

# DEPARTMENT OF CAREER EDUCATION

## Enabling Laws

Act 216 of 2016  
Act 892 of 2015  
A.C.A. § 19-6-829  
A.C.A. § 6-1-601 et seq.  
A.C.A. § 6-5-1001 et seq.  
A.C.A. § 6-11-132  
A.C.A. § 25-30-101 et seq.  
A.C.A. § 25-30-201 et seq.  
A.C.A. § 6-11-201 et seq.

## History and Organization

**Mission Statement:** To prepare a job-ready, career-bound workforce to meet the needs of Arkansas employers.

**Agency History:** Act 64 of 1981 created the Vocational and Technical Education Division (now the Department of Career Education) as a cabinet-level state agency equal to the Arkansas Department of Education (ADE). Prior to 1981, the Arkansas Department of Education had administered postsecondary and secondary vocational education, as well as adult education. The operation of the state board was changed in 1981 as well. Act 250 of 1981 required that the State Board of Vocational Education (composed of the same members as the State Board of Education) meet on different dates than its meeting dates as the State Board of Education. In 1991, the composition of the State Board of Vocational Education changed again with the passage of Act 773, which added three new board members to represent business and industry, including the service-oriented industries.

Act 803 of 1997 created the Arkansas Department of Workforce Education. The act abolished the Arkansas Vocational Technical Education Division, as well as the Governor's Commission on Adult Literacy and the Advisory Council for Vocational-Technical Education, transferring them to the newly created Arkansas Department of Workforce Education (DWE). Act 803 also abolished the State Board of Vocational Education, transferring it to the State Board of Workforce Education and Career Opportunities, which was created by the act.

Act 787 of 2009 renamed the Arkansas Department of Workforce Education as the Arkansas Department of Career Education and the State Board of Workforce Education and Career Opportunities as the State Board of Career Education.

From 1971 until 1993, Arkansas Rehabilitation Services (ARS), known then as the Division of Rehabilitation Services, was administered by the Department of Social and Rehabilitative Services (now the Department of Human Services). Act 574 of 1993 changed the name of the division to Arkansas Rehabilitation Services and transferred ARS back to the Department of Education, where it was placed under the oversight of the State Board of Vocational Education as a division of the Vocational and Technical Education Division. With the passage of Act 803, ARS became a division of the Department of Workforce Education, now the Department of Career Education.

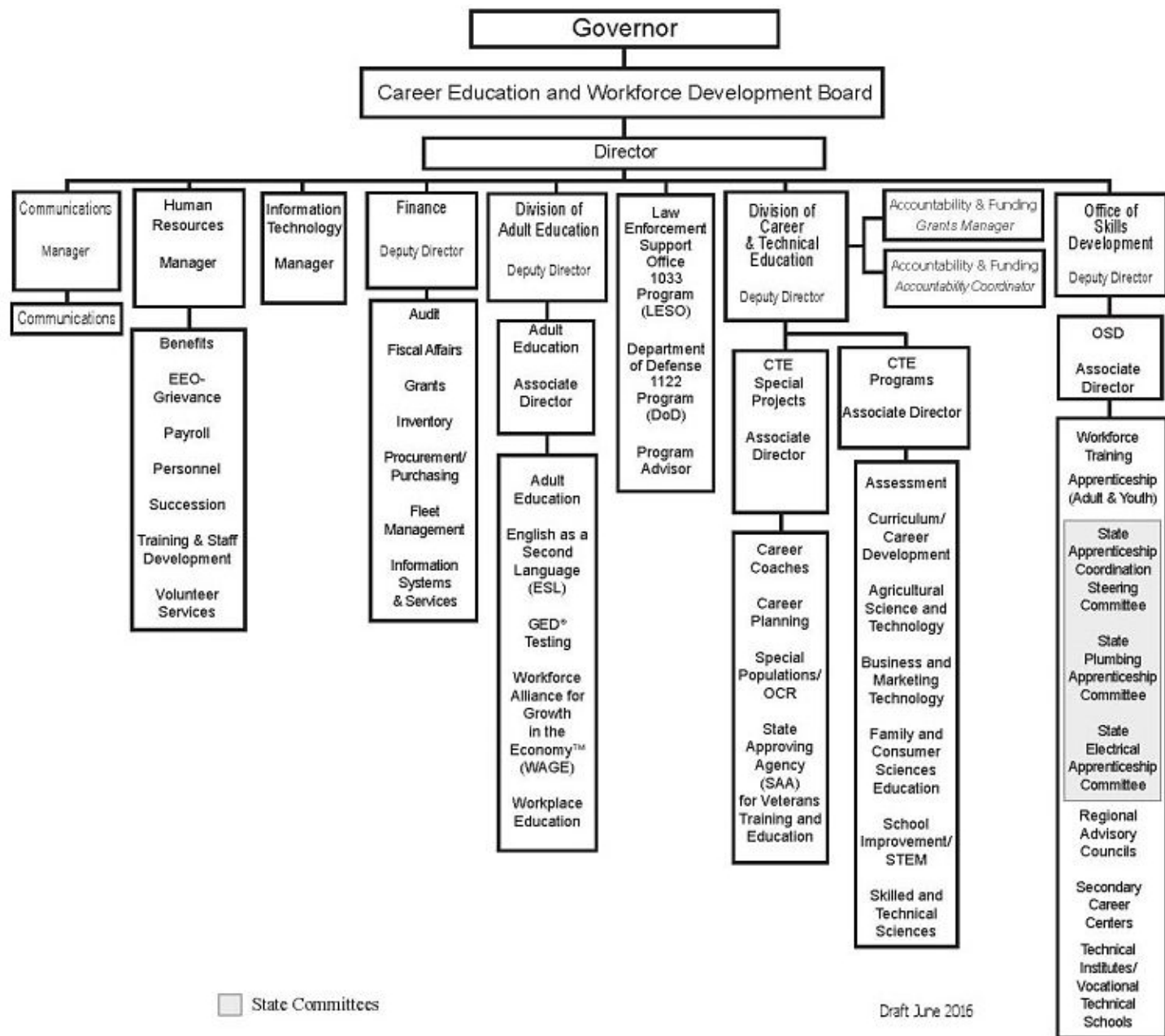
Act 892 of 2015 established the Career Education and Workforce Development Board to create and administer a coordinated approach to workforce development in Arkansas. The Board is composed of twenty-one members, appointed by the governor, including thirteen members representing industry sectors in Arkansas. The Office of Skills Development was created by Act 892 to enhance state workforce development efforts. Among other things, the Office of Skills Development is purposed with administering funds targeting workforce needs, as informed by employers, and working to improve coordination among various state agencies and resources that are working to address similar needs.

ACE is comprised of four divisions as well as administrative support services. The four divisions are Adult Education, Career and Technical Education, Office of Skills Development and Arkansas Rehabilitation Services. ACE oversees career and technical education programs in the secondary schools, secondary area technical centers, State Apprenticeship Office, Arkansas Rehabilitation Services, and adult education programs. ACE is the state approving agency for the Veterans Administration to approve state educational programs for veterans' benefits and has oversight authority for the Law Enforcement Support Office 1033 and the Department of Defense 122 Program.

**Statutory Responsibility and Primary Activities:** The enabling legislation and the powers and duties of the Arkansas Department of Career Education are codified in Arkansas Code Annotated 25-30-101 et. seq., 25-30-201 et. seq., 25-30-201 et. seq., 19-6-829, 6-11-201 et. seq., and 6-11-132. These responsibilities include, but are not limited to, the following:

1. Establishment of policies and procedures, criteria, and priorities for use in approving local programs of career and technical education, adult education, and vocational rehabilitation in all areas of the state.
2. Monitoring of local programs of career and technical education, adult education, vocational rehabilitation and provision of technical assistance to assist these programs in meeting federal and state mandates and accountability measures.
3. Performance of all administrative functions in relation to the management, control, and supervision of all programs of career and technical education, adult education, and vocational rehabilitation in Arkansas's public educational institutions, with the exception of technical colleges, community colleges, and colleges and universities.
4. Development of state plans required by state or federal laws and regulations as prerequisites to receiving federal funds for career and technical education, adult education, or vocational rehabilitation.
5. Receipt and distribution of all state and federal funds designated for adult education, federal funds provided by the Carl D. Perkins Career and Technical Education Act of 2006, and Title I formula grant funds provided by the U.S. Department of Education/Rehabilitation Services Administration.
6. Development of programs and services that prepare high school students for postsecondary education and careers through an integrated course of study blending specialized training and real-world work experience with strong academic instruction.

7. Development of programs and services designed to provide persons age 18 and older with less than a high school diploma opportunities to increase their basic academic skills and earn the General Educational Development (GED®) credential (In certain cases, 16- and 17-year-olds who have dropped out of the public schools can be served in adult education programs.)
8. Development of programs and services designed to provide increased employment of individuals with disabilities through the provision of individualized training, independent living services, educational and support services, and meaningful opportunities for employment in integrated work settings.
9. Award grants to public and private organizations for the development and implementation of workforce training programs, including designing procedures and criteria for awarding grants, receiving and reviewing applications, auditing and inspecting the records of the grants, and utilizing available labor market information systems to collect, analyze, and disseminate information on current and projected employment opportunities in this state and other appropriate information relating to labor market dynamics as determined by the office.



Draft June 2016

## **Agency Commentary**

### **Proposed Budget Requests**

ACA § 6-5-10 outlines guidelines to develop, implement and sustain model Career and Technical (CTE) programs of study. In order to successfully support the efforts of our teachers, counselors and administrators to create a college and career ready environment in their schools, additional funding and appropriation will be needed to expand and enhance existing programs and resources. The funding request increases are as follows:

#### **Vocational Start-Up Grants and Aids, Fund Center 200:**

Most recent funding increase - 1995. Received requests to fund new programs and equipment averaging \$6 million per year for the past 7 years. Due to lack of funding and appropriation, only \$2.3 million has been approved. To meet the needs of school districts and to develop and implement new high-skill, high wage programs, an increase in funding and appropriation in the amount of \$4.7 million per year is requested.

