message on education. Within months after the message, Congress passed the Elementary and Secondary Education Act, which was to strengthen and improve the quality of education and increased educational opportunities in the public schools. The educational opportunities provided for in this federal act are currently being paid from federal funds.

Act 38 of 1971 changed the title of the Commissioner of Education to the Director of Education but kept the duties and powers of the office the same. The Director of Education was to be confirmed by the Governor and served at the pleasure of the Governor.

Act 64 of 1981 divided the Department of Education into two major divisions, the General Education Division and the Vocational and Technical Education Division with each Division having a separate director.

Act 445 of 1983, known as "The Quality Education Act of 1983," provided for the establishment of minimum standards for accrediting public elementary and secondary schools in the State. As a result, the **Standards for Accreditation of Arkansas Public Schools** were developed and adopted by the State Board of Education on February 22, 1984. School districts had until June 1, 1987, to meet the Standards or risk consolidation or annexation. In 1984, there were 367 school districts in the State. As of June 30, 2000, there were 310 school districts in the State. These Standards have been revised once since they were put into place. The revision occurred in 1993.

Act 34 of 1983, First Extraordinary Session, created a new funding formula for local school districts known as "The School Finance Act of 1984." This particular formula provided funding to school districts known as Minimum Foundation Program Aid. The main focus of the 1983 First Extraordinary Session was education. The Arkansas General Assembly passed a one-cent sales tax which helped to increase the revenue available to school districts and to fund many new programs for education.

The legislation passed in the 1983 Regular Session and the 1983 First Extraordinary Session was considered to be the "first wave" of educational reform for Arkansas public schools. Examples of reforms include: required elementary school counselors; established smaller class sizes; created curriculum content guides which listed requirements for courses to be taught; increased advanced course offerings; required yearly testing of students in grades 3, 6, and 8 in the basic skills, Minimum Performance Test (MPT); required all public school districts to develop and file a six-year plan for improving its educational programs; established an Advisory Council for the Education of Gifted and Talented Children; implemented Act 76 of 1983, First Extraordinary Session, requiring teachers, administrators, and other certified personnel to undergo testing in regard to functional academic skills and knowledge of subject areas; implemented an effective schools project as a model of excellence for Arkansas public schools; and provided for the implementation of computer-based educational projects in the public schools, later known as the Instructional Microcomputer Project for Arkansas Classrooms (IMPAC).

In 1985-86, the Arkansas General Assembly adopted an array of additional legislation such as the establishment of a statewide system of Education Service Cooperatives; the authorization of parents to provide home schooling for their children; the amendment to the Arkansas Teacher Retirement System laws to establish an optional noncontributory plan for its members; the authorization of the Department of Education, General Division, to develop and implement a program of health services; the creation of a commission to study the disparity in teacher salaries; and the requirement for school districts to establish a drug abuse prevention program.

In 1987-88, the Arkansas General Assembly provided the state education system with acts such as establishing residency requirements for persons attending public schools; providing waivers from the teacher salary requirement due to a one time increase in new current revenue; establishing guidelines for reporting data on students leaving high school prior to graduation; establishing the Commission on Teaching Excellence; and changing the date of the annual school election to the third Tuesday in September.

In 1989-90, the Arkansas General Assembly set up the Office of Accountability to assess the performance of schools and to publish a School Report Card by December 1 of each year, the School Choice program enabling students to attend a public school in a district other than the one in which the student resides but subject to certain restrictions and conditions, the Arkansas Early Childhood Commission, the suspension of a student's learner's permit or driver's license if no longer attending school if under 17, and a mandatory kindergarten law.

In 1991-92, the Arkansas General Assembly created an Educational Excellence Trust Fund to target to all of education the funds from a 1/2 cent sales tax increase; established a statewide computer network for education, later known as the Arkansas Public School Computer Network (APSCN), which is a computer link up with all schools in the State to facilitate data collection and reduce paperwork; established the Arkansas School for Mathematics and Sciences; established the Academy for Leadership Training and School-based Management; and passed a major restructuring act, Act 236 of 1991, which called for the reorganization of the Department of Education, General Division, to provide more support and less regulation to school districts as well as defining what Arkansas public schools must do in preparing students to be internationally competitive. The Department established the Comprehensive Outcomes Evaluation Program as a method for evaluation of the public schools every five years as mandated by the Standards for Accreditation. School vehicle insurance was added to the insurance program as a self-insurance program for schools.

In 1993-94, the legislature combined the appropriations for the Department of Education to a few appropriations for greater flexibility in reaching the goals of Act 236 of 1991. Grant programs were set up for Writing Assessments to assist in the development and piloting of writing portfolios and Curriculum Frameworks for school districts to develop exemplary local curricula to serve as statewide models. An appropriation was also set up for Workers Compensation to help school districts with worker compensation payments on school personnel. In addition, the K-3 Initiative was started with the passage of Act 1139 of 1993 which provided free summer school and summer school transportation to K-3 students who did not perform at grade level during the regular school year. In order for these students to be eligible for promotion to the next grade, they had to attend this specially designed summer school program.

In 1995-96, the Arkansas General Assembly enacted a new funding formula for the public schools that provided more equity in school

funding. Minimum Foundation Program Aid was replaced by Equalization Funding. The legislature also funded At-risk Programs, Growth Facilities Funding, Additional Base Funding, and Debt Service Funding Supplements to assist districts with the cost of facilities. Technology centers were appropriated for the Education Service Cooperative to assist local school districts. Fiscal Crisis Relief Funding also provided assistance to districts adversely affected by the implementation of the new funding formula. Other legislation passed in 1995 included: an act to require criminal background checks for all teachers and administrators seeking an Arkansas teaching license for the first time; an act to ensure that a fiscal or academic crisis will not interrupt educational services provided to students (Academic and Fiscal Distress); an act known as the School Bus Safety Act of 1995; an act to establish the Arkansas Advanced Placement Incentive Program; an act to expand the K-3 Initiative of 1993 to include grades K-5; and an act to increase the number of State Board of Education members from nine (9) to twelve (12).

In 1997-98, the Arkansas General Assembly passed legislation which provided for one core curriculum for all students in Arkansas public schools; required the Director to develop a plan to allow all school districts to utilize distance learning through a distance learning network; amended the laws concerning home-schooled students; provided a clearinghouse for information on nonsectarian practices in character and citizenship education; amended the laws relative to Arkansas education goals and performance accountability; required criminal background checks as a condition for employment in a public school district for all non-certified staff positions; expanded the requirement for background checks on teachers and administrators; allowed Teacher Retirement System members to retire with 28 years of service rather than 30; and Act 803 of 1997 abolished the Vocational and Technical Division of the Department of Education and created the Department of Workforce Education as a separate state agency with its own State Board of Workforce Education and Career Opportunities. The State Board of Education and the Department of Education continued for the general supervision of the public K-12 schools in the State.

In 1999-2000, the Arkansas General Assembly passed legislation which provided for teacher incentives to seek the National Board for Professional Teaching Standards (NBPTS) Certification to pay full tuition cost and bonuses; annual individual school performance reports and for the distribution of these reports to all parents or guardians of children enrolled in Arkansas public schools; the reduction in the number of State Board of Education members from twelve (12) to nine (9) over a three-year period; a new Charter School Law which allows for open-enrollment and school district conversion forms of charter schools with the new law completely replacing the 1995 law; the establishment for an accountability program for schools across the State referred to as the Arkansas Comprehensive Testing Assessment and Accountability Program (ACTAAP); and the elimination of the antiquated county boards of education in all 75 counties of the State over time.

In 2001-2002, the Arkansas General Assembly created the Arkansas Blue Ribbon Commission on Public Education to define an equitable and adequate system of free public education in the State as mandated under the "general, suitable and efficient" components of the Arkansas Constitution; directed the State Board of Education to conduct a study of public education, its structure, financial needs, and funds needed for improvement; adopted ethical guidelines to prohibit self-dealing in transactions between public educational entities and board members, administrators, or employees; passed the Educator Compensation Act to supplement traditional pay increases for the State's teachers; authorized the Department of Education to conduct a study of grade inflation within the State's high schools and to notify schools of such finding; established procedures for identifying critical teacher shortage areas and granting retired teachers a waiver of earnings limitations to return to active employment to help meet the needs of these areas; and clarified the State's ethics law to allow teachers and other school

employees to receive gifts or compensation which recognize the employee's contribution to education.

In 2003-2004, the General Assembly addressed four major areas in the public education system of Arkansas: structure of the K-12 system, public school funding, public school facilities, and the structure of the Arkansas Department of Education. During the Regular Session, the legislature enacted the Omnibus Quality Education Act, requiring all school districts to meet the Standards for Accreditation with sanctions for non-compliance; established requirements for school districts to create plans for more parental involvement in public schools; and created the Joint Committee on Educational Facilities to assess all of the State's K-12 facilities and equipment. During the 2nd Extraordinary Session, the General Assembly required administrative consolidation of public school districts serving less than 350 students into districts that would have in excess of 350 students; adopted the Arkansas Student Assessment and Educational Accountability Act of 2004; created the Public School Funding Act, which designated a base of \$5,400 per student as the amount necessary for students to receive an adequate education; enacted a variety of revenue measures to raise the necessary funds to implement the new Public School Funding Act. The legislature also provided for the division of the Arkansas Department of Education into three divisions: General Education, Accountability and Educational Facilities with each division having its own director who answers independently to the State Board of Education. Other significant actions taken by the 84th General Assembly included the creation of a Teacher Housing Program; master's program for school principals; mandatory professional development for teachers and administrators and an appropriation to increase the number of early childhood programs offered in the State.

In 2005-06, the Arkansas General Assembly focused primarily on education reform as a result of directives and requirements of the Arkansas Supreme Court in *Lake View School District No. 25, et al. v. Mike Huckabee, et al.* The Court outlined the State's responsibility to identify and fund an adequate education for all students in Arkansas. Accordingly, legislation that provided additional funding in the amount of \$436.6 million over the biennium was implemented. The Legislature also funded and commissioned an Adequacy Study to determine future educational needs. Legislation established the Division of Public School Facilities and Transportation that will identify, assess and fund the State's facilities needs. In the area of teacher recruitment and retention, the General Assembly increased teacher salaries, took steps to strengthen the teacher health insurance program and provided for programs to enhance teaching and learning. The General Assembly also complied with the Court's mandate to track expenditures by expanding current coding methods, providing for in-service training for fiscal staff, strengthening financial accountability, and outlining penalties for non-compliance. The General Assembly continued to enhance and enrich curriculum standards and upgraded the capacity of the State's technology network. Legislation was enacted to change the structure of the Arkansas Department of Education (ADE). The ADE was also given more flexibility in personnel policies. The General Assembly again increased funding for early childhood programs to serve additional children. The Governor called the First Extraordinary Session of the 85th General Assembly to implicitly deal with the Court's mandates, providing an additional \$132.5 million for education funding.

In 2007-2008, the work conducted by the 86th General Assembly successfully freed the state from litigation in the Lake View case. On May 31, 2007, the Arkansas Supreme Court ruled that "...our system of public-school financing is now in constitutional compliance..." It further stated in the conclusion of the opinion:

"What is especially meaningful to this court is the Maters' finding that the General Assembly has expressly shown that constitutional

compliance in the field of education is an ongoing task requiring constant study, review, and adjustment. In this court's view, Act 57 of the Second Extraordinary Session of 2003 requiring annual adequacy review by legislative committees, and Act 108 of the Second Extraordinary Session of 2003, establishing education as the State's first funding priority, are the cornerstones for assuring future compliance."

The legislature expanded upon Act 57 requirements, passing Act 1204 of 2007. Act 1204 set forth an outline of the work to be performed in preparation for the 2009 legislative session. Among other things it required the review of fiscal, academic, and facilities distress programs; a comparison of Arkansas teacher salaries with surrounding states and Southern Regional Education Board member states; review of expenditures from isolated schools; national school lunch student funding; declining enrollment funding; student growth funding; special education funding. Act 1204 also required an expenditure analysis and resource allocation review each biennium. The Department of Education budget total was \$760.3 million in FY08 and \$764.7 million in FY09.

