

DOE - Public School Fund

Enabling Laws

Act 293 of 2014
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

See General Education Division page 1.

Agency Commentary

98% URT Actual Collection Adjustment (34N) To ensure that every public school district receives the full amount of Foundation Funding, the 86th General Assembly created Act 272 of 2007, amending A.C.A. §6-20-2305(a)(4)(A), which states by the end of each school year, for a school district whose net revenues are less than the sum of 98% of the uniform rate of tax (URT) multiplied by the property tax assessment of the school district, the ADE shall distribute to the school district the difference between the net revenues of the school district and the sum of 98% of the URT multiplied by the property assessment of the school district (or a lesser amount if after the lesser amount is distributed the school district will receive the foundation funding amount under §6-20-2305). For a school district whose net revenues are more than the sum of 98% of the URT multiplied by the property assessment of the school district, the ADE recoups from the school district the difference between the net revenues of the school district and the sum of 98% of the URT multiplied by the property assessment of the school district. Ark. Code Ann. § 6-20-2305(a)(4) enables ADE to collect excess distributions by withholding funds from disbursements to the district in the following year.

Additional Public School Employee Health Insurance (59X) This program was added to the Education Public School Fund in FY10. This appropriation allows the Department of Education to pay up to \$15,000,000 in additional health insurance contributions for eligible employees

electing to participate in the public school employees' health insurance program administered by the State and Public School Life and Health Insurance Board. The Department of Education is authorized to make these payments if 98% of the URT used in the calculation for State Foundation Funding Aid exceeds \$920,731,819. The Department of Education pays the Employee Benefits Division on a quarterly basis on behalf of school districts

Advanced Placement Incentive (440) This program provides support to establish advanced placement courses that are easily accessible and will prepare students for admission to, and success in, a postsecondary educational environment. The major aspect to this incentive program, now that the state is paying for all student AP exams (in the Assessment/End of Course Testing appropriation), is support for professional development for AP and Pre-AP teachers. Three different types of support are provided: A/P summer trainings for teachers (hosted by universities), \$667,000-\$687,000 per year; A/P equipment and material grants to school districts, \$98,000-\$130,000 per year; and Pre-A/P workshops for teachers (hosted by education service cooperatives), \$25,000-\$36,000 per year.

Alternative Learning (311) A.C.A. §6-48-101 et seq. requires every school district to establish an alternative learning environment (ALE) for students who have shown an inability to function in a standard learning environment. It also requires the ADE to establish an incentive program for districts whose ALE programs meet ADE guidelines. ALEs must provide all of the educational programs available in other classrooms, and must provide additional services to meet the needs of this group of at-risk children. Additionally, A.C.A. §6-20-2305(b)(2)(A)(ii) establishes the ALE categorical funding amount shall be \$4,560 in FY17 multiplied by the number of identified ALE students enrolled during a school district's previous school year. In the base level year of FY17, the program is anticipated to serve 5,513.28 FTEs. The program will serve a projected 5,541.64 FTEs in FY18 and 5,565.81 in FY19. The increase in FTEs is based on a 3-year average annual rate of growth of .44% plus the projected phase-in of Majority to Minority (M to M) students into school district ADM counts for the calculation of state aid, in compliance with the settlement agreement approved on January 13, 2014 regarding state desegregation funding. It is anticipated that base level funding will be sufficient over the biennium to provide for the .44% annual growth in ALE student numbers.

APSCN (688) Arkansas Public School Computer Network (APSCN) - From a non-profit Agency begun in 1992, APSCN became a part of the Department of Education in 1998. APSCN's mission is to implement a statewide data communication network that connects all Arkansas public school systems and Education Service Cooperatives with the Department of Education to provide electronic access to administrative computing services and remote instructional services. Fifty-one positions support Arkansas public schools and school districts, charter schools, and education service cooperatives in processing all student and financial data.

Arkansas Easter Seals (445) This program, begun in the 1960s, partially funds the cost of educational services provided by the Easter Seal Society to children ages 3 to 21 who have orthopedic and/or communicative disorders. This funding reduces the amount that local school districts have to pay for these educational services. This funding contributes to the calculation of Maintenance of Effort that helps maintain federal funding levels for special education students.

Assessment/End of Level Testing (459) A.C.A. §6-15-404 requires standards-based testing in grades K-12. Currently, ACT Aspire (reading, writing, English, math, and science assessments) is administered at grades 3-10. The ACT Aspire is budgeted at \$8,847,512 in FY18 and \$9,064,462 in FY19. The Iowa Assessments is administered at grades 1-2 and is a norm-referenced test covering reading comprehension and

mathematics problem solving. It is budgeted at \$2 million per year. This assessment is being replaced in 2016-2017 by a program that will assess English Language Arts and mathematics at three points throughout the year. The bid is set to award at the end of FY16. The Qualls Early Learning Inventory is administered in the fall to all kindergarten students and any first grade student who did not attend kindergarten, and is budgeted at \$500,000 per year. ADE plans to procure a new kindergarten screening tool for the FY18 school year. Alternative Portfolio is provided for students with significant cognitive disabilities and is budgeted at \$1,850,639 per year. English Language Proficiency exams are required for all limited English proficient (LEP) students in grades K-12 and are budgeted at \$1,043,600 in FY17, \$1,107,600 in FY18 and \$1,171,600 in FY19. This line item also funds Advanced Placement exam costs and pays awards of up to \$50 to schools for each score of 3 or better on AP exams. \$5,755,000 is budgeted in FY17, \$6,320,000 in FY18, and \$6,885,000 in FY19 for AP testing and awards. The ADE supports school districts in providing each student in grades 9-11 with the opportunity to take the ACT exam without charge, pursuant to 6-18-1606. This activity is budgeted at \$1,611,365 in FY18 and \$1,711,365 in FY19. The Office of Innovation for Education (OIE) is funded by the Assessment appropriation at \$980,508 per year and works with the ADE and school districts in developing accountability systems that meet the changing educational needs of Arkansas. The TAC (technical advisory committee) which evaluates and advises the ADE on accountability testing is also funded through this appropriation at \$166,900 per year. Federal Title I funds in the amount of \$5,000,000 are made available annually to support student assessments. Due to savings realized in the restructuring of student assessments and the utilization of the ACT Aspire system, base level funding is sufficient to provide for the projected needs in the 2017-19 biennium despite anticipated growth in the numbers of students being assessed.

At Risk (088) The College and Career Readiness Planning Program (CCRPP) is funded from the At Risk appropriation. College and career readiness assessment tools approved by the State Board of Education are utilized to identify students for this program. The program provides summer intensive instruction for students in grades 8 and 10-12 who score below college and career readiness benchmarks in mathematics, English, or reading and who wish to enroll in postsecondary education. The students are provided 75 hours of instruction over a minimum of twenty days. At the conclusion of the program, students are given the opportunity to take the ACT at no cost.

Better Chance Program (652) This program funds innovative and developmentally appropriate early childhood programs for educationally deprived children. Act 1132 of 1997 transferred the Early Childhood Commission to the Department of Human Services with the Grants remaining with the Department of Education. Arkansas Better Chance Grants are administered by the Division of Child Care and Early Childhood Education of the Department of Human Services for the purpose of serving educationally deprived children ages birth through 5 years old, excluding kindergarten. Within the Arkansas Better Chance Program is the Arkansas Better Chance for School Success (ABCSS) Program, which funds innovative and developmentally appropriate early childhood programs for educationally deprived children ages 3 and 4. For the 2015-16 school year, the distribution of funds was based on \$4,860 per child for classroom-based programs and \$1,750 per child for home visit programs.

Bonded Debt Assistance (336) This aid, formerly known as Debt Service Funding Supplement, is provided to school districts to offset some of the debt burden existing as of 1/1/05 and to increase the amount of local revenue available for the maintenance and operation of schools. Bonded Debt Assistance is to be used solely for the payment of bonded debt. Pursuant to Ark. Code Ann. § 6-20-2503, bonded debt assistance is based on a school district's Principal and Interest Payment Schedule in effect and on file with the Department of Education (ADE) on January 1, 2005. Each eligible school district's annual debt service payment is reduced by 10%. If a school district demonstrated to the Commission for Arkansas Public School Academic Facilities and Transportation (the "Commission") that all or a portion of the 10% reduction in its scheduled debt payment

was attributable to the support of academic facilities, the Commission reversed all or a portion of the 10% reduction by a percentage proportionate to the amount attributable to academic facilities. The remaining 90% (or greater if a percentage was reversed) of the principal and interest payment is divided by the total assessed value of the district and multiplied by 1,000 to calculate the required debt service mills. This product is multiplied by the State Wealth Index, multiplied by the prior year three-quarter Average Daily Membership, and multiplied by a funding factor. These funds are paid on or before August 1 and February 1 of each fiscal year. If a district qualifies for Bonded Debt Assistance, the amount of aid is not changed as a result of refunding outstanding bonds in effect and on file with the ADE on January 1, 2005. As the amount of state financial assistance decreases, resulting from reductions in principal and interest payments, bond payoff, and increases in property assessments, the Commission distributes savings to the Educational Facilities Partnership Fund (EFP), in accordance with rules promulgated by the Commission.

Broadband Facilities Matching Grant Program (M74) This program funds broadband expansion in Arkansas school districts and funds are paid on a one-to-one state/local matching basis.

Consolidation Incentive (421) These funds are paid to each school district that was administratively consolidated or annexed by the State Board of Education pursuant to Ark. Code Ann. § 6-11-105, § 6-13-1401 and applicable rules of the State Board of Education. One hundred percent (100%) of the incentive allowance is added to the school district's aid in the first year of consolidation/annexation. In the second year of consolidation/annexation, the district receives fifty percent (50%) of the consolidation/annexation incentive funding granted the previous year. The Change Level request is to restore appropriation for a projection of two new consolidations per year of the biennium, plus the continuation of two consolidations from the previous year. 600 ADM for two consolidations X SFF of \$6,646 = \$3,987,600; plus \$1,993,800 for the continuation of two consolidations from the prior fiscal year, for a total growth request of \$5,868,900 for each year of the biennium. Consolidation Incentive funds were budgeted in FY17 subsequent to the biennial budget request process (\$5,868,900 each year, paid with fund balances in FY16 and FY17).

Content Standards and Curriculum Frameworks Revision (1QV) This appropriation provides funding for expenses associated with the development of a comprehensive plan to revise content standards and curriculum frameworks in the core academic areas of reading, writing, mathematics, science, history, geography and civics.

Content Standards Revision (2JA) This appropriation is for the cost associated with the periodic review and revision of Academic Content Standards as required by A.C.A. §6-15-404(c). Academic Content Standards are a series of documents that specify what a student enrolled in an Arkansas Public School should know and be able to do. The Academic Content Standards also provide the foundation for the development of the State assessment system. This fund supports the rental of meeting facilities in order to involve large numbers of Arkansas teachers to participate in the process as required by rules.

Cooperative Education Tech Centers (434) Technology Coordinators in the Education Service Cooperatives assist local school districts by providing technology training, advising school districts in software/hardware purchases and overseeing technology laboratories. The maximum amount of funds available to each of the State's fifteen (15) education service cooperatives and a central Arkansas district is set by the State Board of Education. For the 2015-2016 school year, the maximum amount was \$75,000. The Change Level request is to restore appropriation (unfunded) based on FY17 amounts that were budgeted subsequent to the biennial budget request process (\$1,200,000 each year, paid with fund balances in FY16 and FY17).

Coordinated School Health (59V) These funds are used to promote health, wellness, and academic achievement in Arkansas' public schools and are awarded to districts through a competitive grant application. Grantees establish school-based health centers (SBHCs) to provide students with basic physical, mental, dental and/or other services as needed. The program is a collaboration of the Arkansas Department of Education (ADE) Office of School Health Services (SHS), Arkansas Department of Health (ADH), Arkansas Department of Human Services (DHS) and Medicaid in the Schools (ARMITS). Grant awards vary from a maximum of \$150,000 in the first year of the grant to 50% of the first year award in the final grant year.

Court Ordered Desegregation (460) The state's obligation to the school districts was set at a total of \$65,794,267 in the desegregation settlement that was approved on January 13, 2014.

Criminal Background Checks (444) This program provides \$25,000 each year to pay the costs of both state and federal criminal background checks for the first renewal of non-expired licenses for certified personnel. The checks cost \$22 for the State Police check and \$15.75 for the FBI. The program also includes the Child Maltreatment Central Registry check at a cost of \$10.

Declining Enrollment (4HN) Beginning with Act 21 of the 1st Extraordinary Session of 2006 (A.C.A. §6-20-2305(a)(3)), this program has provided additional funding to school districts with a prior year Average Daily Membership (ADM) that was less than the ADM of the year prior to the previous year. Funding is equal to the difference between the average of the ADM for the two immediately preceding years and the ADM for the previous school year multiplied by the amount of foundation funding per student. School districts cannot receive both declining enrollment funding and student growth funding. Generally, school districts cannot receive both declining enrollment funding and special needs isolated funding under A.C.A. § 6-20-604. However, any appropriated and available funds for declining enrollment funding that remain after the initial distributions are to be prorated and distributed equally to school districts that qualify for both declining enrollment funding and special needs isolated funding. There were no declining enrollment funds remaining in 2015-2016 after the initial distributions.

Department of Correction (380) A.C.A. §12-29-301 et seq. established the Department of Correction School District and establishes a formula to determine the funding level and states that the cost of running the Department of Correction School District shall be borne by the Department of Correction and the Department of Education. In FY16, the average daily attendance was 2,294 students, and 460 students completed requirements for GED certification. There are 7,137 inmates who have earned GED certificates over the past ten years. The Change Level request is to provide a 1.5% COLA to teachers in FY18, and to open two new classrooms at the Pine Bluff unit in FY19 in addition to providing a 1.5% COLA to teachers in FY19.

Distance Learning (698) The purpose of this program is to provide for the establishment, organization and administration of a distance learning program designed to improve course offerings available to students throughout the state. It helps fulfill the requirements of the Digital Learning Act of 2013 (6-16-1401 et seq.). The primary purpose of providing distance learning technologies is to assist school districts in receiving advanced high school courses, advanced placement courses, enriched course content, or other academic courses not otherwise available in the school district. The program demonstrates the efficiency of using distance learning to enhance elementary and secondary education and prepare students

for greater success in a postsecondary educational environment. In FY16, a \$500,000 grant for the STEM pathways project was made to the Arkansas School for Mathematics, Sciences, and the Arts to offer pre-AP digital learning in biology, environmental science, physics, mathematics, and computer science to all interested school districts in the state. The Arch Ford Education Service Co-op offers digital courses in core areas and is paid \$2,852,362. Dawson Education Service Co-op offers career and technical digital courses and is paid \$644,560 annually. Southeast Education Service Co-op offers concurrent digital courses and is paid \$756,988 annually. It is anticipated that base level funding will be sufficient to maintain service levels through the biennium.

Distance Learning Operating Grants (2HX) These grants provide funding for acquiring and/or leasing equipment and telecommunications services, and operating expenses necessary for school districts to participate in distance learning education. The primary purpose is to provide distance learning resources as mandated by A.C.A. § 6-47-404 to help alleviate the increasing shortage of available qualified teachers; to provide additional course-scheduling opportunities; to assist school districts in receiving advanced high school courses, advanced placement courses, and enriched course curriculum beyond those mandated by the Standards for Accreditation; and to develop and make available online professional development and instructional resources for all teachers and administrators. The appropriation funds \$4 million for school district internet connections, content filtering, and bandwidth (costs shared with APSCN); \$1.5 million for statewide partnership data projects; \$995,000 for Team Digital (providing digital learning training and support to schools across the state); \$34,700 to the Hanover Research Council for research, analysis effectiveness solutions; \$432,644 for Microsoft IT academies (cost share with the Arkansas Department of Career Education and Department of Workforce Services) for student licenses for industry certification for technology focused areas; and \$165,000 to the State Library for Encyclopedia Britannica subscription statewide. It is anticipated that base level funding will be sufficient to maintain service levels through the biennium.

Distressed School District Support (136) The Arkansas Academic Distress Program is to improve the capacity of local school districts whose students are not achieving at academically desired levels through targeted assistance coordinated by the Department of Education (A.C.A §6-20-1901) or who are in fiscal distress. This appropriation pays for the expenses of the Fiscal Support Services unit that are associated with assisting school districts.

Early Childhood Special Education (697) This program provides special education services through local education agencies and Education Service Cooperatives for three to five-year-old preschool children with disabilities. Funds are also provided to Education Service Cooperatives for behavioral intervention services to all community preschool programs as well as to coordinate required transition activities for children ages 0 - 2 that will remain in special education as 3 - 5 preschoolers. Also included in this program are the funds for the Medicaid state match for preschool programs that bill for physical, occupational, and speech therapy services. This funding contributes to the calculation of Maintenance of Effort that helps maintain federal funding levels for special education students. The change level request is to restore appropriation (unfunded) based on FY17 amounts that were budgeted subsequent to the biennial budget request process (\$1,274,841 each year, paid with fund balances in FY16 and FY17).

Economic Education (1XE) The objective of this program is to increase the economic literacy of Pre-K through 12 students by providing economic and personal finance education and training to teachers in Arkansas. Funding is distributed to the Arkansas Council on Economic Education (now conducting business as Economics Arkansas), a private, non-profit organization providing certified professional development for K through 12 teachers. Over 1,500 educators are trained each year, which impacts over 85,000 students in Arkansas. The change level request is to

restore appropriation (unfunded) based on FY17 amounts that were budgeted subsequent to the biennial budget request process (\$50,000 each year, paid with fund balances in FY16 and FY17).

Education Renewal Zones (ERZ) (2HY) The Office of Educational Renewal Zones is responsible for developing guidelines for the approval of education renewal zone strategic plans and guidelines for the evaluation and reporting of education renewal zone activities. The purpose of an education renewal zone is to: identify and implement education and management strategies designed specifically to improve public school performance and student academic achievement, with special focus on the State's most academically distressed public schools; provide for collaboration among the State's smaller schools and districts in order to achieve some of the advantages of economies of scale in providing educational and related activities; maximize benefits and outcomes of public schooling by concentrating and coordinating the resources of Arkansas' higher education institutions, the expertise of the regional education service cooperatives, and the technical assistance of other service providers to improve public school performance and student academic achievement; and enable small, rural, and low-wealth schools to make the best use of the latest cost-effective distance learning technology to enhance curricula and professional development through two-way interactive learning environments. Six ERZs receive annual funding of \$170,725 each, and remaining funds are used to support five ADE positions that serve the ERZ program. The program has requested a reallocation of \$306,900 from the Professional Fees line item to the Grants & Aid line item to increase the support for the ERZ program at the university level by reducing the state-level budget. This request is cost neutral to the program. The program has also requested that a position be transferred out as it is no longer needed within the ERZ program, resulting in a savings of \$95,635 each year of the biennium. Position 2212-9080 is needed in the agency's General Division.