While this increase will provide funding for new programs, it doesn't adequately address the need for outdated and obsolete equipment. Although many of those programs have operated for decades, they have not received state funds to replace and upgrade equipment since the 1999-2000 school year. Federal funds cannot be used for equipment replacement purposes. As a result of the absence of any state or federal funds for equipment replacement, local school districts have been required to upgrade outdated equipment with local funding sources.

#### **Secondary Career Centers, Fund Center 201:**

Most recent funding increase - 2003. Secondary Career Centers serve as a great resource to allow students to enroll in high-quality, demand-driven programs that, due to costs, are not offered at most individual high school campuses. Increased funding is needed to add new Secondary Career Centers, which are not accessible at all in 25 Arkansas counties, to expand course offerings, and to accommodate continued growth in enrollment, which is currently averaging 3-4% per year. However, no funding increase is requested at this time. The agency is reviewing the current structure and funding model and will make recommendations for a new model in fall 2016. The funding for centers of \$20.1 million and the appropriation of \$20.4 million has remained the same since 2004, while the number of Secondary Career Center sites (centers and satellites) has increased from 24 to 50 since 2004. A renewal of the current funding amount is requested, along with backing to restructure legislation and policy and to increase funding going forward.

#### **College and Career Planning System, M77:**

No dedicated funding has been provided in the past. To provide students in grades 7-12 with an opportunity for career exploration through career interests and aptitude assessment, funding is needed to support an on-line career planning tool. To support the continuation and maintenance of on-line college and career planning system, a request of \$120,000 per year in funding and appropriation is requested.

ACA § 6-1-602 was designed to allow all students, grades 8-12, access to a College and Career Coach.

**College and Career Coach program, Fund Center M77:**

No dedicated funding has been provided in the past. The College and Career Coach Initiative has shown great results for five years by meeting and exceeding all established Performance Measure goals including college going rates, ACT Scores, Remediation Rates and Financial Aid application submissions. Currently the program provides career coaches in 43 counties and is supported by school districts, postsecondary entities, and temporary funding and aids, leaving 193 school districts without access to a College and Career Coach. To expand the program statewide, an appropriation increase of \$1,676,000 for salary and matching of career coaches for an additional 32 counties; and total funding for \$2,653,812 per year is requested.

Arkansas Adult Education provides adults with instruction to improve reading, writing, mathematics, English language, and employability skills and to earn the Arkansas High School Diploma by passing a high school equivalency exam, such as the General Educational Development (GED) test, according to A.C.A. §§ 25-30-102 to -103, § 6-18-201, and programs and activities authorized by the Adult Education and Family Literacy Act (Title II of the Workforce Innovation and Opportunity Act of 2014 (P.L. 113-128)).

**GED Testing Services and Expenses, Fund Center F86:**

No dedicated funding has been provided in the past. In 2014, \$1.87 million was appropriated for the GED® test but provided no funding. As of January 1, 2014, the GED® Testing Service introduced a new test that is computer-based, eliminating the paper and pencil test. The new computer-based test is more expensive to administer and the increased costs will have to be passed on to the test-takers unless funding can be provided. The cost for the GED® test is \$120, leaving the test taker with paying only \$16. The GED test funding is currently being subsidized with adult education funds resulting in a decrease in critical adult education programming at all statewide sites. Seventy-six percent (76%) of the 4,330 Arkansans who took the GED® test in the 2015 calendar year reported earning less than \$5,000/year, however, the return on investment for the state shows that Arkansans with a high school diploma earn \$5,000 more a year than those without one. To fund the test and to continue to alleviate the full financial burden on GED test takers, funding in the amount of \$788,326 per year is requested.

**Full-Time Teachers for Adult Education Centers, Fund Center 453:**

Most recent funding increase - 1992. There has been no increase in funding since 1992, despite sharp increases in administrative costs, teacher salaries, and general operating costs. This disparity has resulted in a steady reduction in services to the citizens of Arkansas and an inability to meet the growing need for basic academic skills instruction. In many parts of the state, local programs have had to reduce the

number of teachers, classes, sites, and instructional materials and equipment. Additionally, many full-time positions have been reduced to part-time, often resulting in instructional staff turnover and diminishing the number of adults that can be served. An investment in adult basic and general education will provide greater access to quality instruction in all 75 counties. To ensure that Arkansas citizens are educated and trained in order to provide a skilled workforce for current and potential employers, an increase in funding and appropriation in the amount of \$1.06 million per year is requested.

**Audit Findings**

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
DEPARTMENT OF CAREER EDUCATION  
FOR THE YEAR ENDED JUNE 30, 2014

Findings	Recommendations
<p>During field work, Agency management brought to the attention of Arkansas Legislative Audit (ALA) staff that funds were currently being held at multiple locations, for various purposes, on behalf of the Agency. In addition, none of these funds were being reported in AASIS, and some of these funds may have been maintained outside of the State's accounting system for several years.</p> <p>These accounts appear to be unappropriated "cash funds." Ark. Code Ann. § 19-4-801 defines <i>cash funds</i> as all monies, negotiable instruments, certificates of indebtedness, stocks, and bonds held by or owned by any state agency that are not on deposit with or in the trust of the Treasurer of State. The Agency did not comply with Ark. Code Ann. § 19-4-802, which requires that cash funds be budgeted and proposed expenditures be approved by the General Assembly; transactions be recorded in the State's financial management system in accordance with procedures established by the Chief Fiscal Officer of the State; and cash balances be invested in accordance with State Board of Finance policies. It was also noted that supporting documentation detailing receipts and expenditures was inadequate. Since these transactions were not recorded in AASIS, financial information produced by the State's accounting system, such as ending balances, revenues, and expenditures, was understated for many years. The following types of accounts were identified:</p> <ul style="list-style-type: none"><li>Approximately 33 separate bank accounts for various Career and Technical Student Organizations were being maintained by Agency personnel who were serving as program advisors. As of September 25, 2015, the balance of these accounts was \$1,145,281. State employees directly influence the use of these funds. The checks and related expense documents are mailed or delivered directly</li></ul>	<p>We recommend the Agency strengthen internal controls to ensure all funds are maintained in AASIS and comply with all laws and regulations related to budgeting, travel, and purchasing regulations. We also recommend the Agency seek assistance from the Department of Finance and Administration regarding properly recording the Career and Technical Student Organizations in AASIS.</p> <p><b><u>Agency's Response:</u></b> Agency staff met with the Department of Finance and Administration, and we are following their recommendations to ensure proper procedures are in place.</p> <ul style="list-style-type: none"><li>Accounts for Career and Technical Student Organizations will no longer be maintained by Agency employees or held on state property. The newly established Arkansas Student Leadership Center, whose board will consist of a representative from the board of each student organization, will manage the budgets of the student organizations. Center employees will maintain the fiscal accounts of the student organizations and plan the local, regional, district, state, and national conferences for each student organization. Agency staff will continue to serve as State Advisors of the organizations, leading the curriculum components.</li><li>The accounts for professional development training will now be recorded in the Agency's accounting records through AASIS, complying with Arkansas Code Title 19, Chapter 4, Subchapter 8.</li><li>National dues payments for July 1, 2015 - June 30, 2016, did not include payments above the amount required for dues. The Agency has ceased this practice.</li></ul>

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
DEPARTMENT OF CAREER EDUCATION  
FOR THE YEAR ENDED JUNE 30, 2014

Findings

Recommendations

to the Agency, and the checkbooks are maintained on state property. These accounts are funded by student dues and fees, which are charged for membership and participation in particular student organizations. Revenues are collected for and expenses paid from these accounts for the student organizations' activities. Also, these funds are used to pay for Agency employees' travel expenses and other expenses related to the respective organizations, thus circumventing both state travel regulations and budget constraints.

- Nine operating accounts totaling \$189,255 as of September 1, 2015, were maintained at Arch Ford Education Service Cooperative for sponsoring professional development for the Agency's Career and Technical division. These accounts are used to collect money on behalf of the Agency from participants attending professional training, and the funds are expended for professional development items and speakers. These payments are circumventing both state purchasing laws as well as budget constraints.
- The Agency has made extra cash deposits with three outside organizations, above and beyond the required national dues, to fund travel and other related expenses. One organization ceased this practice at the end of 2013 and applied the remaining \$2,722 to the Agency's annual national dues. Two organizations were each sent extra amounts in the annual dues payments totaling anywhere from \$10,000 to \$25,000 per year for professional development in fiscal years 2013 and 2014. Most of these funds were paid out of general revenue at year-end and, thus, were not subject to being reclaimed. The Agency then sent travel reimbursement requests to those entities, circumventing both state travel regulations and budget constraints. Also, food costs for a senior management retreat were paid from one of these accounts. The Agency also disbursed funds as assistance, grants, and aid to Wilbur D. Mills Educational Services Cooperative to fund Jobs for America's Graduates Technical Assistant Coordinator and disbursed to the Cooperative an extra \$20,000 in fiscal years 2013 and 2014 for professional development. Once again, the extra funding was for the Agency's travel-related expenses and was paid out of general revenue before year-end; therefore, the funding was not subject to being reclaimed.