At the beginning of the 2009 legislative session, Governor Mike Beebe challenged the Arkansas General Assembly to rise above the current economic circumstances and find ways to continue Arkansas's educational progress. The General Assembly responded to this challenge, and through careful budgeting and responsible legislation, found a way to continue to fully fund public education in Arkansas. Act 1474 of 2009 established the state per-pupil foundation funding amount at \$5,905 for the 2009-2010 school year and \$6,023 for the 2010-2011 school year.

The 2009 General Assembly enhanced educational standards by passing laws that created high-stakes end-of-course assessments, changed the requirements and age for kindergarten enrollment, and allowed increased parental access to public school data. Other measures passed by the General Assembly included the Arkansas Smart Core Funding Incentive Program and grants for after-school programs. The General Assembly also implemented early interventions for school districts in danger of entering fiscal or facilities distress.

In 2010, the Arkansas General Assembly convened its first fiscal session. During this historic session, the General Assembly continued its steadfast support for education in Arkansas by allocating \$1,849,659,072 to the Department of Education Public School Fund. Through its actions, the Arkansas General Assembly maintained its commitment to fund education first.

Governor Beebe and the Arkansas Legislature passed a large number of education bill during the 88th General Assembly that support the Governor's goal to improve education in the state of Arkansas. These include improvements to teacher testing and licensure, improving college and career readiness, removing caps on Charter schools, and providing more safety protections for the children of Arkansas. Laws regarding school books were reformed to reflect the increased use of virtual education. Safety of children was improved with bullying legislation and school guidance counselors being required to report abuse of children. Parents were offered assistance with school expenses via the "tax-free holiday" and flexibility in school start dates. The legislature also approved a nearly \$4.6 billion general fund budget for 2011-2012. Funding for K-12 education rose 2.9 percent to more than \$2 billion and included \$1.9 billion in formula funding for schools.

Act 1209 addressed the evaluation of Arkansas public school teachers, established the Teacher Excellence and Support System and sought to increase public awareness of effective teachers.

Act 1178 amended Arkansas teacher licensure and reciprocity.

Act 743 established the Arkansas College and Career Readiness Standard, and called for development of criteria to evaluate, support, promote and fund Arkansas Career and Technical Education.

Act 288 amended school textbook requirements to include digital resources.

Act 987 removed the limitation on the number of open-enrollment charter schools in the state.

Act 993 amended provisions of Arkansas's law to require charter schools to submit periodic reports, amended various provisions and sought to protect charter schools from certain liabilities.

Act 784 requires child abuse hotlines to accept reports of intellectual, emotional or psychological injury to a child from a guidance counselor licensed as a teacher.

Act 907 clarifies Arkansas's antibullying laws for public school students and states requirements for actions on the part of a school principal.

Act 65 allows school districts flexibility in the school start dates while limiting the start dates to no earlier than August 14 and no later than August 26. The board of directors of the school district will determine the beginning of the school year.

Act 757 sought to reduce school expenses for parents by creating a "sales tax holiday" during which back-to-school related purchases are exempted from the sales tax.

In 2012, the Arkansas General Assembly began its second fiscal session primarily on state budget issues. The General Assembly considered Governor Beebe's call for \$114 million in new allocations for the state's Human Services Department to pay for growth in Medicaid. Governor Beebe also requested \$56 million in additional funding for Arkansas's public schools for the coming year very similar to the Joint Budget Committee's proposal. The General Assembly approved and the Governor signed the \$4.7 billion budget (an increase of 3.6 percent) from the general revenue fund for fiscal year 2012-2013. Elementary and secondary education will operate with 2.8 percent increase in state funds, to \$2.1 billion. Of that, \$2 billion was allocated to fund the public school formula. This reflects a 3 percent increase.

In 2013, the Arkansas legislature convened its 89th General Assembly. One hundred twenty-one acts concerning K-12 Education were

safety, Act 484 calls for an annual requirement for training of school staff and students and school safety assessments. Act 1227 amended the public school choice act to require every district to participate in the state choice program and school districts are required to inform parents about choice opportunities. Districts would not be required to participate in school choice if it conflicts with a desegregation order or plan. Act 1280 will require public schools to offer, and each high school student to take, at least one digital course for graduation beginning with the entering ninth grade class of 2014-2015 school year. Relative to licensure, the general assembly passed a act to allow for temporary licensure certification for spouses of active duty service members. Act 413 amended the non-traditional teacher licensure law to require a passing score on a basic skills assessment. Regarding accountability, low-performing schools and innovation, the general assembly enacted Act 696 to set out in detail the grading system ("A" through "F") for school improvement and performance. Act 601 created the new district of innovation program the permits a school council including educators, other school employees, parents, community members and at least two students, to develop a plan to improve academic performance and learning for all students. As a focus on students graduating from high school, college and career ready. Act 585 created the Council on Postsecondary Education and Career Readiness to facilitate a unified strategy to reduce remediation rates and improve postsecondary graduation rates.

In 2014, the Arkansas General Assembly met in its third fiscal session and approved a \$5 billion state-funded budget (an increase of 2.1 percent) for fiscal year 2014-15. Act 297 provided \$5 million for the Open Enrollment Public Charter School Facilities Loan Fund in 2013-14.

During the regular session of the 90th Arkansas General Assembly (2015), the legislature allocated over \$2.8 billion to the Public School Fund, a 1.9 percent increase over the previous 2013-2014 budget.

In April 2016, the Arkansas General Assembly adjourned its fourth fiscal session, approving Public School Fund programs at an increase of 2.7 percent to over \$2.9 billion. They reconvened in late May for a special legislative session.

Act 187 allocated \$5 million in general funds for the Computer Science and Technology in Public School state initiative requiring each public high school and public charter high school in the state to offer a computer science course and created the Task Force to recommend strategies to meet workforce needs in the state.

ACT 372 modified the requirements for the creation of a school district by detaching territory from an existing school district by lowering the minimum student attendance for the creation of a new school district from 4,000 to 2,500 students in average daily membership and deleting the provision allowing for the creation of a new school district by detaching from an existing one.

ACT 377 provided a waiver for a school district from an administrative consolidation or reorganization under certain conditions by allowing the Arkansas Department of Education to grant waivers to school districts that fall below the current 350-student minimum as long as they are not in academic, fiscal, or facilities distress.

ACT 739 created an Open Enrollment Public Charter School Funding Aid Program to allow some open enrollment public charter schools to qualify

for state funding for school facilities.

ACT 993 provided additional compensation to a teacher in grades seven through twelve (7-12) who elects to teach more than the maximum number of students permitted.

ACT 994 allowed school districts to use certain categorical funds for partnerships with state-supported institutions of higher education to offer concurrent courses or other technical education options for students in grades 8-12.

ACT 1074 prohibited the state Board of Education from renewing its participation in the Partnership for Assessment of Readiness for College and Careers consortium or from entering a state testing contract of more than one year in length after 2015-16. The board must also consider any recommendations made by the Governor's Council on Common Core Review before entering into a contract for the 2016-17 school year. In addition, the legislation prohibits either the board or the state Department of Education from providing a student's individually identifiable data to the federal Department of Education or any of its partners without express written consent from the student's parent or guardian.

Act 1248 amended state foundation funding aid, alternative learning environment funding, English-language learner funding, national school lunch funding, and professional development funding to match the recommendations of the Adequacy Subcommittee and to match ADE's budget request for those line items.

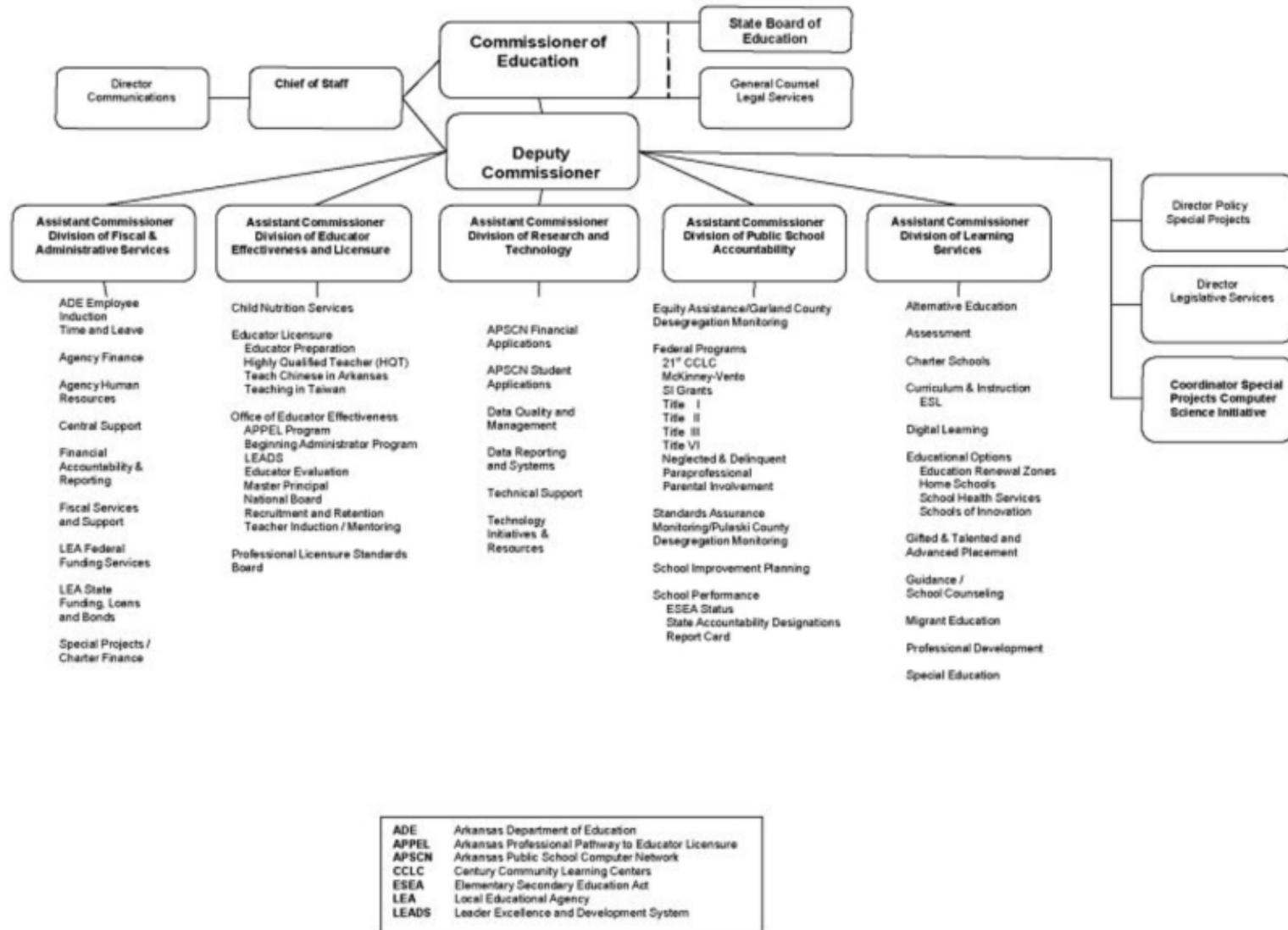
STATE BOARD OF EDUCATION - OVERSIGHT AND AUTHORITY

Statutory authority for the Arkansas State Board of Education is found in Ark. Code Ann. §6-11-101 (1999 Repl.). As set forth in various subsections of this code cite, the State Board of Education reduced the number of its members from twelve (12) to nine (9) members over a three-year period ending with the nine-member board as of July 1, 2001, two from each Congressional district of the State and the remainder to be appointed at large from within the State. The term of office is set at six (6) years with the terms of outgoing member(s) expiring on June 30 of each year. The Governor, subject to the confirmation of the Senate, appoints the members of the State Board of Education. The members take the oath of office prescribed by the Constitution of the State of Arkansas for officers.

The State Board of Education's powers and duties are outlined in Ark. Code Ann. §6-11-105 (1999 Repl.). These powers and duties include such things as general supervision of the public schools of the State, recommending courses of study for the public schools, issuing licenses to qualified persons to teach in the public schools, and performing "all other functions which may now or hereafter be delegated to the State Board of Education by law."

In addition, "the State Board of Education may organize and, from time to time, change and alter the Department of Education into such branches or sections as may be found necessary and desirable by the Director of the Department of Education . . ." These changes are to be

brought forward in order for the Department of Education “. . . to perform all proper functions and to render maximum service relating to the operation and improvement of general education programs of the State.”



