

# DEPARTMENT OF HIGHER EDUCATION

## Enabling Laws

Act 236 of 2016

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

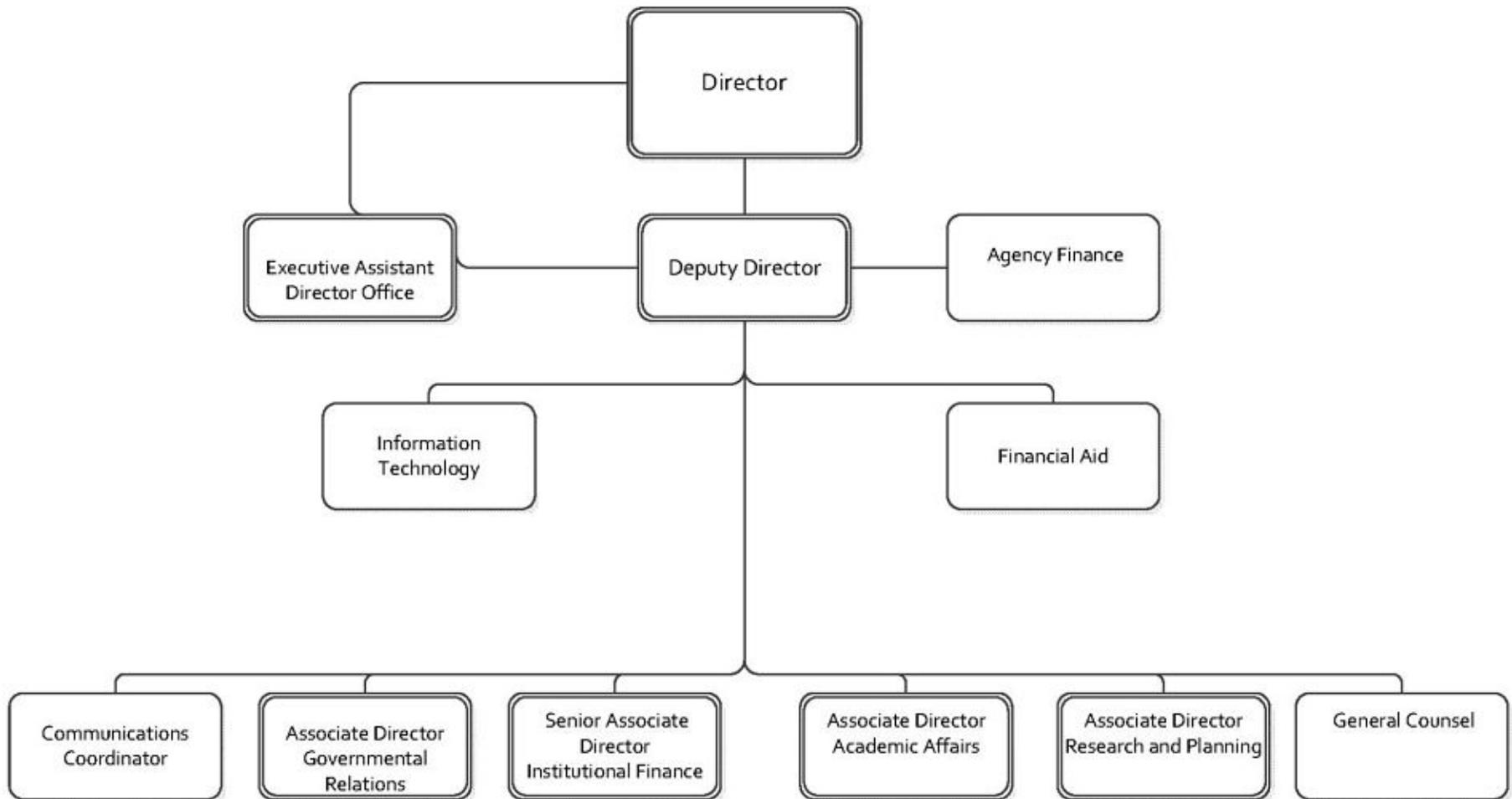
Higher Education financial aid program fund balances as authorized by A.C.A., Title 19, et. al.

## History and Organization

The creation of the Arkansas Department of Higher Education (ADHE), and its predecessor, the Commission on the Coordination of Higher Education Finance, was predicated on the State's need for financial analysis, coordination, and strategic planning for the provision of public higher education in Arkansas. The Arkansas Higher Education Coordinating Board (AHECB) was created by Act 1114 of 1997 which abolished the State Board of Higher Education and transferred its powers, duties and functions to the AHECB which now oversees the Department of Higher Education. The scope of the responsibilities of the ADHE has broadened over the years to include determining the role and scope (mission) of each public institution, approving new academic programs, reviewing existing programs for quality and productivity, and analyzing and reporting all types of institutional and student data. Information is the key commodity used by ADHE to serve the needs of its constituencies-- the Governor, the Legislature, and the people of Arkansas. This information includes data on the financial operations of the colleges and universities, statistics about the students who enroll and how they are progressing at these institutions, and information used to provide financial aid to over 35,000 Arkansas college students.

ADHE acquires, generates, analyzes, and monitors data on students, faculty, and institutions to meet monitoring and service obligations. Over the years, the Governor and the Legislature have given the Department increased responsibility to monitor and report on the academic and fiscal operations of public colleges and universities. This has included gubernatorial and legislative mandates to establish a statewide higher education information system with individual data on every enrolled student at public or private colleges and universities and all faculty members at the public colleges and universities. ADHE also maintains data on all recipients of financial aid programs managed by ADHE, whether attendance is at a public or private institution.

The mission of the Arkansas Department of Higher Education is to advocate for higher education; to promote a coordinated system of higher education in the State; and to provide for the orderly and effective development of each of the publicly and locally supported institutions of higher education in the state - all geared toward improving the delivery of higher education services to the citizens of Arkansas.



**Agency Commentary**

**Arkansas Department of Higher Education 2017-2019 Biennium Commentary**

The following define the priorities of the Arkansas Department of Higher Education (ADHE) for the 2017-2019 Biennium. Each is designed to more effectively and efficiently meet the goals and missions of effective coordination of Arkansas higher education.

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

**A. Personal Services Costs for Additional Requested Personnel**

The Arkansas Department of Higher Education (ADHE) is reorganizing and reallocating resources to more effectively and efficiently meet our goals and missions. This process has allowed ADHE to eliminate three positions reducing part of our general revenue base level by \$164,260. **Base Level Decrease.**

**B. Extra Help**

These positions are used to help assist the Financial Aid Staff during peak volumes times each semester to insure that the awards can go out in a timely manner. Extra Help is requested because it is more cost effective to utilize these positions on an as needed basis versus employment of full time employees. **Base Level Request.**

**C. Operating Expenses**

The Arkansas Department of Higher Education (ADHE) is reorganizing and reallocating resources to more effectively and efficiently meet our goals and missions. This process has allowed ADHE to maintain base level operating expenses. **Base Level**

**D. Conference Fees & Travel**

AHDE uses this travel related categories such as to provide professional development for staff in order to insure the ability to provide continuing professional services in changing environments. **Base Level Request.**

**E. Professional Fees**

The Arkansas Department of Higher Education (ADHE) is reorganizing and reallocating resources to more effectively and efficiently meet our goals and missions. This process has allowed ADHE to reduce the cost for Information Technology services by \$60,000. **Base Level Decrease**

#### **F. Capital Outlay**

The Department is requesting to restore \$35,000 of the \$50,000 for Capital Outlay for each year of the biennium. Information has become a key commodity used by ADHE to serve the needs of its constituencies. ADHE acquires, generates, analyzes, and monitors data on students, faculty, and institutions. Additional hardware has been acquired to host web sites and student servers to comply with new State laws and programs. The Department now operates six student servers for such programs as well as the Academic Challenge, Governor's Scholar, and Credit Transfer Programs. The Department's Technology plan calls for the replacement of one server, network storage and one network printer each year.

**Base Level Increase Request Appropriation Only.**

#### **II. Financial Aid Programs to Students**

ADHE Financial Aid Programs are funded through the Higher Education Grants Fund (HEG) which receives funding from General Revenue and the Education Excellence Fund. ADHE is asking for base level only, however transfers were needed to make maximum utilization of funds and appropriations provided for financial aid programs, and to more adequately align the appropriation with the number of eligible students.

**Base Level Request**

#### **III. Arkansas Health Education Grant (ARHEG)**

The Arkansas Health Education Grant (ARHEG) Program was created to assist Arkansas residents who must attend certain professional schools not provided by the State of Arkansas in the areas of dentistry, optometry, podiatry, osteopathy, and veterinary. Arkansas contracts through the Southern Regional Education Board (SREB) to ensure that Arkansas residents can secure seats in participating institutions in the SREB Compact Program. The fee for each seat is established by SREB and the ARHEG grant or loan amount is typically an amount sufficient to help offset the difference in the resident and non-resident tuition amounts at participating institutions. The Arkansas Health Education Grants (ARHEG) Program is funded with General Revenue and balances in the Higher Education Grants (HEG) Fund. Due to the continued increase in slot fees, ADHE has requested additional appropriation with the exception of Chiropractic Aid. Chiropractic Aid is requested as Base Level Funding. **Base Level/Base Level Increase, Appropriation Only**

#### **IV. Research Development Fund**

This Arkansas Research Development Program is for research grants to applicable institutions of higher education. Funding for this program is transferred from the Higher Education Building Maintenance Fund from proceeds from the sale or lease of minerals, oil and gas on military and non-military federal lands in Arkansas. The Department is requesting an increase of the currently budgeted amount. **Base Level Increase Appropriation Only**

#### **V. State Scholarship - Federal**

This program was for Arkansas' participation in the federally funded "Leveraging Educational Assistance Partnership (LEAP)" Program. The funding for the program has been discontinued. **Base Level Decrease, Federal Funding.**

#### **VI. Technical Education - Federal Programs (Perkins)**

The Carl D. Perkins Vocational and Technical Education Act require each state to "establish a state performance accountability system to assess the effectiveness of vocational and technical education." This request includes support for multiple model project/pilot projects to be implemented to meet state leadership requirements. The purpose of the model projects is to encourage the implementation of new and innovative programs for career and technical education. Perkins will request proposals from postsecondary institutions receiving Perkins funding so specific projects to be funded are unknown at this time. **Reallocation.**

#### **VII. Career Pathways Program**

The Career Pathways Program operates under the State's Temporary Assistance to Needy Families (TANF) Block Grant. Under these guidelines, all recipients of TANF funds as approved by the Arkansas Transitional Employment Board (TEB) are eligible to receive "educational activities designed to increase self-sufficiency & job training skills". The Department works with the Arkansas Association of Two-Year Colleges (AATYC) to coordinate services to eligible recipients attending two-year institutions.

