

DEPARTMENT OF EDUCATION
GENERAL OPERATIONS & PUBLIC SCHOOL FUND (AGENCY #500)
FISCAL YEAR 2016
As Enacted by Acts 970 and 987 of 2015

I) AGENCY SUMMARY & REVENUE SOURCES

MISSION

The Department of Education administers the programs and financial assistance to the State's public elementary and secondary schools. The Arkansas Constitution requires the state to maintain a general, suitable and efficient system of free public schools and to adopt all suitable means to secure to the people the advantages and opportunities of education.

TOTAL APPROPRIATION

Department: The total appropriation is \$778,800,029.

Public School Fund: The total appropriation is \$2,912,645,729.

FUNDING SOURCE

Department: The appropriations for ADE are funded by federal revenue, general revenue/Educational Excellence Trust Fund/Educational Adequacy Fund, cash funds, trust funds and fund balances.

Public School Fund: The ADE - Public School Fund Account appropriations are funded by general revenue through the Revenue Stabilization Act allocations, the Educational Adequacy Fund, Educational Excellence Trust Fund, fund balances, "Off-the-Top" state funding for court ordered desegregation expenses, a Temporary Assistance to Needy Families (TANF) program fund transfer from the Department of Workforce Services, and Transit Tax funding.

II) CHANGE LEVEL REQUESTS

DEPARTMENT:

STATE OPERATIONS (APPROPRIATION 620)

This appropriation provides state funded resources for the operation of the Department of Education and assistance to public schools and is funded by general revenue, Educational Excellence Trust Fund, and the Educational Adequacy Fund. The total appropriation is \$24,692,988 and includes the following changes:

Regular Salaries and Matching - Increase of \$345,120 in appropriation only for the restoration of 4 ADE Special Advisors, reclassification of 3 positions, and transfer of 1 position to the Professional Licensure Standards Board.

Extra Help - Increase of \$156,197 to restore appropriation to sufficiently meet funding needs for extra help positions.

Professional Fees - Increase of \$100,000 in appropriation only for curriculum frameworks meetings, scholastic audit training and other projects for school district and charter schools.

Grants and Aid - Increase of \$413,830 in appropriation only for support of programs affiliated with the National Math and Science Initiative to support the Advanced Placement Training and Incentive Program.

Capital Outlay - Increase of \$100,000 for unforeseen capital needs that may

arise.

FEDERAL GRANTS ADMINISTRATION (APPROPRIATION 435)

This appropriation provides administration, accounting, purchasing and record keeping services for federal programs and is funded by indirect costs charges levied against the federal programs operated by the Department. The total appropriation is \$945,942 and includes an increase of \$200,000 for Professional Fees for increasing costs associated with audits of federal programs.

PROFESSIONAL STANDARDS LICENSURE BOARD (APPROPRIATION 56P)

This Board is responsible for investigating violations of the code of ethics for Arkansas Educators and to conduct audits of licensure programs of study in all Arkansas institutions of higher education. It is funded with cash funds. The total appropriation is \$1,520,755 and includes the following changes:

Regular Salaries and Matching - Increase of \$227,906 for a transfer from State Operations appropriation (620), a position upgrade, and 2 new investigator positions.

Operating Expenses - Increase of \$50,000 for increase cost of equipment maintenance.

Grants and Aid - Increase of \$100,000 to issue grants to institutions of higher education for the edTPA program (formerly known as the Teacher Performance Assessment).

Capital Outlay - Increase of \$275,000 for increases related to background checks and investigations.

CHILD NUTRITION (APPROPRIATION 637)

This appropriation provides administrative services and reimbursement to the local school districts that participate in school lunch, school breakfast or special milk programs. It also promotes nutrition education by conducting courses in methods and materials for teaching nutrition education. It is funded with federal funds. The total appropriation is \$188,231,036 and includes the following changes:

Regular Salaries and Matching - Increase of \$26,188 for restoration of 2 positions and discontinuation of 1 position.

Operating Expenses - Increase of \$500,000 for costs related to the Meal Pattern Grant.

Grants and Aid - Increase of \$20,000,000 or increased program participation to allow schools that serve predominantly low-income children to offer free school meals to all students.

Refunds of \$50,400 due to the increase in grant payments.

Capital Outlay - Increase of \$50,000 for unforeseen needs of the program.

FEDERAL ELEMENTARY AND SECONDARY EDUCATION (APPROPRIATION 650)

This appropriation contains the majority of the federally funded entitlement programs for elementary and secondary education, including Title 1 Compensatory Education, Title 2 Block Grant, Special Education, Early Childhood, AIDS Education, Drug Education, and Migrant Education. The total appropriation is \$524,145,479 and includes the following changes:

Regular Salaries and Matching - Increase of \$170,273 to restore 2 positions.

Capital Outlay - Increase of \$200,000 for unforeseen federal program needs.

Partnership for Assessment of Readiness for College and Careers (PARCC) -

Increase of \$400,000 to continue the program.

MULTIPLE GRANT AWARD PROGRAM (APPROPRIATION 885)

This appropriation is used to administer the 16-20 grants and awards from private foundations or individuals the Department receives each year. Change level includes an increase of \$100,000 in Capital Outlay to meet unforeseen needs.