Agency Commentary

State Operations (620)

The state operations appropriation provides the state-funded support for 261 positions and associated operating expenses of the various units of the Arkansas Department of Education (ADE). The major units supported by this appropriation are: Central Administration, Division of Fiscal and Administrative Services, Division of Educator Effectiveness/Licensure, Division of Learning Services, Division of Academic Accountability, and the Division of Research and Technology. Operational activities include legal services, information technology, public relations and fiscal management. Assistance to school districts includes the "School Report Card," fiscal and administrative support, curriculum and instruction, and special education assistance and compliance monitoring. Base Level Regular Salaries and Personal Services Matching include the continuation of 261 positions and career service payments for eligible employees. Personal Services Matching also includes a monthly contribution of \$420 per budgeted position for state employee's health insurance. Base level salaries do not include a COLA or Merit Pay Increases. Several operating line items were not initially fully budgeted in FY17 but will be budgeted after July 1 when fund balance is certified. These line items include extra help, operating expenses, conference fees and travel, professional fees, and capital outlay. Additionally, there are three grant programs funded from this appropriation that are not budgeted in base level but will be restored after July 1 once fund balance is certified:

Advanced Placement Training Initiative (\$450,000)

The Advanced Placement Training and Initiative program, also referred to as the National Math and Science Initiative program, provides funding to Arkansas AIMS for operations, teacher professional development, incentives for teachers and students, student study sessions, school equipment, and teacher stipends. The ADE operations budget funds this program at \$450,000 annually.

Arkansas Leadership Academy (\$900,000)

The Arkansas Leadership Academy was formed in 1991 to provide leadership for education reform in Arkansas. The Academy brings together partners from business, higher education, professional associations, educational cooperatives, and governmental agencies. It provided a variety of leadership development programs for principals, teachers, partners, and other leaders, including year-long residential programs. The ADE operations budget funds this program at \$900,000 annually.

Reading Recovery/Early Literacy (\$100,000)

Reading Recovery, a research-based approach to reading intervention, has been implemented in elementary schools across the State, in connection with the University of Arkansas at Little Rock (UALR). The Department of Education (ADE) provided schools the opportunity to train Reading Recovery teachers and/or a school-based employee to become a Reading Recovery Teacher Leader. Through the training center at UALR, ADE funded training expenses and support materials of \$100,000 for the 2014-2015 school year.

The change levels requested in this appropriation are for restoring appropriation that was budgeted subsequent to the FY17 annual operations plan.

Alternative Certification Program (899)

Non-traditional licensure teachers were assigned to one of the seven sites across Arkansas to complete instructional requirements for the Arkansas Professional Pathway to Educator Licensure (APPEL), formerly known as the Non-Traditional Licensure Program. Grants from the registration fees remitted by the teachers seeking licensure were provided to the non-traditional licensure sites to conduct training.

Arkansas Medicaid Administrative Claiming (4HF)

The Arkansas Department of Education (ADE) Special Education Unit, along with the Department of Human Services (DHS) - Division of Medical Services, received federal approval from the Centers for Medicare and Medicaid Services to coordinate and manage a statewide Medicaid administrative claiming program referred to as Arkansas Medicaid Administrative Claiming (ARMAC). ARMAC allows school districts and public charter schools to receive reimbursement for costs associated with certain administrative activities that directly support the Arkansas Medicaid program. Funding flows from DHS through ADE to the school districts. The Arkansas Department of Education (ADE) is requesting additional Grants & Aid appropriation for the 2017-19 biennium to accommodate increasing reimbursements to school districts for the ARMAC program. The services provided include occupational/physical/speech therapy, personal care, private duty nursing, school-based mental health, targeted case management, and vision/hearing screens. School districts and charter schools are serving increasing numbers of Medicaid-eligible students, requiring additional appropriation to process reimbursements.

Building Maintenance (630)

The Building Maintenance program provides financing for building and grounds maintenance, equipment maintenance contracts, insurance and janitorial services for the various buildings in the Education complex. This appropriation is funded from rent charged to the various nonfederal units at the Department.

Child Nutrition (637)

The Child Nutrition Program of the Department of Education provides administrative services and reimbursement to the local school districts that participate in the school lunch, school breakfast or special milk programs. This program also promotes nutrition education by conducting courses in methods and materials for teaching nutrition education. The Child Nutrition Program is funded with federal funds from the United States Department of Agriculture. This program also provides equipment grants for certain equipment purchases at eligible school food authorities. The Fresh Fruit and Vegetable program is provided within this appropriation as well. The purpose of the Fresh Fruit and Vegetable Program is three-fold: (1) to provide access to fresh fruits and vegetables for students in low income public schools at times other than regular meal periods, (2) to assist local farmers by expanding local markets for locally grown fresh fruits and vegetables, and (3) to create local partnerships between schools and the state agriculture industry. Base Level Regular Salaries and Personal Services Matching include the continuation of 22 positions and career service payments for eligible employees. Personal Services Matching also includes a monthly contribution of \$420 per budgeted position for state employee's health insurance. Base level salaries do not include a COLA or Merit Pay Increases. The change level request of \$70M (federally-funded) is for additional grants appropriation to accommodate increased federal reimbursements to school districts due to an increase in meals served. The community eligibility program and alternative breakfast have greatly increased the number of meals served and reimbursed with

federal funds. An additional change level request of \$50,000 (federally-funded) per year of the biennium is to restore capital outlay appropriation.

Conference - Treasury (2DD)

This appropriation is used to pay expenses of conferences sponsored by the Department. Funding is provided from registration fees charged to participants.

Federal Elementary and Secondary Education (650)

The Federal Elementary and Secondary Education appropriation for the Department of Education contains the majority of the federal entitlement programs for elementary and secondary education. These programs include Title 1 education services for the educationally disadvantaged, Special Education programs, Early Childhood programs, AIDS Education, Migrant Education, after-school programs, Title IIA professional development, English Language Learners support, start-up funding for charter schools, and services for homeless students. Base Level Regular Salaries and Personal Services Matching include the continuation of 52 positions and career service payments for eligible employees. Personal Services Matching also includes a monthly contribution of \$420 per budgeted position for state employee's health insurance. Base level salaries do not include a COLA or Merit Pay Increases. The change level request of \$200,000 (federally-funded) is to restore capital outlay appropriation. Position 2212-9080 is being requested to transfer out of the Education Renewal Zones program in the Public School Fund to the agency's General Division, for a change level of \$95,635. The position is needed to provide administrative and oversight duties for federal programs.

Federal Grants Administration (Federal Indirect Cost - 435)

This appropriation provides administration, accounting, purchasing and record keeping services for federal programs. It is funded by indirect cost charges levied against the federal programs operated by the Department. Base Level Regular Salaries and Personal Services Matching include the continuation of 7 positions and career service payments for eligible employees. Personal Services Matching also includes a monthly contribution of \$420 per budgeted position for state employee's health insurance. Base level salaries do not include a COLA or Merit Pay Increases.

Medicaid Reimbursement (893)

The Department of Education collects from the various school districts their match as Medicaid providers and then transmits this quarterly to the State Medicaid Office. Reimbursements are for targeted case management and psychological services in addition to the reimbursement for speech-language pathology, physical therapy and occupational therapy. Change level request is to accommodate increasing Medicaid matching funds received from school districts that ADE must remit to the State Medicaid Office.

Multiple Grant Award Program (885)

The Department of Education receives grants and awards from private foundations or individuals for program, such as Teacher of the Year, Milken Educator Awards and Play it Again Arkansas. The Department currently administers approximately 16-20 such privately-funded grants each year. The change level request of \$100,000 (cash-funded) is to restore capital outlay appropriation.

Open-Enrollment Charter School Closure (85J)

This appropriation was established to allow the Department of Education to pay outstanding debts incurred by a closed open enrollment charter school. Anytime an open enrollment school is closed, the assets and outstanding debts of that school are transferred to the Department. The funds are collected from the school.

Professional Licensure Standards Board (56P)

The Professional Licensure Standards Board (PLSB) was created by Act 846 of 2007. Pursuant to Ark. Code Ann. § 6-17-422, the Professional Licensure Standards Board develops minimum college level preparatory and grade point average requirements for all teachers, and administers a Code of Ethics for administrators and teachers. This appropriation supports 13 positions that investigate violations of the ethics code and conduct audits of licensure programs of study in all Arkansas institutions of higher education. Grant funds from this appropriation provide for the edTPA (Education Teacher Performance Assessment) program, a performance-based assessment and support system for teachers and teacher candidates. Base Level Regular Salaries and Personal Services Matching include the continuation of 13 positions and career service payments for eligible employees. Personal Services Matching also includes a monthly contribution of \$420 per budgeted position for state employee's health insurance. Base level salaries do not include a COLA or Merit Pay Increases. The change level request of \$275,000 (cash-funded) is to restore capital outlay appropriation.

Revolving Loan Certification (631)

The Revolving Loan Certification program within the Department of Education issues revolving loan certificates through the State Treasury in order to finance loans up to \$500,000 each to school districts for construction and the purchase of equipment or buses. Base Level Regular Salaries and Personal Services Matching include the continuation of 1 position and career service payment. Personal Services Matching also includes a monthly contribution of \$420 per budgeted position for state employee's health insurance. Base level salaries do not include a COLA or Merit Pay Increases.

Succeed Scholarship Program (U58)

Act 1178 of 2015 created the Succeed Scholarship Program. Participating students must have attended public school for at least the one full school year immediately prior to the school year for which the scholarship payments are disbursed, unless the student is a dependent of an active duty member of any branch of the United States armed forces. At the time of application, student applicants must have an individualized education program (IEP) in accordance with the federal Individuals with Disabilities Act, and they must have been accepted for admission into a private school that is eligible to participate in the program. The amount of each student scholarship is the cost of tuition and fees for the private school or the foundation funding amount for the current school year under ACA 6-20-2305, whichever is less. Funding in FY17 is anticipated to be from existing fund balances in the State Operations appropriation.

Vision Screening Program (35V)

This appropriation for the Vision Screening Program provides operating expenses for the Arkansas Commission on Eye and Vision Care of School Age Children. Act 1243 of 2007 transferred the appropriation for the Commission from the Department of Health to the Department of Education. The duties of the Commission are to study the vision needs of children, evaluate screening programs in schools, determine whether children are receiving adequate vision care, and to study the effects of inadequate vision on classroom performance. It is anticipated that remaining fund of \$5,508 will be refunded back to the Department of Health during this biennium due to the fact that the Commission has expired and no longer meets.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF EDUCATION
FOR THE YEAR ENDED JUNE 30, 2015

Findings

Recommendations

None

None

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2016

None

Employment Summary

	Male	Female	Total	%
White Employees	80	178	258	72 %
Black Employees	16	74	90	25 %
Other Racial Minorities	3	6	9	3 %
Total Minorities			99	28 %
Total Employees			357	100 %

Publications

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

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
Academic Support Centers - Report regarding the Establishment of Academic Support Centers and their Effectiveness	A.C.A. §6-13-1612	N	Y	75	Required by Law to the House and Senate Committees on Education	0	0.00
ADE & ADH shall jointly report progress in implementing nutrition and physical education standards	A.C.A. §20-7-135	N	N	4	Required by Law to the Chairs of the House & Senate Committees on Public Health, Welfare, and Labor and the House and Senate Committees on Education	0	0.00
ALE Status Report	A.C.A. §6-48-104(d)	N	Y	75	Required by Law to the Senate Committee on Education and the House Committee on Education	0	0.00
All State Agency Grants in excess of \$25,000.	Ark. Code Ann. § 25-1-108(b)	N	Y	50	Required by Law to the Arkansas Legislative Council	0	0.00
Annual Results of Statewide Assessment Program	A.C.A. §6-15-2101(a)(1)	N	N	100	Required by law to make hard copies available to parents upon request.	0	0.00
Annual Statistical Report	HCR 58 of 1961	Y	N	0	Required by Resolution	0	0.00
Approved digital learning providers listing	A.C.A. §6-16-1403	N	Y	240	Required by law by the House and Senate Committees on Education	240	2.16
Arkansas Advisory Council for the Education of Gifted and Talented Children	A.C.A. §6-42-104(h)(4)(A)	Y	Y	7	Required by law to the Governor, General Assembly, State Board of Education, the Commissioner and the news media	0	0.00
Arkansas Commission on Eye & Vision Care of School Age Children	A.C.A. 6-18-1803(b)	Y	Y	105	Required by Law to the Governor, Legislative Council, House and Senate Committees on Public Health, Welfare and Labor	0	0.00