Due to a reduction in funding the agency request that the operations line item be reduce by \$1,593.

**Reallocation/Base Level Decrease, Federal Funding.**

#### **VIII. The College Access Challenge Grant Program (CACGP)**

The College Access Challenge Grant Program. (CACGP) is a Federal Program funded by the U. S. Department of Education. The project is designed to foster partnerships among government entities and philanthropic organizations to increase the number of underrepresented students who enter and remain in postsecondary education. The purpose of this project is to encourage students and families to learn about, prepare for, and finance a postsecondary education. The project includes a statewide outreach effort that will provide tools that can be used on a long-range basis to help tell the story of the importance of higher education. A training program will also be developed for high school guidance counselors who are located in the poorest counties of Arkansas as a means to assist them in reaching out to children from economically disadvantaged families. **Base Level Decrease, Federal Funding,**

## **IX.. Scholarship Administration**

Pursuant to Act 1195 of 2011, the Arkansas Department of Higher Education (ADHE) was directed to develop and maintain the Arkansas Higher Education Information System. ADHE is reducing the number of positions from eight to six for a savings of \$115,431. ADHE is also reducing Professional Fees and Services by \$100,000 and extra help by \$20,000. The new data integration and identity resolution tools will require additional database tools and hardware. ADHE request to restore capital outlay of \$35,000 to fund the tools needed to comply with Act 1195 of 2011.

**Base Level Decrease. Appropriation Only**

## **X. Complete College America.**

The Arkansas Department of Higher Education (ADHE) requests change levels for appropriation of \$25,000 due to the termination of the grant. This change will allow ADHE to finish reporting using the fund balance.

**Base Level Decrease, Foundation Funding**

## **XI. Cash Operations**

ADHE receives grants from private foundations. Current and past grants are The "Achieving the Dream: Community Colleges Count" national initiative is designed to help more community college students succeed. The Western Interstate Commission for Higher Education (WICHE) Non-traditional No More: Policy Solutions for Adult Learners grant will be used to stimulate and guide policy and practice changes that will create a more navigable path to degree attainment for adults, Lumina Foundation for Education, Inc. used to conduct planning and implementation for a College Goal Sunday event in Arkansas. And Complete College America. We are anticipating continuation of these programs as well new programs that have been applied for during the past year. **Base Level Decrease, Appropriation Only**

## **XII. Workforce Initiative Act of 2015**

For workforce education grants, administrative, and operating expenses of the Department of Higher Education.

### **Restoration**

## **XIII. Outcome-Centered Funding**

For distribution of Outcome-Centered Funding Awards to Institutions of Higher Education by the Department of Higher Education for the fiscal year.

### **Base Level Request**

## **XIII. Improving Teacher Quality**

The Arkansas Department of Higher Education's (ADHE) Improving Teacher Quality appropriation represents the State's 'No Child Left Behind' program. The goals of this appropriation stress the importance of preparing, training and recruiting high quality teachers and principals through competitive grants to institutions of higher education. Major emphasis is placed upon teacher quality as being a factor in improving student achievement. This program is federally funded through the U.S. Department of Education. The program will be discontinued after FY18.

### **Reallocation/Base Level Decrease**

## **XV. Explanations for Revisions to Special Language**

### **A. SECTION 31. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS 22 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. TRANSFER PROVISION.**

To be consistent with Section 32 Transfer Provisions of the Higher Education Grants Fund and to make transfer more efficient and timely.

### **B. SECTION 32. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. TRANSFER OF HIGHER EDUCATION GRANTS FUND APPROPRIATIONS - HEALTH EDUCATION GRANTS**

The Osteopathy Program will be discontinued.

## Audit Findings

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

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Findings

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The Arkansas Department of Higher Education failed to segregate duties relating to initiating, disbursing, and recording transactions among appropriate employees, increasing the risk of fraud. During fiscal years 2009 through 2014, employee DaWanna Walls diverted \$67,893 from the Agency to her personal bank account. Walls devised a scheme where she submitted invoices for a fictitious vendor and flagged those warrants for pick up from the Auditor of State's Office. The fictitious company was in the name of Walls' spouse, allowing for deposit of the warrants into Walls' bank account.

Further review revealed that Walls, who was first employed with the State on April 7, 1997, perpetrated a similar scheme at a state agency where she was previously employed. Between fiscal years 2002 and 2006, Walls misappropriated \$164,402 at the Arkansas Department of Community Correction. The total misappropriated by Walls from the two agencies, during fiscal years 2002 through 2014, was \$232,295.

Subsequent to an Arkansas State Police investigation, Walls was charged with two felony counts of theft of property.

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Recommendations

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We recommend the financial accounting duties related to initiating, disbursing, and recording transactions within the Agency be segregated to the fullest extent possible.

**Agency Response:**

The Arkansas Department of Higher Education (ADHE) agrees with the finding of the audit. ADHE being a small agency, there were normally two employees handling accounting, human resources, and procurement. During this time, there was considerable turnover of the Agency finance positions, so at times, the duties had to be shared among staff.

In and around March of 2014, ADHE was able to reorganize the finance department with two staff members with accounting degrees. It was at this time that many new procedures were put into place to further segregate duties.

Issuing a paper warrant for Agency pickup up has been discouraged and only approved in those cases prior to request. Documentation is required in advance of either receipt of goods or invoice stating purpose of payment. The employee who picks up the warrant prints out warrant detail, and the person requesting the warrant signs off on receipt.

Prior to purchasing or requesting payment, an Internal Purchasing Requisition must be submitted by a Senior Associate Director and reviewed and approved by the Senior Associate Director of Finance and Administration.

While ADHE staff is still limited to have full separation of duties in procurement, we have utilized staff in other areas to add another level of segregation. Once goods are received, staff from another area is assigned to verify the shipping package against the order. Only after this verification is the payment processed by accounting.

Lastly, one-time vendors are only used in those cases where a vendor is blocked or in financial aid where payment goes directly to student in the TOP program. Accounting must have the Senior Associate Director of Finance and Administration review the need and documentation for a new vendor before submitting to state procurement.

Monthly transactions are reviewed for new vendors, frequency of vendor payments, and

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

Findings

Recommendations

anything above a 20 percent increase in vendor amount.

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

None

**Publications**

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

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
A-Book Operating & Capital	A.C.A. 6-61-209	Y	Y	250	Presents biennial recommendations for each institution.	0	0.00
Agenda Books	A.C.A. 6-61-202	N	N	80	Provides notice of higher education issues to be addressed by AHECB.	0	0.00
AR Academic Cost Accounting	A.C.A. 6-61-222	N	Y	200	Reflects cost of each academic program provided to Board and ALC - Interim Committees.	0	0.00
AR Challenge Scholarships	A.C.A. 6-82-1004	N	N	40,000	Sent to high schools and, upon request, to students for informational purposes.	0	0.00
Athletic Costs & Revenues	A.C.A. 6-62-106	N	Y	100	Presented to AHECB and Joint Audit Committee annually.	0	0.00

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

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
B-Book - Personal Services	A.C.A. 6-61-209	Y	Y	250	Presents biennial recommendations for institutional personal services & positions.	0	0.00
Degrees Awarded	A.C.A. 6-61-206	N	N	200	Available on web site - distributed for informational purposes upon request to higher educ community & others.	0	0.00
Fact Book	A.C.A. 6-61-202	Y	Y	250	Historical reference - information also provided to institutions.	0	0.00
Financial Aid Guide	A.C.A. 6-82-1004	N	N	40,000	Sent to high schools and students and counselors and guidance officers.	0	0.00
Financial Prgms. Handbook	A.C.A. 8-82-1004	N	N	40,000	For informational purposes, this report is sent to high schools and students upon request.	0	0.00
Governor's Scholars	A.C.A. 8-82-1004	N	N	40,000	For informational purposes, this report is sent to high schools and students upon request.	0	0.00
Health Education Grants	Acts 1180 of 99 & 1612 of 01	N	Y	25	Provides student information for those receiving grants & their return rates.	0	0.00
Impact of Scholarship Prgms.	A.C.A. 6-82-104	N	Y	1	Assesses the impact of scholarship programs and reported to Council annually.	0	0.00
Legislative Summary	A.C.A. 6-61-202	Y	Y	50	Provides information on legislation affecting higher education	0	0.00
Minimum Core Curriculum	A.C.A. 6-53-205 & 6-61-218	N	N	256	For informational purposes, copies are distributed to each public institution of higher education.	0	0.00