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
DEPARTMENT OF CAREER EDUCATION  
FOR THE YEAR ENDED JUNE 30, 2014

Findings	Recommendations
<p><b>Review of Selected Federal Awards</b></p> <p><b>For the Year Ended June 30, 2014</b></p> <p><b><u>Arkansas Department of Career Education</u></b></p> <p><b><i>Career and Technical Education - Basic Grants to States (Perkins Grant)</i></b></p> <p><u>Activities Allowed or Unallowed; Allowable Costs/Cost Principles;</u> <u>Cash Management - Intra-Agency Transfers</u></p> <p>In accordance with 34 CFR § 80.22(a), use of grant funds is limited to the allowable costs of the grantee, subgrantee, or contractor. In addition, use of the Perkins Grant is restricted to costs related to developing the academic, career, and technical skills of secondary and post-secondary students who elect to enroll in career and technical education programs.</p> <p>ALA staff review of Agency transfers revealed the Agency improperly transferred Perkins Grant funds to three other federal program grant accounts to meet payroll obligations of those federal programs. These transfers are not an authorized use of the Perkins Grant or any other federal program grant and are an improper use of federal funds.</p> <p>Six transfers totaling \$21,000 were improperly made to the following federal program grant accounts:</p> <ul style="list-style-type: none"><li>• WIA Incentive Grants (CFDA 17.267).</li><li>• College Access Challenge Grant Program (CFDA 84.378).</li><li>• Temporary Assistance for Needy Families (CFDA 93.558).</li></ul> <p>Agency personnel stated that all funds “borrowed” were paid (transferred) back to the original federal program grant account, which ALA staff confirmed.</p> <p><u>Subrecipient Monitoring</u></p> <p>ALA staff reviewed subrecipient reimbursement requests, totaling \$1,699,390, to determine if costs were allowable (2 CFR § 225, Appendix A) and if sufficient, appropriate evidence was maintained to support the reimbursement requests (34 CFR</p>	<p><b>Recommendation</b></p> <p>ALA staff recommend the Agency immediately cease transferring monies between federal program grant accounts.</p> <p><b>Management Response:</b> The Agency has transferred funds between federal program grant accounts since the transfers outlined above and will make no such transfers in the future.</p> <p><b>Recommendation</b></p> <p>ALA staff recommend the Agency review and strengthen existing controls to ensure that subrecipient reimbursement requests contain sufficient, appropriate evidence prior</p>

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
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FOR THE YEAR ENDED JUNE 30, 2014

Findings	Recommendations
<p>§ 80.40). In addition to federal code, the Agency has prepared a Perkins Grants Manual that subrecipients are required to follow to ensure compliance. This review revealed six instances, totaling \$49,967, for which sufficient, appropriate evidence was not provided by the subrecipient for salaries, travel, administrative, and other miscellaneous activities. Lack of adequate management review of the subrecipient reimbursement requests led to the six exceptions noted.</p>	<p>to processing the reimbursement.</p> <p><b>Management Response:</b> The Agency has reviewed reimbursement procedures and has strengthened the procedures listed in the Arkansas Department of Career Education Perkins Manual. Communication has been sent to the subrecipients concerning updated internal control procedures.</p>

## **Performance Audit Findings**

### *DEPARTMENT OF CAREER EDUCATION*

#### Findings and Conclusions:

##### Subrecipient Monitoring

ALA staff reviewed subrecipient reimbursement requests, totaling \$1,699,390, to determine if costs were allowable (2 CFR § 225, Appendix A) and if sufficient, appropriate evidence was maintained to support the reimbursement requests (34 CFR § 80.40). In addition to federal code, the Agency has prepared a Perkins Grants Manual that subrecipients are required to follow to ensure compliance. This review revealed six instances, totaling \$49,967, for which sufficient, appropriate evidence was not provided by the subrecipient for salaries, travel, administrative, and other miscellaneous activities. Lack of adequate management review of the subrecipient reimbursement requests led to the six exceptions noted.

#### Recommendations:

##### **Recommendation**

ALA staff recommend the Agency review and strengthen existing controls to ensure that subrecipient reimbursement requests contain sufficient, appropriate evidence prior to processing the reimbursement.

**Management Response:** The Agency has reviewed reimbursement procedures and has strengthened the procedures listed in the Arkansas Department of Career Education Perkins Manual. Communication has been sent to the subrecipients concerning updated internal control procedures.

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

None

### **Employment Summary**

	Male	Female	Total	%
White Employees	16	32	48	63 %
Black Employees	5	20	25	33 %
Other Racial Minorities	1	2	3	4 %
Total Minorities			28	37 %
Total Employees			76	100 %

### **Cash Fund Balance Description as of June 30, 2016**

Fund Account	Balance	Type	Location
1500200	\$325,270	Checking, Money Market	Simmons First National Bank

#### Statutory/Other Restrictions on use:

A.C.A. 24-7-904 establishes that the Agency has the authority to administer retirement plans and authorities such functions as may be reasonable appropriate.

#### Statutory Provisions for Fees, Fines, Penalties:

A.C.A. 24-7-908 authorizes collection of contritbutions to plans established under the authority of the Agency.

#### Revenue Receipts Cycle:

Received at irregular intervals throughout the year.

Fund Balance Utilization:

To be used for operations of the Alternate Retirement Plan.

**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				
Report of the Office of Skills Development activities and expenditures for the preceding calendar year.	A.C.A. § 25-30-109 (c)	Y	Y	0	Required- A.C.A. § 25-30-109 (c). Hardcopy available upon request.	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
179	High-Tech Scholarship Program	8,250	0	10,000	0	10,000	0	10,000	0	10,000	0	10,000	0	10,000	0	10,000	0	10,000	0
200	Vocational Start-Up Grants	2,369,876	0	2,370,000	0	2,370,000	0	2,370,000	0	7,070,000	0	2,370,000	0	2,370,000	0	7,070,000	0	2,370,000	0
201	Vocational Center Aid	20,274,280	0	20,436,383	0	20,436,383	0	20,436,383	0	20,436,383	0	20,436,383	0	20,436,383	0	20,436,383	0	20,436,383	0
35S	Housing Construction Program	0	0	329,613	0	329,613	0	329,613	0	329,613	0	329,613	0	329,613	0	329,613	0	329,613	0
427	Governor's Commission on Adult Literacy	780,298	1	769,218	1	793,688	1	769,234	1	769,234	1	769,234	1	769,234	1	769,234	1	769,234	1
453	Adult Basic & General Education	19,631,329	0	19,860,569	0	19,860,569	0	19,860,569	0	20,920,569	0	19,860,569	0	19,860,569	0	20,920,569	0	19,860,569	0
640	Vo Tech Admin-Operations	6,345,295	56	6,698,035	58	6,674,637	58	6,702,131	58	6,702,131	58	6,702,131	58	6,703,049	58	6,703,049	58	6,703,049	58
641	Fed Voc Educ-Operations	11,372,686	11	16,535,791	18	19,592,925	18	16,536,613	18	16,036,613	18	15,883,168	15	16,536,613	18	16,036,613	18	15,883,168	15
644	Adult Basic Education	448,009	7	550,069	9	540,134	9	551,167	9	551,167	9	551,167	9	551,289	9	551,289	9	551,289	9
645	Fed-Adult Basic Education	5,346,821	3	8,292,042	2	8,292,042	2	8,293,166	2	8,293,166	2	8,293,166	2	8,293,166	2	8,293,166	2	8,293,166	2
647	Fed Equipment & Training-Operations	1,376	0	14,800	0	14,800	0	14,800	0	14,800	0	14,800	0	14,800	0	14,800	0	14,800	0
649	Fed-Veteran's Approving Agency	275,618	4	308,794	4	307,159	4	308,904	4	308,904	4	308,904	4	309,149	4	309,149	4	309,149	4
681	Coordinated Career Education Services	1,119,374	0	1,119,433	0	1,119,433	0	1,119,433	0	1,119,433	0	1,119,433	0	1,119,433	0	1,119,433	0	1,119,433	0
755	Construction Craft	811,523	1	885,928	1	885,485	1	885,958	1	885,958	1	885,958	1	885,958	1	885,958	1	885,958	1
82V	LESO Program	12,090	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
A88	Alternate Retirement Plan	18,193	0	122,520	0	122,522	0	122,520	0	122,520	0	122,520	0	122,520	0	122,520	0	122,520	0
F48	AR Works - School Districts	892,175	0	86,000	0	1,537,500	0	86,000	0	0	0	0	0	86,000	0	0	0	0	0
F86	GED Testing	277,000	0	1,870,000	0	1,870,000	0	1,870,000	0	788,326	0	788,326	0	1,870,000	0	788,326	0	788,326	0
M77	Career Coaches Public School Fund	222,147	1	857,794	1	972,753	1	857,812	1	2,653,812	1	857,812	1	857,812	1	2,653,812	1	857,812	1
N61	Office of Skills Development	1,301,448	1	26,530,242	2	32,526,669	2	26,330,505	2	26,330,505	2	26,330,505	2	26,330,505	2	26,330,505	2	26,330,505	2
Total		71,507,788	84	107,722,231	95	118,331,312	95	107,529,808	95	113,418,134	95	105,708,689	92	107,531,093	95	113,419,419	95	105,709,974	92

Funding Sources			%		%			%		%		%		%		%		%
Fund Balance	4000005	5,742,918	5.9	26,036,163	23.7		2,268,427	2.6	2,268,427	2.4	2,268,427	2.7	1,748,866	2.0	1,883,781	2.0	1,748,866	2.1
General Revenue	4000010	4,376,507	4.5	4,790,510	4.4		4,834,623	5.6	4,834,623	5.1	4,834,623	5.7	4,835,663	5.7	4,835,663	5.1	4,835,663	5.7
Federal Revenue	4000020	16,989,235	17.4	25,108,469	22.9		25,119,179	29.2	24,619,179	26.0	24,465,734	28.7	25,121,921	29.4	24,621,921	26.1	24,468,476	28.9
Special Revenue	4000030	740,094	0.8	650,000	0.6		670,000	0.8	670,000	0.7	670,000	0.8	640,000	0.7	640,000	0.7	640,000	0.8
Cash Fund	4000045	960,885	1.0	55,000	0.1		53,700	0.1	53,700	0.1	53,700	0.1	53,065	0.1	53,065	0.1	53,065	0.1
Merit Adjustment Fund	4000055	0	0.0	38,919	0.0		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
DFA Motor Vehicle Acquisition	4000184	20,203	0.0	0	0.0		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Educational Excellence Fund	4000220	16,054,750	16.5	16,843,433	15.4		16,843,433	19.6	16,843,433	17.8	16,843,433	19.7	16,843,433	19.7	16,843,433	17.9	16,843,433	19.9
Inter-agency Fund Transfer	4000316	13,160,608	13.5	0	0.0		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
M & R Sales	4000340	540	0.0	800	0.0	800	0.0	800	0.0	800	0.0	800	0.0	800	0.0	800	0.0	