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

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		Governor	General Assembly				
Arkansas Department of Education and Department of Higher Education and Career Coaches Performance Data Reports	A.C.A. § 6-1-605(a)(2)(A)	Y	Y	4	Required by Law to the Department of Career Education	0	0.00
Arkansas Title II State Report	Title II Sec 207 & 208 Higher Education Act	Y	Y	5	Federal Mandate to Publish	0	0.00
Arkansas Youth at Risk Survey	CDC, DASH	N	N	0	School districts for prevention programming and writing grants	0	0.00
Assessment of Educational Progress of Students from Districts Consolidated/ Annexed under Act 60	A.C.A. §6-13-1606(d)	Y	Y	105	Required by Law to the Governor, Chairs of the House and Senate Committees on Education and the Secretary of Legislative Council	0	0.00
Average Teacher Salary	Act 229 of 2016 §19, Special Language	N	Y	75	Required by Law to the National Education Association	0	0.00
Best Financial Management Practices Review	A.C.A. §6-15-2301(k)(2)(A)	N	Y	58	Required by Law to the Arkansas Legislative Council	0	0.00
Carryforward	Act 229 of 2016, Special Language §7 and 20	N	N	4	Required by Law to the Legislative Council of the Joint Budget Committee	0	0.00
Certify amount of funds dispersed or approved for dispersal by the ADE for desegregation expenses under any desegregation settlement agreement.	Ark. Code Ann. § 6-20-212	N	N	0	Required by Law to State Treasurer and Chief Fiscal Officer of the State.	2	0.00
Changes in the calculation of state aid to public school districts	A.C.A. §10-3-1405(d)(2)	N	N	1	Required by Law to the Office of Economic & Tax Policy	0	0.00

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

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		Governor	General Assembly				
Comprehensive study of service providers on methods for establishing and maintaining infrastructure and bandwidth to deliver quality digital learning environment in each school district/public charter	A.C.A. 6-16-1403(b)(2)	N	Y	75	Required by Law to the House and Senate Committees on Education. Required no later than June 1 of each year.	0	0.00
Each Education Service Cooperative Annual Expenditures, Reports and Audits	A.C.A. § 6-13-1020	N	N	7	Required by Law to the State Board of Education	0	0.00
Grade Inflation Report	A.C.A. §6-15-421(d)(2)(A)	N	Y	130	Required by Law to the state board and General Assembly	0	0.00
Impact of National School Lunch students categorical funding provided under A.C.A. §6-20-2305(b)(4) on closing the achievement gap	A.C.A. §6-20-2305(b)(4)(E)	N	Y	75	Required by Law to the House and Senate Committees on Education	0	0.00
Impending Layoff Report	A.C.A. §21-12-504(a)	N	N	60	Required by Law to the Arkansas Legislative Council & the Office of Personnel Management of the Division of Management Services of DFA	0	0.00
Individual Schools Annual Improvement & Performance Category Level Designations & Ratings	A.C.A. §6-15-2105(b)(1)	N	N	100	Required by Law to be published on ADE website and available in printed form upon request.	0	0.00
Justification for the Need to Allocate Titles from Growth Pool Positions	Act 230 of 2016, Special Language	N	Y	41	Required by Law to the Chief Fiscal Officer of the State and the Legislative Council	0	0.00
Lifetime Teaching License Compliance Report	A.C.A. §6-17-2606	N	Y	135	Required by Law to the General Assembly	0	0.00

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

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		Governor	General Assembly				
List of all contracts in excess of \$50,000 awarded to minority-owned businesses	A.C.A. §25-36-104(c)(1)	N	Y	58	Required by Law to the Governor and Co-Chairs of the Arkansas Legislative Council, and to the Legislative Joint Auditing Committee and the Minority Business Advisory Council.	0	0.00
List of all financial accountability reports and due dates	A.C.A. §6-20-2202(e)(1)	N	N	255	Required by Law to school districts	0	0.00
List of districts requesting assistance, the state of each request, and the dates and action taken by ADE	A.C.A. §6-15-2008(b)(1) and (2) and 2201(d)(2)(B)	N	Y	75	Required by Law by the House and Senate Committees on Education	0	0.00
List of reports of noncompliance following school district audit	A.C.A. §6-13-635	N	Y	75	Required by Law by the House and Senate Committees on Education.	0	0.00
Net maximum number of school choice transfers for the current school year	A.C.A. §6-18-1906(c)(2)	N	N	255	Required by Law to each school district.	0	0.00
Position Vacancy Report	A.C.A. §19-4-609(1)(2)	N	N	1	Required by Law to the Bureau of Legislative Research	0	0.00
Progress Report on Equal Employment Hiring	A.C.A. §21-3-101(b)(1)	N	Y	58	Required by Law to the Arkansas Legislative Council	0	0.00
Progress Report on implementation of Pulaski County School Desegregation Case Settlement Agreement	A.C.A. §10-3-1504(c)	N	Y	75	Required by Law to the House & Senate Committees on Education	0	0.00
Public School and Public School District expenditures required by law	A.C.A. §6-20-2208(d)(4)	Y	Y	105	Required by law to the Governor, the Senate Interim Committee on Education and the House Interim Committee on Education	0	0.00

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

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		Governor	General Assembly				
Public School Student Access to Postsecondary Preparatory Programs Reports	A.C.A. §6-16-601(d)(2)(C), A.C.A. §6-15-441(e)	N	Y	75	Required by law to the House Committee on Education and the Senate Committee on Education and the General Assembly	0	0.00
Pulaski County Desegregation Case Settlement Agreement and any future desegregation litigation involving the State of Arkansas	A.C.A. §10-3-1504(a)	N	Y	10	Required by Law to the Desegregation Litigation Oversight Subcommittee	0	0.00
Report on implementation and availability of Automatic External Defibrillators on each campus	A.C.A. §6-10-122(c)	N	Y	6	Required by Law to the Senate and House Committees on Public Health, Welfare and Labor	0	0.00
Results of Required Examination	A.C.A. §6-15-404(j)(1)	N	N	1,000	Required by Law	0	0.00
Results of statewide assessment program which describe student achievement in the state, each school district, each school as well as the school performance category level	A.C.A. §6-15-2101(a)(1) Act 1429 of 2013	N	N	100	Required by Law to make hard copies available to parents upon request.	0	0.00
Review of Arkansas Academic Content Standards and Curriculum Frameworks	A.C.A. §6-15-1504(a) and (c)	N	N	10	Required by Law	0	0.00
Review of each person appointed by the State board or Commissioner to operate a school district	A.C.A. §6-13-112(d)(1)	N	Y	135	Required by Law to each member of the General Assembly who represents an area in which the school district is located	0	0.00
Review of rules or other proposal that will impose new or increased cost obligation for education and file a fiscal impact statement to House and Senate Education Com.	Ark. Code Ann. § 19-1-702	N	Y	95	Reviewed by Administrative Rules and Regulations Committee of the Legislative Council, Adopted by State Board of Education, and reviewed by the House and Senate Interim Committees on Education.	0	0.00

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

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		Governor	General Assembly				
Review of school districts under state authority	A.C.A. 6-13-112	N	Y	135	Required by Law to each member of the General Assembly who represents an area in which the school district is located.	0	0.00
Revision of Arkansas History Course Guidelines	A.C.A. §6-16-124(b)(2)	N	Y	75	Required by Law to the House and Senate Committees on Education	0	0.00
Rules Regarding Physical Education or Physical Activity Standards for Grades Kindergarten through Grade 12 (K-12) developed pursuant to this section	A.C.A. §6-16-132(f)	N	Y	75	Required by Law to the House and Senate Interim Committees on Education	0	0.00
Rules regarding the implementation of the Arkansas Constitution, Amendment 74	Ark. Code Ann. § 6-20-106	N	Y	50	Reviewed by Administrative Rules and Regulations Committee of the Legislative Council, Adopted by State Board of Education, and reviewed by the Litigation Reports Oversight Committee of the Legislative Council.	0	0.00
School Choice Report	A.C.A. §6-18-227(f) Act 1138 of 2013	Y	Y	75	Required by Law to the State Board of Education, Governor and Arkansas Legislative Council	0	0.00
School Choice Transfers - Data Collection and Reporting	A.C.A. §6-18-1907(c)(2)	N	Y	75	Required by Law by the House and Senate Committees on Education	0	0.00
School Discipline Act Report to include information under subdivisions (d)(1) and (2) Of § 6-18-516	Ark. Code Ann. § 6-18-516	N	N	10	Required by Law to State Board of Education and school districts.	0	0.00
School Districts Textbook Requirements to include digital resources compliance report	A.C.A. §6-21-403(d)(2)	Y	Y	134	Required by law to the Governor, the Arkansas Legislative Council, the House and Senate	0	0.00

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

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		Governor	General Assembly				
School districts under state authority.	A.C.A. §6-13-112 (a)	N	Y	135	Required by law to the House Committee on Education and the Senate Committee on Education.	0	0.00
School Performance Reports	A.C.A. §6-15-1402	N	Y	100	Required by law to the House Committee on Education and the Senate Committee on Education. Required by law to be published on ADE website.	0	0.00
Standards of Accreditation	A.C.A. §6-15-202(d)	N	Y	75	Required by Law to the House and Senate Committees on Education	0	0.00
Status of implementation of the Arkansas Public School Academic Facilities Program	A.C.A. § 6-21-112(f)(15)(A)	Y	Y	4	Required by Law to the Governor and the House and Senate Committees on Education and the Academic Facilities oversight Committee	0	0.00
Status of Open-Enrollment Public Charter School Programs	A.C.A. §6-23-310	N	Y	135	Required by Law to the General Assembly each biennium and to the General Assembly and to the House and Senate Committees on Education during the interim	0	0.00
Status report indicating progress of school districts under state authority	A.C.A. §6-13-112(b)(1)	N	Y	135	Required by Law to each member of the General Assembly who represents an area in which the school district is located	0	0.00
Student Demographic Characteristics Report	Ark. Code Ann. § 6-18-206(i) (4)	N	Y	25	Required by Law to Joint Interim Oversight Committee on Educational Reform	0	0.00
Student Services Status Report	A.C.A. §6-18-1007(a)	Y	Y	50	Required by Law to the Governor, State Board of Education, the Senate Committee on Education and the House Committee on Education.	0	0.00

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

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
Teacher Recruitment Publications	A.C.A. §6-17-310	N	N	100	Required by law	0	0.00
The state of the Division of Youth Services system of education	A.C.A. §9-28-205(f) (Act 972 of 2009)	N	Y	42	Required by Law from DHS and ADE to the House Committee on Aging, Children and Youth, Legislative and Military Affairs and the Senate Intirim Committee on Children and Youth	0	0.00
The use of NSLA state categorical funding and the status of chronically underperforming schools	A.C.A. §6-15-2701(c)(3)	N	Y	75	Required by Law to the House and Senate Committees on Education	0	0.00