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

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
Retention & Graduation	A.C.A. 6-61-220	N	N	0	Appears annually in AHECB agenda book published & distributed quarterly to Board, Governor, Institutions	0	0.00
Student Enrollments	A.C.A. 6-61-206	N	N	5	Available on web site - distributed for informational purposes to higher educ community & others.	0	0.00
Student Semester Credit & FTE	A.C.A. 6-61-206	N	N	5	On Web site - Distributed upon request for informational purposes to Higher Education community & others.	0	0.00
Type Amount Compensation for Monitary Losses of Students called into Military Service	A.C.A. 6-61-112	N	Y	100	Mandated for House Interim Committee on Aging, Children and Youth, Legislative and Military Affiars and Senate Interim Committee on Children and Youth beginning October 1, 2006	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
135 Dental Aid Grant & Loans	3,187,775	0	3,121,270	0	3,121,270	0	3,121,270	0	3,987,370	0	3,121,270	0	3,121,270	0	4,087,370	0	3,121,270	0
137 Optometry Aid Grants & Loans	502,500	0	550,000	0	550,000	0	550,000	0	665,000	0	550,000	0	550,000	0	675,000	0	550,000	0
138 Veterinary Aid	1,258,148	0	1,350,000	0	1,350,000	0	1,350,000	0	1,850,000	0	1,350,000	0	1,350,000	0	1,950,000	0	1,350,000	0
140 Chiropractic Aid	98,749	0	260,000	0	260,000	0	260,000	0	260,000	0	260,000	0	260,000	0	260,000	0	260,000	0
153 General Operations	3,466,896	30	4,312,095	38	4,312,095	38	4,134,042	36	3,944,782	33	3,814,466	31	4,136,625	36	3,947,365	33	3,817,049	31
156 Research Development Program Grants	507,812	0	500,000	0	5,000,000	0	500,000	0	1,000,000	0	1,000,000	0	500,000	0	1,000,000	0	1,000,000	0
160 State Scholarship-Federal	0	0	750,000	0	750,000	0	750,000	0	0	0	0	0	750,000	0	0	0	0	0
197 Student Asst Grants/Scholarships	49,369,809	0	57,050,000	0	57,050,000	0	57,050,000	0	57,050,000	0	57,050,000	0	57,050,000	0	57,050,000	0	57,050,000	0
1GF Improving Teacher Quality	539,519	0	715,500	0	715,500	0	715,500	0	506,000	0	506,000	0	715,500	0	0	0	0	0
2XK TANF	7,132,590	3	7,150,832	3	7,150,000	3	7,151,593	3	7,150,000	3	7,150,000	3	7,151,593	3	7,150,000	3	7,150,000	3
58B College Access Challenge Grant	1,267,500	0	1,400,000	0	2,000,000	0	1,370,000	0	700,000	0	700,000	0	1,370,000	0	700,000	0	700,000	0
59B ADHE-Scholarship Admn	436,996	5	885,096	6	882,096	6	1,000,205	8	798,228	6	798,228	6	1,000,205	8	798,228	6	798,228	6
772 Technical Education-Federal Programs	377,236	2	386,268	2	384,868	2	386,951	2	386,951	2	386,951	2	387,196	2	387,196	2	387,196	2
773 Osteopathy Aid	36,700	0	230,000	0	230,000	0	230,000	0	50,000	0	50,000	0	230,000	0	50,000	0	50,000	0
783 Podiatry Aid	45,200	0	130,400	0	130,400	0	130,400	0	195,400	0	130,400	0	130,400	0	200,400	0	130,400	0
921 Dept Higher Education - Cash in Treasury	43,193	0	465,000	0	1,695,000	0	465,000	0	405,000	0	405,000	0	465,000	0	405,000	0	405,000	0
97E Complt Coll Amer Grt	0	0	100,000	0	100,000	0	100,000	0	75,000	0	75,000	0	100,000	0	75,000	0	75,000	0
F91 Outcome-Cent Funding	0	0	54,512,702	0	54,512,702	0	54,512,702	0	54,512,702	0	54,512,702	0	54,512,702	0	54,512,702	0	54,512,702	0
N60 WF Initiative Act of 2015	1,427,657	0	2,000,000	0	8,000,000	0	2,000,000	0	8,000,000	0	8,000,000	0	2,000,000	0	8,000,000	0	8,000,000	0
<b>Total</b>	<b>69,698,280</b>	<b>40</b>	<b>135,869,163</b>	<b>49</b>	<b>148,193,931</b>	<b>49</b>	<b>135,777,663</b>	<b>49</b>	<b>141,536,433</b>	<b>44</b>	<b>139,860,017</b>	<b>42</b>	<b>135,780,491</b>	<b>49</b>	<b>141,248,261</b>	<b>44</b>	<b>139,356,845</b>	<b>42</b>

Funding Sources		%		%		%		%		%		%		%		%		%	
Fund Balance	4000005	20,353,415	23.2	18,144,993	12.4			10,233,447	7.0	10,233,447	7.1	10,233,447	7.1	10,066,393	6.9	10,031,393	7.0	10,161,709	7.1
General Revenue	4000010	4,826,839	5.5	5,399,182	3.7			5,997,388	4.1	5,773,128	4.0	5,773,128	4.0	6,036,625	4.1	5,812,365	4.1	5,812,365	4.1
Federal Revenue	4000020	9,316,845	10.6	10,402,600	7.1			10,374,044	7.1	8,742,951	6.1	8,742,951	6.1	10,374,289	7.1	8,237,196	5.8	8,237,196	5.8
Cash Fund	4000045	484,680	0.6	24,486	0.0			565,000	0.4	480,000	0.3	480,000	0.3	565,000	0.4	480,000	0.3	480,000	0.3
Trust Fund	4000050	507,812	0.6	500,000	0.3			500,000	0.3	500,000	0.3	500,000	0.3	500,000	0.3	500,000	0.3	500,000	0.3
Merit Adjustment Fund	4000055	0	0.0	24,567	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Educational Excellence Fund	4000220	13,716,415	15.6	14,291,518	9.8			14,291,518	9.8	14,291,518	9.9	14,291,518	10.0	14,291,518	9.8	14,291,518	10.0	14,291,518	10.0
Gen Rev Higher Ed Grants	4000258	39,404,868	44.9	39,917,466	27.3			48,369,752	33.2	48,369,752	33.7	48,189,752	33.6	48,369,752	33.2	48,369,752	33.8	48,189,752	33.7
Rainy Day Fund	4000267	0	0.0	2,000,000	1.4			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
HEG Fund Transfers/Adjust.	4000280	0	0.0	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Inter-agency Fund Transfer	4000316	436,996	0.5	885,096	0.6			1,000,205	0.7	798,228	0.6	798,228	0.6	1,000,205	0.7	798,228	0.6	798,228	0.6

Funding Sources			%		%		%		%		%		%		%
Intra-agency Fund Transfer	4000317	(2,000,000)	(2.3)	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Other	4000370	795,403	0.9	54,512,702	37.3	54,512,702	37.4	54,512,702	37.9	54,512,702	38.0	54,512,702	37.4	54,512,702	38.1
Total Funds		87,843,273	100.0	146,102,610	100.0	145,844,056	100.0	143,701,726	100.0	143,521,726	100.0	145,716,484	100.0	143,033,154	100.0
Excess Appropriation/(Funding)		(18,144,993)		(10,233,447)		(10,066,393)		(2,165,293)		(3,661,709)		(9,935,993)		(1,784,893)	
Grand Total		69,698,280		135,869,163		135,777,663		141,536,433		139,860,017		135,780,491		141,248,261	

Variance in fund balance is due to unfunded appropriation in (156), (N60) and (HEG).

## Agency Position Usage Report

FY2014 - 2015						FY2015 - 2016						FY2016 - 2017					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
53	36	17	53	0	32.08 %	49	31	18	49	0	36.73 %	49	32	17	49	0	34.69 %

## **Analysis of Budget Request**

**Appropriation:** 153 - General Operations

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

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

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

The Base Level Request is \$4,132,042 in FY18 and \$4,136,625 in FY19.

The Agency's Change Level Requests total (\$189,260) in appropriation and funding for FY18 and FY19, and includes the following:

- Regular Salaries and Personal Services Matching of (\$164,260) in FY18 and FY19 to eliminate three (3) positions: Two (2) DHE Program Specialists and one (1) Accounting Coordinator as part of the Agency's reorganization.
- Professional Fees of (\$60,000) each year due to a reduction of outside Information Technology and Data contracts.
- Capital Outlay restoration of \$35,000 each year for the purchase of IT equipment.

Subsequent to the Agency's initial Budget Request, the Office of Personnel Management and Agency personnel usage and ongoing staffing needs. The Executive Recommendation reflects position reductions based on the personnel evaluation. The Executive Recommendation provides for Agency Request plus a decrease of (\$130,316) in Regular Salaries and Personnel Services Matching for the reduction of two (2) C122 - DHE Program Specialists.