Funding Sources			%		%			%		%		%		%		%
Miscellaneous Adjustments	4000345	170,886	0.2	0	0.0		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Transfer From DWS	4000527	2,500,000	2.6	2,500,000	2.3		2,500,000	2.9	2,500,000	2.6	2,500,000	2.9	2,500,000	2.9	2,500,000	3.0
Workforce 2000	4000740	4,862,870	5.0	1,386,513	1.3		1,386,513	1.6	1,386,513	1.5	1,386,513	1.6	1,386,513	1.6	1,386,513	1.6
Career Ed PSF	4000745	31,964,455	32.8	32,261,311	29.4		32,261,327	37.5	41,463,465	43.8	32,261,327	37.8	32,261,327	37.8	41,463,465	38.1
Total Funds		97,543,951	100.0	109,671,118	100.0		85,938,002	100.0	94,640,140	100.0	85,284,557	100.0	85,391,588	100.0	94,228,641	100.0
Excess Appropriation/(Funding)		(26,036,163)		(1,948,887)			21,591,806		18,777,994		20,424,132		22,139,505		19,190,778	
Grand Total		71,507,788		107,722,231			107,529,808		113,418,134		105,708,689		107,531,093		113,419,419	

Variance in fund balance due to unfunded appropriation.

## Agency Position Usage Report

FY2014 - 2015						FY2015 - 2016						FY2016 - 2017					
Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused
	Filled	Unfilled	Total				Filled	Unfilled	Total				Filled	Unfilled	Total		
93	78	15	93	0	16.13 %	96	77	22	99	-3	19.79 %	96	76	20	96	0	20.83 %

FY16 budgeted positions exceed authorized number of positions due to transfers from the Miscellaneous Federal Grant Holding Account.

## **Analysis of Budget Request**

**Appropriation:** 179 - High-Tech Scholarship Program

**Funding Sources:** EGB - Career Education Fund

Scholarships are awarded to eligible students who are state residents attending Arkansas educational institutions as required under A.C.A. § 6-82-401 et seq. Scholarships of \$500 shall be awarded for one (1) academic year and may be renewed annually for up to three (3) years. For FY16, fifteen (15) full scholarships and three (3) half scholarships were awarded. This a general revenue funded appropriation.

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

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 179 - High-Tech Scholarship Program

**Funding Sources:** EGB - Career Education Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Scholarships	5100030	8,250	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Total		8,250	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
<b>Funding Sources</b>										
General Revenue	4000010	8,250	10,000		10,000	10,000	10,000	10,000	10,000	10,000
Total Funding		8,250	10,000		10,000	10,000	10,000	10,000	10,000	10,000
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		8,250	10,000		10,000	10,000	10,000	10,000	10,000	10,000

## **Analysis of Budget Request**

**Appropriation:** 200 - Vocational Start-Up Grants

**Funding Sources:** JWE - Career Education Public School Fund

Vocational start up grants are awarded to schools to purchase capital equipment, non-consumable supplies, and program software to start newly approved vocational programs of the occupational program areas, support the minimum required equipment to meet program standards, and support short-term adult skills training classes. This program is funded by the Career Education Public School Fund.

The Base Level Request is \$2,370,000 for each year of the 2017-2019 Biennium.

The Agency Request is for a Change Level increase of \$4,700,000 each year as follows:

- Grants and Aid of \$4,700,000 to meet the needs of school districts and to develop and implement new high-skill, high-wage programs. New programs and equipment requests averaged \$6 million per year for the past seven (7) years.

The Executive recommendation provides for Base Level.

## Appropriation Summary

**Appropriation:** 200 - Vocational Start-Up Grants

**Funding Sources:** JWE - Career Education Public School Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	2,369,876	2,370,000	2,370,000	2,370,000	7,070,000	2,370,000	2,370,000	7,070,000	2,370,000
Total	2,369,876	2,370,000	2,370,000	2,370,000	7,070,000	2,370,000	2,370,000	7,070,000	2,370,000
Funding Sources									
Career Ed PSF 4000745	2,369,876	2,370,000		2,370,000	7,070,000	2,370,000	2,370,000	7,070,000	2,370,000
Total Funding	2,369,876	2,370,000		2,370,000	7,070,000	2,370,000	2,370,000	7,070,000	2,370,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	2,369,876	2,370,000		2,370,000	7,070,000	2,370,000	2,370,000	7,070,000	2,370,000

## Change Level by Appropriation

**Appropriation:** 200 - Vocational Start-Up Grants  
**Funding Sources:** JWE - Career Education Public School Fund

### Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>2,370,000</b>	<b>0</b>	<b>2,370,000</b>	<b>100.0</b>	<b>2,370,000</b>	<b>0</b>	<b>2,370,000</b>	<b>100.0</b>
C01	Existing Program	4,700,000	0	7,070,000	298.3	4,700,000	0	7,070,000	298.3

### Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>2,370,000</b>	<b>0</b>	<b>2,370,000</b>	<b>100.0</b>	<b>2,370,000</b>	<b>0</b>	<b>2,370,000</b>	<b>100.0</b>
C01	Existing Program	0	0	2,370,000	100.0	0	0	2,370,000	100.0

### Justification

C01	<p>Vocational Start-Up Grants and Aids, Fund Center 200: Most recent funding increase – 1995. Received requests to fund new programs and equipment averaging \$6 million per year for the past 7 years. Due to lack of funding and appropriation, only \$2.3 million has been approved. To meet the needs of school districts and to develop and implement new high-skill, high-wage programs, an increase in funding and appropriation in the amount of \$4.7 million per year is requested. While this increase will provide funding for new programs, it doesn't adequately address the need for outdated and obsolete equipment. Although many of those programs have operated for decades, they have not received state funds to replace and upgrade equipment since the 1999-2000 school year. Federal funds cannot be used for equipment replacement purposes. As a result of the absence of any state or federal funds for equipment replacement, local school districts have been required to upgrade outdated equipment with local funding sources.</p>								
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## **Analysis of Budget Request**

**Appropriation:** 201 - Vocational Center Aid

**Funding Sources:** JWE - Career Education Public School Fund

Distribution of aid to vocational centers, in a partnership with public high schools and two-year colleges, is based upon full-time equivalency under the rules and regulations of the State Board. Vocational centers provide high school students affordable training for entry-level skills in areas where employment opportunities exist or need to be developed. Programs are approved on the basis of student interest and local economic development opportunities. This program is funded by the Career Education Public School Fund.

The Agency Request is for Base Level of \$20,436,383 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 201 - Vocational Center Aid

**Funding Sources:** JWE - Career Education Public School Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	20,274,280	20,436,383	20,436,383	20,436,383	20,436,383	20,436,383	20,436,383	20,436,383	20,436,383
Total		20,274,280	20,436,383	20,436,383	20,436,383	20,436,383	20,436,383	20,436,383	20,436,383	20,436,383

Funding Sources										
Career Ed PSF	4000745	20,274,280	20,436,383		20,436,383	20,436,383	20,436,383	20,436,383	20,436,383	20,436,383
Total Funding		20,274,280	20,436,383		20,436,383	20,436,383	20,436,383	20,436,383	20,436,383	20,436,383
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		20,274,280	20,436,383		20,436,383	20,436,383	20,436,383	20,436,383	20,436,383	20,436,383

## **Analysis of Budget Request**

**Appropriation:** 35S - Housing Construction Program

**Funding Sources:** MTR - Building Trades Revolving Fund

This revolving loan program allows the Department of Career Education to make loans available to secondary area technical centers or comprehensive lifelong learning centers to purchase lots, building materials, supplies, and fixtures necessary to construct dwellings on such lots as set out in A.C.A. § 6-51-501 et seq. Funds are appropriated for the building trades program from the sale of dwelling units or other building projects constructed under the provisions of § 6-51-501 et seq.

The Agency Request is for Base Level of \$329,613 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 35S - Housing Construction Program

**Funding Sources:** MTR - Building Trades Revolving Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Loans 5120029	0	329,613	329,613	329,613	329,613	329,613	329,613	329,613	329,613
Total	0	329,613	329,613	329,613	329,613	329,613	329,613	329,613	329,613
Funding Sources									
Fund Balance 4000005	329,613	329,613		329,613	329,613	329,613	329,613	329,613	329,613
Total Funding	329,613	329,613		329,613	329,613	329,613	329,613	329,613	329,613
Excess Appropriation/(Funding)	(329,613)	0		0	0	0	0	0	0
Grand Total	0	329,613		329,613	329,613	329,613	329,613	329,613	329,613

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

## **Analysis of Budget Request**

**Appropriation:** 427 - Governor's Commission on Adult Literacy

**Funding Sources:** JWE - Career Education Public School Fund

Grants from the Governor's Commission on Adult Literacy are awarded to literacy councils. This program is funded by the Career Education Public School Fund.