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018					2018-2019						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
2DD Conference-Treasury	183,754	0	475,000	0	475,000	0	475,000	0	475,000	0	475,000	0	475,000	0	475,000	0	475,000	0
35V Vision Screening Program	0	0	5,508	0	5,508	0	5,508	0	5,508	0	5,508	0	5,508	0	5,508	0	5,508	0
435 Federal Grants Administration	865,814	8	996,416	8	946,794	8	996,416	8	996,416	8	996,416	8	996,416	8	996,416	8	996,416	8
4HF Medicaid Adm-Cash in Treasury	13,100,394	0	18,000,000	0	15,000,000	0	15,000,000	0	18,000,000	0	18,000,000	0	15,000,000	0	18,000,000	0	18,000,000	0
56P Professional Licensure Standards Board	892,348	10	1,532,293	13	1,521,607	13	1,257,415	13	1,532,415	13	1,307,415	13	1,257,415	13	1,532,415	13	1,307,415	13
620 State Operations	21,716,786	244	20,467,060	261	24,702,199	265	20,480,426	261	24,506,698	261	23,117,768	257	20,494,463	261	24,520,735	261	23,131,805	257
630 Building Maintenance	7,006	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0
631 Revolving Loan Certification	148,624	1	13,097,857	1	13,097,234	1	13,097,857	1	13,097,857	1	13,097,857	1	13,097,857	1	13,097,857	1	13,097,857	1
637 Child Nutrition	207,171,316	23	188,404,780	23	188,231,896	23	188,355,024	23	258,405,024	23	258,405,024	23	188,355,877	23	258,405,877	23	258,405,877	23
650 Fed Elem & Sec Education	330,134,322	47	523,398,397	50	524,146,582	51	523,200,713	50	523,496,348	51	523,496,348	51	523,203,151	50	523,498,786	51	523,498,786	51
85J Open Enrollment Charter School Closure	80,379	0	300,000	0	300,000	0	300,000	0	300,000	0	300,000	0	300,000	0	300,000	0	300,000	0
885 Multiple Grant Award Program	311,366	0	2,726,375	0	2,726,375	0	2,626,375	0	2,726,375	0	2,726,375	0	2,626,375	0	2,726,375	0	2,726,375	0
893 Medicaid Reimbursement	160,912	0	5,010,500	0	5,010,500	0	5,010,500	0	7,010,500	0	7,010,500	0	5,010,500	0	7,010,500	0	7,010,500	0
899 Alternative Certification Program	153,609	0	1,349,212	0	1,349,212	0	1,349,212	0	1,349,212	0	1,349,212	0	1,349,212	0	1,349,212	0	1,349,212	0
U58 Succeed Scholarship Program	0	0	0	0	800,000	0	0	0	800,000	0	800,000	0	0	0	800,000	0	800,000	0
NOT REQUESTED FOR THE BIENNIUM																		
1XY Fish/Wildlife Conservation	0	0	0	0	800,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	574,926,630	333	776,263,398	356	779,612,907	361	772,654,446	356	853,201,353	357	851,587,423	353	772,671,774	356	853,218,681	357	851,604,751	353

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	30,442,319	5.0	30,282,640	3.8	30,282,640	3.8	31,082,640	3.5	31,082,640	3.5	30,657,518	3.8	27,056,246	3.1	28,670,176	3.3	
General Revenue	4000010	16,162,434	2.7	16,162,434	2.0	16,175,800	2.0	16,175,800	1.8	16,175,800	1.8	16,189,837	2.0	16,189,837	1.8	16,189,837	1.8	
Federal Revenue	4000020	537,305,638	88.8	711,803,177	88.3	711,555,737	88.2	781,901,372	88.9	781,901,372	88.9	711,559,028	88.2	781,904,663	89.3	781,904,663	89.2	
Cash Fund	4000045	14,030,928	2.3	29,393,380	3.6	29,393,380	3.6	31,393,380	3.6	31,393,380	3.6	29,393,380	3.6	31,393,380	3.6	31,393,380	3.6	
Trust Fund	4000050	869,132	0.1	13,597,857	1.7	13,597,857	1.7	13,597,857	1.5	13,597,857	1.5	13,597,857	1.7	13,597,857	1.6	13,597,857	1.6	
DFA Motor Vehicle Acquisition	4000184	53,806	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Educational Adequacy Fund	4000210	6,266,222	1.0	3,266,222	0.4	3,266,222	0.4	3,266,222	0.4	3,266,222	0.4	3,266,222	0.4	3,266,222	0.4	3,266,222	0.4	
Educational Excellence Fund	4000220	989,781	0.2	1,038,404	0.1	1,038,404	0.1	1,038,404	0.1	1,038,404	0.1	1,038,404	0.1	1,038,404	0.1	1,038,404	0.1	
Federal Indirect Costs	4000240	811,044	0.1	996,416	0.1	996,416	0.1	996,416	0.1	996,416	0.1	996,416	0.1	996,416	0.1	996,416	0.1	
Interest	4000300	6,060	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Intra-agency Fund Transfer	4000317	(996,661)	(0.2)	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
M & R Sales	4000340	10,688	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Miscellaneous Adjustments	4000345	(94,738)	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	

Funding Sources		%		%		%		%		%		%		%		%	
Transfer to General Education	4000630	(647,383)	(0.1)	0	0.0												
Total Funds		605,209,270	100.0	806,540,530	100.0												
Excess Appropriation/(Funding)		(30,282,640)		(30,277,132)													
Grand Total		574,926,630		776,263,398													

FY17 Budget exceeds the authorized amount in Federal Grants Administration (435), Professional Licensure Standards Board (56P), Revolving Loan Certification (631), and Child Nutrition (637) due to salary and matching rate adjustments during the 2015-2017 Biennium.

FY17 Budget exceeds the authorized amount in Medicaid Admin-Cash in Treasury (4HF) due to a transfer from the Cash Fund Holding Account.

Variance in fund balance is due to unfunded appropriation.

Agency Position Usage Report

FY2014 - 2015						FY2015 - 2016						FY2016 - 2017					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
356	321	35	356	0	9.83 %	361	300	56	356	5	16.90 %	361	291	65	356	5	19.39 %

Analysis of Budget Request

Appropriation: 2DD - Conference-Treasury

Funding Sources: NED-Cash in Treasury

This appropriation is used to pay expenses of conferences sponsored by the Department. Funding is provided from registration fees charged to participants.

The Agency Request is for Base Level of \$475,000 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 2DD - Conference-Treasury

Funding Sources: NED-Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	176,141	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
Conference & Travel Expenses 5050009	0	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Professional Fees 5060010	7,613	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
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	183,754	475,000	475,000	475,000	475,000	475,000	475,000	475,000	475,000
Funding Sources									
Cash Fund 4000045	183,754	475,000		475,000	475,000	475,000	475,000	475,000	475,000
Total Funding	183,754	475,000		475,000	475,000	475,000	475,000	475,000	475,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	183,754	475,000		475,000	475,000	475,000	475,000	475,000	475,000

Analysis of Budget Request

Appropriation: 35V - Vision Screening Program

Funding Sources: SCV - School Age Children Eye and Vision Care Fund

This appropriation for the Vision Screening Program provides operating expenses for the Arkansas Commission on Eye and Vision Care of School Age Children.

The duties of the Commission are to study the vision needs of children, evaluate screening programs in schools, determine whether children are receiving adequate vision care, and to study the effects of inadequate vision on classroom performance.

The Agency Request is for Base Level of \$5,508 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 35V - Vision Screening Program

Funding Sources: SCV - School Age Children Eye and Vision Care Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Vision Screening and Care 5900046	0	5,508	5,508	5,508	5,508	5,508	5,508	5,508	5,508
Total	0	5,508	5,508	5,508	5,508	5,508	5,508	5,508	5,508
Funding Sources									
Fund Balance 4000005	5,508	5,508		5,508	5,508	5,508	5,508	5,508	5,508
Total Funding	5,508	5,508		5,508	5,508	5,508	5,508	5,508	5,508
Excess Appropriation/(Funding)	(5,508)	0		0	0	0	0	0	0
Grand Total	0	5,508		5,508	5,508	5,508	5,508	5,508	5,508

Expenditure of appropriation is contingent upon available funding carried forward from the previous fiscal year.

Analysis of Budget Request

Appropriation: 435 - Federal Grants Administration

Funding Sources: FHA - Federal Grants Administration

This appropriation provides administration, accounting, purchasing and record keeping services for federal programs. It is funded by indirect cost charges levied against the federal programs operated by the Department.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Request is for Base Level of \$996,416 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 435 - Federal Grants Administration

Funding Sources: FHA - Federal Grants Administration

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	413,930	513,614	478,041	513,614	513,614	513,614	513,614	513,614	513,614
#Positions		8	8	8	8	8	8	8	8	8
Personal Services Matching	5010003	129,002	153,160	139,111	153,160	153,160	153,160	153,160	153,160	153,160
Operating Expenses	5020002	30,698	49,970	49,970	49,970	49,970	49,970	49,970	49,970	49,970
Conference & Travel Expenses	5050009	500	19,672	19,672	19,672	19,672	19,672	19,672	19,672	19,672
Professional Fees	5060010	237,878	260,000	260,000	260,000	260,000	260,000	260,000	260,000	260,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	53,806	0	0	0	0	0	0	0	0
Total		865,814	996,416	946,794	996,416	996,416	996,416	996,416	996,416	996,416
Funding Sources										
DFA Motor Vehicle Acquisition	4000184	53,806	0		0	0	0	0	0	0
Federal Indirect Costs	4000240	811,044	996,416		996,416	996,416	996,416	996,416	996,416	996,416
M & R Sales	4000340	964	0		0	0	0	0	0	0
Total Funding		865,814	996,416		996,416	996,416	996,416	996,416	996,416	996,416
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		865,814	996,416		996,416	996,416	996,416	996,416	996,416	996,416

FY17 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2015-2017 Biennium.

Analysis of Budget Request

Appropriation: 4HF - Medicaid Adm-Cash in Treasury

Funding Sources: NED - Cash in Treasury

The Special Education Unit with the Department of Human Services-Division of Medical Services, received approval from the Centers for Medicare and Medicaid Services to coordinate and manage a statewide Medicaid administrative claiming program referred to as Arkansas Medicaid Administrative Claiming. This program allows school districts to receive reimbursement for costs associated with certain administrative activities that directly support the Arkansas Medicaid program. The services provided include occupational/physical/speech therapy, personal care, private duty nursing, school-based mental health, targeted case management, and vision/hearing screens.

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

The Agency Request is for a Change Level increase of \$3,000,000 each year as follows:

- AR Medicaid Admin Claims increase of \$3,000,000 of unfunded appropriation due to the increase in the number of Medicaid eligible students requiring additional appropriation to process reimbursements to the school districts for the program.

The Executive Recommendation provides for the Agency Request.

Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 4HF - Medicaid Adm-Cash in Treasury

Funding Sources: NED - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
AR Medicaid Admin Claims	5900046	13,100,394	18,000,000	15,000,000	15,000,000	18,000,000	18,000,000	15,000,000	18,000,000	18,000,000
Total		13,100,394	18,000,000	15,000,000	15,000,000	18,000,000	18,000,000	15,000,000	18,000,000	18,000,000
Funding Sources										
Fund Balance	4000005	1,146,697	12,846		12,846	12,846	12,846	12,846	12,846	12,846
Cash Fund	4000045	11,966,543	18,000,000		18,000,000	18,000,000	18,000,000	18,000,000	18,000,000	18,000,000
Total Funding		13,113,240	18,012,846		18,012,846	18,012,846	18,012,846	18,012,846	18,012,846	18,012,846
Excess Appropriation/(Funding)		(12,846)	(12,846)		(3,012,846)	(12,846)	(12,846)	(3,012,846)	(12,846)	(12,846)
Grand Total		13,100,394	18,000,000		15,000,000	18,000,000	18,000,000	15,000,000	18,000,000	18,000,000

Budget exceeds Authorized Appropriation in AR Medicaid Admin Claims due to a transfer from the Cash Fund Holding Account.

Change Level by Appropriation

Appropriation: 4HF - Medicaid Adm-Cash in Treasury
Funding Sources: NED - Cash in Treasury

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	15,000,000	0	15,000,000	100.0	15,000,000	0	15,000,000	100.0
C05	Unfunded Appropriation	3,000,000	0	18,000,000	120.0	3,000,000	0	18,000,000	120.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	15,000,000	0	15,000,000	100.0	15,000,000	0	15,000,000	100.0
C05	Unfunded Appropriation	3,000,000	0	18,000,000	120.0	3,000,000	0	18,000,000	120.0

Justification

C05	The Arkansas Department of Education (ADE) Special Education Unit, along with the Department of Human Services (DHS) - Division of Medical Services, received federal approval from the Centers for Medicare and Medicaid Services to coordinate and manage a statewide Medicaid administrative claiming program referred to as Arkansas Medicaid Administrative Claiming (ARMAC). ARMAC allows school districts and public charter schools to receive reimbursement for costs associated with certain administrative activities that directly support the Arkansas Medicaid program. Funding flows from DHS through ADE to the school districts. The Arkansas Department of Education (ADE) is requesting additional Grants & Aid appropriation for the 2017-19 biennium to accommodate increasing reimbursements to school districts for the ARMAC program. The services provided include occupational/physical/speech therapy, personal care, private duty nursing, school-based mental health, targeted case management, and vision/hearing screens. School districts and charter schools are serving increasing numbers of Medicaid-eligible students, requiring additional appropriation to process reimbursements.
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Analysis of Budget Request

Appropriation: 56P - Professional Licensure Standards Board

Funding Sources: NED - Cash in Treasury

The Professional Licensure Standards Board (PLSB) was created by Act 846 of 2007. Pursuant to Ark. Code Ann. § 6-17-422, the PLSB develops minimum college level preparatory and grade point average requirements for all teachers, and administers a Code of Ethics for administrators and teachers. This appropriation supports 13 positions that investigate violations of the ethics code and conduct audits of licensure programs of study in all Arkansas institutions of higher education. Grant funds from this appropriation provide for the edTPA (Education Teacher Performance Assessment) program, a performance-based assessment and support system for teachers and teacher candidates.