## Appropriation Summary

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

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,835,374	2,430,874	2,430,874	2,314,325	2,192,808	2,094,840	2,315,725	2,194,208	2,096,240
<b>#Positions</b>		<b>30</b>	<b>38</b>	<b>38</b>	<b>36</b>	<b>33</b>	<b>31</b>	<b>36</b>	<b>33</b>	<b>31</b>
Extra Help	5010001	0	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
<b>#Extra Help</b>		<b>0</b>	<b>6</b>	<b>8</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>
Personal Services Matching	5010003	600,725	730,466	730,466	718,962	676,219	643,871	720,145	677,402	645,054
Operating Expenses	5020002	837,053	912,755	912,755	912,755	912,755	912,755	912,755	912,755	912,755
Conference & Travel Expenses	5050009	16,956	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Professional Fees	5060010	115,670	160,000	160,000	160,000	100,000	100,000	160,000	100,000	100,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	61,118	50,000	50,000	0	35,000	35,000	0	35,000	35,000
<b>Total</b>		<b>3,466,896</b>	<b>4,312,095</b>	<b>4,312,095</b>	<b>4,134,042</b>	<b>3,944,782</b>	<b>3,814,466</b>	<b>4,136,625</b>	<b>3,947,365</b>	<b>3,817,049</b>

Funding Sources										
Fund Balance	4000005	2,000,957	2,082,033		1,293,687	1,293,687	1,293,687	1,257,033	1,222,033	1,352,349
General Revenue	4000010	3,399,182	3,399,182		3,997,388	3,773,128	3,773,128	4,036,625	3,812,365	3,812,365
Merit Adjustment Fund	4000055	0	24,567		0	0	0	0	0	0
HEG Fund Transfers/Adjust.	4000280	100,000	100,000		100,000	100,000	100,000	100,000	100,000	100,000
Other	4000370	48,790	0		0	0	0	0	0	0
<b>Total Funding</b>		<b>5,548,929</b>	<b>5,605,782</b>		<b>5,391,075</b>	<b>5,166,815</b>	<b>5,166,815</b>	<b>5,393,658</b>	<b>5,134,398</b>	<b>5,264,714</b>
Excess Appropriation/(Funding)		(2,082,033)	(1,293,687)		(1,257,033)	(1,222,033)	(1,352,349)	(1,257,033)	(1,187,033)	(1,447,665)
<b>Grand Total</b>		<b>3,466,896</b>	<b>4,312,095</b>		<b>4,134,042</b>	<b>3,944,782</b>	<b>3,814,466</b>	<b>4,136,625</b>	<b>3,947,365</b>	<b>3,817,049</b>

Two (2) Base Level positions allocated to Appropriation 59B.

## Change Level by Appropriation

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

### Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>4,134,042</b>	<b>36</b>	<b>4,134,042</b>	<b>100.0</b>	<b>4,136,625</b>	<b>36</b>	<b>4,136,625</b>	<b>100.0</b>
C03	Discontinue Program	(224,260)	(3)	3,909,782	94.6	(224,260)	(3)	3,912,365	94.6
C08	Technology	35,000	0	3,944,782	95.4	35,000	0	3,947,365	95.4

### Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>4,134,042</b>	<b>36</b>	<b>4,134,042</b>	<b>100.0</b>	<b>4,136,625</b>	<b>36</b>	<b>4,136,625</b>	<b>100.0</b>
C03	Discontinue Program	(224,260)	(3)	3,909,782	94.6	(224,260)	(3)	3,912,365	94.6
C08	Technology	35,000	0	3,944,782	95.4	35,000	0	3,947,365	95.4
C13	Not Recommended	(32,348)	0	3,912,434	94.6	(32,348)	0	3,915,017	94.6
C19	Executive Changes	(97,968)	(2)	3,814,466	92.3	(97,968)	(2)	3,817,049	92.3

### Justification

C03	Due to reducing outside IT and data contracts
C08	To restore appropriation for capital outlay. The appropriation is for the purchase of IT equipment.
C19	Subsequent to the Agency's initial Budget Request, the Office of Personnel Management and Agency personnel usage and ongoing staffing needs. The Executive Recommendation reflects position reductions based on the personnel evaluation for the reduction of two (2) C122 - DHE Program Specialists.

## **Analysis of Budget Request**

**Appropriation:** 156 - Research Development Program Grants

**Funding Sources:** THD - Higher Education Research Development - Trust

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

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

The Agency's Change Level Request is for appropriation of \$500,000 in FY18 and FY19, and includes the following:

- Grants and Aid of \$500,000 in FY18 and FY19 to cover the increased amount received in Mineral Lease Funds.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 156 - Research Development Program Grants

**Funding Sources:** THD - Higher Education Research Development - Trust

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	507,812	500,000	5,000,000	500,000	1,000,000	1,000,000	500,000	1,000,000	1,000,000
Total		507,812	500,000	5,000,000	500,000	1,000,000	1,000,000	500,000	1,000,000	1,000,000
<b>Funding Sources</b>										
Trust Fund	4000050	507,812	500,000		500,000	500,000	500,000	500,000	500,000	500,000
Total Funding		507,812	500,000		500,000	500,000	500,000	500,000	500,000	500,000
Excess Appropriation/(Funding)		0	0		0	500,000	500,000	0	500,000	500,000
Grand Total		507,812	500,000		500,000	1,000,000	1,000,000	500,000	1,000,000	1,000,000

## Change Level by Appropriation

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

### Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>500,000</b>	<b>0</b>	<b>500,000</b>	<b>100.0</b>	<b>500,000</b>	<b>0</b>	<b>500,000</b>	<b>100.0</b>
C05	Unfunded Appropriation	500,000	0	1,000,000	200.0	500,000	0	1,000,000	200.0

### Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>500,000</b>	<b>0</b>	<b>500,000</b>	<b>100.0</b>	<b>500,000</b>	<b>0</b>	<b>500,000</b>	<b>100.0</b>
C05	Unfunded Appropriation	500,000	0	1,000,000	200.0	500,000	0	1,000,000	200.0

### Justification

C05	Appropriation increase of \$500,000 due to a growth in the Mineral Lease Fund distribution.
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## **Analysis of Budget Request**

**Appropriation:** 160 - State Scholarship-Federal

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

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

The Base Level and total Agency Request is \$750,000 each year of the 2017-2019 Biennium.

The Agency's Change Level Request is (\$750,000) for FY18 and FY19, and includes the following:

- Grants and Aid of (\$750,000) in FY18 and FY19 due to the discontinuation of the Program.

The Executive Recommendation provides for the Agency Request.

# Appropriation Summary

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

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	0	750,000	750,000	750,000	0	0	750,000	0	0
Total	0	750,000	750,000	750,000	0	0	750,000	0	0
<b>Funding Sources</b>									
Federal Revenue 4000020	0	750,000		750,000	0	0	750,000	0	0
Total Funding	0	750,000		750,000	0	0	750,000	0	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	750,000		750,000	0	0	750,000	0	0

APPROPRIATION NOT REQUESTED FOR THE 2017-2019 BIENNIUM

## Change Level by Appropriation

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

### Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>750,000</b>	<b>0</b>	<b>750,000</b>	<b>100.0</b>	<b>750,000</b>	<b>0</b>	<b>750,000</b>	<b>100.0</b>
C03	Discontinue Program	(750,000)	0	0	0.0	(750,000)	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>750,000</b>	<b>0</b>	<b>750,000</b>	<b>100.0</b>	<b>750,000</b>	<b>0</b>	<b>750,000</b>	<b>100.0</b>
C03	Discontinue Program	(750,000)	0	0	0.0	(750,000)	0	0	0.0

### Justification

C03	The federal funding expired
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## **Analysis of Budget Request**

**Appropriation:** 197 - Student Asst Grants/Scholarships

**Funding Sources:** HEG - Higher Education Grants

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

The Base Level Request is \$57,050,000 each year of the 2017-2019 Biennium.

The Agency's Change Level Request is for a reallocation of appropriation in FY18 and FY19, and includes the following:

- State Teacher Education Program of (\$500,000) to align scholarship appropriation with the number of eligible students.
- Washington Center Scholarships of \$40,000 to align scholarship appropriation with the number of eligible students.
- Dependent Scholarships (POW's MIA's, etc.) of \$1,000,000 to align scholarship appropriation with the number of eligible students.
- Dependents Law Enforcement, Officers, etc. of \$200,000 to align scholarship appropriation with the number of eligible students.
- Academic Challenge Scholarships of (\$3,690,000) to align scholarship appropriation with the number of eligible students.
- Arkansas Governor's Scholarship of \$3,800,000 to align scholarship appropriation with the number of eligible students.
- Web Based Applications of (\$850,000) to align scholarship appropriation with the number of eligible students.

The Executive Recommendation provides for Base Level.

# Appropriation Summary

**Appropriation:** 197 - Student Asst Grants/Scholarships

**Funding Sources:** HEG - Higher Education Grants

## Historical Data

## Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
St Teacher Educ Prgm	5100004	1,154,383	2,000,000	2,000,000	2,000,000	1,500,000	2,000,000	2,000,000	1,500,000	2,000,000
Teacher Opportunity Program	5100004	1,499,888	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Workforce Improvement Grants	5100004	2,896,079	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Single Parent Scholarship Progra	5100004	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000
Grants and Aid	5100004	0	0	0	0	0	0	0	0	0
H E Opportunities Grant	5100004	5,611,553	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
National Guard Tuition Asst.	5100004	1,393,921	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000
SREB Minority Doctoral Scholars	5100030	200,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000
Washington Center Scholarships	5100030	110,000	100,000	100,000	100,000	140,000	100,000	100,000	140,000	100,000
Dependents-POW'S, MIA'S, etc.	5100030	768,505	450,000	450,000	450,000	1,450,000	450,000	450,000	1,450,000	450,000
AR Geographical Critical Needs	5100030	97,500	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Dependents-Law Enf. Off, etc	5100030	272,536	400,000	400,000	400,000	600,000	400,000	400,000	600,000	400,000
Tuition Adjustment	5110014	0	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000
Academic Challenge	5900046	20,000,000	25,000,000	25,000,000	25,000,000	21,310,000	25,000,000	25,000,000	21,310,000	25,000,000
AR Govenro's Scholar	5900047	14,676,871	15,200,000	15,200,000	15,200,000	19,000,000	15,200,000	15,200,000	19,000,000	15,200,000
SURF	5900048	145,670	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Web Based Applications	5900049	367,903	1,000,000	1,000,000	1,000,000	150,000	1,000,000	1,000,000	150,000	1,000,000
<b>Total</b>		<b>49,369,809</b>	<b>57,050,000</b>	<b>57,050,000</b>	<b>57,050,000</b>	<b>57,050,000</b>	<b>57,050,000</b>	<b>57,050,000</b>	<b>57,050,000</b>	<b>57,050,000</b>