Education Service Cooperatives (670) The 15 educational cooperatives around the State facilitate the sharing of resources and services between local school districts and provides a core support system for professional development. Each cooperative receives \$408,618 per year. ACA 6-13-1019 requires ADE to fund the cooperatives for salaries/fringe for a director, teacher center coordinator, support staff, travel, operating expenses, curriculum development activities, and \$25,000 travel expenses for cooperative staff to serve the districts in each cooperative area. Base level funding is sufficient to maintain program operations through the 2017-19 biennium.

English Language Learners (082) English Language Learners (formerly Limited English Proficiency, amended by Act 59 of the Second Extraordinary Session of 2003) is a state categorical program that serves students identified as not being proficient in the English language. This program enables school districts to provide specially-trained staff, instructional materials and training for teachers with these qualified students. The Agency also holds summer training academies for teachers desiring additional training in teaching and assisting students with primary home languages other than English. A.C.A. §6-20-2305(b)(3)(A) sets out the dollar amount to be paid each school year for student identified as English language learners. The rate per ESL student in the 2016-2017 school year is \$331. A total of 39,303 ELL students were served in FY16, and a total of 41,073 students are projected to be served in FY17, 42,923 in FY18 and 44,853 in FY19. The projected increase in ELL students is based on a 3-year average annual rate of growth in ELL students of 4.5% plus the projected phase-in of Majority to Minority (M to M) students into school district ADM counts for the calculation of state aid, in compliance with the settlement agreement approved on January 13, 2014 regarding state desegregation funding. Additionally, summer ESL academies are budgeted at \$1,200,000 per year of the biennium and serve approximately 400 teachers who serve language minority students. The change level requests are to accommodate the projected increase in ELL students for \$837,234 in FY18 and \$1,476,077 in FY19.

General Facilities Funding (326) A.C.A. §6-20-2503 (e)(1) et seq. requires the Commission of Academic Facilities and Transportation to compute the amount of general facilities funding that each school district received or would have received under the Supplemental School District Funding Act of 2003 during FY2005. Beginning in fiscal year 2005-2006, school districts have received all or a portion of the amount of General Facilities Funding that the district received or would have received under the Supplemental School District Funding Act of 2003 in fiscal year 2004-2005. After fiscal year 2005-2006, this funding began a phase out by reducing the amount received by a school district by one-tenth of the 2005-2006 amount each year over a ten-year period with the savings distributed through the Education Facilities Partnership Fund (EFP). Statute was changed so that, beginning in FY15, savings began to be distributed to the Employee Benefits Division. FY15 was the final year that any general facilities funding was disbursed to school districts. 100% of this line item is now transferred to the Employee Benefits Division for public school employee health insurance. 100% of this line item is now transferred to the Employee Benefits Division for public school employee health insurance.

Gifted and Talented (457) This program provides: (1) salary support for 15 Gifted and Talented supervisors in the cooperatives at \$28,500 per cooperative; (2) funding for the Arkansas Governor's School; (3) Outstanding Gifted Program Awards at \$3,000 per school district (3 annually); and, (4) an annual contribution of \$2,500 to the AGATE (Arkansans for Gifted and Talented Education Conference). The change level request is to restore appropriation (unfunded) based on FY17 amounts that were budgeted subsequent to the biennial budget request process (\$250,000 each year, paid with fund balances in FY16 and FY17) that are designated for the Arkansas Governor's School. |

Grants to School Districts (451) These payments are made for educating students in North Arkansas who can't get to their assigned district because Bull Shoals Lake separates them from their district, which would require a round trip of more than 35 miles to attend their assigned school. In FY16, Ozark Mountain School District was the only recipient of these funds.

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Human Development Center Education Aid (669)

This program provides funding for educational services to the children in Conway Human Development Center, the only center in the state that provides special education to children K-12 with severe disabilities. \$526,150 is disbursed annually to the Department of Human Services for this function. This funding contributes to the calculation of Maintenance of Effort that helps maintain federal funding levels for special education students.

Intervention Block Grants (565)

This program provides grants to local school districts, schools and education cooperatives to provide services targeting parent involvement. The grants provide the child's first teacher, the parent, with resources that will support literacy and mathematics achievement. These grants are used to encourage parental involvement through the following student competitions: Arkansas Governor's Quiz Bowl, State History Day Competition, Creativity in Arkansas, State Science Fair and Arkansas Destination Imagination. The change level request is to restore appropriation (unfunded) based on FY17 amounts that were budgeted subsequent to the biennial budget request process (\$75,000 each year, paid with fund balances in FY16 and FY17) to meet the requirements of Act 229 of 2016, section 29.

Isolated Funding (331) Because of location or geographic barriers, some districts are not able to share resources with other districts or may have unusual transportation needs. These districts with isolated school areas under 350 Average Daily Membership (ADM) receive additional

funding. Act 65 of the Second Extraordinary Session of 2003 (A.C.A. 6-20-601 et seq.) established 56 “isolated” school areas and set a per student dollar amount to be paid for each isolated school area. The funding is distributed based upon the prior year three-quarter ADM of the isolated school area multiplied by the Per Student Isolated Funding Amount for the isolated school area as prescribed by Ark. Code Ann. § 6-20-603.

Leadership Academy - Master Principal (2ZK) The Arkansas Leadership Academy is responsible for administering the Master School Principal Program. Created in 1991, the Arkansas Leadership Academy was formed 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 provides a variety of leadership development programs for principals, teachers, partners and other leaders including residential programs.

Master Principal Bonus (2ZM) Pursuant to ACA 6-17-1604, this program provides bonuses for principals achieving Master Principal status through the Arkansas Leadership Academy. It allows for \$9,000 annually for five years while serving as a full-time principal in a public school in Arkansas. The Act also provides for \$25,000 annually while working as a full time principal in an Arkansas “low-performing” school. The program provided bonuses to 16 participants in FY16, two of whom were employed in a high-need public school. The change level request is to restore appropriation (unfunded) based on FY17 amounts that were budgeted subsequent to the biennial budget request process (\$118,000 each year, paid with fund balances in FY16 and FY17).

National Board of Professional Teaching Standards (438) A.C.A. §6-17-413(a)(1)(A) calls for teacher support in three distinct areas related to state support of advanced national teacher certification: bonuses to National Board Certified Teachers (NBCT), participation fees and substitute pay required for candidacy, and a support system for those candidates. This program encourages teachers to seek certification by the National Board for Professional Teaching Standards by competitively awarding the \$2,500 application fee and up to 3 days of substitute teacher pay. A \$5,000 initial bonus is awarded during the school year in which the individual first obtains the National Board certification, and a yearly bonus of \$5,000 is awarded to certified teachers in each of years two (2) through ten (10) of the 10-year life of the certificate. Funding is also distributed to designated candidate “support centers” at various school districts, education service cooperatives, or institutions of higher education to assist candidates with the National Board certification process. Support center location funding is based on candidate distribution throughout the state. If a teacher does not achieve certification during the required three years, they must refund all State funds expended on their behalf. A total of 33 new teachers with 2,408 renewing teachers will earn bonuses in FY17, and projections are for 550 new teachers with 2,408 renewals in FY18 (\$14,790,000 total bonus payments); and 200 new teachers with 3,000 renewals in FY19 (\$16,000,000 total bonus payments). Candidate support and support center funding is projected to be \$532,100 each year of the biennium.

National School Lunch Student Funding (2HR) This program provides state categorical funding for those students from low socio-economic backgrounds, as indicated by the prior year eligibility for free or reduced-price meals under the National School Lunch (NSL) Act, as reported on October 1 of each year and submitted to the Department of Education. NSL funding is divided into three tiers. Beginning with the 2007-2008 school year, for school districts that were to receive funding based on a higher or lower percentage tier than the preceding school year, the funding would be increased or reduced in three equal amounts over a three-year period following the year in which a school district's percentage level of NSL students increased or decreased. A school district that has experienced a significant growth, defined by rule as 1%, in enrolled students in

each of the previous three years shall receive funding for the expected increase in the number of NSL students based on the three year average growth in enrollment times the percentage of students eligible for NSL funding times the appropriate per student funding amount. The free and reduced student count is expected to grow at an annual rate of 1.2% (this projection is based on a three-year average annual growth rate). Funding projection is for 292,154 free & reduced lunch students in FY17, 295,813 in FY18 and 299,359 in FY19. These numbers include the projected phase-in of Majority to Minority (M to M) students into school district ADM counts for the calculation of state aid, in compliance with the settlement agreement approved on January 13, 2014 regarding state desegregation funding. The funding request is inclusive of projected transition and NSL growth funds.

Non-Traditional Licensure Grants (NTLP) (1PS) This program supplements the cash funded Alternative Certification program which was developed by the Department of Education for certifying individuals to teach that have expertise and knowledge in a particular subject, but do not have the standard teaching certificate. This program is a “Teaching and Learning” Teacher Licensure program for those with a college degree in areas other than education. This program was developed by the Arkansas Legislature for the purpose of meeting teacher shortages in critical parts of the state. Recognizing that professionals' experience, knowledge and previous career successes can positively impact the lives of students, NTLP allows mature career changers, with a variety of work experiences, to teach in public school classrooms. For the 2014-15 school year, 50 NTLP teachers received up to \$500 for teaching in geographic areas and/or subject areas in which there were critical teacher shortages. Also, the Northeast cooperative was funded at \$25,000 from this appropriation for the Arkansas Professional Pathway to Educator Licensure (APPEL) program.

Open-Enrollment Public Charter School Facilities Funding Aid Program (N68) This program provides funding to open enrollment charter schools for lease, purchase, renovation, repair, construction, installation, restoration, alteration, modification, and operation and maintenance of approved academic facilities. The change level request is to restore appropriation (unfunded) based on FY17 amounts that were budgeted subsequent to the biennial budget request process (\$5,000,000 each year, paid with fund balances in FY17).

Professional Development Funding (2HS) This program provides a coordinated set of planned learning activities for teachers and administrators that are standards-based. These programs result in individual, school-wide and system-wide improvements designed to ensure that all students demonstrate proficiency in the state academic standards. The FY17 rate is \$26.05 multiplied by the school district's average daily membership (ADM) for the previous school year. Additionally, ADE pays AETN \$3.5 million each year for the Arkansas IDEAS system. It is anticipated that base level funding will be sufficient for FY18 and FY19 expenditure levels.

Public School Employee Insurance (446) This program provides supplemental funds of \$55,000,000 annually to the Employee Benefits Division on behalf of school districts for the public school employees' health insurance program. This line item also funds the monthly health insurance contribution rate of \$155.93 per employee (calendar year 2017), as established by Ark. Code Ann. § 6-17-1117, for employees of education service cooperatives, vocational centers, Easter Seals, and the school operated by the Department of Correction. As authorized by Act 229 of 2016, the Department of Education also pays EBD \$15,000,000 in additional health insurance contributions.

Residential Centers/Juvenile Detention (394) This program provides reimbursement to school districts for the educational costs associated

with school-age students without disabilities and students with disabilities ages 3-21 placed in approved residential psychiatric and drug and alcohol treatment facilities or juvenile detention centers. By state law and State Board regulation, community residential treatment facilities are reimbursed through local school districts. When the requests for reimbursement exceed the amount of funds available, the reimbursements are prorated. Detention facility reimbursement is based on a calculation of the rate of foundation aid times the number of approved program beds. This funding contributes to the calculation of Maintenance of Effort that helps maintain federal funding levels for special education students. The change level request is to restore appropriation (unfunded) based on FY17 amounts that were budgeted subsequent to the biennial budget request process (\$1,156,833 each year, paid with fund balances in FY16 and FY17).

School Facility Joint Use Support (59W) The School Facility Joint Use Support program was created as a part of the Health Care Initiative of 2009. Funding was provided by General Revenue generated by a cigarette tax increase enacted during the Regular Session of the 87th General Assembly. The intent of the program is to encourage schools to allow their physical plants, both indoor and outdoor, to be used by the public and by community members as an accessible and safe environment for community and family activity.

School Food - Legislative Audit (454) This is a fund transfer up to \$75,000 each year to compensate Legislative Audit for auditing school food funds in the local school districts. This funding helps offset amounts due to Legislative Audit from school district food service programs.

School Food Services (447) This program combined with the Surplus Commodities program provides the State match for the total school food program in local schools. This grant is paid to school districts based on the number of lunches served. The change level request is to restore appropriation (unfunded) based on FY17 amounts that were budgeted subsequent to the biennial budget request process (\$1,650,000 each year, paid with fund balances in FY16 and FY17). This funding contributes to the calculation of Maintenance of Effort that helps maintain federal funding levels Child Nutrition programs.

School Funding Contingency (2ZH) The School Funding Contingency appropriation is an authorization of unfunded appropriation that is used to address unforeseen problems that arise during the course of a biennium. The Department of Education has special language allowing the transfer of this appropriation to address problem areas.

School Recognition Program (F81) This program provides financial awards to public schools (if funds are available) that experience high student performance, student academic growth, and, for a secondary school, a high graduation rate. In FY16, 120 public schools (including charter schools) received awards.

School Worker Defense (458) This program provides for claims and legal fees for liability suits against school personnel. The change level request is to restore appropriation (unfunded) based on FY17 amounts that were budgeted subsequent to the biennial budget request process (\$390,000 each year, paid with fund balances in FY16 and FY17).

Serious Offender Program (566) Serious Offender Units for juveniles are operated by the Department of Human Services, Division of Youth Services (DYS), but the Department of Education pays the educational costs of students located in these units through a Memorandum of

Understanding (MOU) with DHS. The current program has been in effect since 1996 for the purpose of generating educational funds for the DYS Juvenile Treatment Centers Program (JTC). DYS is provided funds based on the average daily attendance of students in the facility. There are currently Serious Offender Programs (SOP) located in Mansfield, Harrisburg, Lewisville, Dermott, Colt, and Alexander. This funding contributes to the calculation of Maintenance of Effort that helps maintain federal funding levels for special education students. The change level request is to restore appropriation (unfunded) based on FY17 amounts that were budgeted subsequent to the biennial budget request process (\$665,913 each year, paid with fund balances in FY16 and FY17).

Smart Start/Smart Step (057) The program supports a state network of literacy and mathematics specialists who assist schools with professional development to maintain a highly qualified teaching staff. In addition, the program provides professional development opportunities to all K-12 educators through statewide conferences, regional workshops and satellite-delivered meetings. K-12 schools are also provided a variety of resources including professional books and videos. Additionally, this program supports the Office of Intensive Support (\$750,000 annually) which provides assistance to school districts in academic, fiscal, or facilities distress. It also supports the Kuder career planning system in school districts (\$150,000 annually) as a cost share agreement with the Department of Career Education and the Department of Higher Education. A superintendent mentoring program is also paid from this appropriation (\$44,000 annually). Beginning in FY18, the ADE will fund the Learning Blade program from this appropriation, which is an interactive, web-based STEM curriculum focused on increasing student interest in and attitudes towards STEM careers. This will be done through an internal reallocation of resources within the programs funded by this line item.

Special Education - Catastrophic (091) Provides for state funding to school districts for local occurrences when the costs of special education and related services required by an individual child are unduly expensive, extraordinary, or beyond the routine and normal costs associated with special education. Reimbursement from this program for an individual child can be sought only after eligible costs equal or exceed \$15,000 for the special education child. Medicaid and other third party funding are obtained prior to requesting state catastrophic funding. This funding contributes to the calculation of Maintenance of Effort that helps maintain federal funding levels for special education students.

Special Education Services (668) This program provides extended school year summer programs for students with disabilities ages 3-21, provides special education services to foster children who are wards of the State placed in out-of-state residential facilities, and provides funds for the partial reimbursement of salaries for special education supervisors. Funding provided to school districts to support the salaries of special education supervisors is based on an established per child per day rate, to the extent that funds are available. This funding contributes to the calculation of Maintenance of Effort that helps maintain federal funding levels for special education students. The change level request is to restore appropriation (unfunded) based on FY17 amounts that were budgeted subsequent to the biennial budget request process (\$1,657,242 each year, paid with fund balances in FY16 and FY17).

Special Needs Isolated (2ZS) Act 1452 of 2005 (A.C.A. §6-20-604) created this program for certain isolated schools and certain school districts with a low student density. As stipulated in Ark. Code Ann. § 6-20-604, school districts containing isolated school areas have to meet certain eligibility requirements, including involvement in a consolidation or annexation, low student density ratios and certain average daily membership levels. Pursuant to Ark. Code Ann. § 6-20-604(h), any funds appropriated for isolated funding and/or special needs isolated funding that remain after the initial distributions, are equally divided and distributed among school districts that receive isolated special needs funding other than small school funding to be used for transportation costs of isolated school areas.

State Foundation Funding (2HP) State Foundation Funding is the amount of state financial aid provided to each school district. Act 59 of the Second Extraordinary Session of 2003 changed the process by which aid is distributed to school districts. Act 1309 of 2013 amended A.C.A. §6-20-2305(a) to establish the Foundation Funding amount as \$6,584 in FY16 and \$6,646 in FY17 multiplied by the school district's average daily membership (ADM) for the previous school year. The amount paid as State Foundation Funding is computed as the difference between the Foundation Funding amount established by the General Assembly (\$6,646 for FY17) times the ADM of the previous school year and less the sum of 98% of the uniform rate of tax (25 mills) times the property assessment of the school district plus calculated calendar year miscellaneous funds of the school district. The funding for charter schools used the same amount of per student foundation funding but used ADM of the prior or current school year as required by law. In the 2015-2016 school year, a total of \$1,927,137,664 was distributed as state foundation funding to school districts, and \$78,423,999 in state foundation funding was distributed to open-enrollment charter schools. ADM is the total number of days of school attended plus the total number of days absent by students in grades K through 12 during the first 3 quarters of each school year divided by the number of school days actually taught in the school district during that period of time rounded up to the nearest hundredth. Change level requests are due to projected increases in statewide school district ADM and charter school ADM, based on 3-year average annual growth rates of .24% for school districts and 16.17% for charter schools, as well as a projection of 1% annual growth in property assessments.