Base Level Regular Salaries and Personal Services Matching include continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Base Level Request is for \$1,257,415 for each year of the 2017-2019 Biennium.

The Agency Request is for a Change Level increase of \$275,000 each year as follows:

- Capital Outlay increase of \$275,000 of unfunded appropriation to restore appropriation to the FY17 authorized amount.

The Executive Recommendation provides for the Base Level Request and a Capital Outlay increase of \$50,000 of unfunded appropriation.

Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 56P - Professional Licensure Standards Board

Funding Sources: NED - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	441,210	570,585	562,977	570,685	570,685	570,685	570,685	570,685	570,685
#Positions		10	13	13	13	13	13	13	13	13
Personal Services Matching	5010003	161,369	190,878	187,800	190,900	190,900	190,900	190,900	190,900	190,900
Operating Expenses	5020002	260,174	376,325	376,325	376,325	376,325	376,325	376,325	376,325	376,325
Conference & Travel Expenses	5050009	6,452	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Professional Fees	5060010	0	9,505	9,505	9,505	9,505	9,505	9,505	9,505	9,505
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	1,319	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Capital Outlay	5120011	21,824	275,000	275,000	0	275,000	50,000	0	275,000	50,000
Total		892,348	1,532,293	1,521,607	1,257,415	1,532,415	1,307,415	1,257,415	1,532,415	1,307,415
Funding Sources										
Fund Balance	4000005	1,814,524	1,801,476		1,801,476	1,801,476	1,801,476	2,076,354	1,801,354	2,026,354
Cash Fund	4000045	879,300	1,532,293		1,532,293	1,532,293	1,532,293	1,532,293	1,532,293	1,532,293
Total Funding		2,693,824	3,333,769		3,333,769	3,333,769	3,333,769	3,608,647	3,333,647	3,558,647
Excess Appropriation/(Funding)		(1,801,476)	(1,801,476)		(2,076,354)	(1,801,354)	(2,026,354)	(2,351,232)	(1,801,232)	(2,251,232)
Grand Total		892,348	1,532,293		1,257,415	1,532,415	1,307,415	1,257,415	1,532,415	1,307,415

FY17 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2015-2017 Biennium.

Change Level by Appropriation

Appropriation: 56P - Professional Licensure Standards Board
Funding Sources: NED - Cash in Treasury

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	1,257,415	13	1,257,415	100.0	1,257,415	13	1,257,415	100.0
C05	Unfunded Appropriation	275,000	0	1,532,415	121.9	275,000	0	1,532,415	121.9

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	1,257,415	13	1,257,415	100.0	1,257,415	13	1,257,415	100.0
C05	Unfunded Appropriation	50,000	0	1,307,415	104.0	50,000	0	1,307,415	104.0

Justification

C05	The Professional Licensure Standards Board (PLSB) was created by Act 846 of 2007. Pursuant to Ark. Code Ann. § 6-17-422, the Professional Licensure Standards Board develops minimum college level preparatory and grade point average requirements for all teachers, and administers a Code of Ethics for administrators and teachers. This appropriation supports 13 positions that investigate violations of the ethics code and conduct audits of licensure programs of study in all Arkansas institutions of higher education. Grant funds from this appropriation provide for the edTPA (Education Teacher Performance Assessment) program, a performance-based assessment and support system for teachers and teacher candidates. Base Level Regular Salaries and Personal Services Matching include the continuation of 13 positions and career service payments for eligible employees. Personal Services Matching also includes a monthly contribution of \$420 per budgeted position for state employee's health insurance. Base level salaries do not include a COLA or Merit Pay Increases. The change level request of \$275,000 (cash-funded) is to restore capital outlay appropriation.
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Analysis of Budget Request

Appropriation: 620 - State Operations

Funding Sources: EGA - Department of Education Fund

This appropriation provides state funded resources for the operations of the Department of Education and assistance to Arkansas' public schools. Operational activities include legal services, information technology, public relations and fiscal management. Assistance to school districts includes the "School Report Card," fiscal and administrative support, curriculum and instruction, and special education assistance and compliance monitoring. To provide the operations of the Department and assistance to schools, the Department is separated into 6 units. These units are: Central Administration, Division of Fiscal and Administrative Services, Division of Educator Effectiveness/Licensure, Division of Learning Services, Division of Academic Accountability, and the Division of Research and Technology.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY17 line item maximum plus the previously authorized 2016 1% Cost of Living Adjustment authorized by Act 1007 (3 (B)) of 2015. The Base Level request for Regular Salaries includes board member stipend payments.

The Base Level Request is \$20,480,426 for FY18 and \$20,494,463 for FY19.

The Agency Request is for a Change Level increase of \$4,026,272 of unfunded appropriation to restore appropriation budgeted subsequent to the FY17 annual operations plan, for each year as follows:

- Extra Help and Personal Services Matching of \$161,288.
- Operating Expenses of \$1,823,786.
- Conference and Travel of \$188,663.
- Professional Fees of \$302,535.
- Grants and Aid of \$450,000.
- Reading Recovery of \$100,000.

- Arkansas Leadership Academy of \$900,000.

The Executive Recommendation provides for the Agency Request, with the following exceptions:

- Operating Expenses recommended increase of \$944,343,
- Conference and Travel recommended increase of \$82,133, and
- Professional Fees recommended increase of \$96,966.

Subsequent to the Agency's initial Budget Request, the Office of Personnel Management and Agency personnel evaluated the Agency's position usage and ongoing staffing needs. The Executive Recommendation reflects four (4) position reductions based on the personnel evaluations.

Appropriation Summary

Appropriation: 620 - State Operations
Funding Sources: EGA - Department of Education Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	13,388,687	14,327,934	14,513,343	14,338,639	14,338,639	14,193,335	14,349,439	14,349,439	14,204,135
#Positions		244	261	265	261	261	257	261	261	257
Extra Help	5010001	19,130	10,618	160,000	10,618	160,000	160,000	10,618	160,000	160,000
#Extra Help		5	8	8	8	8	8	8	8	8
Personal Services Matching	5010003	4,214,678	4,451,950	4,487,314	4,454,611	4,466,517	4,414,433	4,457,848	4,469,754	4,417,670
Operating Expenses	5020002	2,516,213	1,655,657	3,479,443	1,655,657	3,479,443	2,600,000	1,655,657	3,479,443	2,600,000
Conference & Travel Expenses	5050009	76,025	17,867	206,530	17,867	206,530	100,000	17,867	206,530	100,000
Professional Fees	5060010	36,414	3,034	305,569	3,034	305,569	100,000	3,034	305,569	100,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	450,000	0	450,000	0	450,000	450,000	0	450,000	450,000
Capital Outlay	5120011	15,639	0	100,000	0	100,000	100,000	0	100,000	100,000
Reading Recovery	5900046	100,000	0	100,000	0	100,000	100,000	0	100,000	100,000
AR Leadership Academy	5900049	900,000	0	900,000	0	900,000	900,000	0	900,000	900,000
Total		21,716,786	20,467,060	24,702,199	20,480,426	24,506,698	23,117,768	20,494,463	24,520,735	23,131,805

Funding Sources										
Fund Balance	4000005	9,189,496	10,267,497		10,267,497	10,267,497	10,267,497	10,267,497	6,241,225	7,630,155
General Revenue	4000010	16,162,434	16,162,434		16,175,800	16,175,800	16,175,800	16,189,837	16,189,837	16,189,837
Educational Adequacy Fund	4000210	6,266,222	3,266,222		3,266,222	3,266,222	3,266,222	3,266,222	3,266,222	3,266,222
Educational Excellence Fund	4000220	989,781	1,038,404		1,038,404	1,038,404	1,038,404	1,038,404	1,038,404	1,038,404
M & R Sales	4000340	9,724	0		0	0	0	0	0	0
Miscellaneous Adjustments	4000345	14,009	0		0	0	0	0	0	0
Transfer to General Education	4000630	(647,383)	0		0	0	0	0	0	0
Total Funding		31,984,283	30,734,557		30,747,923	30,747,923	30,747,923	30,761,960	26,735,688	28,124,618
Excess Appropriation/(Funding)		(10,267,497)	(10,267,497)		(10,267,497)	(6,241,225)	(7,630,155)	(10,267,497)	(2,214,953)	(4,992,813)
Grand Total		21,716,786	20,467,060		20,480,426	24,506,698	23,117,768	20,494,463	24,520,735	23,131,805

Change Level by Appropriation

Appropriation: 620 - State Operations
Funding Sources: EGA - Department of Education Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	20,480,426	261	20,480,426	100.0	20,494,463	261	20,494,463	100.0
C01	Existing Program	161,288	0	20,641,714	100.8	161,288	0	20,655,751	100.8
C05	Unfunded Appropriation	3,864,984	0	24,506,698	119.7	3,864,984	0	24,520,735	119.6

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	20,480,426	261	20,480,426	100.0	20,494,463	261	20,494,463	100.0
C01	Existing Program	161,288	0	20,641,714	100.8	161,288	0	20,655,751	100.8
C05	Unfunded Appropriation	2,673,442	0	23,315,156	113.8	2,673,442	0	23,329,193	113.8
C13	Not Recommended	(52,084)	0	23,263,072	113.6	(52,084)	0	23,277,109	113.6
C19	Executive Changes	(145,304)	(4)	23,117,768	112.9	(145,304)	(4)	23,131,805	112.9

Justification

C01	The Arkansas Department of Education requests Extra Help and Personal Services Matching increase to restore appropriation budgeted subsequent to the FY17 annual operations plan.
C05	The state operations appropriation provides the state-funded support for 261 positions and associated operating expenses of the various units of the Arkansas Department of Education (ADE). The major units supported by this appropriation are: Central Administration, Division of Fiscal and Administrative Services, Division of Educator Effectiveness/Licensure, Division of Learning Services, Division of Academic Accountability, and the Division of Research and Technology. Operational activities include legal services, information technology, public relations and fiscal management. Assistance to school districts includes the "School Report Card," fiscal and administrative support, curriculum and instruction, and special education assistance and compliance monitoring. Base Level Regular Salaries and Personal Services Matching include the continuation of 261 positions and career service payments for eligible employees. Personal Services Matching also includes a monthly contribution of \$420 per budgeted position for state employee's health insurance. Base level salaries do not include a COLA or Merit Pay Increases. Several operating line items were not initially fully budgeted in FY17 but will be budgeted after July 1 when fund balance is certified. These line items include extra help, operating expenses, conference fees and travel, professional fees, and capital outlay. Additionally, there are three grant programs funded from this appropriation that are not budgeted in base level but will be restored after July 1 once fund balance is certified: Advanced Placement Training Initiative (\$450K), Arkansas Leadership Academy (\$900K), and Reading Recovery (\$100K). The change levels requested in this appropriation are for restoring appropriation that was budgeted subsequent to the FY17 annual operations plan.
C19	Subsequent to Agency's initial Budget Request, the Office of Personnel Management and Agency personnel evaluated the Agency's position usage and ongoing staffing needs. The Executive Recommendation reflects position reductions based on the personnel evaluation.