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 \$769,234 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 427 - Governor's Commission on Adult Literacy

**Funding Sources:** JWE - Career Education Public School Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	24,644	27,499	26,410	27,499	27,499	27,499	27,499	27,499	27,499
<b>#Positions</b>		<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
Personal Services Matching	5010003	8,646	8,472	9,031	8,488	8,488	8,488	8,488	8,488	8,488
Operating Expenses	5020002	46,090	52,242	52,242	52,242	52,242	52,242	52,242	52,242	52,242
Conference & Travel Expenses	5050009	918	6,005	6,005	6,005	6,005	6,005	6,005	6,005	6,005
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	700,000	675,000	700,000	675,000	675,000	675,000	675,000	675,000	675,000
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
<b>Total</b>		<b>780,298</b>	<b>769,218</b>	<b>793,688</b>	<b>769,234</b>	<b>769,234</b>	<b>769,234</b>	<b>769,234</b>	<b>769,234</b>	<b>769,234</b>
<b>Funding Sources</b>										
Career Ed PSF	4000745	780,298	769,218		769,234	769,234	769,234	769,234	769,234	769,234
<b>Total Funding</b>		<b>780,298</b>	<b>769,218</b>		<b>769,234</b>	<b>769,234</b>	<b>769,234</b>	<b>769,234</b>	<b>769,234</b>	<b>769,234</b>
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>780,298</b>	<b>769,218</b>		<b>769,234</b>	<b>769,234</b>	<b>769,234</b>	<b>769,234</b>	<b>769,234</b>	<b>769,234</b>

FY17 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2015-2017 Biennium.

## **Analysis of Budget Request**

**Appropriation:** 453 - Adult Basic & General Education

**Funding Sources:** JWE - Career Education Public School Fund

This Adult Basic and General Education program provides grants for educating those adults with less than a high school equivalency and for retraining those already in the workforce. Adult education serves learners through adult basic education classes designed for adults functioning up to the 8th grade level. General adult education classes prepare adults who score at the 9th to 12th grade levels. This program is funded by the Career Education Public School Fund.

The Base Level Request is \$19,860,569 for each year of the 2017-2019 Biennium.

The Agency Requests a Change Level increase of \$1,060,000 for each year as follows:

- Grants and Aid of \$1,060,000 for an additional 36 teachers to staff the programs offered throughout the state. There has been no funding increase since 1992, despite increases in teacher salaries, operating expenses, and administrative costs. This has resulted in a reduction in the number of teachers, classes, and instructional materials and equipment.

The Executive Recommendation provides for Base Level.

## Appropriation Summary

**Appropriation:** 453 - Adult Basic & General Education

**Funding Sources:** JWE - Career Education Public School Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	19,631,329	19,860,569	19,860,569	19,860,569	20,920,569	19,860,569	19,860,569	20,920,569	19,860,569
Total		19,631,329	19,860,569	19,860,569	19,860,569	20,920,569	19,860,569	19,860,569	20,920,569	19,860,569
<b>Funding Sources</b>										
Fund Balance	4000005	0	170,886		170,886	170,886	170,886	170,886	170,886	170,886
Educational Excellence Fund	4000220	12,348,673	12,294,292		12,294,292	12,294,292	12,294,292	12,294,292	12,294,292	12,294,292
Miscellaneous Adjustments	4000345	170,886	0		0	0	0	0	0	0
Career Ed PSF	4000745	7,282,656	7,566,277		7,566,277	8,626,277	7,566,277	7,566,277	8,626,277	7,566,277
Total Funding		19,802,215	20,031,455		20,031,455	21,091,455	20,031,455	20,031,455	21,091,455	20,031,455
Excess Appropriation/(Funding)		(170,886)	(170,886)		(170,886)	(170,886)	(170,886)	(170,886)	(170,886)	(170,886)
Grand Total		19,631,329	19,860,569		19,860,569	20,920,569	19,860,569	19,860,569	20,920,569	19,860,569

## Change Level by Appropriation

**Appropriation:** 453 - Adult Basic & General Education  
**Funding Sources:** JWE - Career Education Public School Fund

### Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>19,860,569</b>	<b>0</b>	<b>19,860,569</b>	<b>100.0</b>	<b>19,860,569</b>	<b>0</b>	<b>19,860,569</b>	<b>100.0</b>
C01	Existing Program	1,060,000	0	20,920,569	105.3	1,060,000	0	20,920,569	105.3

### Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>19,860,569</b>	<b>0</b>	<b>19,860,569</b>	<b>100.0</b>	<b>19,860,569</b>	<b>0</b>	<b>19,860,569</b>	<b>100.0</b>
C01	Existing Program	0	0	19,860,569	100.0	0	0	19,860,569	100.0

### Justification

C01	Full-Time Teachers for Adult Education Centers, Fund Center 453: Most recent funding increase – 1992. There has been no increase in funding since 1992, despite sharp increases in administrative costs, teacher salaries, and general operating costs. This disparity has resulted in a steady reduction in services to the citizens of Arkansas and an inability to meet the growing need for basic academic skills instruction. In many parts of the state, local programs have had to reduce the number of teachers, classes, sites, and instructional materials and equipment. Additionally, many full-time positions have been reduced to part-time, often resulting in instructional staff turnover and diminishing the number of adults that can be served. An investment in adult basic and general education will provide greater access to quality instruction in all 75 counties. To ensure that Arkansas citizens are educated and trained in order to provide a skilled workforce for current and potential employers, an increase in funding and appropriation in the amount of \$1.06 million per year is requested. This will provide for an additional 36 teachers for the programs offered.								
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## **Analysis of Budget Request**

**Appropriation:** 640 - Vo Tech Admin-Operations

**Funding Sources:** EGB - Career Education Fund

This appropriation supports the administrative functions of the Department of Career Education. Programs such as the Plumbing Apprenticeship program, is included in the activities of this appropriation. In addition to general revenue, Educational Excellence funds are used to provide support.

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

The Agency Request is for Base Level of \$6,702,131 for FY18 and \$6,703,049 for FY19.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 640 - Vo Tech Admin-Operations

**Funding Sources:** EGB - Career Education Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	2,943,222	3,094,159	3,064,359	3,095,475	3,095,475	3,095,475	3,095,875	3,095,875	3,095,875
<b>#Positions</b>		<b>56</b>	<b>58</b>	<b>58</b>	<b>58</b>	<b>58</b>	<b>58</b>	<b>58</b>	<b>58</b>	<b>58</b>
Extra Help	5010001	5,773	13,923	13,541	13,923	13,923	13,923	13,923	13,923	13,923
<b>#Extra Help</b>		<b>1</b>	<b>69</b>	<b>69</b>	<b>69</b>	<b>69</b>	<b>69</b>	<b>69</b>	<b>69</b>	<b>69</b>
Personal Services Matching	5010003	965,687	959,873	966,657	962,653	962,653	962,653	963,171	963,171	963,171
Operating Expenses	5020002	773,996	979,873	979,873	979,873	979,873	979,873	979,873	979,873	979,873
Conference & Travel Expenses	5050009	22,970	36,251	36,251	36,251	36,251	36,251	36,251	36,251	36,251
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	20,203	0	0	0	0	0	0	0	0
Apprenticeship Program	5900047	1,611,456	1,611,456	1,611,456	1,611,456	1,611,456	1,611,456	1,611,456	1,611,456	1,611,456
Motor Vehicle Education Prgm	5900048	1,988	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
<b>Total</b>		<b>6,345,295</b>	<b>6,698,035</b>	<b>6,674,637</b>	<b>6,702,131</b>	<b>6,702,131</b>	<b>6,702,131</b>	<b>6,703,049</b>	<b>6,703,049</b>	<b>6,703,049</b>

Funding Sources										
General Revenue	4000010	2,619,015	2,938,327		2,972,223	2,972,223	2,972,223	2,973,141	2,973,141	2,973,141
Merit Adjustment Fund	4000055	0	29,800		0	0	0	0	0	0
DFA Motor Vehicle Acquisition	4000184	20,203	0		0	0	0	0	0	0
Educational Excellence Fund	4000220	3,706,077	3,729,908		3,729,908	3,729,908	3,729,908	3,729,908	3,729,908	3,729,908
Total Funding		6,345,295	6,698,035		6,702,131	6,702,131	6,702,131	6,703,049	6,703,049	6,703,049
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>6,345,295</b>	<b>6,698,035</b>		<b>6,702,131</b>	<b>6,702,131</b>	<b>6,702,131</b>	<b>6,703,049</b>	<b>6,703,049</b>	<b>6,703,049</b>

FY17 Budget amount in Regular Salaries and Extra Help exceeds the authorized amount due to salary adjustments during the 2015-2017 Biennium.

## **Analysis of Budget Request**

**Appropriation:** 641 - Fed Voc Educ-Operations

**Funding Sources:** FEV - Federal Vocational Education

This is the federal counterpart to the Vo Tech Administration-Operations appropriation (640); together they serve as the basis of administrative support for the agency. Funds are provided by the U.S. Department of Education through the Vocational Education-Basic Grants to States (PL 109-270 1 Carl D. Perkins Career and Technical Education Act of 2006. 20 U.S.C. 2301 et seq.).

The Vo Tech Administration-Operations appropriation (640) provides the match to the 5% administrative funds in the Carl Perkins Basic Grant.

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 \$16,536,613 for each year of the 2017-2019 Biennium.

The Agency Requests a Change Level reduction of \$500,000 each year as follows:

- Grants and Aid reduction of \$500,000 due to reduction of federal grants from the Department of Higher Education for adult education programs.

The Executive Recommendation provides for the Agency Request; and subsequent to the Agency's Budget Request, the Office of Personnel Management and Agency personnel evaluated the Agency's position usage and ongoing staffing needs. The Executive Recommendation reflects a reduction of three (3) positions based on the personnel evaluations.