Student Growth Funding (332) Student Growth Funding is a program that provides supplemental funding to school districts that have a growth in students over the previous school year. Pursuant to Act 272 of 2007(A.C.A. §6-20-2305(c)(2)(A)), student growth funding is comprised of four calculations. One quarter (1/4) of the per student foundation funding is multiplied by any increase in the school district's: (1) first quarter current year Average Daily Membership (ADM) over the 3-quarter ADM of the previous school year; (2) second quarter current year ADM over the 3-quarter ADM of the previous school year; (3) third quarter current year ADM over the 3-quarter ADM of the previous school year; and (4) fourth quarter current year ADM over the 3-quarter ADM of the previous school year, excluding any increase resulting solely from consolidation or annexation with another district. Change level is the same as in the previous biennial request and is for unfunded appropriation.

Supplemental Millage Incentive Funding (2HU) Act 2206 of 2005 repealed A.C.A. § 6-20-2406 for supplemental millage funding, however A.C.A. § 6-20-2503 (f)(2)(A) requires state financial assistance under this program to be paid out over a ten year period by reducing the amount received by a school district after Fiscal Year 2006 by one-tenth in each year of the ten year period with the savings distributed through the Education Facilities Partnership Fund (EFP). Statute was changed so that, beginning in FY15, savings began to be distributed to the Employee Benefits Division. FY15 was the final year that supplemental millage incentive funding was disbursed to school districts. 100% of this line item is now transferred to the Employee Benefits Division for public school employee health insurance.

Surplus Commodities (450) The Department of Human Services administers the Surplus Commodities Program. School districts currently receive a large share of the commodities. Under an agreement with DHS, the Department of Education provides funding to supplement transportation costs resulting from delivery of the goods to the school districts. This program combined with the School Food Services program provides the State match for the total school food program in local schools. This funding contributes to the calculation of Maintenance of Effort that helps maintain federal funding levels Child Nutrition programs. The change level request is to restore appropriation (unfunded) based on FY17 amounts that were budgeted subsequent to the biennial budget request process (\$345,065 each year, paid with fund balances in FY16 and FY17).

Teacher Licensure/Mentoring (699) This program covers the Arkansas Induction program for new teachers and administrators. The Induction program provides mentoring for support, retention, and professional growth of new educators. Under the system, first-year teachers and administrators are paired with trained mentors, who help them through their first one to three years, traditionally the most difficult years. Districts receive funding for each mentor who mentors a new teacher or new administrator participating in the program. Funds are also distributed to school districts, institutions of higher education and education service cooperatives to provide training to mentors. The mentoring program has been updated to align with the state's new teacher and administrator evaluation systems. Online mentoring modules have been developed by educators to support the content delivery. Funds are used to pay for the development of modules and the content delivery platform. This program funds the Teach for America program, a superintendent/principal evaluation program, grants for the Teacher Excellence and Support System (TESS), and Teacher Cadets for high school students with an interest in the teaching profession. The change level request is to restore appropriation (unfunded) based on FY17 amounts that were budgeted subsequent to the biennial budget request process (\$57,000 each year, paid with fund balances in FY16 and FY17); and to allow for potential implementation of new federal regulations for evaluating educator preparation programs in the state (\$1 million per year, unfunded appropriation). The proposed new regulations would: build on innovative state systems and progress in the field to encourage all states to develop their own meaningful systems to identify high- and low-performing teacher preparation programs across all kinds of programs, not just those based in colleges and universities; ask states to move away from current input-focused reporting requirements, streamline the current data requirements, incorporate more meaningful outcomes measures and improve the availability of relevant information on teacher preparation; reward only those programs determined to be effective or better by states with eligibility for TEACH grants, which are available to students who are planning to become teachers in a high-need field and in a low-income school, to ensure that these limited federal dollars support high-quality teacher education and preparation; and offer transparency into the performance of teacher preparation programs, creating a feedback loop among programs and prospective teachers, employers, and the public, and empower programs with information to facilitate continuous improvement.

Teacher of the Year (4HM) Act 17 of the 1st Extraordinary Session of 2006 established a grant for the Arkansas Teacher of the Year award. The Act requires the Department of Education to develop a process for selecting the Arkansas Teacher of the Year and provides that the teacher shall be placed on administrative leave for the year following his or her selection to assist with improving teaching conditions in the state. During the school year in which the school district's teacher of the year is on paid administrative leave, the Department of Education reimburses the school district for the salaries and benefits of the State Teacher of the Year, as provided in Ark. Code Ann. § 6-17-2505. During this time, the State Teacher of the Year serves in an advisory position as a non-voting member on the Arkansas State Board of Education. |

Teacher Recruitment High-Priority District (2JC) As authorized by Ark. Code Ann. § 6-17-811, these grants provide teacher bonuses as incentives for recruitment and retention in high-priority districts. A high-priority district is one having at least 80% free or reduced lunches and 1,000 or fewer students. "Teachers" are defined as those working directly with students 70% of their time in a classroom setting, including guidance counselors and librarians. For all newly signed teachers to high-priority districts, a one-time signing bonus of \$5,000 is paid at the completion of a full year of teaching and a \$4,000 retention bonus is paid at the end of each of the next two subsequent years if the teacher continued teaching in the same high-priority district. A newly signed teacher is also eligible for a \$3,000 retention bonus, which is paid at the end of the fourth and each subsequent year, if the teacher continues teaching in the same high-priority district or another high-priority district. For all teachers not newly signed to work in the district, a \$3,000 retention bonus is paid at the end of each year if the teacher continues to work in a high-priority district.

Teacher Retirement Matching (437) Per section 17 of Act 229 of 2016, this is the employer matching for employees of the Education Service Cooperatives, Vocational Centers, Arkansas Easter Seals and the school operated by the Department of Correction. The matching rate is currently 14.5% of salaries for all employees. The change level request is to restore appropriation (unfunded) based on FY17 amounts that were budgeted subsequent to the biennial budget request process plus estimated growth of 4% per year based on projections of salary increases and increased employee participation by Arkansas Teacher Retirement System.

Technology Grants (119) The Technology Grants appropriation is used to provide technology grants to school districts for such programs as the Environmental and Spatial Technology (EAST) Initiative and Explor-Net. The EAST program has received high praise from local school administrators and parents, as well as national recognition. The EAST Initiative began in the 1996-97 school year at Greenbrier High School with 20 students. Today, the program has grown to over 10,000 students. Through their schools' EAST labs, students use technology and their training and knowledge to solve real-world problems facing their communities. A National Training Center was established in Little Rock for training facilitators from other states, in addition to Arkansas teachers and students. This line item funds \$3,042,000 for the East initiative, and supports the TICAL initiative infusing technology resources for educators throughout the state in the amount of \$337,900. An allocation of \$77,740 is used to develop and test software to support the ADE's Entity Resolution Engine and related applications via University of Little Rock Graduate Students. The scope of the work includes analysis of educational record entities without using Personable Identifiable Information and devising new enhanced methods of matching.

Technology Improvements (108) These improvements are used to update the technology hardware and software available to Educational Service Cooperatives and local school districts. The funds are also used to make educational technology resources available through statewide projects, such as the Student GPS Dashboards and ADE Data Center applications. The technology improvement grants and resources provided through this appropriation affect virtually every district in the state and support the State Technology Directors Association (SETDA).

Workers' Compensation (452) Claims are paid by a fund transfer to the Worker's Compensation Revolving Fund and are determined by the previous year's claim amounts (A.C.A 6-17-1403(C)). The administrative expenses are paid by a fund transfer to the Miscellaneous Agencies Fund Account and are based on the previous quarter expenses (A.C.A. 11-9-307(C)).

Youth Shelters (094) The Department of Human Services (DHS) maintains contracts with community providers for the operation of 10 youth shelters with approximately 250 beds. This program partially reimburses school districts for the additional costs of providing educational services to students placed in these facilities by DHS. For the 2015-2016 school year, funds were distributed to applicable school districts with youth shelters using a calculation of the appropriated amount divided by the number of available beds in designated youth shelters. This funding contributes to the calculation of Maintenance of Effort that helps maintain federal funding levels for special education students.

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

None

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				
N/A	N/A	N	N	0	N/A	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
057 Smart Start/Smart Step	11,616,300	0	10,666,303	0	11,506,303	0	10,666,303	0	10,666,303	0	10,666,303	0	10,666,303	0	10,666,303	0	10,666,303	0
082 English Language Learners	12,849,045	0	14,570,430	0	14,570,430	0	14,570,430	0	15,407,669	0	15,715,105	0	14,570,430	0	16,046,507	0	16,353,943	0
088 At Risk	1,218,086	0	1,688,530	0	1,988,530	0	1,688,530	0	1,688,530	0	1,688,530	0	1,688,530	0	1,688,530	0	1,688,530	0
091 Special Ed-Catastrophic	11,000,000	0	11,000,000	0	11,000,000	0	11,000,000	0	11,000,000	0	13,000,000	0	11,000,000	0	11,000,000	0	13,020,000	0
094 Youth Shelters	165,000	0	165,000	0	165,000	0	165,000	0	165,000	0	165,000	0	165,000	0	165,000	0	165,000	0
108 Tech Improvements	489,197	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
119 Tech Grants	3,602,640	0	3,602,678	0	3,602,678	0	3,602,678	0	3,602,678	0	3,602,678	0	3,602,678	0	3,602,678	0	3,602,678	0
136 Distressed School District Support	2,291	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0
1PS Non-Traditional Licensure	10,500	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0
1QV Content & Curriculum	49,477	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0
1XE Economic Education	400,000	0	350,000	0	400,000	0	350,000	0	400,000	0	400,000	0	350,000	0	400,000	0	400,000	0
2HP State Foundation Funding	2,003,399,330	0	2,049,244,838	0	2,053,194,376	0	2,049,244,838	0	2,053,747,008	0	2,085,908,817	0	2,049,244,838	0	2,067,721,131	0	2,133,039,396	0
2HR National School Lunch	216,004,020	0	217,821,143	0	235,503,568	0	217,821,143	0	223,783,349	0	223,783,349	0	217,821,143	0	226,465,557	0	226,465,557	0
2HS Prof Development Fund	15,822,239	0	16,293,119	0	16,293,119	0	16,293,119	0	16,293,119	0	20,617,836	0	16,293,119	0	16,293,119	0	25,143,702	0
2HU Supplemental Millage	10,000,000	0	10,000,000	0	10,000,000	0	10,000,000	0	10,000,000	0	10,000,000	0	10,000,000	0	10,000,000	0	10,000,000	0
2HX Distance Learning Operations	7,574,995	0	7,575,000	0	7,575,000	0	7,575,000	0	7,575,000	0	7,575,000	0	7,575,000	0	7,575,000	0	7,575,000	0
2HY Education Renewal Zones	1,216,822	3	1,432,872	5	1,461,385	5	1,432,872	5	1,337,237	4	1,337,237	4	1,432,872	5	1,337,237	4	1,337,237	4
2JA Content Standards	152,762	0	161,000	0	161,000	0	161,000	0	161,000	0	161,000	0	161,000	0	161,000	0	161,000	0
2JC Teacher Recruitment	2,099,996	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0
2ZH School Funding Contingency	0	0	0	0	25,000,000	0	0	0	25,000,000	0	25,000,000	0	0	0	25,000,000	0	25,000,000	0
2ZK Leadership Acdmy-Mstr Principal	500,000	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
2ZM Master Principal Bonus	175,000	0	90,000	0	208,000	0	90,000	0	208,000	0	208,000	0	90,000	0	208,000	0	208,000	0
2ZS Special Needs Isolated Funding	8,480,200	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0
311 Alternative Learning	24,523,513	0	25,940,361	0	25,940,361	0	25,940,361	0	25,940,361	0	26,394,317	0	25,940,361	0	25,940,361	0	26,394,317	0
326 General Facilities Funding	8,100,000	0	8,100,000	0	8,100,000	0	8,100,000	0	8,100,000	0	8,100,000	0	8,100,000	0	8,100,000	0	8,100,000	0
331 Isolated Funding	2,415,798	0	7,896,000	0	7,896,000	0	7,896,000	0	7,896,000	0	7,896,000	0	7,896,000	0	7,896,000	0	7,896,000	0
332 Student Growth	23,368,013	0	28,500,000	0	37,690,144	0	28,500,000	0	37,690,144	0	37,690,144	0	28,500,000	0	37,690,144	0	37,690,144	0
336 Bonded Debt Assistance	14,008,126	0	28,455,384	0	28,455,384	0	28,455,384	0	28,455,384	0	28,455,384	0	28,455,384	0	28,455,384	0	28,455,384	0
34N 98% URT Actual Collection Adj	19,596,517	0	34,500,000	0	34,500,000	0	34,500,000	0	34,500,000	0	34,500,000	0	34,500,000	0	34,500,000	0	34,500,000	0
380 Dept of Correction	6,454,524	0	5,597,675	0	6,645,135	0	5,597,675	0	6,543,752	0	6,543,752	0	5,597,675	0	6,734,451	0	6,734,451	0
394 Residential Ctrs/Juv Detention	16,345,060	0	15,188,254	0	16,345,087	0	15,188,254	0	16,345,087	0	16,345,087	0	15,188,254	0	16,345,087	0	16,345,087	0
421 Consolidation Incentive	5,840,794	0	0	0	5,868,900	0	0	0	5,981,400	0	5,981,400	0	0	0	5,981,400	0	5,981,400	0
434 Coop Education Tech Centers	1,131,211	0	0	0	1,200,000	0	0	0	1,200,000	0	1,200,000	0	0	0	1,200,000	0	1,200,000	0

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
437 Teacher Retirement Matching	8,904,625	0	6,655,000	0	11,803,550	0	6,655,000	0	10,124,858	0	10,124,858	0	6,655,000	0	10,529,852	0	10,529,852	0
438 Ntl Bd Prof Teaching Standards	12,787,612	0	10,438,332	0	13,928,542	0	10,438,332	0	15,322,100	0	15,322,100	0	10,438,332	0	16,532,100	0	16,532,100	0
440 Advanced Placement Incentive	824,401	0	825,000	0	825,000	0	825,000	0	825,000	0	825,000	0	825,000	0	825,000	0	825,000	0
444 Criminal Background Checks	1,246	0	25,000	0	25,000	0	25,000	0	25,000	0	25,000	0	25,000	0	25,000	0	25,000	0
445 AR Easter Seals	193,113	0	193,113	0	193,113	0	193,113	0	193,113	0	193,113	0	193,113	0	193,113	0	193,113	0
446 Public School Employee Ins	56,456,458	0	57,373,600	0	57,373,600	0	57,373,600	0	57,373,600	0	57,373,600	0	57,373,600	0	57,373,600	0	57,373,600	0
447 School Food Services	1,650,000	0	0	0	1,650,000	0	0	0	1,650,000	0	1,650,000	0	0	0	1,650,000	0	1,650,000	0
450 Surplus Commodities	843,799	0	780,000	0	1,125,065	0	780,000	0	1,125,065	0	1,125,065	0	780,000	0	1,125,065	0	1,125,065	0
451 Grants to School Districts	67,856	0	67,856	0	67,856	0	67,856	0	67,856	0	67,856	0	67,856	0	67,856	0	67,856	0
452 Workers' Compensation	160,777	0	450,000	0	450,000	0	450,000	0	450,000	0	450,000	0	450,000	0	450,000	0	450,000	0
454 School Food-Legislative Audit	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0
457 Gifted & Talented	1,329,338	0	1,085,381	0	1,335,381	0	1,085,381	0	1,335,381	0	1,335,381	0	1,085,381	0	1,335,381	0	1,335,381	0
458 School Worker Defense	70,100	0	0	0	390,000	0	0	0	390,000	0	390,000	0	0	0	390,000	0	390,000	0
459 Assessment/End Course Testing	8,216,355	0	22,250,189	0	23,350,681	0	22,250,189	0	22,250,189	0	22,250,189	0	22,250,189	0	22,250,189	0	22,250,189	0
460 Court Ordered Desegregation	65,794,267	0	65,794,267	0	65,794,267	0	65,794,267	0	65,794,267	0	65,794,267	0	65,794,267	0	0	0	0	0
4HM Teacher of the Year	78,813	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0
4HN Declining Enrollment	14,093,888	0	13,963,389	0	13,963,389	0	13,963,389	0	13,963,389	0	13,963,389	0	13,963,389	0	13,963,389	0	13,963,389	0
565 Intervention Block Grants	302,000	0	227,000	0	302,000	0	227,000	0	302,000	0	302,000	0	227,000	0	302,000	0	302,000	0
566 Serious Offender	1,716,859	0	1,050,946	0	1,716,859	0	1,050,946	0	1,716,859	0	1,716,859	0	1,050,946	0	1,716,859	0	1,716,859	0
59V Coord School Health	2,000,000	0	2,000,000	0	2,000,000	0	2,000,000	0	2,000,000	0	2,000,000	0	2,000,000	0	2,000,000	0	2,000,000	0
59W School Facility Joint Use	500,000	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
59X Add Public School Employee Ins	15,000,000	0	15,000,000	0	15,000,000	0	15,000,000	0	15,000,000	0	15,000,000	0	15,000,000	0	15,000,000	0	15,000,000	0
652 Better Chance Program	112,172,433	0	111,000,000	0	111,000,000	0	111,000,000	0	111,000,000	0	114,000,000	0	111,000,000	0	111,000,000	0	114,000,000	0
668 Special Education Services	2,797,532	0	1,145,285	0	2,802,527	0	1,145,285	0	2,802,527	0	2,802,527	0	1,145,285	0	2,802,527	0	2,802,527	0
669 Human Dev Ctr Education Aid	526,150	0	526,150	0	526,150	0	526,150	0	526,150	0	526,150	0	526,150	0	526,150	0	526,150	0
670 Education Service Cooperatives	6,129,270	0	6,129,270	0	6,129,270	0	6,129,270	0	6,129,270	0	6,129,270	0	6,129,270	0	6,129,270	0	6,129,270	0
688 APSCN	18,893,594	46	22,791,533	51	23,170,491	51	22,793,608	51	22,793,608	51	22,793,608	51	22,793,729	51	22,793,729	51	22,793,729	51
697 Early Childhood Special Educ	16,897,920	0	15,623,079	0	16,897,920	0	15,623,079	0	16,897,920	0	16,897,920	0	15,623,079	0	16,897,920	0	16,897,920	0
698 Distance Learning	4,753,910	0	4,760,000	0	4,760,000	0	4,760,000	0	4,760,000	0	4,760,000	0	4,760,000	0	4,760,000	0	4,760,000	0
699 Teacher Licensing/Mentoring	4,272,349	0	5,008,758	0	5,065,758	0	5,008,758	0	6,065,758	0	6,065,758	0	5,008,758	0	6,065,758	0	6,065,758	0
F81 School Recognition	6,994,999	0	7,000,000	0	10,000,000	0	7,000,000	0	7,000,000	0	7,000,000	0	7,000,000	0	7,000,000	0	7,000,000	0
M74 Broadband Facilities Matching Grant Prog	0	0	1,018,835	0	5,000,000	0	1,018,835	0	1,018,835	0	1,018,835	0	1,018,835	0	1,018,835	0	1,018,835	0
N55 Enhanced Transportation Funding	0	0	0	0	3,000,000	0	0	0	0	0	3,000,000	0	0	0	0	0	3,000,000	0