Funding Sources										
Fund Balance	4000005	16,244,755	15,513,770		8,931,084	8,931,084	8,931,084	8,800,684	8,800,684	8,800,684
Educational Excellence Fund	4000220	13,716,415	14,291,518		14,291,518	14,291,518	14,291,518	14,291,518	14,291,518	14,291,518
Gen Rev Higher Ed Grants	4000258	34,275,796	34,275,796		42,728,082	42,728,082	42,728,082	42,728,082	42,728,082	42,728,082
Rainy Day Fund	4000267	0	2,000,000		0	0	0	0	0	0
HEG Fund Transfers/Adjust.	4000280	(100,000)	(100,000)		(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
Other	4000370	746,613	0		0	0	0	0	0	0
<b>Total Funding</b>		<b>64,883,579</b>	<b>65,981,084</b>		<b>65,850,684</b>	<b>65,850,684</b>	<b>65,850,684</b>	<b>65,720,284</b>	<b>65,720,284</b>	<b>65,720,284</b>
<b>Excess Appropriation/(Funding)</b>		<b>(15,513,770)</b>	<b>(8,931,084)</b>		<b>(8,800,684)</b>	<b>(8,800,684)</b>	<b>(8,800,684)</b>	<b>(8,670,284)</b>	<b>(8,670,284)</b>	<b>(8,670,284)</b>
<b>Grand Total</b>		<b>49,369,809</b>	<b>57,050,000</b>		<b>57,050,000</b>	<b>57,050,000</b>	<b>57,050,000</b>	<b>57,050,000</b>	<b>57,050,000</b>	<b>57,050,000</b>

## Change Level by Appropriation

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

### Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>57,050,000</b>	<b>0</b>	<b>57,050,000</b>	<b>100.0</b>	<b>57,050,000</b>	<b>0</b>	<b>57,050,000</b>	<b>100.0</b>
C04	Reallocation	0	0	57,050,000	100.0	0	0	57,050,000	100.0

### Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>57,050,000</b>	<b>0</b>	<b>57,050,000</b>	<b>100.0</b>	<b>57,050,000</b>	<b>0</b>	<b>57,050,000</b>	<b>100.0</b>
C04	Reallocation	0	0	57,050,000	100.0	0	0	57,050,000	100.0

### Justification

C04	Reallocation of appropriation is needed to make maximum utilization of funds and appropriations provided for financial aid programs, and to more adequately align the appropriation with the number of eligible students.								
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## **Analysis of Budget Request**

**Appropriation:** 1GF - Improving Teacher Quality

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

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

The Base Level is \$715,500 each year of the 2017-2019 Biennium.

The Agency's Change Level Requests total (\$209,500) in FY18 and (\$715,500) FY19, and include the following:

- Reallocation of \$2,000 from Grants and Aid to Operating Expenses in FY18 and FY19 to cover additional expenses relating to closing out the grant.
- Reallocation of \$1,500 from Grants and Aid to Travel and Conference in FY18 and FY19 to cover additional expenses relating to closing out the grant.
- Grants and Aid of (\$213,500) in FY18 and (\$713,000) FY19 due to a reduction in Federal Funding.
- Operating Expenses of (\$2,500) in FY19 due to a reduction in Federal Funding.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

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

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	1,955	2,500	2,500	2,500	4,500	4,500	2,500	0	0
Conference & Travel Expenses	5050009	1,400	0	0	0	1,500	1,500	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
Grants and Aid	5100004	536,164	713,000	713,000	713,000	500,000	500,000	713,000	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
<b>Total</b>		<b>539,519</b>	<b>715,500</b>	<b>715,500</b>	<b>715,500</b>	<b>506,000</b>	<b>506,000</b>	<b>715,500</b>	<b>0</b>	<b>0</b>
<b>Funding Sources</b>										
Federal Revenue	4000020	539,519	715,500		715,500	506,000	506,000	715,500	0	0
Total Funding		539,519	715,500		715,500	506,000	506,000	715,500	0	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		539,519	715,500		715,500	506,000	506,000	715,500	0	0

## Change Level by Appropriation

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

### Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>715,500</b>	<b>0</b>	<b>715,500</b>	<b>100.0</b>	<b>715,500</b>	<b>0</b>	<b>715,500</b>	<b>100.0</b>
C03	Discontinue Program	(209,500)	0	506,000	70.7	(715,500)	0	0	0.0
C04	Reallocation	0	0	506,000	70.7	0	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>715,500</b>	<b>0</b>	<b>715,500</b>	<b>100.0</b>	<b>715,500</b>	<b>0</b>	<b>715,500</b>	<b>100.0</b>
C03	Discontinue Program	(209,500)	0	506,000	70.7	(715,500)	0	0	0.0
C04	Reallocation	0	0	506,000	70.7	0	0	0	0.0

### Justification

C03	Duer to reduced federal funding
C04	To cover additional operational and travel expenses while closing out the program

## **Analysis of Budget Request**

**Appropriation:** 2XK - TANF

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

The Temporary Assistance to Needy Families (TANF) appropriation is a collaboration between the Arkansas Department of Higher Education (ADHE) and all twenty-two (22) two-year institutions of higher education. Known as the "Career Pathways" program, it provides educational and training services to recipients deemed eligible under the TANF Block Grant. ADHE works with the Arkansas Association of Two-Year Colleges (AATYC) to coordinate services to eligible recipients, and over 100,000 students have participated. The goal of this appropriation is to increase client self-sufficiency and job skills. This program is federally funded through the U.S. Department of Health and Human Services.

Base Level 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 \$7,153,869 each year of the biennium.

The Agency's Change Level Request is for a reduction of (\$1,593) in FY18 and FY19, and includes the following:

- Operating Expenses of (\$1,593) to align with prior authorized amount.
- Reallocation of \$10,000 from Operating Expenses to Conference and Travel. The reallocation allows for the Agency to cover costs for its TANF training for community colleges that have enrolled students who receive TANF.

The Executive Request provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 2XK - TANF

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

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	233,722	221,169	220,337	221,169	221,169	221,169	221,169	221,169	221,169
<b>#Positions</b>		<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
Personal Services Matching	5010003	66,612	64,630	64,630	65,391	65,391	65,391	65,391	65,391	65,391
Operating Expenses	5020002	37,451	46,698	56,698	56,698	45,105	45,105	56,698	45,105	45,105
Conference & Travel Expenses	5050009	3,898	10,000	0	0	10,000	10,000	0	10,000	10,000
Professional Fees	5060010	13,550	14,784	14,784	14,784	14,784	14,784	14,784	14,784	14,784
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	6,777,357	6,793,551	6,793,551	6,793,551	6,793,551	6,793,551	6,793,551	6,793,551	6,793,551
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
<b>Total</b>		<b>7,132,590</b>	<b>7,150,832</b>	<b>7,150,000</b>	<b>7,151,593</b>	<b>7,150,000</b>	<b>7,150,000</b>	<b>7,151,593</b>	<b>7,150,000</b>	<b>7,150,000</b>
<b>Funding Sources</b>										
Federal Revenue	4000020	7,132,590	7,150,832		7,151,593	7,150,000	7,150,000	7,151,593	7,150,000	7,150,000
Total Funding		7,132,590	7,150,832		7,151,593	7,150,000	7,150,000	7,151,593	7,150,000	7,150,000
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>7,132,590</b>	<b>7,150,832</b>		<b>7,151,593</b>	<b>7,150,000</b>	<b>7,150,000</b>	<b>7,151,593</b>	<b>7,150,000</b>	<b>7,150,000</b>

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

Budget exceeds Authorized Appropriation in Conference and Travel by authority of a Budget Classification Transfer.

## Change Level by Appropriation

**Appropriation:** 2XK - TANF

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

### Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>7,151,593</b>	<b>3</b>	<b>7,151,593</b>	<b>100.0</b>	<b>7,151,593</b>	<b>3</b>	<b>7,151,593</b>	<b>100.0</b>
C03	Discontinue Program	(1,593)	0	7,150,000	100.0	(1,593)	0	7,150,000	100.0
C04	Reallocation	0	0	7,150,000	100.0	0	0	7,150,000	100.0

### Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>7,151,593</b>	<b>3</b>	<b>7,151,593</b>	<b>100.0</b>	<b>7,151,593</b>	<b>3</b>	<b>7,151,593</b>	<b>100.0</b>
C03	Discontinue Program	(1,593)	0	7,150,000	100.0	(1,593)	0	7,150,000	100.0
C04	Reallocation	0	0	7,150,000	100.0	0	0	7,150,000	100.0
C19	Executive Changes	0	0	7,150,000	100.0	0	0	7,150,000	100.0

### Justification

C03	Reduce appropriation to align more with FY 17's budgeted amount.
C04	To reallocate appropriation from Operating Services to Conference and Travel.

## **Analysis of Budget Request**

**Appropriation:** 58B - College Access Challenge Grant

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

The College Access Challenge Grant Program (CACGP) is designed to foster partnerships among federal, state, and local governments and philanthropic organizations through matching challenge grants that are aimed at increasing the number of low-income students who are prepared to enter and succeed in postsecondary education.