## Appropriation Summary

**Appropriation:** 641 - Fed Voc Educ-Operations  
**Funding Sources:** FEV - Federal Vocational Education

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	475,542	720,174	908,515	720,774	720,774	607,147	720,774	720,774	607,147
<b>#Positions</b>		<b>11</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>15</b>	<b>18</b>	<b>18</b>	<b>15</b>
Extra Help	5010001	0	13,923	14,305	13,923	13,923	13,923	13,923	13,923	13,923
<b>#Extra Help</b>		<b>0</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>
Personal Services Matching	5010003	180,280	248,084	310,152	248,306	248,306	208,488	248,306	248,306	208,488
Operating Expenses	5020002	278,632	666,755	1,673,381	666,755	666,755	666,755	666,755	666,755	666,755
Conference & Travel Expenses	5050009	39,734	46,175	46,175	46,175	46,175	46,175	46,175	46,175	46,175
Professional Fees	5060010	9,911	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	10,388,587	14,740,680	16,540,397	14,740,680	14,240,680	14,240,680	14,740,680	14,240,680	14,240,680
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
<b>Total</b>		<b>11,372,686</b>	<b>16,535,791</b>	<b>19,592,925</b>	<b>16,536,613</b>	<b>16,036,613</b>	<b>15,883,168</b>	<b>16,536,613</b>	<b>16,036,613</b>	<b>15,883,168</b>
<b>Funding Sources</b>										
Federal Revenue	4000020	11,372,686	16,535,791		16,536,613	16,036,613	15,883,168	16,536,613	16,036,613	15,883,168
Total Funding		11,372,686	16,535,791		16,536,613	16,036,613	15,883,168	16,536,613	16,036,613	15,883,168
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>11,372,686</b>	<b>16,535,791</b>		<b>16,536,613</b>	<b>16,036,613</b>	<b>15,883,168</b>	<b>16,536,613</b>	<b>16,036,613</b>	<b>15,883,168</b>

## Change Level by Appropriation

**Appropriation:** 641 - Fed Voc Educ-Operations  
**Funding Sources:** FEV - Federal Vocational Education

### Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>16,536,613</b>	<b>18</b>	<b>16,536,613</b>	<b>100.0</b>	<b>16,536,613</b>	<b>18</b>	<b>16,536,613</b>	<b>100.0</b>
C03	Discontinue Program	(500,000)	0	16,036,613	97.0	(500,000)	0	16,036,613	97.0

### Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>16,536,583</b>	<b>18</b>	<b>16,536,583</b>	<b>100.0</b>	<b>16,536,583</b>	<b>18</b>	<b>16,536,583</b>	<b>100.0</b>
C03	Discontinue Program	(500,000)	0	16,036,583	97.0	(500,000)	0	16,036,583	97.0
C13	Not Recommended	(39,788)	0	15,996,795	96.7	(39,788)	0	15,996,795	96.7
C19	Executive Changes	(113,627)	(3)	15,883,168	96.0	(113,627)	(3)	15,883,168	96.0

### Justification

C03	The Agency requests a decrease in Grants and Aid of \$500,000 due to discontinuation of federal grants from the Department of Higher Education for Adult Education programs.
C19	Subsequent to Agency's Budget Request, the Office of Personnel Management and Agency personnel evaluated the Agency's position usage and ongoing staffing needs. The Executive Recommendation reflects position reductions based on the personnel evaluation.

## **Analysis of Budget Request**

**Appropriation:** 644 - Adult Basic Education

**Funding Sources:** EGB - Career Education Fund

Administration of the State's adult education programs is provided through this appropriation. These programs are generally found in adult education centers, community colleges, post-secondary vocational institutions, and area high schools. This appropriation is funded by general revenue.

Base Level 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 \$551,167 for FY18 and \$551,289 for FY19.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 644 - Adult Basic Education  
**Funding Sources:** EGB - Career Education Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	317,726	396,122	392,990	396,812	396,812	396,812	396,912	396,912	396,912
<b>#Positions</b>		<b>7</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>
Personal Services Matching	5010003	105,977	129,440	122,637	129,848	129,848	129,848	129,870	129,870	129,870
Operating Expenses	5020002	24,306	24,507	24,507	24,507	24,507	24,507	24,507	24,507	24,507
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		448,009	550,069	540,134	551,167	551,167	551,167	551,289	551,289	551,289
<b>Funding Sources</b>										
General Revenue	4000010	448,009	540,950		551,167	551,167	551,167	551,289	551,289	551,289
Merit Adjustment Fund	4000055	0	9,119		0	0	0	0	0	0
Total Funding		448,009	550,069		551,167	551,167	551,167	551,289	551,289	551,289
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		448,009	550,069		551,167	551,167	551,167	551,289	551,289	551,289

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

## **Analysis of Budget Request**

**Appropriation:** 645 - Fed-Adult Basic Education

**Funding Sources:** FEA - Federal Adult Basic Education

This appropriation is used for administration of federal adult education programs. The U.S. Department of Education provides funding and requires a 25% State match. The match requirement is provided by the Adult Basic Education appropriation (644), as well as Public School Funds received by the Agency.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments to 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 at Cost of Living Adjustment or Merit Pay Increases. The Base Level of unclassified positions reflects the FY17 line item maximum plus the previously authorized 2016 1% Cost of Living Adjustment authorized by Act 1007 (3 (B)) of 2015.

The Agency Request is for Base Level of \$8,293,166 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 645 - Fed-Adult Basic Education  
**Funding Sources:** FEA - Federal Adult Basic Education

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	146,465	148,765	76,472	149,596	149,596	149,596	149,596	149,596	149,596
<b>#Positions</b>		<b>3</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
Personal Services Matching	5010003	44,520	41,450	27,624	41,743	41,743	41,743	41,743	41,743	41,743
Operating Expenses	5020002	6	77,467	77,467	77,467	77,467	77,467	77,467	77,467	77,467
Conference & Travel Expenses	5050009	16,276	25,200	25,200	25,200	25,200	25,200	25,200	25,200	25,200
Professional Fees	5060010	0	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	5,139,554	7,990,160	8,076,279	7,990,160	7,990,160	7,990,160	7,990,160	7,990,160	7,990,160
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		5,346,821	8,292,042	8,292,042	8,293,166	8,293,166	8,293,166	8,293,166	8,293,166	8,293,166
<b>Funding Sources</b>										
Federal Revenue	4000020	5,346,821	8,292,042		8,293,166	8,293,166	8,293,166	8,293,166	8,293,166	8,293,166
Total Funding		5,346,821	8,292,042		8,293,166	8,293,166	8,293,166	8,293,166	8,293,166	8,293,166
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		5,346,821	8,292,042		8,293,166	8,293,166	8,293,166	8,293,166	8,293,166	8,293,166

## **Analysis of Budget Request**

**Appropriation:** 647 - Fed Equipment & Training-Operations

**Funding Sources:** FEM - Federal Equipment & Training Operations

This appropriation is used for inventory control and is funded from Marketing & Redistribution (M&R) Proceeds from the sale of equipment purchased with federal funds.

The Agency Request is for Base Level of \$14,800 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 647 - Fed Equipment & Training-Operations  
**Funding Sources:** FEM - Federal Equipment & Training Operations

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	0	14,800	14,800	14,800	14,800	14,800	14,800	14,800	14,800
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	1,376	0	0	0	0	0	0	0	0
Total		1,376	14,800	14,800	14,800	14,800	14,800	14,800	14,800	14,800
<b>Funding Sources</b>										
Fund Balance	4000005	20,200	19,364		5,364	5,364	5,364	0	0	0
M & R Sales	4000340	540	800		800	800	800	800	800	800
Total Funding		20,740	20,164		6,164	6,164	6,164	800	800	800
Excess Appropriation/(Funding)		(19,364)	(5,364)		8,636	8,636	8,636	14,000	14,000	14,000
Grand Total		1,376	14,800		14,800	14,800	14,800	14,800	14,800	14,800

FY16 Capital Outlay appropriation and expenditure authorized under ACA § 22-8-206 regarding sales tax payment for vehicle purchases.

## **Analysis of Budget Request**

**Appropriation:** 649 - Fed-Veteran's Approving Agency  
**Funding Sources:** FEW - Federal Veteran's Approving Agency

Educational programs or courses offered at a school or training facility other than an installation of the federal government must be approved by the Arkansas State Approving Agency before an eligible veteran, service person, or eligible dependent can receive education benefits. The Approving Agency evaluates public and private schools, as well as specialized training programs, such as apprenticeship and on-the-job training programs. Funding is provided by the U.S. Veterans Administration.

Base Level Salaries and Personal Services Matching includes 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 \$308,904 for FY18 and \$309,149 for FY19.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 649 - Fed-Veteran's Approving Agency  
**Funding Sources:** FEW - Federal Veteran's Approving Agency

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	193,071	184,846	183,035	184,846	184,846	184,846	185,046	185,046	185,046
<b>#Positions</b>		<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>
Personal Services Matching	5010003	62,662	60,179	60,355	60,289	60,289	60,289	60,334	60,334	60,334
Operating Expenses	5020002	12,488	53,546	53,546	53,546	53,546	53,546	53,546	53,546	53,546
Conference & Travel Expenses	5050009	7,397	9,623	9,623	9,623	9,623	9,623	9,623	9,623	9,623
Professional Fees	5060010	0	600	600	600	600	600	600	600	600
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		275,618	308,794	307,159	308,904	308,904	308,904	309,149	309,149	309,149
<b>Funding Sources</b>										
Fund Balance	4000005	479,398	473,508		445,350	445,350	445,350	425,846	425,846	425,846
Federal Revenue	4000020	269,728	280,636		289,400	289,400	289,400	292,142	292,142	292,142
Total Funding		749,126	754,144		734,750	734,750	734,750	717,988	717,988	717,988
Excess Appropriation/(Funding)		(473,508)	(445,350)		(425,846)	(425,846)	(425,846)	(408,839)	(408,839)	(408,839)
Grand Total		275,618	308,794		308,904	308,904	308,904	309,149	309,149	309,149

FY17 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2015-2017 Biennium.

## **Analysis of Budget Request**

**Appropriation:** 681 - Coordinated Career Education Services

**Funding Sources:** JWE - Career Education Public School Fund

Coordinated Career Education Services provides grants to career education programs in which special needs students attend academic classes in the morning and work in the afternoon. Special needs programs provide projects and adaptive equipment for secondary and post-secondary career and technical education students with disabilities and vocational counselors at secondary area vocational centers. Funding is provided by the Career Education Public School Fund.