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
N68 OE Charter Fac Funding Aid Prg	4,583,328	0	0	0	15,000,000	0	0	0	5,000,000	0	5,000,000	0	0	0	5,000,000	0	5,000,000	0
V30 Computer Science Initiative	0	0	0	0	0	0	0	0	0	0	2,500,000	0	0	0	0	0	2,500,000	0
V33 NSL Matching Grant Program	0	0	0	0	0	0	0	0	0	0	4,300,000	0	0	0	0	0	4,300,000	0
NOT REQUESTED FOR THE BIENNIUM																		
F82 Inter Baccalaureate Prgm	0	0	0	0	75,000	0	0	0	0	0	0	0	0	0	0	0	0	0
U59 Positive Youth Development	0	0	0	0	5,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0
U60 AR Imagination Library	0	0	0	0	500,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	2,797,699,448	49	2,878,945,570	56	2,992,416,819	56	2,878,947,645	56	2,954,514,766	55	3,006,562,684	55	2,878,947,766	56	2,907,821,482	55	2,997,571,722	55

Funding Sources		%		%		%		%		%		%		%		%		%	
Fund Balance	4000005	58,300,953	2.0	85,641,117	2.9	84,622,282	2.9	84,622,282	2.8	84,622,282	2.8	83,603,447	2.8	49,126,074	1.7	42,326,629	1.4		
Court Ordered Desegregation	4000180	65,794,267	2.3	65,794,267	2.2	65,794,267	2.2	65,794,267	2.2	65,794,267	2.2	65,794,267	2.2	0	0.0	0	0.0		
DOE Public School Fund	4000195	2,127,803,780	73.8	2,151,529,810	72.6	2,151,531,885	72.6	2,167,621,633	72.2	2,154,436,250	70.7	2,151,532,006	72.6	2,186,126,923	74.8	2,207,322,816	73.7		
E-Rate Credit	4000207	880,639	0.0	1,000,000	0.0	1,000,000	0.0	1,000,000	0.0	1,000,000	0.0	1,000,000	0.0	1,000,000	0.0	1,000,000	0.0		
Educational Adequacy Fund	4000210	434,031,542	15.1	450,031,542	15.2	450,031,542	15.2	450,031,542	15.0	505,965,398	16.6	450,031,542	15.2	450,031,542	15.4	505,965,398	16.9		
Educational Excellence Fund	4000220	202,031,412	7.0	211,956,116	7.2	211,956,116	7.2	211,956,116	7.1	211,956,116	7.0	211,956,116	7.2	211,956,116	7.3	211,956,116	7.1		
General Improvement Fund	4000265	0	0.0	0	0.0	0	0.0	0	0.0	2,500,000	0.1	0	0.0	0	0.0	2,500,000	0.1		
Miscellaneous Adjustments	4000345	(3,491,575)	(0.1)	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0		
Other	4000370	0	0.0	30,000	0.0	30,000	0.0	30,000	0.0	30,000	0.0	30,000	0.0	30,000	0.0	30,000	0.0		
TANF Transfer	4000478	7,500,000	0.3	7,500,000	0.3	7,500,000	0.3	7,500,000	0.2	7,500,000	0.2	7,500,000	0.3	7,500,000	0.3	7,500,000	0.3		
Trnfr frm DOE Pub School Fund	4000525	(10,946,899)	(0.4)	(11,115,000)	(0.4)	(11,115,000)	(0.4)	(11,115,000)	(0.4)	(11,115,000)	(0.4)	(11,115,000)	(0.4)	(11,115,000)	(0.4)	(11,115,000)	(0.4)		
Transit Tax	4000700	1,436,446	0.0	1,200,000	0.0	1,200,000	0.0	1,200,000	0.0	1,200,000	0.0	1,200,000	0.0	1,200,000	0.0	1,200,000	0.0		
Unfunded Appropriation	4000715	0	0.0	0	0.0	0	0.0	25,000,000	0.8	25,000,000	0.8	0	0.0	25,000,000	0.9	25,000,000	0.8		
Total Funds		2,883,340,565	100.0	2,963,567,852	100.0			2,962,551,092	100.0	3,003,640,840	100.0	3,048,889,313	100.0	2,961,532,378	100.0	2,920,855,655	100.0	2,993,685,959	100.0
Excess Appropriation/(Funding)		(85,641,117)		(84,622,282)				(83,603,447)		(49,126,074)		(42,326,629)		(82,584,612)		(13,034,173)		3,885,763	
Grand Total		2,797,699,448		2,878,945,570				2,878,947,645		2,954,514,766		3,006,562,684		2,878,947,766		2,907,821,482		2,997,571,722	

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	
53	44	9	53	0	16.98 %	56	42	14	56	0	25.00 %	56	38	18	56	0	32.14 %

Analysis of Budget Request

Appropriation: 2HY - Education Renewal Zones

Funding Sources: JAA - Department of Education Public School Fund

The Division of Education Renewal Zones (ERZ) was created by Act 106 of the Second Extraordinary Session of 2003 (A.C.A. § 6-15-2501 et seq. An education renewal zone is established by an interlocal agreement between any public school, education service cooperative, or institution of higher learning through which they collaborate to improve public school performance and academic achievement. The purpose of an education renewal zone includes but is not limited to, identifying and implementing education and management strategies designed specifically to improve public school performance and student academic achievement, particularly the State's most academically distressed public schools and; provide for collaboration among the State's smaller schools and districts in order to achieve some of the advantages of economies of scale in providing educational and related activities.

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 \$1,432,872 for each year of the 2017-2019 Biennium.

The Agency Request is for a Change Level reduction of \$95,635 for each year as follows:

- Salaries and Personal Services Matching reduction of \$95,635 to transfer the ADE OERZ Director position to the General Division Fed Elementary & Secondary Education (650) to provide administrative and oversight duties for federal programs. The position is no longer needed within the ERZ program.
- Professional Fees reduction of \$306,900 through a reallocation of resources to Grants and Aid to increase the support for the ERZ program at the university level and reduce the state-level budget.
- Grants and Aid increase of \$306,900 through a reallocation of resources from Professional Fees to increase the support for the ERZ program at the university level and decrease the state-level budget.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2HY - Education Renewal Zones
Funding Sources: JAA - Department of Education Public School 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	135,593	228,353	252,247	228,353	154,077	154,077	228,353	154,077	154,077
#Positions	3	5	5	5	4	4	5	4	4
Personal Services Matching 5010003	54,655	75,369	79,988	75,369	54,010	54,010	75,369	54,010	54,010
Operating Expenses 5020002	23,306	91,800	91,800	91,800	91,800	91,800	91,800	91,800	91,800
Conference & Travel Expenses 5050009	2,718	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000
Professional Fees 5060010	16,550	306,900	306,900	306,900	0	0	306,900	0	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Grants and Aid 5100004	984,000	717,450	717,450	717,450	1,024,350	1,024,350	717,450	1,024,350	1,024,350
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	1,216,822	1,432,872	1,461,385	1,432,872	1,337,237	1,337,237	1,432,872	1,337,237	1,337,237
Funding Sources									
DOE Public School Fund 4000195	1,216,822	1,432,872		1,432,872	1,337,237	1,337,237	1,432,872	1,337,237	1,337,237
Total Funding	1,216,822	1,432,872		1,432,872	1,337,237	1,337,237	1,432,872	1,337,237	1,337,237
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	1,216,822	1,432,872		1,432,872	1,337,237	1,337,237	1,432,872	1,337,237	1,337,237

Change Level by Appropriation

Appropriation: 2HY - Education Renewal Zones
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	1,432,872	5	1,432,872	100.0	1,432,872	5	1,432,872	100.0
C04	Reallocation	0	0	1,432,872	100.0	0	0	1,432,872	100.0
C07	Agency Transfer	(95,635)	(1)	1,337,237	93.3	(95,635)	(1)	1,337,237	93.3

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	1,432,872	5	1,432,872	100.0	1,432,872	5	1,432,872	100.0
C04	Reallocation	0	0	1,432,872	100.0	0	0	1,432,872	100.0
C07	Agency Transfer	(95,635)	(1)	1,337,237	93.3	(95,635)	(1)	1,337,237	93.3

Justification

C04	The Office of Educational Renewal Zones is responsible for developing guidelines for the approval of education renewal zone strategic plans and guidelines for the evaluation and reporting of education renewal zone activities. The purpose of an education renewal zone is to: identify and implement education and management strategies designed specifically to improve public school performance and student academic achievement, with special focus on the State's most academically distressed public schools; provide for collaboration among the State's smaller schools and districts in order to achieve some of the advantages of economies of scale in providing educational and related activities; maximize benefits and outcomes of public schooling by concentrating and coordinating the resources of Arkansas' higher education institutions, the expertise of the regional education service cooperatives, and the technical assistance of other service providers to improve public school performance and student academic achievement; and enable small, rural, and low-wealth schools to make the best use of the latest cost-effective distance learning technology to enhance curricula and professional development through two-way interactive learning environments. Six ERZs receive annual funding of \$170,725 each, and remaining funds are used to support five ADE positions that serve the ERZ program. The program has requested a reallocation of \$306,900 from the Professional Fees line item to the Grants & Aid line item to increase the support for the ERZ program at the university level by reducing the state-level budget. This request is cost neutral to the program.
C07	ADE requests that a position be transferred out as it is no longer needed within the ERZ program. Position 2212-9080 is needed in the agency's General Division.

Analysis of Budget Request

Appropriation: 688 - APSCN

Funding Sources: JAA - Department of Education Public School Fund

Arkansas Public School Computer Network (APSCN), began as a nonprofit agency in 1992, became a part of the Department of Education in 1998. APSCN's mission is to implement a statewide data communication network that connects all Arkansas public school systems and Education Service Cooperatives with the Department of Education to provide electronic access to administrative computing services and remote instructional services. Schools, district offices and Cooperatives use APSCN to process financial and student data.

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 \$22,793,608 for FY18 and \$22,793,729 for FY19.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 688 - APSCN

Funding Sources: JAA - Department of Education Public School 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	2,135,950	2,444,375	2,596,187	2,446,075	2,446,075	2,446,075	2,446,175	2,446,175	2,446,175
#Positions		46	51	51	51	51	51	51	51	51
Personal Services Matching	5010003	721,076	794,069	821,215	794,444	794,444	794,444	794,465	794,465	794,465
Operating Expenses	5020002	15,932,880	19,245,839	19,245,839	19,245,839	19,245,839	19,245,839	19,245,839	19,245,839	19,245,839
Conference & Travel Expenses	5050009	6,894	7,250	7,250	7,250	7,250	7,250	7,250	7,250	7,250
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	17,271	0	200,000	0	0	0	0	0	0
Data Access Implementation	5900046	79,523	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Total		18,893,594	22,791,533	23,170,491	22,793,608	22,793,608	22,793,608	22,793,729	22,793,729	22,793,729
Funding Sources										
DOE Public School Fund	4000195	18,012,955	21,761,533		21,763,608	21,763,608	21,763,608	21,763,729	21,763,729	21,763,729
E-Rate Credit	4000207	880,639	1,000,000		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Other	4000370	0	30,000		30,000	30,000	30,000	30,000	30,000	30,000
Total Funding		18,893,594	22,791,533		22,793,608	22,793,608	22,793,608	22,793,729	22,793,729	22,793,729
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		18,893,594	22,791,533		22,793,608	22,793,608	22,793,608	22,793,729	22,793,729	22,793,729

Other revenue is derived from A.C.A. § 26-57-407(b) disposition of revenue collected under Coin-Operated Amusements § 26-57-401 et seq.

Analysis of Budget Request

Appropriation: PSF - Public School Fund

Funding Sources: JAA - Department of Education Public School Fund

The Department of Education Public School Fund provides the primary State financial assistance to Arkansas' public elementary and secondary schools. For FY17 the major projected funding sources are: General Revenue of approximately \$2.151 billion, the Educational Excellence Trust Fund \$210.5 million and the Educational Adequacy Fund \$450 million. The following summarizes the fiscal status and change level requests for each program in the Department of Education Public School Fund.

Smart Start/Smart Step Assessment (057) - This is a comprehensive initiative that focuses on improving the academic achievement of Kindergarten through fourth grade students in the areas of reading and mathematics. This program has been expanded to include Smart Step and Next Step which covers grades five through eight. A state network of literacy and mathematics specialists assist schools with professional development to maintain a highly qualified teaching staff. The program provides professional development opportunities and a variety of resources to all K-12 educators through statewide conferences, regional workshops and satellite delivered meetings.

The Agency Request is for Base Level of \$10,666,303 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

English Language Learners (082) - English Language Learners serves students identified as not being proficient in the English language. This program helps school districts to provide specially-trained staff, instructional materials and training for teachers of these qualified students. Summer training academies are offered to teachers desiring additional training in teaching and assisting these students. A.C.A. §6-20-2305(b)(3)(B) states that beginning with the 2016-2017 school year English language learners funding shall be \$331 for each identified English language learner.

The Base Level Request is \$14,570,430 for each year of the 2017-2019 Biennium.

The Agency requests a Change Level increase of \$837,239 for FY18 and \$1,476,077 for FY19 due to the projected number of students served of 42,923 in FY18 and 44,853 in FY19. The projected increase is based on a 3-year average annual growth rate of 4.5% plus the projected phase-in of Majority to Minority (M to M) students into school district ADM counts for the calculation of state aid. Summer ESL academies are budgeted at \$1.2 million per year and serve ~400 teachers serving ELL students.

The Executive Recommendation provides for the Agency Request, appropriation only, and additional appropriation and funding of \$307,436 for each year of the 2017-2019 Biennium.

At Risk (088) - The College and Career Readiness Planning Program (CCRPP) is funded from the At Risk appropriation. The program

provides summer intensive instruction for students in grades 8 and 10-12 who score below college and career readiness benchmarks in mathematics, English, or reading who wish to enroll in postsecondary education. They are provided 75 hours of instruction over a minimum of twenty days. At the conclusion of the program, students are given the opportunity to take the ACT at no cost.

The Agency Request is for Base Level of \$1,688,530 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Special Education - Catastrophic (091) - This provides for state funding to school districts for local occurrences when costs of special education and related services required by an individual child are unduly expensive, extraordinary, or beyond the routine and normal costs associated with special education. Reimbursement from this program for an individual child can be sought only after eligible costs equal or exceed \$30,000 for the special education child. Medicaid and other third party funding is obtained prior to requesting state catastrophic funding.

The Agency Request is for Base Level of \$11,000,000 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request and additional appropriation and funding of \$2,000,000 in FY18 and additional appropriation and funding of \$2,020,000 in FY19.

Youth Shelters (094) - The Department of Human Services (DHS) maintains contracts with community providers for operation of 10 youth shelters with approximately 250 beds. This program partially reimburses school districts for the additional costs of providing educational services to students placed in these facilities by DHS.

The Agency Request is for Base Level of \$165,000 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Technology Improvements (108) - This program is used to update the technology hardware and software available to Educational Service Cooperatives and local school districts. The funds are also used to make educational technology resources available through statewide projects such as APSCN and joint efforts with the state library system.

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.

Technology Grants (119) - This program provides technology grants to school districts for such programs as the Environmental and Spatial Technology (EAST) Initiative. The EAST program has received high praise from local school administrators and parents as well as

national recognition. Through the schools' EAST labs, students use technology, training, and knowledge to solve real-world problems facing their communities.

The Agency Request is for Base Level of \$3,602,678 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Distressed School District Support (136) - The Arkansas Academic Distress Program was legislated by Act 915 of 1995 to improve the capacity of local school districts whose students are not achieving at academically desired levels by school through targeted assistance coordinated by the Department of Education.

The Agency Request is for Base Level of \$50,000 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Non-Traditional Licensure Grants (1PS) - This program supplements the cash funded Alternative Certification program which was developed by the Department of Education for certifying individuals that have expertise and knowledge in a particular subject, but do not have the standard teaching certificate, to teach.

The Agency Request is for Base Level of \$50,000 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Content Standards and Curriculum Frameworks Revision (1QV) - This program provides appropriation for expenses associated with the development of a comprehensive plan to revise content standards and curriculum frameworks in the core academic areas of reading, writing, mathematics, science, history, geography, and civics.

The Agency Request is for Base Level of \$50,000 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Economic Education (1XE) - The objective of this program is to integrate economics into the K-12 curriculum by training teachers and administrators in economic principles. Funding is distributed to Economics Arkansas, a private, non-profit organization providing certified professional development for K-12 teachers. Over 1,500 educators are trained each year.

The Base Level Request is \$350,000 for each year of the 2017-2019 Biennium.

The Agency requests a Change Level of \$50,000 of unfunded appropriation to restore appropriation to the FY17 authorized amount budgeted

subsequent to the biennial budget process.

The Executive Recommendation provides for the Agency Request.

State Foundation Funding (2HP) - State Foundation Funding is the amount of state financial aid provided to each school district. Act 59 of the Second Extraordinary Session of 2003 changed the process by which aid is distributed. Act 1467 of 2013 amended A.C.A. § 6-20-2305(a) to establish the Foundation Funding amount as \$6,646 in FY17 multiplied by the school district's average daily membership (ADM) for the previous school year. ADM is the total number of days of school attended plus the total number of days absent by students K-12 during the first 3 quarters of each school year divided by the number of school days actually taught during that time period.

The amount paid as State Foundation Funding is computed as the difference between the Foundation Funding amount established by the General Assembly (\$6,521 for FY15) times the ADM of the previous school year and less the sum of 98% of the uniform rate of tax (25 mills) times the property assessment of the school district plus 100% of miscellaneous funds (average over a 5 year period) of the school district. Charter schools are also funded at the same amount of per student foundation funding but use ADM of the prior or current year as required by law.

The Base Level Request is \$2,049,244,838 for each year of the 2017-2019 Biennium.