Projects funded by the CACGP are designed to: provide information to students and families regarding postsecondary education and career preparation; promote financial literacy and debt management; conduct outreach activities; assist students in completing the Free Application for Federal Student Financial Aid (FAFSA); provide need-based grant aid; conduct professional development for guidance counselors at middle and secondary schools, financial aid administrators, and college admissions counselors; and offer student loan cancellation or repayment or interest rate reductions for borrowers who are employed in a high-need geographical area or a high need profession.

This program is federally funded.

The Base Level Request is \$1,370,000 each year of the 2017-2019 Biennium.

The Change Level Requests total (\$670,000) each year of the biennium and are summarized as follows:

- Operating Expenses reduction of (\$629,000) each year due to a reduction in federal funding.
- Professional Fees of (\$41,000) each year due to a reduction in federal funding.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

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

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	1,215,000	1,215,000	1,215,000	1,215,000	586,000	586,000	1,215,000	586,000	586,000
Conference & Travel Expenses	5050009	0	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000
Professional Fees	5060010	52,500	141,000	741,000	141,000	100,000	100,000	141,000	100,000	100,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	30,000	30,000	0	0	0	0	0	0
<b>Total</b>		<b>1,267,500</b>	<b>1,400,000</b>	<b>2,000,000</b>	<b>1,370,000</b>	<b>700,000</b>	<b>700,000</b>	<b>1,370,000</b>	<b>700,000</b>	<b>700,000</b>
<b>Funding Sources</b>										
Federal Revenue	4000020	1,267,500	1,400,000		1,370,000	700,000	700,000	1,370,000	700,000	700,000
<b>Total Funding</b>		<b>1,267,500</b>	<b>1,400,000</b>		<b>1,370,000</b>	<b>700,000</b>	<b>700,000</b>	<b>1,370,000</b>	<b>700,000</b>	<b>700,000</b>
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>1,267,500</b>	<b>1,400,000</b>		<b>1,370,000</b>	<b>700,000</b>	<b>700,000</b>	<b>1,370,000</b>	<b>700,000</b>	<b>700,000</b>

## Change Level by Appropriation

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

### Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>1,370,000</b>	<b>0</b>	<b>1,370,000</b>	<b>100.0</b>	<b>1,370,000</b>	<b>0</b>	<b>1,370,000</b>	<b>100.0</b>
C03	Discontinue Program	(670,000)	0	700,000	51.1	(670,000)	0	700,000	51.1

### Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>1,370,000</b>	<b>0</b>	<b>1,370,000</b>	<b>100.0</b>	<b>1,370,000</b>	<b>0</b>	<b>1,370,000</b>	<b>100.0</b>
C03	Discontinue Program	(670,000)	0	700,000	51.1	(670,000)	0	700,000	51.1

### Justification

C03	Due to reduced federal funding
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## **Analysis of Budget Request**

**Appropriation:** 59B - ADHE-Scholarship Admn

**Funding Sources:** HEG - Higher Education Grants

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

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

The Base Level Request is \$1,000,205 each year of the 2017-2019 Biennium.

The Agency's Change Level Requests total (\$201,977) each year of the biennium and are as follows:

- Regular Salaries and Personal Services Matching of (\$116,977) in FY18 and FY19 due to the elimination of one (1) Software Support Analyst (C121) and one (1) Software Support Analyst (C121).
- Extra Help of (\$20,000) in FY18 and FY19 due program restructuring.
- Professional Fees of (\$100,000 due to an elimination of an outside data reporting service. This allows the Agency to do this service in-house.
- Capital Outlay of \$35,000 in FY18 and FY19 to purchase database tools and hardware for the ADHE data warehouse.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

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

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	228,065	333,320	330,320	446,155	360,316	360,316	446,155	360,316	360,316
<b>#Positions</b>		<b>5</b>	<b>6</b>	<b>6</b>	<b>8</b>	<b>6</b>	<b>6</b>	<b>8</b>	<b>6</b>	<b>6</b>
Extra Help	5010001	0	30,000	30,000	30,000	10,000	10,000	30,000	10,000	10,000
<b>#Extra Help</b>		<b>0</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	50,621	106,776	106,776	144,050	112,912	112,912	144,050	112,912	112,912
Operating Expenses	5020002	122,206	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	9,375	250,000	250,000	250,000	150,000	150,000	250,000	150,000	150,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	26,729	35,000	35,000	0	35,000	35,000	0	35,000	35,000
<b>Total</b>		<b>436,996</b>	<b>885,096</b>	<b>882,096</b>	<b>1,000,205</b>	<b>798,228</b>	<b>798,228</b>	<b>1,000,205</b>	<b>798,228</b>	<b>798,228</b>
<b>Funding Sources</b>										
Inter-agency Fund Transfer	4000316	436,996	885,096		1,000,205	798,228	798,228	1,000,205	798,228	798,228
<b>Total Funding</b>		<b>436,996</b>	<b>885,096</b>		<b>1,000,205</b>	<b>798,228</b>	<b>798,228</b>	<b>1,000,205</b>	<b>798,228</b>	<b>798,228</b>
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>436,996</b>	<b>885,096</b>		<b>1,000,205</b>	<b>798,228</b>	<b>798,228</b>	<b>1,000,205</b>	<b>798,228</b>	<b>798,228</b>

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

## Change Level by Appropriation

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

### Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>1,000,205</b>	<b>8</b>	<b>1,000,205</b>	<b>100.0</b>	<b>1,000,205</b>	<b>8</b>	<b>1,000,205</b>	<b>100.0</b>
C03	Discontinue Program	(236,977)	(2)	763,228	76.3	(236,977)	(2)	763,228	76.3
C08	Technology	35,000	0	798,228	79.8	35,000	0	798,228	79.8

### Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>1,000,205</b>	<b>8</b>	<b>1,000,205</b>	<b>100.0</b>	<b>1,000,205</b>	<b>8</b>	<b>1,000,205</b>	<b>100.0</b>
C03	Discontinue Program	(236,977)	(2)	763,228	76.3	(236,977)	(2)	763,228	76.3
C08	Technology	35,000	0	798,228	79.8	35,000	0	798,228	79.8

### Justification

C03	Aquired software to allow in house IT data reporting and eliminated outside contract
C08	To restore appropriation for capital outlay. The appropriation is for the purchase of IT equipment.

## **Analysis of Budget Request**

**Appropriation:** 772 - Technical Education-Federal Programs

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

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

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

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 \$386,951 in FY18 and \$387,196 in FY19, and includes the following:

- Reallocation of \$25,500 from Professional Fees to Conference and Travel to allow sufficient appropriation for training expenses.

The Executive Recommendation provides for Agency Request.

## Appropriation Summary

**Appropriation:** 772 - Technical Education-Federal Programs

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

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	147,166	141,709	140,309	141,709	141,709	141,709	141,909	141,909	141,909
<b>#Positions</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>	<b>2</b>
Personal Services Matching	5010003	42,424	41,608	41,608	42,291	42,291	42,291	42,336	42,336	42,336
Operating Expenses	5020002	105,777	77,251	77,251	77,251	77,251	77,251	77,251	77,251	77,251
Conference & Travel Expenses	5050009	9,383	15,200	15,200	15,200	40,700	40,700	15,200	40,700	40,700
Professional Fees	5060010	72,486	110,500	110,500	110,500	85,000	85,000	110,500	85,000	85,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
<b>Total</b>		<b>377,236</b>	<b>386,268</b>	<b>384,868</b>	<b>386,951</b>	<b>386,951</b>	<b>386,951</b>	<b>387,196</b>	<b>387,196</b>	<b>387,196</b>
<b>Funding Sources</b>										
Federal Revenue	4000020	377,236	386,268		386,951	386,951	386,951	387,196	387,196	387,196
<b>Total Funding</b>		<b>377,236</b>	<b>386,268</b>		<b>386,951</b>	<b>386,951</b>	<b>386,951</b>	<b>387,196</b>	<b>387,196</b>	<b>387,196</b>
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>377,236</b>	<b>386,268</b>		<b>386,951</b>	<b>386,951</b>	<b>386,951</b>	<b>387,196</b>	<b>387,196</b>	<b>387,196</b>

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

## Change Level by Appropriation

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

### Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>386,951</b>	<b>2</b>	<b>386,951</b>	<b>100.0</b>	<b>387,196</b>	<b>2</b>	<b>387,196</b>	<b>100.0</b>
C04	Reallocation	0	0	386,951	100.0	0	0	387,196	100.0

### Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>386,951</b>	<b>2</b>	<b>386,951</b>	<b>100.0</b>	<b>387,196</b>	<b>2</b>	<b>387,196</b>	<b>100.0</b>
C04	Reallocation	0	0	386,951	100.0	0	0	387,196	100.0

### Justification

C04	Reallocation of \$25,500 from Professional Fees to Conference and Travel for TANF training expenses.
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## **Analysis of Budget Request**

**Appropriation:** 921 - Dept Higher Education - Cash in Treasury

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

This appropriation is for Cash Operations of The Arkansas Department of Higher Education (ADHE) as defined by Arkansas Code §19-4-801. This appropriation assists in the administration of grant awards related to the "Achieving the Dream", "Non-Traditional No More", and "College Goal Sunday" programs. "Achieving the Dream: Community Colleges Count" program receives private foundation funding to provide participating community colleges with resources to assist minority and low income students earn degrees and to facilitate transfers of credits to other institutions of higher education for continuing their studies. "Non-Traditional No More: Policy Solutions for Adult Learners" program is a Western Interstate Commission for Higher Education (WICHE) private foundation grant used to stimulate and guide policy changes to create a more navigable path to degree attainment for adults. "College Goal Sunday" uses funding provided via planning grant from the Lumina Foundation for Education, Inc. to provide low income families access to financial aid professionals and free assistance in completing the Free Application for Student Financial Aid (FAFSA), as well as helping those targeted students identify all financial aid available.