The Agency Request is for Base Level of \$1,119,433 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 681 - Coordinated Career Education Services

**Funding Sources:** JWE - Career Education Public School Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	1,119,374	1,119,433	1,119,433	1,119,433	1,119,433	1,119,433	1,119,433	1,119,433	1,119,433
Total		1,119,374	1,119,433	1,119,433	1,119,433	1,119,433	1,119,433	1,119,433	1,119,433	1,119,433
<b>Funding Sources</b>										
Career Ed PSF	4000745	1,119,374	1,119,433		1,119,433	1,119,433	1,119,433	1,119,433	1,119,433	1,119,433
Total Funding		1,119,374	1,119,433		1,119,433	1,119,433	1,119,433	1,119,433	1,119,433	1,119,433
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		1,119,374	1,119,433		1,119,433	1,119,433	1,119,433	1,119,433	1,119,433	1,119,433

## **Analysis of Budget Request**

**Appropriation:** 755 - Construction Craft

**Funding Sources:** TCI - Construction Industry Craft Training Trust Fund

This appropriation is funded by a \$0.50 surcharge per each one thousand dollars (\$1,000) of construction authorized on any nonresidential construction permit issued by any political subdivision of the state. The maximum surcharge for any construction project permitted is one thousand dollars (\$1,000). The State Apprenticeship Coordination Steering Committee is authorized to develop a plan to include, but not limited to, formulas and administrative procedures to be used in distribution of funds to construction craft training programs.

Base Level 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 \$885,958 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 755 - Construction Craft

**Funding Sources:** TCI - Construction Industry Craft Training Trust Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	52,694	50,463	49,971	50,463	50,463	50,463	50,463	50,463	50,463
<b>#Positions</b>		<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
Personal Services Matching	5010003	16,639	15,965	16,014	15,995	15,995	15,995	15,995	15,995	15,995
Operating Expenses	5020002	4	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Conference & Travel Expenses	5050009	0	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	742,186	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
<b>Total</b>		<b>811,523</b>	<b>885,928</b>	<b>885,485</b>	<b>885,958</b>	<b>885,958</b>	<b>885,958</b>	<b>885,958</b>	<b>885,958</b>	<b>885,958</b>
<b>Funding Sources</b>										
Fund Balance	4000005	1,041,823	970,394		734,466	734,466	734,466	518,508	518,508	518,508
Special Revenue	4000030	740,094	650,000		670,000	670,000	670,000	640,000	640,000	640,000
Total Funding		1,781,917	1,620,394		1,404,466	1,404,466	1,404,466	1,158,508	1,158,508	1,158,508
Excess Appropriation/(Funding)		(970,394)	(734,466)		(518,508)	(518,508)	(518,508)	(272,550)	(272,550)	(272,550)
<b>Grand Total</b>		<b>811,523</b>	<b>885,928</b>		<b>885,958</b>	<b>885,958</b>	<b>885,958</b>	<b>885,958</b>	<b>885,958</b>	<b>885,958</b>

FY17 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2015-2017 Biennium.

## **Analysis of Budget Request**

**Appropriation:** 82V - LESO Program

**Funding Sources:** NCE - Cash in Treasury

The Law Enforcement Safety Office (LESO) program assists local law enforcement agencies in acquisition of federal property for qualified participants to assist them in performing their mission with special emphasis given to counter drug and counter terrorism. The Department collects a fee on each property transaction.

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.

Expenditure of appropriation is contingent upon available funding.

## Appropriation Summary

**Appropriation:** 82V - LESO Program  
**Funding Sources:** NCE - Cash in Treasury

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Law Enforcement Safety Progran 5900046	12,090	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
Total	12,090	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
<b>Funding Sources</b>									
Fund Balance 4000005	255,418	265,083		210,083	210,083	210,083	153,583	153,583	153,583
Cash Fund 4000045	21,755	20,000		18,500	18,500	18,500	19,200	19,200	19,200
Total Funding	277,173	285,083		228,583	228,583	228,583	172,783	172,783	172,783
Excess Appropriation/(Funding)	(265,083)	(210,083)		(153,583)	(153,583)	(153,583)	(97,783)	(97,783)	(97,783)
Grand Total	12,090	75,000		75,000	75,000	75,000	75,000	75,000	75,000

## **Analysis of Budget Request**

**Appropriation:** A88 - Alternate Retirement Plan

**Funding Sources:** 150 - Vo Tech Retirement

This appropriation provides for administration of various retirement plans available to their employees. Funding is provided by employee deductions and matching for retirement which are forwarded to the companies offering the retirement plans.

The Agency Request is for Base Level of \$122,520 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** A88 - Alternate Retirement Plan

**Funding Sources:** 150 - Vo Tech Retirement

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Personal Services Matching	5010003	18,135	110,220	110,222	110,220	110,220	110,220	110,220	110,220	110,220
Operating Expenses	5020002	58	12,300	12,300	12,300	12,300	12,300	12,300	12,300	12,300
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		18,193	122,520	122,522	122,520	122,520	122,520	122,520	122,520	122,520
<b>Funding Sources</b>										
Fund Balance	4000005	323,431	325,270		237,750	237,750	237,750	150,430	150,430	150,430
Cash Fund	4000045	20,032	35,000		35,200	35,200	35,200	33,865	33,865	33,865
Total Funding		343,463	360,270		272,950	272,950	272,950	184,295	184,295	184,295
Excess Appropriation/(Funding)		(325,270)	(237,750)		(150,430)	(150,430)	(150,430)	(61,775)	(61,775)	(61,775)
Grand Total		18,193	122,520		122,520	122,520	122,520	122,520	122,520	122,520

## **Analysis of Budget Request**

**Appropriation:** F48 - AR Works - School Districts

**Funding Sources:** NCE - Cash in Treasury

The Department of Career Education is the administrative agency for the Arkansas Works Initiative for career coaches program. To support the career coach positions serving middle and high schools in twenty-one counties and the Little Rock school district, school districts submit a portion of the funding to the Department. The Department then reimburses the participating two-year colleges and cooperative education center in the form of grants, for costs associated with travel, training, supplies and services, utilizing this appropriation.

The Base Level Request is \$85,000 for each year of the 2017-2019 Biennium.

The Agency Request is for a Change Level reduction of \$86,000 each year as follows:

- Grants and Aid reduction of \$86,000 each year due to completion of this portion of the program and funds expended by the end of FY17. Any remaining/unused funds will be returned to the schools/districts by the end of FY17.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** F48 - AR Works - School Districts

**Funding Sources:** NCE - Cash in Treasury

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	892,175	86,000	1,537,500	86,000	0	0	86,000	0	0
Total		892,175	86,000	1,537,500	86,000	0	0	86,000	0	0
<b>Funding Sources</b>										
Fund Balance	4000005	69,150	96,073		0	0	0	0	0	0
Cash Fund	4000045	919,098	0		0	0	0	0	0	0
Total Funding		988,248	96,073		0	0	0	0	0	0
Excess Appropriation/(Funding)		(96,073)	(10,073)		86,000	0	0	86,000	0	0
Grand Total		892,175	86,000		86,000	0	0	86,000	0	0

Any remaining/unused funds will be returned to the schools/districts by the end of FY17.

## Change Level by Appropriation

**Appropriation:** F48 - AR Works - School Districts  
**Funding Sources:** NCE - Cash in Treasury

### Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>86,000</b>	<b>0</b>	<b>86,000</b>	<b>100.0</b>	<b>86,000</b>	<b>0</b>	<b>86,000</b>	<b>100.0</b>
C03	Discontinue Program	(86,000)	0	0	0.0	(86,000)	0	0	0.0

### Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>86,000</b>	<b>0</b>	<b>86,000</b>	<b>100.0</b>	<b>86,000</b>	<b>0</b>	<b>86,000</b>	<b>100.0</b>
C03	Discontinue Program	(86,000)	0	0	0.0	(86,000)	0	0	0.0

### Justification

C03	The agency requests a reduction of \$86,000 each year due to this portion of Arkansas Works Initiative program will be completed and funds expended by the end of FY17. Any remaining/unused funds will be returned to the schools/districts by the end of FY17.								
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## **Analysis of Budget Request**

**Appropriation:** F86 - GED Testing

**Funding Sources:** JWE - Career Education Public School Fund

In January 2014, the GED® Testing Service introduced a new computer-based test eliminating the paper-and-pencil test. The new test is more expensive to administer and the increased costs will be passed on to test-takers, unless funding is provided. The Department of Career Education utilizes this program to defer the increased practice test and test costs for test-takers.

The program is currently funded by the Career Education Public School Fund fund balance.

The Base Level Request is \$1,870,000 for each year of the 2017-2019 Biennium.

The Agency Request is for a Change Level reduction of \$1,081,674 each year as follows:

- GED Test Costs reduction of \$1,081,674 each year due to the reduced number of test takers from 2014. The agency estimates ~7,400 test takers in FY17 and estimates an increase of ~10% each year in test takers. The agency requests appropriation and funding of \$788,326 for each year of the biennium.

The Executive Recommendation provides for Agency Request, appropriation only.