The Agency requests a Change Level increase of \$4,502,170 for FY18 and \$18,476,293 for FY19 due to projected increases in statewide school district ADM and charter school ADM based on 3-year average annual school district growth rate of 0.24% and charter school growth rate of 16.17%, as well as a growth rate of 1% in property assessments.

The Executive Recommendation provides for the Agency Request, appropriation only, and additional appropriation of \$32,161,809 and funding of \$36,663,979 for FY18 and additional appropriation of \$65,318,265 and funding of \$83,794,558 for FY19.

National School Lunch Student Funding (2HR) - The National School Lunch program provides categorical funding for students from low socio-economic backgrounds as indicated by the prior year eligibility for free or reduced-price meals under the National School Lunch (NSL) Act. Funding for national school lunch students is based on the number of students eligible for free or reduced-price lunch program under the National School Lunch Act (NSLA) identified on the Arkansas Public School Computer Network Cycle Two Report.

The current rates for the NLSA as listed in A.C.A. § 6-20-2305(b)(4)(A), are:

- School districts in which 90% or greater of the enrolled students are national school lunch students, funding shall be \$1,576;
- For school districts in which at least 70% but less than 90% of the enrolled students are national school lunch students, funding shall be \$1,051; and
- For school districts in which less than 70% of the enrolled students are national school lunch students, funding shall be \$526.

The Base Level Request is \$217,821,143 for each year of the 2017-2019 Biennium.

The Agency requests a Change Level increase of \$5,962,206 for FY18 and \$8,644,414 for FY19 due to the projected growth in eligible students of 295,813 for FY18 and 299,359 for FY19. This is inclusive of projected transition and growth funds.

The Executive Recommendation provides for the Agency Request, appropriation only.

Professional Development Funding (2HS) - This aid, through A.C.A § 6-20-2305(b)(5), is a formula driven program that provides \$32.50 per the previous year ADM students to school districts for professional development activities. Professional development is used to provide activities and materials to improve the knowledge of teachers and administrators to ensure all students demonstrate proficiency in the state academic standards.

The Agency Request is for Base Level of \$16,293,119 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request and additional appropriation and Educational Adequacy funding of \$4,324,717 for FY18 and additional appropriation of \$8,850,583 and general revenue funding of \$4,525,866 and Educational Adequacy funding of \$4,324,717 for FY19.

Supplemental Millage Incentive Funding (2HU) - Act 1 of the First Extraordinary Session of 2013 allowed the savings of this program during each fiscal year be transferred to the Employee Benefits Division of the Department of Finance and Administration for the exclusive benefit of public school employee participants in the State and Public School Life and Health Insurance Program.

The Agency Request is for Base Level of \$10,000,000 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Distance Learning Operating Grants (2HX) - These grants provide funding for acquiring and or leasing equipment and telecommunications services, and operating expenses necessary for school districts to have two-way interactive television for distance learning education. This enables school districts to receive advanced high school courses, advanced placement courses, enriched course content, or other academic courses not otherwise available in the school district.

The Agency Request is for Base Level of \$7,575,000 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Content Standards Revision (2JA) - This appropriation is for the cost of the periodic review and revision of Academic Content Standards as required by A.C.A. §6-15-404(c). Academic Content Standards are documents that specify what a student enrolled in a public school

should know and be able to do. The Academic Content Standards also provide the foundation for the development of the State assessment system.

The Agency Request is for Base Level of \$161,000 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Teacher Recruitment High-Priority District (2JC) - A.C.A. §6-17-811 requires the Department of Education provide a system of incentives for teacher recruitment and retention in high-priority districts. A "high-priority district" is one that has 1,000 or fewer students in which 80% or more public school students are eligible for the free or reduced-price lunch program under the National School Lunch Act and have a three-quarter ADM of 1,000 or fewer for the 2003-2004 school year. Beginning in the 2004-2005 school year, a teacher licensed by the state board who teaches in a school in a high-priority district shall receive, in addition to all other salary and benefits, bonus payments as specified by law.

The Agency Request is for Base Level of \$2,100,000 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

School Funding Contingency (2ZH) - This unfunded appropriation is used to address unforeseen problems that arise during the course of a biennium. Special language allows the transfer of this appropriation to address problem areas.

The Agency requests a Change Level of \$25,000,000 of unfunded appropriation for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Leadership Academy - Master Principal (2ZK) - The Arkansas Leadership Academy is responsible for administration of the Master School Principal Program which provides training programs and opportunities to expand the knowledge base and leadership skills of public school principals, teachers, superintendents and other administrators, and school board members.

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.

Master Principal Bonus (2ZM) - This provides incentive bonuses for principals achieving Master Principal status through the Arkansas Leadership Academy; it allows for \$9,000 annually for five years while serving as a full-time principal in a public school in Arkansas; and provides for \$25,000 annually while working as a full time principal in an Arkansas "low-performing" school.

The Base Level Request is \$90,000 each year of the 2017-2019 Biennium.

The Agency requests a Change Level of \$118,000 of unfunded appropriation to restore appropriation to the FY17 authorized amount budgeted subsequent to the biennial budget process.

The Executive Recommendation provides for the Agency Request.

Special Needs Isolated (2ZS) - Act 1452 of 2005 created this program for certain isolated schools and certain school districts with a low student density. The program allows these schools that meet the eligibility criteria set by the Department to receive additional funding to provide for an adequate education for the students.

The Agency Request is for Base Level of \$3,000,000 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Alternative Learning (311) - A.C.A. §6-18-508 requires every school district to establish an alternative learning environment (ALE) for students who have shown an inability to function in a standard learning environment. It requires the Department establish an incentive program for districts whose ALE programs meet Department guidelines. ALE's must provide all educational programs available in other classrooms, and must provide services to meet the needs of this group of at-risk children. Additionally, A.C.A. §6-20-2305(b)(2)(A)(ii) establishes the ALE funding amount for FY2017 shall be \$4,560 multiplied by the number of identified ALE students enrolled during a school district's previous school year. In FY17 the program is anticipated to serve 5,513.28 FTEs, in FY18 5,546.64 FTEs, and in FY19 5,565.81 FTEs. The FTE increase is based upon a three (3) year average annual growth rate of 0.44% plus the projected phase-in of Majority to Minority (M to M) students into school district ADM counts for calculation of state aid in compliance with the January 2014 desegregation settlement agreement.

The Agency Request is for Base Level of \$25,940,361 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request and additional appropriation and Educational Adequacy funding \$453,956 for each year of the 2017-2019 Biennium.

General Facilities Funding (326) - Act 1 of the First Extraordinary Session of 2013 allowed the savings of this program during each fiscal year be transferred to the Employee Benefits Division of the Department of Finance and Administration for the exclusive benefit of public school employee participants in the State and Public School Life and Health Insurance Program.

The Agency Request is for Base Level of \$8,100,000 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Isolated Funding (331) - Due to location or geographic barriers, some districts are not able to share resources with other districts or may

have unusual transportation needs. These districts under 350 Average Daily Membership (ADM) are termed "isolated" and receive additional funding. Act 65 of the Second Extraordinary Session of 2003 established 56 "isolated" school districts and set a per student dollar amount to be paid to each district for the 2003-04 school year. Beginning in the 2004-05 school year, and each year thereafter, isolated funding will be provided to each district in an amount equal to the prior year three-quarter average daily membership of the isolated school area multiplied by the per student isolated funding amount set for the 2003-04 school year.

The Agency Request is for Base Level of \$7,896,000 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Student Growth Funding (332) - This program provides supplemental funding to school districts that have a growth in students over the previous school year. Pursuant to Act 272 of 2007, student growth funding is comprised of four calculations. One quarter (1/4) of the per student foundation funding is multiplied by any increase in the school district's: (1) first quarter current year Average Daily Membership (ADM) over the 3-quarter ADM of the previous school year; (2) second quarter current year ADM over the 3-quarter ADM of the previous school year; (3) third quarter current year ADM over the 3-quarter ADM of the previous school year; and (4) fourth quarter current year ADM over the 3-quarter ADM of the previous school year, excluding any increase resulting solely from consolidation or annexation with another district.

The Base Level Request is \$28,500,000 each year of the 2017-2019 Biennium.

The Agency requests a Change Level of \$9,10,144 of unfunded appropriation for each year based on the average number of students funded by student growth multiplied by the foundation amount.

The Executive Recommendation provides for the Agency Request.

Bonded Debt Assistance (336) - A.C.A. §6-20-2503 created the Bonded Debt Assistance Program to enable the Division of Public School Academic Facilities and Transportation to provide eligible school districts with financial assistance to retire outstanding bonded indebtedness in existence as of January 1, 2005. The Commission for Public School Academic Facilities and Transportation directs the Division to work with the Department of Education to determine the amount of financial assistance for each eligible school district. The Division is responsible for ascertaining the scheduled debt payment on a fiscal year basis from the principal and interest payment in effect and on file with the Department. The available funding after final payments have been made for this program are then transferred to the Education Partnership Fund.

The Agency Request is for Base Level of \$28,455,384 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

98% URT Actual Collection Adjustment (34N) - To insure every public school district receives the full amount of Foundation Funding,

the 86th General Assembly created Act 272 of 2007, amending A.C.A. §6-20-2305(a)(4)(A), which states by the end of each school year, for a school district whose net revenues are less than the sum of 98% of the uniform rate of tax (URT) multiplied by the property tax assessment of the school district, the Department of Education shall distribute to the school district the difference between the net revenues of the school district and the sum of 98% of the URT multiplied by the property assessment of the school district. A school district whose net revenues are more than the sum of 98% of the URT multiplied by the property assessment, ADE recoups from the school district the difference between the net revenues of the district and the sum of 98% of the URT multiplied by the property assessment. ADE can collect excess distributions by withholding funds from disbursements to the district the following year.

The Agency Request is for Base Level of \$34,500,000 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Department of Correction (380) - A.C.A. §12-29-301 et seq. established the Department of Correction School District and established a formula to determine the funding level and states that the cost of running the Department of Correction School District shall be borne by the Department of Correction and the Department of Education.

The Base Level Request is \$5,597,675 for each year of the 2017-2019 Biennium.

The Agency requests a Change Level of \$946,077 of unfunded appropriation for FY18 and \$1,136,776 of unfunded appropriation for FY19 to provide a 1.5% Cost of Living Adjustment for teachers for FY18; and a 1.5% Cost of Living Adjustment for teachers for FY19 and open two (2) new classrooms at the Pine Bluff unit.

The Executive Recommendation provides for the Agency Request.

Residential Centers/Juvenile Detention (394) - This program provides reimbursement to school districts for educational costs associated with disabled and non-disabled students ages 3-21 placed in approved residential psychiatric and drug and alcohol treatment facilities or juvenile detention centers. Community residential treatment facilities are reimbursed through local school districts. When reimbursement requests exceed the available funds, the reimbursements are prorated. Reimbursement is based on the foundation aid rate multiplied by the number of approved beds. This funding contributes to the calculation of Maintenance of Effort to maintain federal funding levels for special education students.

The Base Level Request is \$15,188,254 for each year of the 2017-2019 Biennium.

The Agency requests a Change Level of \$1,156,833 of unfunded appropriation for each year to restore appropriation to the FY17 amount that was budgeted subsequent to the biennial budget process.

The Executive Recommendation provides for the Agency Request.

Consolidation Incentive (421) - These additional funds are provided to schools created as a result of consolidation of existing school districts pursuant to A.C.A. § 6-11-105 and § 6-13-1401. One hundred percent (100%) of the incentive allowance is added to the school district's aid in the first year of consolidation/annexation. In the second year of consolidation/annexation, the district receives fifty percent (50%) of the consolidation/annexation incentive funding granted the previous year. These unrestricted funds may be used at the discretion of the local school district.

The Agency requests a Change Level of \$5,981,400 of unfunded appropriation for each year to restore appropriation for two new consolidations projected for each year, plus the continuation of two consolidations from the previous year. Consolidation Incentive Funds were budgeted subsequent to biennial budget process.

The Executive Recommendation provides for the Agency Request.

Cooperative Education Tech Centers (434) - Technology Coordinators in the Education Service Cooperatives assist local school districts by providing technology training, advising school districts in software/hardware purchases and overseeing technology laboratories. The maximum amount available to the State's fifteen (15) educational cooperatives is set by the State Board of Education. For the 2015-2016 school year the maximum amount was \$75,000.

The Agency requests a Change Level of \$1,200,000 of unfunded appropriation to restore appropriation based on FY17 amounts that were budgeted subsequent to the biennial budget process.

The Executive Recommendation provides for the Agency Request.

Teacher Retirement Matching (437) - This is the employer matching for employees of the Education Service Cooperatives, Vocational Centers, the Model Vocational-Technical Resource Center, Arkansas Easter Seals and the school operated by the Department of Correction as required by Act 229 of 2016 Section 17. The matching rate is currently 14.5% of salaries for all employees.

The Base Level Request is \$6,655,000 for each year of the 2017-2019 Biennium.

The Agency Request is for a Change Level of \$3,469,858 of unfunded appropriation for FY18 and \$3,874,852 of unfunded appropriation for FY19 to restore appropriation to the FY17 amounts that were budgeted subsequent to the biennial budget process; plus 4% estimated growth per year based on projected salary increases and increased employee participation by Arkansas Teacher Retirement System.

The Executive Recommendation provides for the Agency Request.

National Board of Professional Teaching Standards (438) - A.C.A. §6-17-413(a)(1)(A) requires teacher support in three distinct areas related to state support of advanced national teacher certification: bonuses to National Board Certified Teachers (NBCT), participation fees and substitute pay required for candidacy, and a support system for those candidates. The program encourages teachers to seek certification by competitively awarding the \$2,500 application fee and up to three (3) days of substitute teacher pay. An initial bonus of \$5,000 is

awarded during the school year in which the teacher first obtains certification, and a yearly bonus of \$5,000 is awarded to teachers in each of years two (2) through ten (10) of the ten year life of the certificate.

The Base Level Request is \$10,438,332 for each year of the 2017-2019 Biennium.

The Agency requests a Change Level of \$4,883,768 for FY18 and \$6,093,768 for FY19 for a projected 550 new teachers with 2,408 renewals in FY18 and 200 new teachers and 3,000 renewals in FY19. Candidate support and support center funding is projected to be \$532,100 for each year of the biennium.

The Executive Recommendation provides for the Agency Request for appropriation and funding of \$4,883,768 for FY18 and appropriation and funding of \$6,093,768 FY19.

Advanced Placement Incentive (440) - This is to establish advanced placement courses that are easily accessible and will prepare students for admission to, and success in, a postsecondary educational environment. The major aspect to this incentive program is for support for professional development of AP and Pre-AP teachers. Three types of support are provided: A/P summer training for teachers (\$667,000-\$687,000 per year); A/P equipment and material grants to school districts (\$98,000-\$130,000 per year); and Pre-A/P workshops for teachers (\$25,000-\$36,000 per year).

The Agency Request is for Base Level of \$825,000 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Criminal Background Checks (444) - This program covers the cost of both state and federal criminal background checks for the first renewal of non-expired licenses for certified personnel. The checks cost \$22 for the State Police check and \$15.75 for the FBI. The program also includes the Child Maltreatment Central Registry check of \$10.

The Agency Request is for Base Level of \$25,000 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Arkansas Easter Seals (445) - This program funds partially the cost of educational services provided by the Easter Seal Society to children ages 3 to 21 who have orthopedic and/or communicative disorders. This funding reduces the amount local school districts must pay for these educational services and contributes to the calculation of Maintenance of Effort that helps maintain federal funding levels for special education students.

The Agency Request is for Base Level of \$193,113 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Public School Employee Insurance (446) - This program pays the state contribution for insurance premiums for employees of the Education Service Cooperatives, Vocational Centers, the Model Vocational-Technical Resource Center, Arkansas Easter Seals, and the school operated by the Department of Correction, and \$151 per month for each eligible employee electing to participate in the public school employee health insurance program.

The Agency Request is for Base Level of \$57,373,600 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

School Food Services (447) - This program combined with the Surplus Commodities program provides the State match for the total school food program in local schools. Grants are awarded to school districts based on the number of lunches served. This funding contributes to the Maintenance of Effort calculation for federal funding levels of Child Nutrition programs.

The Agency Request is for \$1,650,000 of unfunded appropriation to restore appropriation to the FY17 amount that was budgeted subsequent to the biennial budget process.

The Executive Recommendation provides for the Agency Request.

Surplus Commodities (450) - The Department of Human Services (DHS) administers the Surplus Commodities Program. School districts currently receive a large share of the commodities. By agreement with DHS, the Department provides funding to supplement transportation costs resulting from delivery of the goods to the school districts. This funding contributes to the Maintenance of Effort calculation for federal funding levels of Child Nutrition programs.

The Base Level Request is \$780,000 for each year of the 2017-2019 Biennium.

The Agency requests a Change Level of \$345,065 of unfunded appropriation for each year to restore appropriation to the FY17 amount that was budgeted subsequent to the biennial budget process.

The Executive Recommendation provides for the Agency Request.

Grants to School Districts (451) - Grants are awarded for educating students in North Arkansas who cannot attend their assigned district because Bull Shoals Lake separates them from their district; which would require a round trip of more than 35 miles to attend their assigned school.

The Agency Request is for Base Level of \$67,856 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Workers' Compensation (452) - Claims and administrative expenses are paid by a fund transfer to the Miscellaneous Revolving Fund based on the previous year's claims. This appropriation is for claims made before 1994-95 when districts were required by Act 862 of 1993 to provide their own workers' compensation coverage.

The Agency Request is for Base Level of \$450,000 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

School Food - Legislative Audit (454) - This is a fund transfer of up to \$75,000 each year to compensate Legislative Audit for auditing school food funds in the local school districts.

The Agency Request is for Base Level of \$75,000 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Gifted and Talented (457) - This program provides: (1) salary support for 15 Gifted and Talented supervisors in the Cooperatives; (2) funding for the Arkansas Governor's School; (3) Outstanding Gifted Program Awards at \$3,000 per school district (3 annually); and, (4) an annual contribution to the AGATE (Arkansans for Gifted and Talented Education) Conference.

The Base Level Request is \$1,085,381 for each year of the 2017-2019 Biennium.

The Agency requests a Change Level of \$250,000 of unfunded appropriation for each year to restore appropriation to the FY17 amount that was budgeted subsequent to the biennial budget process.

The Executive Recommendation provides for the Agency Request.

School Worker Defense (458) - This program provides for claims and legal fees for liability suits against school personnel.

The Agency requests a Change Level of \$390,000 of unfunded appropriation for each year to restore appropriation to the FY17 amount that was budgeted subsequent to the biennial budget process.