**CARRY FORWARD OF ANY REMAINING FUND BALANCES
FROM FISCAL YEAR 2016 TO FISCAL YEAR 2017**

Agency: Education Department-General Education

Program: State Operations

Act #: 970 Section(s) #: 20

Estimated Carry Forward Amount \$ 8,103,137.00 Funding Source: General Revenue, Educ. Excellence Trust Fund, Educ. Adequacy F

Accounting Information:

Business Area: 0500 Funds Center: 620 Fund: EGA 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:

These funds will be used to address any unforeseen circumstances that may arise in the State Operations of the Department of Education in the 2017 fiscal year.

Actual Funding Carry Forward Amount \$ 10,267,497.00

Current status of carry forward funding:

Carryforward fund balances will be utilized for unforeseen circumstances.

Johnny Key
Commissioner of Education

06-30-2016
Date

Analysis of Budget Request

Appropriation: 630 - Building Maintenance

Funding Sources: TEB - Educational Buildings Maintenance Fund

The Building Maintenance program provides financing for building and grounds maintenance, equipment maintenance contracts, insurance and janitorial services for the various buildings in the Education complex. This appropriation is funded from rent charged to the various non-federal units at the Department.

The Agency Request is for Base Level of \$500,000 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 630 - Building Maintenance

Funding Sources: TEB - Educational Buildings Maintenance Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	7,006	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		7,006	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Funding Sources										
Fund Balance	4000005	3,498,773	2,550,035		2,550,035	2,550,035	2,550,035	2,550,035	2,550,035	2,550,035
Trust Fund	4000050	157,616	500,000		500,000	500,000	500,000	500,000	500,000	500,000
Interest	4000300	6,060	0		0	0	0	0	0	0
Intra-agency Fund Transfer	4000317	(996,661)	0		0	0	0	0	0	0
Miscellaneous Adjustments	4000345	(108,747)	0		0	0	0	0	0	0
Total Funding		2,557,041	3,050,035		3,050,035	3,050,035	3,050,035	3,050,035	3,050,035	3,050,035
Excess Appropriation/(Funding)		(2,550,035)	(2,550,035)		(2,550,035)	(2,550,035)	(2,550,035)	(2,550,035)	(2,550,035)	(2,550,035)
Grand Total		7,006	500,000		500,000	500,000	500,000	500,000	500,000	500,000

Analysis of Budget Request

Appropriation: 631 - Revolving Loan Certification

Funding Sources: TEM - Education Revolving Loan Certificates Fund

The Revolving Loan Certification program within the Department of Education issues revolving loan certificates through the State Treasury in order to finance loans up to \$500,000 each to school districts for construction and the purchase of equipment or buses.

The Agency Request is for Base Level of \$13,097,857 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 631 - Revolving Loan Certification
Funding Sources: TEM - Education Revolving Loan Certificates Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	43,778	43,303	42,881	43,303	43,303	43,303	43,303	43,303	43,303
#Positions		1	1	1	1	1	1	1	1	1
Personal Services Matching	5010003	14,551	14,554	14,353	14,554	14,554	14,554	14,554	14,554	14,554
Operating Expenses	5020002	2,335	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500
Conference & Travel Expenses	5050009	0	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Professional Fees	5060010	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Loans	5120029	87,960	13,000,000	13,000,000	13,000,000	13,000,000	13,000,000	13,000,000	13,000,000	13,000,000
Total		148,624	13,097,857	13,097,234	13,097,857	13,097,857	13,097,857	13,097,857	13,097,857	13,097,857
Funding Sources										
Fund Balance	4000005	11,403,487	11,966,379		11,966,379	11,966,379	11,966,379	11,966,379	11,966,379	11,966,379
Trust Fund	4000050	711,516	13,097,857		13,097,857	13,097,857	13,097,857	13,097,857	13,097,857	13,097,857
Total Funding		12,115,003	25,064,236		25,064,236	25,064,236	25,064,236	25,064,236	25,064,236	25,064,236
Excess Appropriation/(Funding)		(11,966,379)	(11,966,379)		(11,966,379)	(11,966,379)	(11,966,379)	(11,966,379)	(11,966,379)	(11,966,379)
Grand Total		148,624	13,097,857		13,097,857	13,097,857	13,097,857	13,097,857	13,097,857	13,097,857

FY17 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2015-2017 Biennium.

Analysis of Budget Request

Appropriation: 637 - Child Nutrition

Funding Sources: FHB - DOE Food Service Federal

The Child Nutrition Program of the Department of Education provides administrative services and reimbursement to the local school districts that participate in the school lunch, school breakfast or special milk programs. This program also promotes nutrition education by conducting courses in methods and materials for teaching nutrition education. The Fresh Fruit and Vegetable program is included in the program. The Child Nutrition Program is funded with federal funds from the United States Department of Agriculture.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Base Level Request is \$188,355,024 for FY18 and \$188,355,877 for FY19.

The Agency Request is for a Change Level increase of \$70,050,000 for each year as follows:

- Grants and Aid increase of \$70,000,000 to accommodate increased reimbursements to school districts due to an increase in meals served. The community eligibility program and alternative breakfast have increased the number of meals served and reimbursed.
- Capital Outlay of \$50,000 is to restore appropriation to the FY17 authorized amount.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 637 - Child Nutrition

Funding Sources: FHB - DOE Food Service Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,001,396	1,016,446	888,412	1,016,646	1,016,646	1,016,646	1,017,346	1,017,346	1,017,346
#Positions		23	23	23	23	23	23	23	23	23
Personal Services Matching	5010003	331,894	339,234	294,384	339,278	339,278	339,278	339,431	339,431	339,431
Operating Expenses	5020002	544,672	1,172,100	1,172,100	1,172,100	1,172,100	1,172,100	1,172,100	1,172,100	1,172,100
Conference & Travel Expenses	5050009	32,613	52,600	52,600	52,600	52,600	52,600	52,600	52,600	52,600
Professional Fees	5060010	82,279	156,400	156,400	156,400	156,400	156,400	156,400	156,400	156,400
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	205,167,723	185,168,000	185,168,000	185,168,000	255,168,000	255,168,000	185,168,000	255,168,000	255,168,000
Refunds/Reimbursements	5110014	10,739	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000
Capital Outlay	5120011	0	50,000	50,000	0	50,000	50,000	0	50,000	50,000
Total		207,171,316	188,404,780	188,231,896	188,355,024	258,405,024	258,405,024	188,355,877	258,405,877	258,405,877
Funding Sources										
Federal Revenue	4000020	207,171,316	188,404,780		188,355,024	258,405,024	258,405,024	188,355,877	258,405,877	258,405,877
Total Funding		207,171,316	188,404,780		188,355,024	258,405,024	258,405,024	188,355,877	258,405,877	258,405,877
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		207,171,316	188,404,780		188,355,024	258,405,024	258,405,024	188,355,877	258,405,877	258,405,877

FY17 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2015-2017 Biennium.

Change Level by Appropriation

Appropriation: 637 - Child Nutrition
Funding Sources: FHB - DOE Food Service Federal

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	188,355,024	23	188,355,024	100.0	188,355,877	23	188,355,877	100.0
C05	Unfunded Appropriation	70,050,000	0	258,405,024	137.2	70,050,000	0	258,405,877	137.2

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	188,355,024	23	188,355,024	100.0	188,355,877	23	188,355,877	100.0
C05	Unfunded Appropriation	70,050,000	0	258,405,024	137.2	70,050,000	0	258,405,877	137.2

Justification

C05	The Child Nutrition Program of the Department of Education provides administrative services and reimbursement to the local school districts that participate in the school lunch, school breakfast or special milk programs. This program also promotes nutrition education by conducting courses in methods and materials for teaching nutrition education. The Child Nutrition Program is funded with federal funds from the United States Department of Agriculture. This program also provides equipment grants for certain equipment purchases at eligible school food authorities. The Fresh Fruit and Vegetable program is provided within this appropriation as well. The purpose of the Fresh Fruit and Vegetable Program is three-fold: (1) to provide access to fresh fruits and vegetables for students in low income public schools at times other than regular meal periods, (2) to assist local farmers by expanding local markets for locally grown fresh fruits and vegetables, and (3) to create local partnerships between schools and the state agriculture industry. Base Level Regular Salaries and Personal Services Matching include the continuation of 22 positions and career service payments for eligible employees. Personal Services Matching also includes a monthly contribution of \$420 per budgeted position for state employee's health insurance. Base level salaries do not include a COLA or Merit Pay Increases. The change level request of \$70M (federally-funded) is for additional grants appropriation to accommodate increased federal reimbursements to school districts due to an increase in meals served. The community eligibility program and alternative breakfast have greatly increased the number of meals served and reimbursed with federal funds. An additional change level request of \$50,000 (federally-funded) per year of the biennium is to restore capital outlay appropriation.
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Analysis of Budget Request

Appropriation: 650 - Fed Elem & Sec Education

Funding Sources: FEE - Dept of Education Federal

The Federal Elementary and Secondary Education appropriation for the Department of Education contains the majority of the federal entitlement programs for elementary and secondary education. These programs include Title 1 education services for the educationally disadvantaged, Special Education programs, Early Childhood programs, AIDS Education, Migrant Education, Title IIA professional development, English Language Learners support, charter schools start-up funding, and services for homeless students.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Base Level Request is for \$523,200,713 for FY18 and \$523,203,151 for FY19.

The Agency Request is for a Change Level increase of \$295,635 for each year as follows:

- Regular Salaries and Personal Services Matching increase of \$95,635 to transfer the ADE OERZ Director position from Educational Renewal Zones (2HY), to provide administrative and oversight duties for federal programs.
- Capital Outlay of \$200,000 for restoration of appropriation to the FY17 authorized amount.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 650 - Fed Elem & Sec Education

Funding Sources: FEE - Dept of Education Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	2,457,556	2,617,633	2,895,973	2,619,533	2,693,809	2,693,809	2,621,533	2,695,809	2,695,809
#Positions		47	50	51	50	51	51	50	51	51
Extra Help	5010001	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
#Extra Help		0	4	4	4	4	4	4	4	4
Personal Services Matching	5010003	785,753	827,891	897,736	828,307	849,666	849,666	828,745	850,104	850,104
Operating Expenses	5020002	1,631,729	3,475,900	3,475,900	3,475,900	3,475,900	3,475,900	3,475,900	3,475,900	3,475,900
Conference & Travel Expenses	5050009	219,464	710,500	710,500	710,500	710,500	710,500	710,500	710,500	710,500
Professional Fees	5060010	785,229	18,351,105	18,351,105	18,351,105	18,351,105	18,351,105	18,351,105	18,351,105	18,351,105
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	324,154,578	496,095,368	496,095,368	496,095,368	496,095,368	496,095,368	496,095,368	496,095,368	496,095,368
Refunds/Reimbursements	5110014	100,013	1,110,000	1,110,000	1,110,000	1,110,000	1,110,000	1,110,000	1,110,000	1,110,000
Capital Outlay	5120011	0	200,000	200,000	0	200,000	200,000	0	200,000	200,000
ARRA of 2009	5900052	0	0	400,000	0	0	0	0	0	0
Total		330,134,322	523,398,397	524,146,582	523,200,713	523,496,348	523,496,348	523,203,151	523,498,786	523,498,786
Funding Sources										
Federal Revenue	4000020	330,134,322	523,398,397		523,200,713	523,496,348	523,496,348	523,203,151	523,498,786	523,498,786
Total Funding		330,134,322	523,398,397		523,200,713	523,496,348	523,496,348	523,203,151	523,498,786	523,498,786
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		330,134,322	523,398,397		523,200,713	523,496,348	523,496,348	523,203,151	523,498,786	523,498,786

Change Level by Appropriation

Appropriation: 650 - Fed Elem & Sec Education
Funding Sources: FEE - Dept of Education Federal

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	523,200,713	50	523,200,713	100.0	523,203,151	50	523,203,151	100.0
C05	Unfunded Appropriation	200,000	0	523,400,713	100.0	200,000	0	523,403,151	100.0
C07	Agency Transfer	95,635	1	523,496,348	100.1	95,635	1	523,498,786	100.1

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	523,200,713	50	523,200,713	100.0	523,203,151	50	523,203,151	100.0
C05	Unfunded Appropriation	200,000	0	523,400,713	100.0	200,000	0	523,403,151	100.0
C07	Agency Transfer	95,635	1	523,496,348	100.1	95,635	1	523,498,786	100.1

Justification

C05	The Federal Elementary and Secondary Education appropriation for the Department of Education contains the majority of the federal entitlement programs for elementary and secondary education. These programs include Title 1 education services for the educationally disadvantaged, Special Education programs, Early Childhood programs, AIDS Education, Migrant Education, after-school programs, Title IIA professional development, English Language Learners support, start-up funding for charter schools, and services for homeless students. Base Level Regular Salaries and Personal Services Matching include the continuation of 52 positions and career service payments for eligible employees. Personal Services Matching also includes a monthly contribution of \$420 per budgeted position for state employee's health insurance. Base level salaries do not include a COLA or Merit Pay Increases. The change level request of \$200,000 (federally-funded) is to restore capital outlay appropriation.
C07	Position 2212-9080 is being requested to transfer out of the Education Renewal Zones program in the Public School Fund to the agency's General Division. The position is needed to provide administrative and oversight duties for federal programs.