## Appropriation Summary

**Appropriation:** F86 - GED Testing

**Funding Sources:** JWE - Career Education Public School Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
GED Test Costs	5900046	277,000	1,870,000	1,870,000	1,870,000	788,326	788,326	1,870,000	788,326	788,326
Total		277,000	1,870,000	1,870,000	1,870,000	788,326	788,326	1,870,000	788,326	788,326
<b>Funding Sources</b>										
Fund Balance	4000005	2,147,000	1,870,000		0	0	0	0	0	0
Career Ed PSF	4000745	0	0		0	788,326	0	0	788,326	0
Total Funding		2,147,000	1,870,000		0	788,326	0	0	788,326	0
Excess Appropriation/(Funding)		(1,870,000)	0		1,870,000	0	788,326	1,870,000	0	788,326
Grand Total		277,000	1,870,000		1,870,000	788,326	788,326	1,870,000	788,326	788,326

## Change Level by Appropriation

**Appropriation:** F86 - GED Testing

**Funding Sources:** JWE - Career Education Public School Fund

### Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>1,870,000</b>	<b>0</b>	<b>1,870,000</b>	<b>100.0</b>	<b>1,870,000</b>	<b>0</b>	<b>1,870,000</b>	<b>100.0</b>
C03	Discontinue Program	(1,081,674)	0	788,326	42.2	(1,081,674)	0	788,326	42.2

### Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>1,870,000</b>	<b>0</b>	<b>1,870,000</b>	<b>100.0</b>	<b>1,870,000</b>	<b>0</b>	<b>1,870,000</b>	<b>100.0</b>
C03	Discontinue Program	(1,081,674)	0	788,326	42.2	(1,081,674)	0	788,326	42.2

### Justification

C03	<p>GED Testing Services and Expenses, Fund Center F86: No dedicated funding has been provided in the past. In 2014, \$1.87 million was appropriated for the GED® test but provided no funding. As of January 1, 2014, the GED® Testing Service introduced a new test that is computer-based, eliminating the paper and pencil test. The new computer-based test is more expensive to administer and the increased costs will have to be passed on to the test-takers unless funding can be provided. The cost for the GED® test is \$120, leaving the test taker with paying only \$16. The GED test funding is currently being subsidized with adult education funds resulting in a decrease in critical adult education programming at all statewide sites. Seventy-six percent (76%) of the 4,330 Arkansans who took the GED® test in the 2015 calendar year reported earning less than \$5,000/year, however, the return on investment for the state shows that Arkansans with a high school diploma earn \$5,000 more a year than those without one. To fund the test and to continue to alleviate the full financial burden on GED test takers, funding in the amount of \$788,326 per year is requested. The agency requests a reduction of \$1,081,674 due to the reduction in the number of GED test takers from 2014. The agency estimates ~7,400 test takers in FY17 and estimates an increase of ~10% each year in test takers.</p>								
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## **Analysis of Budget Request**

**Appropriation:** M77 - Career Coaches Public School Fund

**Funding Sources:** JWE - Career Education Public School Fund

The Department of Career Education is the administrative agency for the Arkansas College and Career Coaches Program. The College and Career Coaches Program was established by Act 1285 of 2013 (A.C.A. § 6-1-601 et seq.) to assist students in middle and high school preparing for post-secondary education or careers. Postsecondary institutions, education service cooperatives, or nonprofit entities, in partnership with school districts, are eligible to receive administrative and supplemental grants from the department. A school district may use national school lunch state categorical funds to support participation in the program. Participation and grant awards are contingent upon the availability of funding from the Career Education Public School Fund and the Office of Skills Development Fund.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 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 \$875,812 for each year of the 2017-2019 Biennium.

This program is currently funded by the Career Education Public School Fund fund balance.

The Agency Request is for a Change Level increase of \$1,796,000 each year as follows:

- Operating Expenses increase of \$120,000 to continue support and maintenance of the on-line college and career planning system.
- Grants and Aid increase of \$1,060,000 to expand the College and Career Coach program statewide. The program provides career coaches in 43 counties and is supported by school districts, postsecondary entities, and temporary funding and aid.

The Executive Recommendation provides for Base Level.

## Appropriation Summary

**Appropriation:** M77 - Career Coaches Public School Fund  
**Funding Sources:** JWE - Career Education Public School Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	31,806	31,035	81,266	31,035	31,035	31,035	31,035	31,035	31,035
<b>#Positions</b>		<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
Personal Services Matching	5010003	12,058	11,759	26,487	11,777	11,777	11,777	11,777	11,777	11,777
Operating Expenses	5020002	2,058	7,000	50,000	7,000	127,000	7,000	7,000	127,000	7,000
Conference & Travel Expenses	5050009	0	8,000	15,000	8,000	8,000	8,000	8,000	8,000	8,000
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	176,225	800,000	800,000	800,000	2,476,000	800,000	800,000	2,476,000	800,000
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
<b>Total</b>		<b>222,147</b>	<b>857,794</b>	<b>972,753</b>	<b>857,812</b>	<b>2,653,812</b>	<b>857,812</b>	<b>857,812</b>	<b>2,653,812</b>	<b>857,812</b>
<b>Funding Sources</b>										
Fund Balance	4000005	1,076,885	992,709		134,915	134,915	134,915	0	134,915	0
Career Ed PSF	4000745	137,971	0		0	2,653,812	0	0	2,653,812	0
Total Funding		1,214,856	992,709		134,915	2,788,727	134,915	0	2,788,727	0
Excess Appropriation/(Funding)		(992,709)	(134,915)		722,897	(134,915)	722,897	857,812	(134,915)	857,812
<b>Grand Total</b>		<b>222,147</b>	<b>857,794</b>		<b>857,812</b>	<b>2,653,812</b>	<b>857,812</b>	<b>857,812</b>	<b>2,653,812</b>	<b>857,812</b>

## Change Level by Appropriation

**Appropriation:** M77 - Career Coaches Public School Fund  
**Funding Sources:** JWE - Career Education Public School Fund

### Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>857,812</b>	<b>1</b>	<b>857,812</b>	<b>100.0</b>	<b>857,812</b>	<b>1</b>	<b>857,812</b>	<b>100.0</b>
C01	Existing Program	1,796,000	0	2,653,812	309.4	1,796,000	0	2,653,812	309.4

### Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>857,812</b>	<b>1</b>	<b>857,812</b>	<b>100.0</b>	<b>857,812</b>	<b>1</b>	<b>857,812</b>	<b>100.0</b>
C01	Existing Program	0	0	857,812	100.0	0	0	857,812	100.0

### Justification

C01	<p>College and Career Planning System: No dedicated funding has been provided in the past. To provide students in grades 7-12 with an opportunity for career exploration through career interests and aptitude assessment, funding is needed to support an on-line career planning tool. To support the continuation and maintenance of on-line college and career planning system, a request of \$120,000 per year in funding and appropriation is requested.</p> <p>College and Career Coach program, Fund Center M77: No dedicated funding has been provided in the past. The College and Career Coach Initiative has shown great results for five years by meeting and exceeding all established Performance Measure goals including college going rates, ACT Scores, Remediation Rates and Financial Aid application submissions. Currently the program provides career coaches in 43 counties and is supported by school districts, postsecondary entities, and temporary funding and aids, leaving 193 school districts without access to a College and Career Coach. To expand the program statewide, an additional 42 counties; appropriation increase of \$1,676,000 and total funding of \$ 2,653,812 per year is requested.</p>
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## **Analysis of Budget Request**

**Appropriation:** N61 - Office of Skills Development

**Funding Sources:** SKL - Skills Development Fund

The Office of Skills Development was created by Act 892 of 2015 with the exclusive authority to award grants to private and public organizations for the development and implementation of workforce training programs. The office is responsible for the procedures and criteria for awarding grants; receive and review grant applications; and prescribe the information contained in a grant application. The office is required to consult with the Arkansas Economic Development Commission in reviewing applications for workforce training grants. On or before October 1 of each year, the office is required to submit a report to the Governor and the cochair of the Legislative Council reporting the activities and expenditures of the office during the preceding calendar year.

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 \$26,330,505 each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** N61 - Office of Skills Development

**Funding Sources:** SKL - Skills Development Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	13,114	80,424	40,367	80,424	80,424	80,424	80,424	80,424	80,424
<b>#Positions</b>		<b>1</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
Personal Services Matching	5010003	7,926	27,491	11,302	27,539	27,539	27,539	27,539	27,539	27,539
Operating Expenses	5020002	9,043	165,000	165,000	165,000	165,000	165,000	165,000	165,000	165,000
Conference & Travel Expenses	5050009	155	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	0	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000
Capital Outlay	5120011	0	200,000	200,000	0	0	0	0	0	0
Industry Training Program	5900046	1,271,210	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Workforce Improvement Grants	5900047	0	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
Career Coaches Expenses	5900048	0	2,947,327	9,000,000	2,947,542	2,947,542	2,947,542	2,947,542	2,947,542	2,947,542
Industry Certification Testing	5900049	0	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
<b>Total</b>		<b>1,301,448</b>	<b>26,530,242</b>	<b>32,526,669</b>	<b>26,330,505</b>	<b>26,330,505</b>	<b>26,330,505</b>	<b>26,330,505</b>	<b>26,330,505</b>	<b>26,330,505</b>

Funding Sources										
Fund Balance	4000005	0	20,523,263		0	0	0	0	0	0
General Revenue	4000010	1,301,233	1,301,233		1,301,233	1,301,233	1,301,233	1,301,233	1,301,233	1,301,233
Educational Excellence Fund	4000220	0	819,233		819,233	819,233	819,233	819,233	819,233	819,233
Inter-agency Fund Transfer	4000316	13,160,608	0		0	0	0	0	0	0
Transfer From DWS	4000527	2,500,000	2,500,000		2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Workforce 2000	4000740	4,862,870	1,386,513		1,386,513	1,386,513	1,386,513	1,386,513	1,386,513	1,386,513
<b>Total Funding</b>		<b>21,824,711</b>	<b>26,530,242</b>		<b>6,006,979</b>	<b>6,006,979</b>	<b>6,006,979</b>	<b>6,006,979</b>	<b>6,006,979</b>	<b>6,006,979</b>
<b>Excess Appropriation/(Funding)</b>		<b>(20,523,263)</b>	<b>0</b>		<b>20,323,526</b>	<b>20,323,526</b>	<b>20,323,526</b>	<b>20,323,526</b>	<b>20,323,526</b>	<b>20,323,526</b>
<b>Grand Total</b>		<b>1,301,448</b>	<b>26,530,242</b>		<b>26,330,505</b>	<b>26,330,505</b>	<b>26,330,505</b>	<b>26,330,505</b>	<b>26,330,505</b>	<b>26,330,505</b>

FY17 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2015-2017 Biennium.  
Inter-agency Fund Transfer is from the Department of Economic Development Economic Commission Fund.