The Executive Recommendation provides for the Agency Request.

Assessment/End of Level Testing (459) - A.C.A. §6-15-404 requires standards based testing for grades K-12. The ACT Aspire is administered at grades 3-10. Due to savings in the restructuring of student assessments and the utilization of the ACT Aspire system, base

level funding is sufficient to provide for the projected needs in the 2017-2019 biennium despite anticipated growth in the numbers of students being assessed. Advanced Placement exams are included in this appropriation and also awards of up to \$50 to schools for each score of 3 or better on AP exams.

The Agency Request is for Base Level of \$22,250,189 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Court Ordered Desegregation (460) - This appropriation was established for costs of the Pulaski County School Desegregation Settlement Agreement and the Camden Fairview Desegregation Settlement. The settlement agreement approved in January 2014 set the state's obligation to the school districts at \$65,794,267, for school year 2017-2018, the fourth (4th) and last year of the agreement.

The Agency Request is for Base Level of \$65,794,267 for FY18 and a Change Level decrease of \$65,794,267 for FY19 due to the ending of the settlement agreement in FY18.

The Executive Recommendation provides for the Agency Request.

Teacher of the Year (4HM) - The Arkansas Teacher of the Year award requires the Department of Education to develop a selection process for the award and provides that the teacher shall be placed on administrative leave for the year following his or her selection to assist with improving teaching conditions in the state.

The Agency Request is for Base Level of \$100,000 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Declining Enrollment (4HN) - School districts with declining enrollment are provided additional funding equal to the difference between the average of the two immediately preceding years' average daily membership and the average daily membership for the previous school year multiplied by Foundation Funding or the special needs isolated funding under A.C.A. § 6-20-604. A school district may receive both declining enrollment funding and special needs isolated funding only if sufficient funding is available.

The Agency Request is for Base Level of \$13,963,389 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Intervention Block Grants (565) - Grants are provided to local school districts, schools and education cooperatives to encourage parental involvement. The grants support the Smart Start and Smart Step Initiatives by providing the child's first teacher, the parent, with resources that will support literacy and mathematics achievement. These grants are used to encourage parental involvement through these competitions: Arkansas Governor's Quiz Bowl, State History Day Competition, Creativity in Arkansas, State Science Fair, and Arkansas Destination Imagination.

The Base Level Request is \$227,000 for each year of the 2017-2019 Biennium.

The Agency requests a Change Level of \$75,000 of unfunded appropriation for each year to restore appropriation to the FY17 amount that was budgeted subsequent to the biennial budget process and to meet the requirements of Act 229 of 2016 Section 29.

The Executive Recommendation provides for the Agency Request.

Serious Offender Program (566) - Serious Offender Units for juveniles are operated by the Department of Human Services, Division of Youth Services (DYS); but the Department of Education pays the educational costs of those students located in these units through a Memorandum of Understanding (MOU) with DHS. DYS is provided funds based on the average daily attendance of students in the facility. Currently there are Serious Offender Programs (SOP) located in Mansfield, Harrisburg, Lewisville, Dermott, Colt, and Alexander. This funding contributes to the Maintenance of Effort to maintain federal funding levels for special education students.

The Base Level Request is \$1,050,946 for each year of the 2017-2019 Biennium.

The Agency requests a Change Level of \$665,913 of unfunded appropriation for each year to restore appropriation to the FY17 amount budgeted subsequent to the biennial budget process.

The Executive Recommendation provides for the Agency Request.

Coordinated School Health (59V) - This facilitates relationships between schools and communities through collaborative partnerships to provide or improve existing student health services and garner existing local resources.

The Agency Request is for Base Level of \$2,000,000 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

School Facility Joint Use Support (59W) - This program encourages schools to allow use of their indoor and outdoor facilities, by the public and by community members as an accessible and safe environment for community and family physical activity.

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.

Additional Public School Employee Health Insurance (59X) - The Department of Education can pay up to \$15,000,000 in additional health insurance contributions for eligible employees electing to participate in the public school employees' health insurance program administered by the State and Public School Life and Health Insurance Board. The Department of Education is authorized to make these

payments if 98% of the URT used in the calculation for State Foundation Funding Aid exceeds \$920,731,819.

The Agency Request is for Base Level of \$15,000,000 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Better Chance Program (652) - This program funds innovative and developmentally appropriate early childhood programs for educationally deprived. These grants are administered by the Division of Child Care and Early Childhood Education of the Department of Human Services to serve educationally deprived children from birth through 5 years, excluding kindergarten. The Arkansas Better Chance for School Success (ABCSS) Program funds programs for educationally deprived children ages 3 and 4. For the 2015-2016 school year, the distribution of funds was based upon \$4,860 per child for classroom based programs and \$1,750 per child for home visit programs.

The Agency Request is for Base Level of \$111,000,000 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request and additional appropriation and general revenue funding of \$3,000,000 for each year of the 2017-2019 Biennium.

Special Education Services (668) - This program provides extended year summer programs for students with disabilities, provides special education services to foster children who are wards of the State placed in out-of-state residential facilities, and provides funds for the partial reimbursement of special education supervisors. Funding provided to school districts to support the salaries of special education supervisors is based on an established per child per day rate, to the extent funds are available. Funding contributes to the Maintenance of Effort to maintain federal funding levels for special education students.

The Base Level Request is \$1,145,285 for each year of the 2017-2019 Biennium.

The Agency requests a Change Level of \$1,657,242 of unfunded appropriation for each year to restore appropriation to the FY17 amount budgeted subsequent to the biennial budget process.

The Executive Recommendation provides for the Agency Request.

Human Development Center Education Aid (669) - This program provides funding for educational services to the children in the State's Human Development Centers.

The Agency Request is for Base Level of \$526,150 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Education Service Cooperatives (670) - The fifteen (15) educational cooperatives of the State facilitate sharing of resources and services

between local school districts.

The Agency Request is for Base Level of \$6,129,270 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Early Childhood Special Education (697) - Special education services are provided through local education agencies and Education Service Cooperatives for three to five year old preschool children with disabilities. Funds are provided to Education Service Cooperatives for behavioral intervention services to all community preschool programs as well as coordinate required transition activities for children ages 0 - 2 that will remain in special education as 3 - 5 preschoolers. This program includes the Medicaid state match for preschool programs for physical, occupational, and speech therapy services. This funding contributes to the Maintenance of Effort to maintain federal funding levels for special education students.

The Base Level Request is \$15,623,079 for each year of the 2017-2019 Biennium.

The Agency requests a Change Level of \$1,274,841 of unfunded appropriation for each year to restore appropriation to the FY17 amount budgeted subsequent to the biennial budget process.

The Executive Recommendation provides for the Agency Request.

Distance Learning (698) -This program provides for the establishment, organization, and administration of a distance learning program designed to improve course offerings available to students throughout the state. The program will demonstrate the efficiency of using distance learning to enhance elementary and secondary education and prepare students for greater success in a postsecondary educational environment.

The Agency Request is for Base Level of \$4,760,000 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Teacher Licensure/Mentoring (699) - The Arkansas Induction program is for new teachers and administrators. The Induction program provides Pathwise mentoring for support, retention, and professional growth of new educators. Districts receive funding for each mentor who mentors a new teacher or administrator participating in the program. The program is updated to align with the state's new teacher and administrator evaluation systems. Funds are used to pay for development of modules and the content delivery platform. This program funds the Teach for America program, a superintendent/principal evaluation program, grants for the Teacher Excellence Support System (TESS), and the Teacher Cadets for high school students with an interest in the teaching profession.

The Base Level Request is \$5,008,758 for each year of the 2017-2019 Biennium.

The Agency requests a Change Level of \$1,057,000 of unfunded appropriation for each year to restore appropriation to the FY17 amount budgeted subsequent to the biennial budget process and; to allow for implementation of proposed new federal regulations for evaluation of educator preparation programs in the state, or \$1,000,000.

The Executive Recommendation provides for the Agency Request.

School Recognition Program (F81)-This program provides financial awards to outstanding public schools through the Arkansas School Recognition Program.

The Agency Request is for Base Level of \$7,000,000 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Broadband Facilities Matching Grant Program (M74)-This program provides funds for broadband expansion in Arkansas school districts on a one-to-one state/local matching basis.

The Agency Request is for Base Level of \$1,018,835 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Enhanced Transportation Funding (N55) - The Senate Committee on Education recommended the creation of a separate supplemental transportation funding program for districts with high transportation costs.

The Executive Recommendation provides for appropriation and funding of \$3,000,000 for each year of the 2017-2019 Biennium.

Open-Enrollment Public Charter School Facilities Funding Aid Program (N68)-This program provides funding to open-enrollment public charter schools for lease, purchase, renovation, repair, construction, restoration, alteration, modification, and operation and maintenance for approved academic facilities.

The Agency requests a Change Level of \$5,000,000 of unfunded appropriation for each year to restore appropriation to the FY17 amount budgeted subsequent to the biennial budget process.

The Executive Recommendation provides for the Agency Request.

Computer Science Initiative (V30) - This initiative furthers computer science education in public schools through recruitment, training, and retention of computer science teachers. It provides professional development in computer science for teachers and administrators to

build computer science programs in schools.

The Executive Recommendation provides for appropriation and funding of \$4,300,000 for each year of the 2017-2019 Biennium.

NSL Matching Grant Program (V33) - This matching grant program provides funds for school districts to provide tutoring services, pre-K programs, and before-and-after-school programs on a one-to-one state/local match.

The Executive Recommendation provides for appropriation and Educational Adequacy funding of \$4,300,000 for each year of the 2017-2019 Biennium.

Fund Transfers-In each fiscal year, \$11,115,000 is transferred from the Department of Education Public School Fund Account to various entities for the following purposes:

- (1) Act 229 of 2016, Section 22, requires a transfer of \$200,000 during each fiscal year to the University of Arkansas at Little Rock, specifically to provide funding for the Arkansas/STRIVE Program.
- (2) Act 41 of 2016, Section 7, states that "the Director of the Assessment Coordination Department of the State of Arkansas shall certify monthly to the Chief Fiscal Officer of the State, the amount of funding needed each month to pay counties and professional reappraisal companies for the reappraisal of real property as required by law. Upon receipt of such certification the Chief Fiscal Officer of the State shall transfer on his books and those of the State Treasurer 76% of the amounts certified from the Department of Education Public School Fund Account, 16% of the amount certified from the County Aid Fund, and 8% of the amount certified from the Municipal Aid Fund to the Arkansas Real Property Reappraisal Fund." The amount to be transferred from the Public School Fund is projected to be \$10,830,000 in FY17.
- (3) Surety Bond Transfer- This program pays for the surety bond for public school employees. The appropriation is made to the Department of Finance and Administration but paid from the Department of Education Public School Fund. The amount transferred is projected to be \$85,000 in FY17.

Appropriation Summary

Appropriation: PSF - Public School Fund

Funding Sources: JAA - Department of Education Public School 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
Non-Traditional Licensure	5100004	10,500	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Intervention Block Grants	5100004	302,000	227,000	302,000	227,000	302,000	302,000	227,000	302,000	302,000
Inter Baccalaureate Prgm	5100004	0	0	75,000	0	0	0	0	0	0
Tech Grants	5100004	3,602,640	3,602,678	3,602,678	3,602,678	3,602,678	3,602,678	3,602,678	3,602,678	3,602,678
School Recognition	5100004	6,994,999	7,000,000	10,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000
OE Charter Fac Funding Aid Prg	5100004	4,583,328	0	15,000,000	0	5,000,000	5,000,000	0	5,000,000	5,000,000
Broadband Facilities Matching Gr.	5100004	0	1,018,835	5,000,000	1,018,835	1,018,835	1,018,835	1,018,835	1,018,835	1,018,835
Better Chance Program	5100004	112,172,433	111,000,000	111,000,000	111,000,000	111,000,000	114,000,000	111,000,000	111,000,000	114,000,000
Add Public School Employee Ins	5100004	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Grants to School Districts	5100004	67,856	67,856	67,856	67,856	67,856	67,856	67,856	67,856	67,856
Economic Education	5100004	400,000	350,000	400,000	350,000	400,000	400,000	350,000	400,000	400,000
Declining Enrollment	5100004	14,093,888	13,963,389	13,963,389	13,963,389	13,963,389	13,963,389	13,963,389	13,963,389	13,963,389
School Food Services	5900046	1,650,000	0	1,650,000	0	1,650,000	1,650,000	0	1,650,000	1,650,000
School Facility Joint Use	5900046	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Residential Ctrs/Juv Detention	5900046	16,345,060	15,188,254	16,345,087	15,188,254	16,345,087	16,345,087	15,188,254	16,345,087	16,345,087
School Food-Legislative Audit	5900046	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
Serious Offender	5900046	1,716,859	1,050,946	1,716,859	1,050,946	1,716,859	1,716,859	1,050,946	1,716,859	1,716,859
School Worker Defense	5900046	70,100	0	390,000	0	390,000	390,000	0	390,000	390,000
School Funding Contingency	5900046	0	0	25,000,000	0	25,000,000	25,000,000	0	25,000,000	25,000,000
NSL Matching Grant Program	5900046	0	0	0	0	0	4,300,000	0	0	4,300,000
National School Lunch	5900046	216,004,020	217,821,143	235,503,568	217,821,143	223,783,349	223,783,349	217,821,143	226,465,557	226,465,557
Master Principal Bonus	5900046	175,000	90,000	208,000	90,000	208,000	208,000	90,000	208,000	208,000
Ntl Bd Prof Teaching Standards	5900046	12,787,612	10,438,332	13,928,542	10,438,332	15,322,100	15,322,100	10,438,332	16,532,100	16,532,100
Public School Employee Ins	5900046	56,456,458	57,373,600	57,373,600	57,373,600	57,373,600	57,373,600	57,373,600	57,373,600	57,373,600
Prof Development Fund	5900046	15,822,239	16,293,119	16,293,119	16,293,119	16,293,119	20,617,836	16,293,119	16,293,119	25,143,702
Positive Youth Development	5900046	0	0	5,000,000	0	0	0	0	0	0
Smart Start/Smart Step	5900046	11,616,300	10,666,303	11,506,303	10,666,303	10,666,303	10,666,303	10,666,303	10,666,303	10,666,303
Teacher Recruitment	5900046	2,099,996	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000
Teacher of the Year	5900046	78,813	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Teacher Licensing/Mentoring	5900046	4,272,349	5,008,758	5,065,758	5,008,758	6,065,758	6,065,758	5,008,758	6,065,758	6,065,758
Teacher Retirement Matching	5900046	8,904,625	6,655,000	11,803,550	6,655,000	10,124,858	10,124,858	6,655,000	10,529,852	10,529,852
Youth Shelters	5900046	165,000	165,000	165,000	165,000	165,000	165,000	165,000	165,000	165,000
Workers' Compensation	5900046	160,777	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000
Tech Improvements	5900046	489,197	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Special Needs Isolated Funding	5900046	8,480,200	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Special Education Services	5900046	2,797,532	1,145,285	2,802,527	1,145,285	2,802,527	2,802,527	1,145,285	2,802,527	2,802,527
Special Ed-Catastrophic	5900046	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	13,000,000	11,000,000	11,000,000	13,020,000
State Foundation Funding	5900046	2,003,399,330	2,049,244,838	2,053,194,376	2,049,244,838	2,053,747,008	2,085,908,817	2,049,244,838	2,067,721,131	2,133,039,396
Surplus Commodities	5900046	843,799	780,000	1,125,065	780,000	1,125,065	1,125,065	780,000	1,125,065	1,125,065
Supplemental Millage	5900046	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Student Growth	5900046	23,368,013	28,500,000	37,690,144	28,500,000	37,690,144	37,690,144	28,500,000	37,690,144	37,690,144
Consolidation Incentive	5900046	5,840,794	0	5,868,900	0	5,981,400	5,981,400	0	5,981,400	5,981,400
Computer Science Initiative	5900046	0	0	0	0	0	2,500,000	0	0	2,500,000
Bonded Debt Assistance	5900046	14,008,126	28,455,384	28,455,384	28,455,384	28,455,384	28,455,384	28,455,384	28,455,384	28,455,384
Content & Curriculum	5900046	49,477	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Coord School Health	5900046	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Coop Education Tech Centers	5900046	1,131,211	0	1,200,000	0	1,200,000	1,200,000	0	1,200,000	1,200,000
Content Standards	5900046	152,762	161,000	161,000	161,000	161,000	161,000	161,000	161,000	161,000
Alternative Learning	5900046	24,523,513	25,940,361	25,940,361	25,940,361	25,940,361	26,394,317	25,940,361	25,940,361	26,394,317
Advanced Placement Incentive	5900046	824,401	825,000	825,000	825,000	825,000	825,000	825,000	825,000	825,000
98% URT Actual Collection Adj	5900046	19,596,517	34,500,000	34,500,000	34,500,000	34,500,000	34,500,000	34,500,000	34,500,000	34,500,000
AR Easter Seals	5900046	193,113	193,113	193,113	193,113	193,113	193,113	193,113	193,113	193,113
At Risk	5900046	1,218,086	1,688,530	1,988,530	1,688,530	1,688,530	1,688,530	1,688,530	1,688,530	1,688,530
Assessment/End Course Testing	5900046	8,216,355	22,250,189	23,350,681	22,250,189	22,250,189	22,250,189	22,250,189	22,250,189	22,250,189
AR Imagination Library	5900046	0	0	500,000	0	0	0	0	0	0
Court Ordered Desegregation	5900046	65,794,267	65,794,267	65,794,267	65,794,267	65,794,267	65,794,267	65,794,267	0	0
General Facilities Funding	5900046	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000
Enhanced Transportation Fundin	5900046	0	0	3,000,000	0	0	3,000,000	0	0	3,000,000
English Language Learners	5900046	12,849,045	14,570,430	14,570,430	14,570,430	15,407,669	15,715,105	14,570,430	16,046,507	16,353,943
Gifted & Talented	5900046	1,329,338	1,085,381	1,335,381	1,085,381	1,335,381	1,335,381	1,085,381	1,335,381	1,335,381
Leadership Acdmy-Mstr Principal	5900046	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Isolated Funding	5900046	2,415,798	7,896,000	7,896,000	7,896,000	7,896,000	7,896,000	7,896,000	7,896,000	7,896,000
Human Dev Ctr Education Aid	5900046	526,150	526,150	526,150	526,150	526,150	526,150	526,150	526,150	526,150
Distance Learning	5900046	4,753,910	4,760,000	4,760,000	4,760,000	4,760,000	4,760,000	4,760,000	4,760,000	4,760,000
Dept of Correction	5900046	6,454,524	5,597,675	6,645,135	5,597,675	6,543,752	6,543,752	5,597,675	6,734,451	6,734,451
Criminal Background Checks	5900046	1,246	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Distance Learning Operations	5900046	7,574,995	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000
Education Service Cooperatives	5900046	6,129,270	6,129,270	6,129,270	6,129,270	6,129,270	6,129,270	6,129,270	6,129,270	6,129,270
Early Childhood Special Educ	5900046	16,897,920	15,623,079	16,897,920	15,623,079	16,897,920	16,897,920	15,623,079	16,897,920	16,897,920
Distressed School District Suppor	5900046	2,291	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Total		2,777,589,032	2,854,721,165	2,967,784,943	2,854,721,165	2,930,383,921	2,982,431,839	2,854,721,165	2,883,690,516	2,973,440,756