Analysis of Budget Request

Appropriation: 85J - Open Enrollment Charter School Closure

Funding Sources: NED-Cash in Treasury

This appropriation was established to allow the Department of Education to pay outstanding debts incurred by a closed open enrollment charter school. Anytime an open enrollment school is closed, the assets and outstanding debts of that school are transferred to the Department. The funds are collected from the school.

The Agency Request is for Base Level of \$300,000 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 85J - Open Enrollment Charter School Closure

Funding Sources: NED-Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Charter School Closure	5900046	80,379	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Total		80,379	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Funding Sources										
Fund Balance	4000005	150,205	71,008		71,008	71,008	71,008	71,008	71,008	71,008
Cash Fund	4000045	1,182	300,000		300,000	300,000	300,000	300,000	300,000	300,000
Total Funding		151,387	371,008		371,008	371,008	371,008	371,008	371,008	371,008
Excess Appropriation/(Funding)		(71,008)	(71,008)		(71,008)	(71,008)	(71,008)	(71,008)	(71,008)	(71,008)
Grand Total		80,379	300,000		300,000	300,000	300,000	300,000	300,000	300,000

Analysis of Budget Request

Appropriation: 885 - Multiple Grant Award Program

Funding Sources: NED - Cash in Treasury

The Department of Education receives grants and awards from private foundations or individuals for program, such as, Teacher of the Year, Milken Educator Awards and Play it Again Arkansas. The Department currently administers approximately 16-20 such grants each year.

The Base Level Request is for \$2,626,375 for each year of the 2017-2019 Biennium.

The Agency Request is for a Change Level increase of \$100,000 for each year as follows:

- Capital Outlay increase of \$100,000 of unfunded appropriation to restore appropriation to the FY17 authorized amount.

The Executive Recommendation provides for the Agency Request.

Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 885 - Multiple Grant Award Program

Funding Sources: NED - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	29,625	122,000	122,000	122,000	122,000	122,000	122,000	122,000	122,000
Conference & Travel Expenses	5050009	2,263	16,500	16,500	16,500	16,500	16,500	16,500	16,500	16,500
Professional Fees	5060010	478	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	279,000	2,447,875	2,447,875	2,447,875	2,447,875	2,447,875	2,447,875	2,447,875	2,447,875
Capital Outlay	5120011	0	100,000	100,000	0	100,000	100,000	0	100,000	100,000
Total		311,366	2,726,375	2,726,375	2,626,375	2,726,375	2,726,375	2,626,375	2,726,375	2,726,375
Funding Sources										
Fund Balance	4000005	2,986,833	3,056,229		3,056,229	3,056,229	3,056,229	3,156,229	3,056,229	3,056,229
Cash Fund	4000045	380,762	2,726,375		2,726,375	2,726,375	2,726,375	2,726,375	2,726,375	2,726,375
Total Funding		3,367,595	5,782,604		5,782,604	5,782,604	5,782,604	5,882,604	5,782,604	5,782,604
Excess Appropriation/(Funding)		(3,056,229)	(3,056,229)		(3,156,229)	(3,056,229)	(3,056,229)	(3,256,229)	(3,056,229)	(3,056,229)
Grand Total		311,366	2,726,375		2,626,375	2,726,375	2,726,375	2,626,375	2,726,375	2,726,375

Change Level by Appropriation

Appropriation: 885 - Multiple Grant Award Program
Funding Sources: NED - Cash in Treasury

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	2,626,375	0	2,626,375	100.0	2,626,375	0	2,626,375	100.0
C05	Unfunded Appropriation	100,000	0	2,726,375	103.8	100,000	0	2,726,375	103.8

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	2,626,375	0	2,626,375	100.0	2,626,375	0	2,626,375	100.0
C05	Unfunded Appropriation	100,000	0	2,726,375	103.8	100,000	0	2,726,375	103.8

Justification

C05	The Department of Education receives grants and awards from private foundations or individuals for program, such as Teacher of the Year, Milken Educator Awards and Play it Again Arkansas. The Department currently administers approximately 16-20 such privately-funded grants each year. The change level request of \$100,000 per year of the biennium is to restore capital outlay appropriation.
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Analysis of Budget Request

Appropriation: 893 - Medicaid Reimbursement

Funding Sources: NED - Cash in Treasury

The Department of Education collects from the various school districts their match as Medicaid providers and then transmits this quarterly to the State Medicaid Office. Reimbursements are for targeted case management and psychological services in addition to the reimbursement for speech-language pathology, physical therapy and occupational therapy.

The Base Level Request is \$5,010,500 for each year of the 2017-2019 Biennium.

The Agency Request is for a Change Level increase of \$2,000,000 each year as follows:

- Refunds/Reimbursements increase of \$2,000,000 each year due to increasing Medicaid matching funds from school districts for reimbursements for speech-language pathology, physical and occupational therapy, and targeted case management.

The Executive Recommendation provides for the Agency Request.

Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 893 - Medicaid Reimbursement

Funding Sources: NED - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements	5110014	160,912	5,000,000	5,000,000	5,000,000	7,000,000	7,000,000	5,000,000	7,000,000	7,000,000
Medicaid Admin	5900046	0	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500
Total		160,912	5,010,500	5,010,500	5,010,500	7,010,500	7,010,500	5,010,500	7,010,500	7,010,500
Funding Sources										
Fund Balance	4000005	9,766	57,165		57,165	57,165	57,165	57,165	57,165	57,165
Cash Fund	4000045	208,311	5,010,500		5,010,500	7,010,500	7,010,500	5,010,500	7,010,500	7,010,500
Total Funding		218,077	5,067,665		5,067,665	7,067,665	7,067,665	5,067,665	7,067,665	7,067,665
Excess Appropriation/(Funding)		(57,165)	(57,165)		(57,165)	(57,165)	(57,165)	(57,165)	(57,165)	(57,165)
Grand Total		160,912	5,010,500		5,010,500	7,010,500	7,010,500	5,010,500	7,010,500	7,010,500

Change Level by Appropriation

Appropriation: 893 - Medicaid Reimbursement
Funding Sources: NED - Cash in Treasury

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	5,010,500	0	5,010,500	100.0	5,010,500	0	5,010,500	100.0
C01	Existing Program	2,000,000	0	7,010,500	139.9	2,000,000	0	7,010,500	139.9

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	5,010,500	0	5,010,500	100.0	5,010,500	0	5,010,500	100.0
C01	Existing Program	2,000,000	0	7,010,500	139.9	2,000,000	0	7,010,500	139.9

Justification

C01	The Department of Education collects from the various school districts their match as Medicaid providers and then transmits this quarterly to the State Medicaid Office. Reimbursements are for targeted case management and psychological services in addition to the reimbursement for speech-language pathology, physical therapy and occupational therapy. Change level request of \$2,000,000 per year of the biennium is to accommodate increasing Medicaid matching funds received from school districts that ADE must remit to the State Medicaid Office.
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Analysis of Budget Request

Appropriation: 899 - Alternative Certification Program

Funding Sources: NED - Cash in Treasury

The Department of Education has developed alternative methods for certifying individuals within the State who have expertise and knowledge in particular subject areas but do not have the standard teaching certificate. The prospective teachers are charged a fee for training workshops with the funds used to pay workshop expenses.

The Agency Request is for Base Level of \$1,349,212 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Expenditure of appropriation is contingent upon available appropriation.

Appropriation Summary

Appropriation: 899 - Alternative Certification Program

Funding Sources: NED - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	69,668	515,292	515,292	515,292	515,292	515,292	515,292	515,292	515,292
Conference & Travel Expenses	5050009	1,775	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500
Professional Fees	5060010	20,925	125,420	125,420	125,420	125,420	125,420	125,420	125,420	125,420
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	61,241	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		153,609	1,349,212	1,349,212	1,349,212	1,349,212	1,349,212	1,349,212	1,349,212	1,349,212
Funding Sources										
Fund Balance	4000005	237,030	494,497		494,497	494,497	494,497	494,497	494,497	494,497
Cash Fund	4000045	411,076	1,349,212		1,349,212	1,349,212	1,349,212	1,349,212	1,349,212	1,349,212
Total Funding		648,106	1,843,709		1,843,709	1,843,709	1,843,709	1,843,709	1,843,709	1,843,709
Excess Appropriation/(Funding)		(494,497)	(494,497)		(494,497)	(494,497)	(494,497)	(494,497)	(494,497)	(494,497)
Grand Total		153,609	1,349,212		1,349,212	1,349,212	1,349,212	1,349,212	1,349,212	1,349,212

Analysis of Budget Request

Appropriation: U58 - Succeed Scholarship Program

Funding Sources: NED-Cash in Treasury

Act 1178 of 2015 created the Succeed Scholarship Program. Participating students must have attended public school for at least the one full school year immediately prior to the school year for which the scholarship payments are disbursed, unless the student is a dependent of an active duty member of any branch of the United States armed forces. At the time of application, student applicants must have an individualized education program (IEP) in accordance with the federal Individuals with Disabilities Act, and they must have been accepted for admission into a private school that is eligible to participate in the program. The amount of each student scholarship is the cost of tuition and fees for the private school or the foundation funding amount for the current school year under ACA 6-20-2305, whichever is less. Funding in FY17 is anticipated to be from existing fund balances in the State Operations appropriation.

The Agency Request is for a Change Level increase of \$800,000 for each year as follows:

- Succeed Scholarship Program increase of \$800,000 to restore appropriation that was budgeted subsequent to the FY17 annual operations plan.

The Executive Recommendation provides for the Agency Request.

Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: U58 - Succeed Scholarship Program

Funding Sources: NED-Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Succeed Scholarship Program 5900046	0	0	800,000	0	800,000	800,000	0	800,000	800,000
Total	0	0	800,000	0	800,000	800,000	0	800,000	800,000
Funding Sources									
Fund Balance 4000005	0	0		0	800,000	800,000	0	800,000	800,000
Total Funding	0	0		0	800,000	800,000	0	800,000	800,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	0		0	800,000	800,000	0	800,000	800,000

Change Level by Appropriation

Appropriation: U58 - Succeed Scholarship Program
Funding Sources: NED-Cash in Treasury

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
C05	Unfunded Appropriation	800,000	0	800,000	100.0	800,000	0	800,000	100.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
C05	Unfunded Appropriation	800,000	0	800,000	100.0	800,000	0	800,000	100.0

Justification

C05	Act 1178 of 2015 created the Succeed Scholarship Program. Participating students must have attended public school for at least the one full school year immediately prior to the school year for which the scholarship payments are disbursed, unless the student is a dependent of an active duty member of any branch of the United States armed forces. At the time of application, student applicants must have an individualized education program (IEP) in accordance with the federal Individuals with Disabilities Act, and they must have been accepted for admission into a private school that is eligible to participate in the program. The amount of each student scholarship is the cost of tuition and fees for the private school or the foundation funding amount for the current school year under ACA 6-20-2305, whichever is less. Funding in FY17 is anticipated to be from existing fund balances in the State Operations appropriation. The change level request of \$800,000 per year of the biennium is to restore appropriation that was budgeted subsequent to the FY17 annual operations plan.
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Appropriation Summary

Appropriation: 1XY - Fish/Wildlife Conservation

Funding Sources: NED - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	0	0	800,000	0	0	0	0	0	0
Total	0	0	800,000	0	0	0	0	0	0

APPROPRIATION NOT REQUESTED FOR THE 2017-2019 BIENNIUM