The Base Level Request is \$465,000 each year of the 2017-2019 Biennium.

The Agency's Change Level Request of (\$60,000) in FY18 and FY19, and includes the following:

- Operating Expenses of (\$28,000) in FY18 and FY19 due to a reduction in the Cash Fund Balance.
- Professional Fees of (\$32,000) in FY18 and FY19 due to a reduction in the Cash Fund Balance.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

## Appropriation Summary

**Appropriation:** 921 - Dept Higher Education - Cash in Treasury

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

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	8,230	290,000	878,070	290,000	262,000	262,000	290,000	262,000	262,000
Conference & Travel Expenses	5050009	13,663	30,000	60,620	30,000	30,000	30,000	30,000	30,000	30,000
Professional Fees	5060010	18,300	95,000	551,310	95,000	63,000	63,000	95,000	63,000	63,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Scholarships	5100030	3,000	50,000	100,000	50,000	50,000	50,000	50,000	50,000	50,000
Refunds/Reimbursements	5110014	0	0	5,000	0	0	0	0	0	0
Capital Outlay	5120011	0	0	100,000	0	0	0	0	0	0
<b>Total</b>		<b>43,193</b>	<b>465,000</b>	<b>1,695,000</b>	<b>465,000</b>	<b>405,000</b>	<b>405,000</b>	<b>465,000</b>	<b>405,000</b>	<b>405,000</b>
<b>Funding Sources</b>										
Fund Balance	4000005	2,000,745	440,514		0	0	0	0	0	0
Cash Fund	4000045	482,962	24,486		465,000	405,000	405,000	465,000	405,000	405,000
Intra-agency Fund Transfer	4000317	(2,000,000)	0		0	0	0	0	0	0
<b>Total Funding</b>		<b>483,707</b>	<b>465,000</b>		<b>465,000</b>	<b>405,000</b>	<b>405,000</b>	<b>465,000</b>	<b>405,000</b>	<b>405,000</b>
Excess Appropriation/(Funding)		(440,514)	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>43,193</b>	<b>465,000</b>		<b>465,000</b>	<b>405,000</b>	<b>405,000</b>	<b>465,000</b>	<b>405,000</b>	<b>405,000</b>

## Change Level by Appropriation

**Appropriation:** 921 - Dept Higher Education - Cash in Treasury  
**Funding Sources:** NHE - 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>465,000</b>	<b>0</b>	<b>465,000</b>	<b>100.0</b>	<b>465,000</b>	<b>0</b>	<b>465,000</b>	<b>100.0</b>
C03	Discontinue Program	(60,000)	0	405,000	87.1	(60,000)	0	405,000	87.1

### Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>465,000</b>	<b>0</b>	<b>465,000</b>	<b>100.0</b>	<b>465,000</b>	<b>0</b>	<b>465,000</b>	<b>100.0</b>
C03	Discontinue Program	(60,000)	0	405,000	87.1	(60,000)	0	405,000	87.1

### Justification

C03	Reduction in fund balance
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## **Analysis of Budget Request**

**Appropriation:** 97E - Complt Coll Amer Grt

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

This appropriation is for Cash Operations of The Arkansas Department of Higher Education (ADHE) for the operation of the Complete College America Grant. This grant will be used to enhance state efforts to boost college completion and close attainment gaps for traditionally underrepresented populations. Nine colleges and universities will participate in the initiative and will address transforming remediation and reducing time-to-degree and accelerating success.

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

The Agency's Change Level Requests total (\$100,000) in FY18 and FY19, and includes the following:

- Operating Expenses of (\$25,000) in FY18 and FY19 each year due to the termination of the Grant.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

## Appropriation Summary

**Appropriation:** 97E - Compl't Coll Amer Grt

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

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	0	100,000	100,000	100,000	75,000	75,000	100,000	75,000	75,000
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
<b>Total</b>		<b>0</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>75,000</b>	<b>75,000</b>	<b>100,000</b>	<b>75,000</b>	<b>75,000</b>
<b>Funding Sources</b>										
Fund Balance	4000005	106,958	108,676		8,676	8,676	8,676	8,676	8,676	8,676
Cash Fund	4000045	1,718	0		100,000	75,000	75,000	100,000	75,000	75,000
<b>Total Funding</b>		<b>108,676</b>	<b>108,676</b>		<b>108,676</b>	<b>83,676</b>	<b>83,676</b>	<b>108,676</b>	<b>83,676</b>	<b>83,676</b>
<b>Excess Appropriation/(Funding)</b>		<b>(108,676)</b>	<b>(8,676)</b>		<b>(8,676)</b>	<b>(8,676)</b>	<b>(8,676)</b>	<b>(8,676)</b>	<b>(8,676)</b>	<b>(8,676)</b>
<b>Grand Total</b>		<b>0</b>	<b>100,000</b>		<b>100,000</b>	<b>75,000</b>	<b>75,000</b>	<b>100,000</b>	<b>75,000</b>	<b>75,000</b>

## Change Level by Appropriation

**Appropriation:** 97E - Complt Coll Amer Grt  
**Funding Sources:** NHE - 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>100,000</b>	<b>0</b>	<b>100,000</b>	<b>100.0</b>	<b>100,000</b>	<b>0</b>	<b>100,000</b>	<b>100.0</b>
C03	Discontinue Program	(25,000)	0	75,000	75.0	(25,000)	0	75,000	75.0

### Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>100,000</b>	<b>0</b>	<b>100,000</b>	<b>100.0</b>	<b>100,000</b>	<b>0</b>	<b>100,000</b>	<b>100.0</b>
C03	Discontinue Program	(25,000)	0	75,000	75.0	(25,000)	0	75,000	75.0

### Justification

C03	Appropriation decrease of (\$25,000) due to the termination of the grant.
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## **Analysis of Budget Request**

**Appropriation:** F91 - Outcome-Cent Funding

**Funding Sources:** HQA- Outcome Center Funding- Higher Education Grants Fund Account

Act 1203 of 2011 repealed Arkansas Code §6-61-223 and amended §6-61-224, §6-61-228, §6-61-229, and §6-61-230. The act directs the Department of Higher Education to develop an outcome-centered component of the funding formula for colleges and universities by December 31, 2011. Beginning in 2013-14 the funding recommendations will be based on the need component of student enrollment and the output components of student success and other performance measures. The proportion of the funding recommendation will begin with five percent based on outcome-centered measures, increasing by five percent each year to reach 25 percent in 2017-18. The Director and staff at the Department of Higher Education worked with the presidents, chancellors and key staff at the universities and colleges, along with the Executive Director and key staff at the Arkansas Association of Two-Year Colleges, to develop the university and college performance measures.

Funds are payable from the Higher Education Fund Account.

The Base Level Request is \$54,198,524 each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** F91 - Outcome-Cent Funding

**Funding Sources:** HQA- Outcome Center Funding- Higher Education Grants Fund Account

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Outcome-Centered Awards - Uni 5900046	0	40,320,284	40,320,284	40,320,284	40,320,284	40,320,284	40,320,284	40,320,284	40,320,284
Outcome-Centered Awards - Col 5900047	0	14,192,418	14,192,418	14,192,418	14,192,418	14,192,418	14,192,418	14,192,418	14,192,418
Total	0	54,512,702	54,512,702	54,512,702	54,512,702	54,512,702	54,512,702	54,512,702	54,512,702
<b>Funding Sources</b>									
Other 4000370	0	54,512,702		54,512,702	54,512,702	54,512,702	54,512,702	54,512,702	54,512,702
Total Funding	0	54,512,702		54,512,702	54,512,702	54,512,702	54,512,702	54,512,702	54,512,702
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	54,512,702		54,512,702	54,512,702	54,512,702	54,512,702	54,512,702	54,512,702

## **Analysis of Budget Request**

**Appropriation:** HEG - Health Education Grants & Loans

**Funding Sources:** HEG - Higher Education Grants

The Health Professions Financial Assistance Program of the Arkansas Department of Higher Education (ADHE) is responsible for developing rules and regulations for the Arkansas Health Education Grants (ARHEG) Program. ARHEG provides Arkansas residents financial assistance to attend certain out-of-state health and medical professional schools for graduate or professional programs not available in Arkansas. Education programs not offered in Arkansas are facilitated through contractual arrangements negotiated through the Southern Regional Education Board (SREB), of which Arkansas is a member. The State also contracts directly with out-of-state institutions for additional spaces or student slots at Non-SREB institutions. Such assistance is typically amounts sufficient to help offset the difference in the resident and non-resident tuition fees at participating institutions. Assistance is currently available for attendance at any accredited school of dentistry, veterinary medicine, optometry, osteopathy medicine, podiatric and chiropractic medicine. ARHEG is funded by general revenue payable from the Higher Education Grants (HEG) Fund.

The Base Level is \$5,641,670 each year of the 2017-2019 Biennium.

The Agency's Change Level Request is \$1,386,100 for FY18 and \$1,581,100 for FY19, and includes the following.

- Dental Grants and Aid of \$866,100 in FY18 and \$966,100 in FY19 to cover the increased cost of slot fees between the Arkansas Department of Higher Education and the Southern Regional Education Board (SERB). The SERB provides a certain number of slots which allows Arkansas students to attend professional schools not provided by the State of Arkansas.
- Optometry Grants and Aid of \$115,000 in FY18 and \$125,000 in FY19 to cover the increased cost of slot fees between the Arkansas Department of Higher Education and the Southern Regional Education Board (SERB). The SERB provides a certain number of slots which allows Arkansas students to attend professional schools not provided by the State of Arkansas.
- Veterinary Grants and Aid of \$500,000 in FY18 and \$600,000 in FY19 to cover the increased cost of slot fees between the Arkansas Department of Higher Education and the Southern Regional Education Board (SERB). The SERB provides a certain number of slots which allows Arkansas students to attend professional schools not provided by the State of Arkansas.
- Chiropractic Grants and Aid request to remain at their Base Level amount of \$260,000 for FY18 and FY19.
- Osteopathic Grants and Aid of (\$180,000) in FY18 and FY19 to decrease the amounts of appropriation due to the State of Arkansas now having an Osteopathic Medicine program.