Funding Sources										
Fund Balance	4000005	58,300,953	85,641,117		84,622,282	84,622,282	84,622,282	83,603,447	49,126,074	42,326,629
Court Ordered Desegregation	4000180	65,794,267	65,794,267		65,794,267	65,794,267	65,794,267	65,794,267	0	0
DOE Public School Fund	4000195	2,108,574,003	2,128,335,405		2,128,335,405	2,144,520,788	2,131,335,405	2,128,335,405	2,163,025,957	2,184,221,850
Educational Adequacy Fund	4000210	434,031,542	450,031,542		450,031,542	450,031,542	505,965,398	450,031,542	450,031,542	505,965,398

Funding Sources										
Educational Excellence Fund	4000220	202,031,412	211,956,116		211,956,116	211,956,116	211,956,116	211,956,116	211,956,116	211,956,116
General Improvement Fund	4000265	0	0		0	0	2,500,000	0	0	2,500,000
Miscellaneous Adjustments	4000345	(3,491,575)	0		0	0	0	0	0	0
TANF Transfer	4000478	7,500,000	7,500,000		7,500,000	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000
Trnfr frm DOE Pub School Fund	4000525	(10,946,899)	(11,115,000)		(11,115,000)	(11,115,000)	(11,115,000)	(11,115,000)	(11,115,000)	(11,115,000)
Transit Tax	4000700	1,436,446	1,200,000		1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Unfunded Appropriation	4000715	0	0		0	25,000,000	25,000,000	0	25,000,000	25,000,000
Total Funding		2,863,230,149	2,939,343,447		2,938,324,612	2,979,509,995	3,024,758,468	2,937,305,777	2,896,724,689	2,969,554,993
Excess Appropriation/(Funding)		(85,641,117)	(84,622,282)		(83,603,447)	(49,126,074)	(42,326,629)	(82,584,612)	(13,034,173)	3,885,763
Grand Total		2,777,589,032	2,854,721,165		2,854,721,165	2,930,383,921	2,982,431,839	2,854,721,165	2,883,690,516	2,973,440,756

Change Level by Appropriation

Appropriation: 082 - English Language Learners
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	14,570,430	0	14,570,430	100.0	14,570,430	0	14,570,430	100.0
C01	Existing Program	837,239	0	15,407,669	105.7	1,476,077	0	16,046,507	110.1

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	14,570,430	0	14,570,430	100.0	14,570,430	0	14,570,430	100.0
C01	Existing Program	837,239	0	15,407,669	105.7	1,476,077	0	16,046,507	110.1
C19	Executive Changes	307,436	0	15,715,105	107.9	307,436	0	16,353,943	112.2

Justification

C01	English Language Learners (formerly Limited English Proficiency, amended by Act 59 of the Second Extraordinary Session of 2003) is a state categorical program that serves students identified as not being proficient in the English language. This program enables school districts to provide specially-trained staff, instructional materials and training for teachers with these qualified students. The Agency also holds summer training academies for teachers desiring additional training in teaching and assisting students with primary home languages other than English. A.C.A. §6-20-2305(b)(3)(A) sets out the dollar amount to be paid each school year for student identified as English language learners. The rate per ESL student in the 2016-2017 school year is \$331. A total of 39,303 ELL students were served in FY16, and a total of 41,073 students are projected to be served in FY17, 42,923 in FY18 and 44,853 in FY19. The projected increase in ELL students is based on a 3-year average annual rate of growth in ELL students of 4.5% plus the projected phase-in of Majority to Minority (M to M) students into school district ADM counts for the calculation of state aid, in compliance with the settlement agreement approved on January 13, 2014 regarding state desegregation funding. Additionally, summer ESL academies are budgeted at \$1,200,000 per year of the biennium and serve approximately 400 teachers who serve language minority students. The change level requests are to accommodate the projected increase in ELL students for \$837,234 in FY18 and \$1,476,077 in FY19.
C19	The Executive Recommendation provides for the Agency Request, appropriation only, and additional appropriation and funding of \$307,436 for each year of the 2017-2019 Biennium.

Change Level by Appropriation

Appropriation: 091 - Special Ed-Catastrophic
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	11,000,000	0	11,000,000	100.0	11,000,000	0	11,000,000	100.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	11,000,000	0	11,000,000	100.0	11,000,000	0	11,000,000	100.0
C19	Executive Changes	2,000,000	0	13,000,000	118.2	2,020,000	0	13,020,000	118.4

Justification

C19	The Executive Recommendation provides for the Agency Request and additional appropriation and funding of \$2,000,000 for FY18 and additional appropriation and funding of \$2,020,000 for FY19.
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Change Level by Appropriation

Appropriation: 1XE - Economic Education
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	350,000	0	350,000	100.0	350,000	0	350,000	100.0
C05	Unfunded Appropriation	50,000	0	400,000	114.3	50,000	0	400,000	114.3

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	350,000	0	350,000	100.0	350,000	0	350,000	100.0
C05	Unfunded Appropriation	50,000	0	400,000	114.3	50,000	0	400,000	114.3

Justification

C05	The objective of this program is to increase the economic literacy of Pre-K through 12 students by providing economic and personal finance education and training to teachers in Arkansas. Funding is distributed to the Arkansas Council on Economic Education (now conducting business as Economics Arkansas), a private, non-profit organization providing certified professional development for K through 12 teachers. Over 1,500 educators are trained each year, which impacts over 85,000 students in Arkansas. The change level request is to restore appropriation (unfunded) based on FY17 amounts that were budgeted subsequent to the biennial budget request process (\$50,000 each year, paid with fund balances in FY16 and FY17).
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Change Level by Appropriation

Appropriation: 2HP - State Foundation Funding
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	2,049,244,838	0	2,049,244,838	100.0	2,049,244,838	0	2,049,244,838	100.0
C01	Existing Program	4,502,170	0	2,053,747,008	100.2	18,476,293	0	2,067,721,131	100.9

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	2,049,244,838	0	2,049,244,838	100.0	2,049,244,838	0	2,049,244,838	100.0
C01	Existing Program	4,502,170	0	2,053,747,008	100.2	18,476,293	0	2,067,721,131	100.9
C19	Executive Changes	32,161,809	0	2,085,908,817	101.8	65,318,265	0	2,133,039,396	104.1

Justification

C01	State Foundation Funding is the amount of state financial aid provided to each school district. Act 59 of the Second Extraordinary Session of 2003 changed the process by which aid is distributed to school districts. Act 1309 of 2013 amended A.C.A. §6-20-2305(a) to establish the Foundation Funding amount as \$6,584 in FY16 and \$6,646 in FY17 multiplied by the school district's average daily membership (ADM) for the previous school year. The amount paid as State Foundation Funding is computed as the difference between the Foundation Funding amount established by the General Assembly (\$6,646 for FY17) times the ADM of the previous school year and less the sum of 98% of the uniform rate of tax (25 mills) times the property assessment of the school district plus calculated calendar year miscellaneous funds of the school district. The funding for charter schools used the same amount of per student foundation funding but used ADM of the prior or current school year as required by law. In the 2015-2016 school year, a total of \$1,927,137,664 was distributed as state foundation funding to school districts, and \$78,423,999 in state foundation funding was distributed to open-enrollment charter schools. ADM is the total number of days of school attended plus the total number of days absent by students in grades K through 12 during the first 3 quarters of each school year divided by the number of school days actually taught in the school district during that period of time rounded up to the nearest hundredth. Change level requests are due to projected increases in statewide school district ADM and charter school ADM, based on 3-year average annual growth rates of .24% for school districts and 16.17% for charter schools, as well as a projection of 1% annual growth in property assessments.
C19	The Executive Recommendation provides the Agency Request, appropriation only, and additional appropriation of \$32,161,809 and funding of \$36,663,979 for FY18 and additional appropriation of \$65,318,265 and funding of \$83,794,558 for FY19.

Change Level by Appropriation

Appropriation: 2HR - National School Lunch
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	217,821,143	0	217,821,143	100.0	217,821,143	0	217,821,143	100.0
C01	Existing Program	5,962,206	0	223,783,349	102.7	8,644,414	0	226,465,557	104.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	217,821,143	0	217,821,143	100.0	217,821,143	0	217,821,143	100.0
C01	Existing Program	5,962,206	0	223,783,349	102.7	8,644,414	0	226,465,557	104.0

Justification

C01	<p>This program provides state categorical funding for those students from low socio-economic backgrounds, as indicated by the prior year eligibility for free or reduced-price meals under the National School Lunch (NSL) Act, as reported on October 1 of each year and submitted to the Department of Education. NSL funding is divided into three tiers. Beginning with the 2007-2008 school year, for school districts that were to receive funding based on a higher or lower percentage tier than the preceding school year, the funding would be increased or reduced in three equal amounts over a three-year period following the year in which a school district's percentage level of NSL students increased or decreased. A school district that has experienced a significant growth, defined by rule as 1%, in enrolled students in each of the previous three years shall receive funding for the expected increase in the number of NSL students based on the three year average growth in enrollment times the percentage of students eligible for NSL funding times the appropriate per student funding amount. The free and reduced student count is expected to grow at an annual rate of 1.2% (this projection is based on a three-year average annual growth rate). Funding projection is for 292,154 free & reduced lunch students in FY17, 295,813 in FY18 and 299,359 in FY19. These numbers include the projected phase-in of Majority to Minority (M to M) students into school district ADM counts for the calculation of state aid, in compliance with the settlement agreement approved on January 13, 2014 regarding state desegregation funding. The funding request is inclusive of projected transition and NSL growth funds.</p>
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Change Level by Appropriation

Appropriation: 2HS - Prof Development Fund
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	16,293,119	0	16,293,119	100.0	16,293,119	0	16,293,119	100.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	16,293,119	0	16,293,119	100.0	16,293,119	0	16,293,119	100.0
C19	Executive Changes	4,324,717	0	20,617,836	126.5	8,850,583	0	25,143,702	154.3

Justification

C19	The Executive Recommendation provides for the Agency Request and additional appropriation and funding of \$4,324,717 for FY18 and additional appropriation and funding of \$8,850,583 for FY19.
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Change Level by Appropriation

Appropriation: 2ZH - School Funding Contingency
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
C05	Unfunded Appropriation	25,000,000	0	25,000,000	100.0	25,000,000	0	25,000,000	100.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
C05	Unfunded Appropriation	25,000,000	0	25,000,000	100.0	25,000,000	0	25,000,000	100.0

Justification

C05	The School Funding Contingency appropriation is an authorization of unfunded appropriation that is used to address unforeseen problems that arise during the course of a biennium. The Department of Education has special language allowing the transfer of this appropriation to address problem areas.								
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Change Level by Appropriation

Appropriation: 2ZM - Master Principal Bonus
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	90,000	0	90,000	100.0	90,000	0	90,000	100.0
C05	Unfunded Appropriation	118,000	0	208,000	231.1	118,000	0	208,000	231.1

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	90,000	0	90,000	100.0	90,000	0	90,000	100.0
C05	Unfunded Appropriation	118,000	0	208,000	231.1	118,000	0	208,000	231.1

Justification

C05	Pursuant to ACA 6-17-1604, this program provides bonuses for principals achieving Master Principal status through the Arkansas Leadership Academy. It allows for \$9,000 annually for five years while serving as a full-time principal in a public school in Arkansas. The Act also provides for \$25,000 annually while working as a full time principal in an Arkansas "low-performing" school. The program provided bonuses to 16 participants in FY16, two of whom were employed in a high-need public school. The change level request is to restore appropriation (unfunded) based on FY17 amounts that were budgeted subsequent to the biennial budget request process (\$118,000 each year, paid with fund balances in FY16 and FY17).
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Change Level by Appropriation

Appropriation: 311 - Alternative Learning
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	25,940,361	0	25,940,361	100.0	25,940,361	0	25,940,361	100.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	25,940,361	0	25,940,361	100.0	25,940,361	0	25,940,361	100.0
C19	Executive Changes	453,956	0	26,394,317	101.7	453,956	0	26,394,317	101.7

Justification

C19	The Executive Recommendation provides for the Agency Request and additional appropriation and funding of \$453,956 for each year of the 2017-2019 Biennium.
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Change Level by Appropriation

Appropriation: 332 - Student Growth
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	28,500,000	0	28,500,000	100.0	28,500,000	0	28,500,000	100.0
C05	Unfunded Appropriation	9,190,144	0	37,690,144	132.2	9,190,144	0	37,690,144	132.2

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	28,500,000	0	28,500,000	100.0	28,500,000	0	28,500,000	100.0
C05	Unfunded Appropriation	9,190,144	0	37,690,144	132.2	9,190,144	0	37,690,144	132.2

Justification

C05	Student Growth Funding is a program that provides supplemental funding to school districts that have a growth in students over the previous school year. Pursuant to Act 272 of 2007(A.C.A. §6-20-2305(c)(2)(A)), student growth funding is comprised of four calculations. One quarter (1/4) of the per student foundation funding is multiplied by any increase in the school district's: (1) first quarter current year Average Daily Membership (ADM) over the 3-quarter ADM of the previous school year; (2) second quarter current year ADM over the 3-quarter ADM of the previous school year; (3) third quarter current year ADM over the 3-quarter ADM of the previous school year; and (4) fourth quarter current year ADM over the 3-quarter ADM of the previous school year, excluding any increase resulting solely from consolidation or annexation with another district. Change level is the same as in the previous biennial request and is for unfunded appropriation.
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Change Level by Appropriation

Appropriation: 380 - Dept of Correction
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	5,597,675	0	5,597,675	100.0	5,597,675	0	5,597,675	100.0
C05	Unfunded Appropriation	946,077	0	6,543,752	116.9	1,136,776	0	6,734,451	120.3

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	5,597,675	0	5,597,675	100.0	5,597,675	0	5,597,675	100.0
C05	Unfunded Appropriation	946,077	0	6,543,752	116.9	1,136,776	0	6,734,451	120.3

Justification

C05	A.C.A. §12-29-301 et seq. established the Department of Correction School District and establishes a formula to determine the funding level and states that the cost of running the Department of Correction School District shall be borne by the Department of Correction and the Department of Education. In FY16, the average daily attendance was 2,294 students, and 460 students completed requirements for GED certification. There are 7,137 inmates who have earned GED certificates over the past ten years. The Change Level request is to provide a 1.5% COLA to teachers in FY18, and to open two new classrooms at the Pine Bluff unit in FY19 in addition to providing a 1.5% COLA to teachers in FY19.
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Change Level by Appropriation

Appropriation: 394 - Residential Ctrs/Juv Detention
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	15,188,254	0	15,188,254	100.0	15,188,254	0	15,188,254	100.0
C05	Unfunded Appropriation	1,156,833	0	16,345,087	107.6	1,156,833	0	16,345,087	107.6

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	15,188,254	0	15,188,254	100.0	15,188,254	0	15,188,254	100.0
C05	Unfunded Appropriation	1,156,833	0	16,345,087	107.6	1,156,833	0	16,345,087	107.6

Justification

C05	This program provides reimbursement to school districts for the educational costs associated with school-age students without disabilities and students with disabilities ages 3-21 placed in approved residential psychiatric and drug and alcohol treatment facilities or juvenile detention centers. By state law and State Board regulation, community residential treatment facilities are reimbursed through local school districts. When the requests for reimbursement exceed the amount of funds available, the reimbursements are prorated. Detention facility reimbursement is based on a calculation of the rate of foundation aid times the number of approved program beds. This funding contributes to the calculation of Maintenance of Effort that helps maintain federal funding levels for special education students. The change level request is to restore appropriation (unfunded) based on FY17 amounts that were budgeted subsequent to the biennial budget request process (\$1,156,833 each year, paid with fund balances in FY16 and FY17).
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Change Level by Appropriation

Appropriation: 421 - Consolidation Incentive
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
C05	Unfunded Appropriation	5,981,400	0	5,981,400	100.0	5,981,400	0	5,981,400	100.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
C05	Unfunded Appropriation	5,981,400	0	5,981,400	100.0	5,981,400	0	5,981,400	100.0

Justification

C05	These funds are paid to each school district that was administratively consolidated or annexed by the State Board of Education pursuant to Ark. Code Ann. § 6-11-105, § 6-13-1401 and applicable rules of the State Board of Education. One hundred percent (100%) of the incentive allowance is added to the school district's aid in the first year of consolidation/annexation. In the second year of consolidation/annexation, the district receives fifty percent (50%) of the consolidation/annexation incentive funding granted the previous year. The Change Level request is to restore appropriation for a projection of two new consolidations per year of the biennium, plus the continuation of two consolidations from the previous year. 600 ADM for two consolidations X SFF of \$6,646 = \$3,987,600; plus \$1,993,800 for the continuation of two consolidations from the prior fiscal year, for a total growth request of \$5,868,900 for each year of the biennium. Consolidation Incentive funds were budgeted in FY17 subsequent to the biennial budget request process (paid with fund balances in FY16 and FY17).
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Change Level by Appropriation

Appropriation: 434 - Coop Education Tech Centers
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
C05	Unfunded Appropriation	1,200,000	0	1,200,000	100.0	1,200,000	0	1,200,000	100.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
C05	Unfunded Appropriation	1,200,000	0	1,200,000	100.0	1,200,000	0	1,200,000	100.0

Justification

C05	Technology Coordinators in the Education Service Cooperatives assist local school districts by providing technology training, advising school districts in software/hardware purchases and overseeing technology laboratories. The maximum amount of funds available to each of the State's fifteen (15) education service cooperatives and a central Arkansas district is set by the State Board of Education. For the 2015-2016 school year, the maximum amount was \$75,000. The Change Level request is to restore appropriation (unfunded) based on FY17 amounts that were budgeted subsequent to the biennial budget request process (\$1,200,000 each year, paid with fund balances in FY16 and FY17).
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Change Level by Appropriation