Podiatry Grants and Aid of \$65,000 in FY18 and \$70,000 in FY19 to cover the increased cost of slot fees between the Arkansas Department of Higher Education and the Southern Regional Education Board (SERB). The SERB provides a certain number of slots which allows Arkansas students to attend professional schools not provided by the State of Arkansas.

The Executive Recommendation provides for Base Level with the exception of Appropriation 773 - Osteopathic Grants and Aid, in which the Executive Recommendation provides for Agency Request.

## Appropriation Summary

**Appropriation:** HEG - Health Education Grants & Loans

**Funding Sources:** HEG - Health Education Grants

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Osteopathy Aid	5100004	36,700	230,000	230,000	230,000	50,000	50,000	230,000	50,000	50,000
Podiatry Aid	5100004	45,200	130,400	130,400	130,400	195,400	195,400	130,400	200,400	130,400
Veterinary Aid	5100004	1,258,148	1,100,000	1,100,000	1,100,000	1,600,000	1,600,000	1,100,000	1,700,000	1,100,000
Chiropractic Aid	5100004	98,749	260,000	260,000	260,000	260,000	260,000	260,000	260,000	260,000
Dental Aid Grants	5100004	2,292,600	2,133,900	2,133,900	2,133,900	3,000,000	3,000,000	2,133,900	3,100,000	2,133,900
Optometry Aid Grants	5100004	417,500	410,000	410,000	410,000	525,000	525,000	410,000	535,000	410,000
Veterinary Aid Loans	5120029	0	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Optometry Aid Loans	5120029	85,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000
Dental Aid Loans	5120029	895,175	987,370	987,370	987,370	987,370	987,370	987,370	987,370	987,370
<b>Total</b>		<b>5,129,072</b>	<b>5,641,670</b>	<b>5,641,670</b>	<b>5,641,670</b>	<b>7,007,770</b>	<b>7,007,770</b>	<b>5,641,670</b>	<b>7,222,770</b>	<b>7,222,770</b>
<b>Funding Sources</b>										
Gen Rev Higher Ed Grants	4000258	5,129,072	5,641,670		5,641,670	5,641,670	5,641,670	5,641,670	5,641,670	5,641,670
Total Funding		5,129,072	5,641,670		5,641,670	5,641,670	5,641,670	5,641,670	5,641,670	5,641,670
Excess Appropriation/(Funding)		0	0		0	1,366,100	1,366,100	0	1,581,100	1,581,100
<b>Grand Total</b>		<b>5,129,072</b>	<b>5,641,670</b>		<b>5,641,670</b>	<b>7,007,770</b>	<b>7,007,770</b>	<b>5,641,670</b>	<b>7,222,770</b>	<b>7,222,770</b>

## Change Level by Appropriation

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

### Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>3,121,270</b>	<b>0</b>	<b>3,121,270</b>	<b>100.0</b>	<b>3,121,270</b>	<b>0</b>	<b>3,121,270</b>	<b>100.0</b>
C05	Unfunded Appropriation	866,100	0	3,987,370	127.7	966,100	0	4,087,370	131.0

### Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>3,121,270</b>	<b>0</b>	<b>3,121,270</b>	<b>100.0</b>	<b>3,121,270</b>	<b>0</b>	<b>3,121,270</b>	<b>100.0</b>
C05	Unfunded Appropriation	0	0	3,121,270	100.0	0	0	3,121,270	100.0

### Justification

C05	The Southern Educational Regional Board has increased its slot fees per student. An increase of appropriation maintains sufficient distribution of grants and loans ADHE provides to students attending health programs not offered in the State of Arkansas.
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## Change Level by Appropriation

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

### Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>550,000</b>	<b>0</b>	<b>550,000</b>	<b>100.0</b>	<b>550,000</b>	<b>0</b>	<b>550,000</b>	<b>100.0</b>
C05	Unfunded Appropriation	115,000	0	665,000	120.9	125,000	0	675,000	122.7

### Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>550,000</b>	<b>0</b>	<b>550,000</b>	<b>100.0</b>	<b>550,000</b>	<b>0</b>	<b>550,000</b>	<b>100.0</b>
C05	Unfunded Appropriation	0	0	550,000	100.0	0	0	550,000	100.0

### Justification

C05	The Southern Educational Regional Board has increased its slot fees per student. An increase of appropriation maintains sufficient distribution of grants and loans ADHE provides to students attending health programs not offered in the State of Arkansas.
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## Change Level by Appropriation

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

### Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>1,350,000</b>	<b>0</b>	<b>1,350,000</b>	<b>100.0</b>	<b>1,350,000</b>	<b>0</b>	<b>1,350,000</b>	<b>100.0</b>
C05	Unfunded Appropriation	500,000	0	1,850,000	137.0	600,000	0	1,950,000	144.4

### Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>1,350,000</b>	<b>0</b>	<b>1,350,000</b>	<b>100.0</b>	<b>1,350,000</b>	<b>0</b>	<b>1,350,000</b>	<b>100.0</b>
C05	Unfunded Appropriation	0	0	1,350,000	100.0	0	0	1,350,000	100.0

### Justification

C05	The Southern Educational Regional Board has increased its slot fees per student. An increase of appropriation maintains sufficient distribution of grants and loans ADHE provides to students attending health programs not offered in the State of Arkansas.
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## Change Level by Appropriation

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

### Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>230,000</b>	<b>0</b>	<b>230,000</b>	<b>100.0</b>	<b>230,000</b>	<b>0</b>	<b>230,000</b>	<b>100.0</b>
C03	Discontinue Program	(180,000)	0	50,000	21.7	(180,000)	0	50,000	21.7

### Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>230,000</b>	<b>0</b>	<b>230,000</b>	<b>100.0</b>	<b>230,000</b>	<b>0</b>	<b>230,000</b>	<b>100.0</b>
C03	Discontinue Program	(180,000)	0	50,000	21.7	(180,000)	0	50,000	21.7

### Justification

C03	Reduction of (\$180,000) due to the State of Arkansas now having an Osteopathic Medicine program.
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## Change Level by Appropriation

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

### Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>130,400</b>	<b>0</b>	<b>130,400</b>	<b>100.0</b>	<b>130,400</b>	<b>0</b>	<b>130,400</b>	<b>100.0</b>
C05	Unfunded Appropriation	65,000	0	195,400	149.8	70,000	0	200,400	153.7

### Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>130,400</b>	<b>0</b>	<b>130,400</b>	<b>100.0</b>	<b>130,400</b>	<b>0</b>	<b>130,400</b>	<b>100.0</b>
C05	Unfunded Appropriation	0	0	130,400	100.0	0	0	130,400	100.0

### Justification

C05	The Southern Educational Regional Board has increased its slot fees per student. An increase of appropriation maintains sufficient distribution of grants and loans ADHE provides to students attending health programs not offered in the State of Arkansas.
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## **Analysis of Budget Request**

**Appropriation:** N60 - WF Initiative Act of 2015

**Funding Sources:** MIF - WF Initiative

The Workforce Initiative Act of 2015 appropriation provides the Arkansas Department of Higher Education the authority to award planning and implementation grants to Arkansas' K-12 and baccalaureate schools. Grantees use these funds to create a partnership between themselves and regional employers with the intention that the student can utilize the program to enter the workforce after completion. Funding for The Workforce Initiative Act of 2015 comes from General Revenue.

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

The Change Level Requests total \$6,000,000 in FY18 and FY19, with no additional general revenue funding and includes the following:

- Grants and Aid of \$6,000,000 in FY18 and FY19 to restore appropriation back to its authorized level.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** N60 - WF Initiative Act of 2015

**Funding Sources:** MIF - WF Initiative

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
WF Initiative	5900046	1,427,657	2,000,000	8,000,000	2,000,000	8,000,000	8,000,000	2,000,000	8,000,000	8,000,000
Total		1,427,657	2,000,000	8,000,000	2,000,000	8,000,000	8,000,000	2,000,000	8,000,000	8,000,000
<b>Funding Sources</b>										
General Revenue	4000010	1,427,657	2,000,000		2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Total Funding		1,427,657	2,000,000		2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Excess Appropriation/(Funding)		0	0		0	6,000,000	6,000,000	0	6,000,000	6,000,000
Grand Total		1,427,657	2,000,000		2,000,000	8,000,000	8,000,000	2,000,000	8,000,000	8,000,000

## Change Level by Appropriation

**Appropriation:** N60 - WF Initiative Act of 2015  
**Funding Sources:** MIF - WF Initiative

### Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>2,000,000</b>	<b>0</b>	<b>2,000,000</b>	<b>100.0</b>	<b>2,000,000</b>	<b>0</b>	<b>2,000,000</b>	<b>100.0</b>
C05	Unfunded Appropriation	6,000,000	0	8,000,000	400.0	6,000,000	0	8,000,000	400.0

### Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>2,000,000</b>	<b>0</b>	<b>2,000,000</b>	<b>100.0</b>	<b>2,000,000</b>	<b>0</b>	<b>2,000,000</b>	<b>100.0</b>
C05	Unfunded Appropriation	6,000,000	0	8,000,000	400.0	6,000,000	0	8,000,000	400.0

### Justification

C05	To restore appropriation back to its previous authorized level.
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