Appropriation: 437 - Teacher Retirement Matching
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	6,655,000	0	6,655,000	100.0	6,655,000	0	6,655,000	100.0
C05	Unfunded Appropriation	3,469,858	0	10,124,858	152.1	3,874,852	0	10,529,852	158.2

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	6,655,000	0	6,655,000	100.0	6,655,000	0	6,655,000	100.0
C05	Unfunded Appropriation	3,469,858	0	10,124,858	152.1	3,874,852	0	10,529,852	158.2

Justification

C05	Per section 17 of Act 229 of 2016, this is the employer matching for employees of the Education Service Cooperatives, Vocational Centers, Arkansas Easter Seals and the school operated by the Department of Correction. The matching rate is currently 14.5% of salaries for all employees. The change level request is to restore appropriation (unfunded) based on FY17 amounts that were budgeted subsequent to the biennial budget request process plus estimated growth of 4% per year based on projections of salary increases and increased employee participation by Arkansas Teacher Retirement System.
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Change Level by Appropriation

Appropriation: 438 - Ntl Bd Prof Teaching Standards
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	10,438,332	0	10,438,332	100.0	10,438,332	0	10,438,332	100.0
C01	Existing Program	4,883,768	0	15,322,100	146.8	6,093,768	0	16,532,100	158.4

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	10,438,332	0	10,438,332	100.0	10,438,332	0	10,438,332	100.0
C01	Existing Program	4,883,768	0	15,322,100	146.8	6,093,768	0	16,532,100	158.4

Justification

C01	A.C.A. §6-17-413(a)(1)(A) calls for teacher support in three distinct areas related to state support of advanced national teacher certification: bonuses to National Board Certified Teachers (NBCT), participation fees and substitute pay required for candidacy, and a support system for those candidates. This program encourages teachers to seek certification by the National Board for Professional Teaching Standards by competitively awarding the \$2,500 application fee and up to 3 days of substitute teacher pay. A \$5,000 initial bonus is awarded during the school year in which the individual first obtains the National Board certification, and a yearly bonus of \$5,000 is awarded to certified teachers in each of years two (2) through ten (10) of the 10-year life of the certificate. Funding is also distributed to designated candidate "support centers" at various school districts, education service cooperatives, or institutions of higher education to assist candidates with the National Board certification process. Support center location funding is based on candidate distribution throughout the state. If a teacher does not achieve certification during the required three years, they must refund all State funds expended on their behalf. A total of 33 new teachers with 2,408 renewing teachers will earn bonuses in FY17, and projections are for 550 new teachers with 2,408 renewals in FY18 (\$14,790,000 total bonus payments); and 200 new teachers with 3,000 renewals in FY19 (\$16,000,000 total bonus payments). Candidate support and support center funding is projected to be \$532,100 each year of the biennium.
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Change Level by Appropriation

Appropriation: 447 - School Food Services
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
C05	Unfunded Appropriation	1,650,000	0	1,650,000	100.0	1,650,000	0	1,650,000	100.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
C05	Unfunded Appropriation	1,650,000	0	1,650,000	100.0	1,650,000	0	1,650,000	100.0

Justification

C05	This program combined with the Surplus Commodities program provides the State match for the total school food program in local schools. This grant is paid to school districts based on the number of lunches served. The change level request is to restore appropriation (unfunded) based on FY17 amounts that were budgeted subsequent to the biennial budget request process (\$1,650,000 each year, paid with fund balances in FY16 and FY17). This funding contributes to the calculation of Maintenance of Effort that helps maintain federal funding levels Child Nutrition programs.								
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Change Level by Appropriation

Appropriation: 450 - Surplus Commodities
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	780,000	0	780,000	100.0	780,000	0	780,000	100.0
C05	Unfunded Appropriation	345,065	0	1,125,065	144.2	345,065	0	1,125,065	144.2

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	780,000	0	780,000	100.0	780,000	0	780,000	100.0
C05	Unfunded Appropriation	345,065	0	1,125,065	144.2	345,065	0	1,125,065	144.2

Justification

C05	The Department of Human Services administers the Surplus Commodities Program. School districts currently receive a large share of the commodities. Under an agreement with DHS, the Department of Education provides funding to supplement transportation costs resulting from delivery of the goods to the school districts. This program combined with the School Food Services program provides the State match for the total school food program in local schools. This funding contributes to the calculation of Maintenance of Effort that helps maintain federal funding levels Child Nutrition programs. The change level request is to restore appropriation (unfunded) based on FY17 amounts that were budgeted subsequent to the biennial budget request process (\$345,065 each year, paid with fund balances in FY16 and FY17).
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Change Level by Appropriation

Appropriation: 457 - Gifted & Talented
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	1,085,381	0	1,085,381	100.0	1,085,381	0	1,085,381	100.0
C05	Unfunded Appropriation	250,000	0	1,335,381	123.0	250,000	0	1,335,381	123.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	1,085,381	0	1,085,381	100.0	1,085,381	0	1,085,381	100.0
C05	Unfunded Appropriation	250,000	0	1,335,381	123.0	250,000	0	1,335,381	123.0

Justification

C05	This program provides: (1) salary support for 15 Gifted and Talented supervisors in the cooperatives at \$28,500 per cooperative; (2) funding for the Arkansas Governor's School; (3) Outstanding Gifted Program Awards at \$3,000 per school district (3 annually); and, (4) an annual contribution of \$2,500 to the AGATE (Arkansans for Gifted and Talented Education Conference). The change level request is to restore appropriation (unfunded) based on FY17 amounts that were budgeted subsequent to the biennial budget request process (\$250,000 each year, paid with fund balances in FY16 and FY17) that are designated for the Arkansas Governor's School.
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Change Level by Appropriation

Appropriation: 458 - School Worker Defense
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
C05	Unfunded Appropriation	390,000	0	390,000	100.0	390,000	0	390,000	100.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
C05	Unfunded Appropriation	390,000	0	390,000	100.0	390,000	0	390,000	100.0

Justification

C05	This program provides for claims and legal fees for liability suits against school personnel. The change level request is to restore appropriation (unfunded) based on FY17 amounts that were budgeted subsequent to the biennial budget request process (\$390,000 each year, paid with fund balances in FY16 and FY17).								
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Change Level by Appropriation

Appropriation: 460 - Court Ordered Desegregation
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	65,794,267	0	65,794,267	100.0	65,794,267	0	65,794,267	100.0
C03	Discontinue Program	0	0	65,794,267	100.0	(65,794,267)	0	0	0.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	65,794,267	0	65,794,267	100.0	65,794,267	0	65,794,267	100.0
C03	Discontinue Program	0	0	65,794,267	100.0	(65,794,267)	0	0	0.0

Justification

C03	The Department requests a reduction of \$65,794,267 in FY19 due to the expiration of the settlement agreement approved January 13, 2014 regarding state desegregation funding at the end of FY18.
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Change Level by Appropriation

Appropriation: 565 - Intervention Block Grants
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	227,000	0	227,000	100.0	227,000	0	227,000	100.0
C05	Unfunded Appropriation	75,000	0	302,000	133.0	75,000	0	302,000	133.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	227,000	0	227,000	100.0	227,000	0	227,000	100.0
C05	Unfunded Appropriation	75,000	0	302,000	133.0	75,000	0	302,000	133.0

Justification

C05	This program provides grants to local school districts, schools and education cooperatives to provide services targeting parent involvement. The grants provide the child's first teacher, the parent, with resources that will support literacy and mathematics achievement. These grants are used to encourage parental involvement through the following student competitions: Arkansas Governor's Quiz Bowl, State History Day Competition, Creativity in Arkansas, State Science Fair and Arkansas Destination Imagination. The change level request is to restore appropriation (unfunded) based on FY17 amounts that were budgeted subsequent to the biennial budget request process (\$75,000 each year, paid with fund balances in FY16 and FY17) to meet the requirements of Act 229 of 2016, section 29.
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Change Level by Appropriation

Appropriation: 566 - Serious Offender
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	1,050,946	0	1,050,946	100.0	1,050,946	0	1,050,946	100.0
C05	Unfunded Appropriation	665,913	0	1,716,859	163.4	665,913	0	1,716,859	163.4

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	1,050,946	0	1,050,946	100.0	1,050,946	0	1,050,946	100.0
C05	Unfunded Appropriation	665,913	0	1,716,859	163.4	665,913	0	1,716,859	163.4

Justification

C05	<p>Serious Offender Units for juveniles are operated by the Department of Human Services, Division of Youth Services (DYS), but the Department of Education pays the educational costs of students located in these units through a Memorandum of Understanding (MOU) with DHS. The current program has been in effect since 1996 for the purpose of generating educational funds for the DYS Juvenile Treatment Centers Program (JTC). DYS is provided funds based on the average daily attendance of students in the facility. There are currently Serious Offender Programs (SOP) located in Mansfield, Harrisburg, Lewisville, Dermott, Colt, and Alexander. This funding contributes to the calculation of Maintenance of Effort that helps maintain federal funding levels for special education students. The change level request is to restore appropriation (unfunded) based on FY17 amounts that were budgeted subsequent to the biennial budget request process (\$665,913 each year, paid with fund balances in FY16 and FY17).</p>
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Change Level by Appropriation

Appropriation: 652 - Better Chance Program
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	111,000,000	0	111,000,000	100.0	111,000,000	0	111,000,000	100.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	111,000,000	0	111,000,000	100.0	111,000,000	0	111,000,000	100.0
C19	Executive Changes	3,000,000	0	114,000,000	102.7	3,000,000	0	114,000,000	102.7

Justification

C19	The Executive Recommendation provides for the Agency Request and additional appropriation and general revenue funding of \$3,000,000 for each year of the 2017-2019 Biennium.
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**CARRY FORWARD OF ANY REMAINING FUND BALANCES
FROM FISCAL YEAR 2016 TO FISCAL YEAR 2017**

Agency: Education Department-Public School Fund

Program: Better Chance Program

Act #: 987 Section(s) #: 20

Estimated Carry Forward Amount \$ 200,712.00 Funding Source: General Revenue

Accounting Information:

Business Area: 0500 Funds Center: 652 Fund: JAA 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:

Act 987 of 2015 requires the Department of Education to carry forward any unexpended balance of funds remaining on June 30, 2016 to be used for the Arkansas Better Chance for School Success program. The funds will be used as deemed appropriate by the Department of Human Services - Child Care and Early Childhood Education Division and the Department of Education.

Actual Funding Carry Forward Amount \$ 327,567.00

Current status of carry forward funding:

The carry forward amount has been budgeted for FY2017 to maintain the current program budget level.

Johnny Key
Commissioner of Education

06-30-2016
Date

Change Level by Appropriation

Appropriation: 668 - Special Education Services
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	1,145,285	0	1,145,285	100.0	1,145,285	0	1,145,285	100.0
C05	Unfunded Appropriation	1,657,242	0	2,802,527	244.7	1,657,242	0	2,802,527	244.7

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	1,145,285	0	1,145,285	100.0	1,145,285	0	1,145,285	100.0
C05	Unfunded Appropriation	1,657,242	0	2,802,527	244.7	1,657,242	0	2,802,527	244.7

Justification

C05	This program provides extended school year summer programs for students with disabilities ages 3-21, provides special education services to foster children who are wards of the State placed in out-of-state residential facilities, and provides funds for the partial reimbursement of salaries for special education supervisors. Funding provided to school districts to support the salaries of special education supervisors is based on an established per child per day rate, to the extent that funds are available. This funding contributes to the calculation of Maintenance of Effort that helps maintain federal funding levels for special education students. The change level request is to restore appropriation (unfunded) based on FY17 amounts that were budgeted subsequent to the biennial budget request process (\$1,657,242 each year, paid with fund balances in FY16 and FY17).
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Change Level by Appropriation

Appropriation: 697 - Early Childhood Special Educ
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	15,623,079	0	15,623,079	100.0	15,623,079	0	15,623,079	100.0
C05	Unfunded Appropriation	1,274,841	0	16,897,920	108.2	1,274,841	0	16,897,920	108.2

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	15,623,079	0	15,623,079	100.0	15,623,079	0	15,623,079	100.0
C05	Unfunded Appropriation	1,274,841	0	16,897,920	108.2	1,274,841	0	16,897,920	108.2

Justification

C05	This program provides special education services through local education agencies and Education Service Cooperatives for three to five-year-old preschool children with disabilities. Funds are also provided to Education Service Cooperatives for behavioral intervention services to all community preschool programs as well as to coordinate required transition activities for children ages 0 - 2 that will remain in special education as 3 - 5 preschoolers. Also included in this program are the funds for the Medicaid state match for preschool programs that bill for physical, occupational, and speech therapy services. This funding contributes to the calculation of Maintenance of Effort that helps maintain federal funding levels for special education students. The change level request is to restore appropriation (unfunded) based on FY17 amounts that were budgeted subsequent to the biennial budget request process (\$1,274,841 each year, paid with fund balances in FY16 and FY17).
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Change Level by Appropriation

Appropriation: 699 - Teacher Licensing/Mentoring
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	5,008,758	0	5,008,758	100.0	5,008,758	0	5,008,758	100.0
C05	Unfunded Appropriation	1,057,000	0	6,065,758	121.1	1,057,000	0	6,065,758	121.1

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	5,008,758	0	5,008,758	100.0	5,008,758	0	5,008,758	100.0
C05	Unfunded Appropriation	1,057,000	0	6,065,758	121.1	1,057,000	0	6,065,758	121.1

Justification

C05	<p>This program covers the Arkansas Induction program for new teachers and administrators. The Induction program provides mentoring for support, retention, and professional growth of new educators. Under the system, first-year teachers and administrators are paired with trained mentors, who help them through their first one to three years, traditionally the most difficult years. Districts receive funding for each mentor who mentors a new teacher or new administrator participating in the program. Funds are also distributed to school districts, institutions of higher education and education service cooperatives to provide training to mentors. The mentoring program has been updated to align with the state's new teacher and administrator evaluation systems. Online mentoring modules have been developed by educators to support the content delivery. Funds are used to pay for the development of modules and the content delivery platform. This program funds the Teach for America program, a superintendent/principal evaluation program, grants for the Teacher Excellence and Support System (TESS), and Teacher Cadets for high school students with an interest in the teaching profession. The change level request is to restore appropriation (unfunded) based on FY17 amounts that were budgeted subsequent to the biennial budget request process (\$57,000 each year, paid with fund balances in FY16 and FY17); and to allow for potential implementation of new federal regulations for evaluating educator preparation programs in the state (\$1 million per year, unfunded appropriation). The proposed new regulations would: build on innovative state systems and progress in the field to encourage all states to develop their own meaningful systems to identify high- and low-performing teacher preparation programs across all kinds of programs, not just those based in colleges and universities; ask states to move away from current input-focused reporting requirements, streamline the current data requirements, incorporate more meaningful outcomes measures and improve the availability of relevant information on teacher preparation; reward only those programs determined to be effective or better by states with eligibility for TEACH grants, which are available to students who are planning to become teachers in a high-need field and in a low-income school, to ensure that these limited federal dollars support high-quality teacher education and preparation; and offer transparency into the performance of teacher preparation programs, creating a feedback loop among programs and prospective teachers, employers, and the public, and empower programs with information to facilitate continuous improvement.</p>
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**CARRY FORWARD OF ANY REMAINING FUND BALANCES
FROM FISCAL YEAR 2016 TO FISCAL YEAR 2017**

Agency: Education Department-Public School Fund

Program: Broadband Facilities Matching Grant Prog

Act #: 987 Section(s) #: 7

Estimated Carry Forward Amount \$ 1,018,835.00 Funding Source: General Improvement Fund

Accounting Information:

Business Area: 0500 Funds Center: M74 Fund: JAA 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:

Act 987 of 2015 requires the Department of Education to carry forward any unexpended balance of funds remaining on June 30, 2016 to be used for the Broadband Facilities Matching Grant program. The funds will be used as deemed appropriate by the Department of Education.

Actual Funding Carry Forward Amount \$ 1,018,835.00

Current status of carry forward funding:

The carry forward funding will be utilized to provide matching funds for the Broadband Facilities Matching Grant Program.

Johnny Key
Commissioner of Education

06-28-2016
Date

Change Level by Appropriation

Appropriation: N55 - Enhanced Transportation Funding
Funding Sources: JAA - Department of Education Public School Fund

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
C19	Executive Changes	3,000,000	0	3,000,000	100.0	3,000,000	0	3,000,000	100.0

Justification

C19	The Senate Committee on Education recommended the create of a separate supplemental transportation funding program for districts with high transportation costs. The Executive Recommendation provides for appropriation and funding of \$3,000,000 for each year of the 2017-2019 Biennium.
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Change Level by Appropriation

Appropriation: N68 - OE Charter Fac Funding Aid Prg
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
C05	Unfunded Appropriation	5,000,000	0	5,000,000	100.0	5,000,000	0	5,000,000	100.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
C05	Unfunded Appropriation	5,000,000	0	5,000,000	100.0	5,000,000	0	5,000,000	100.0

Justification

C05	This program provides funding to open enrollment charter schools for lease, purchase, renovation, repair, construction, installation, restoration, alteration, modification, and operation and maintenance of approved academic facilities. The change level request is to restore appropriation (unfunded) based on FY17 amounts that were budgeted subsequent to the biennial budget request process (\$5,000,000 each year, paid with fund balances in FY17).								
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Change Level by Appropriation

Appropriation: V30 - Computer Science Initiative
Funding Sources: JAA - Department of Education Public School Fund

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
C19	Executive Changes	2,500,000	0	2,500,000	100.0	2,500,000	0	2,500,000	100.0

Justification

C19	This initiative furthers computer science education in public schools through recruitment, training, and retention of computer science teachers. It provides professional development in computer science for teachers and administrators. The Executive Recommendation provides for appropriation of \$2,500,000 and general improvement funding of \$2,500,000 for each year of the 2017-2019 Biennium.
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Change Level by Appropriation

Appropriation: V33 - NSL Matching Grant Program
Funding Sources: JAA - Department of Education Public School Fund

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
C19	Executive Changes	4,300,000	0	4,300,000	100.0	4,300,000	0	4,300,000	100.0

Justification

C19	This matching grant program provides funds for school districts to provide tutoring services, pre-K programs, and before-and-after-school programs on a one-to-one state/local match. The Executive Recommendation provides for appropriation and funding of \$4,300,000 for each year of the 2017-2019 Biennium.
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