PUBLIC SCHOOL FUND (PSF) : The PSF provides the primary state financial assistance to Arkansas' public elementary and secondary schools. It is funded primarily by general revenue, Educational Excellence Trust Fund, and the Educational Adequacy Fund. The total appropriation is \$2,912,645,729 and includes the following changes:

ALTERNATIVE LEARNING (APPROPRIATION 311)

This appropriation is used to fund the Alternative Learning Environment (ALE) Programs school districts are required to offer which are student intervention programs that seek to eliminate traditional barriers to learning for students. The appropriation is \$24,812,881 which is an increase of \$1,079,728 which provides for an increase in FTEs, and to provide for a 2.0% increase in the per FTE student rate from \$4,383 in FY2015 to \$4,471 for FY2016.

ARK PUBLIC SCHOOL COMPUTER NETWORK (APSCN) (APPROPRIATION 688)

This appropriation provides for the statewide data communication network that connects all Arkansas public school systems and Education Service Cooperatives with the Department of Education to provide electronic access to administrative computing services and remote instructional services, and also allows schools, district offices and Cooperatives to use APSCN to process financial and student data. The appropriation is \$23,168,900 and includes an increase of \$6,972,799 in appropriation only for restoration of 1 pool position established through Sec. 25 of Act 1310 of 2013. It also includes the reclassification of 5 positions, an increase of \$200,000 in capital outlay to address any unforeseen needs and restoration of Operating Expenses appropriation of \$6,500,000 that was not budgeted in FY2015 due to a delay in the receipt of E-Rate refunds.

AT RISK (APPROPRIATION 88)

This appropriation provides remedial instruction during the summer for students entering the 11th and 12th grade whose scores on the American College Test (ACT) are below 19 in the areas of reading and/or mathematics. The appropriation is \$1,988,530 which is an increase of \$300,000 in unfunded appropriation to disburse prior year refunds from the College and Career Readiness Planning Program (CCRPP).

CONSOLIDATION INCENTIVE (APPROPRIATION 421)

This appropriation provides incentive payments to each school district that is administratively consolidated or annexed by the State Board of Education pursuant to Ark. Code Ann. § 6-11-105, § 6-13-1401 and applicable rules of the State Board of Education. The total appropriation is \$5,868,900 which includes an increase of \$288,600 to cover two projected consolidations each year.

COOP ED TECHNICAL CENTER OPERATIONS (APPROPRIATION 434)

This appropriation provides for grants to each of the State's 15 Education Service Cooperatives for Technology Coordinators located in the Education

Service Cooperatives and assist local school districts by providing technology training, advising school districts in software/hardware purchases and overseeing technology initiatives. This appropriation is a restoration of the FY2015 authorized appropriation of \$1.2 million.

COURT ORDERED DESEGREGATION (APPROPRIATION 460)

This appropriation was established to administer costs of the Pulaski County School Desegregation Settlement Agreement and the Camden Fairview Desegregation Settlement. The total appropriation is \$65,794,267, which includes a decrease of \$4,020,105 due to the settlement approved in January 2014.

DEPARTMENT OF CORRECTION (APPROPRIATION 380)

This appropriation is to provide the ADE portion of the cost of running the Department of Correction School. The total appropriation is \$6,541,147 and includes an increase of \$943,472 to restore the appropriation to FY2015 authorized amounts and provide for growth of the program over the biennium.

DISTANCE LEARNING OPERATING GRANTS (APPROPRIATION 2HX)

This appropriation provides for funding for acquiring and or leasing equipment and telecommunications services, and operating expenses necessary for school districts to have two-way interactive television for distance learning education. The appropriation is \$7,575,000 which includes an increase of \$1,500,000 to restore appropriation for receipt of E-Rate refunds in FY2016.

EARLY CHILDHOOD SPECIAL EDUCATION (APPROPRIATION 697)

This appropriation provides special education services through local education agencies for 11,500 3 to 5 year old preschool children with disabilities, funding to Cooperatives for behavioral intervention services to preschool programs, coordination of transition services between 0-2 year-old and 3-5 year-old services, and Medicaid matching funds for preschool physical, occupational, and speech therapy. The appropriation is \$16,897,920 which is an increase of \$1,274,841 to restore the FY2015 authorized appropriation.

ECONOMIC EDUCATION (APPROPRIATION 1XE)

This appropriation is used to provide training for teachers and administrators in economic principles to support the integration of economics into the K-12 curriculum. The appropriation is \$400,000 which is an increase of \$50,000 in appropriation only due to an increase in the number of teachers receiving training.

ENGLISH LANGUAGE LEARNERS (ELLs) (APPROPRIATION 082)

This appropriation enables school districts to provide specially trained staff, instructional materials, and training for teachers for ELLs. The appropriation is \$14,284,735 which is an increase of \$280,093 to provide for growth in students and a 2.0% increase in the funding rate for ELLs from \$317 in FY2015 to \$324 for FY2016.

GIFTED AND TALENTED (APPROPRIATION 457)

This appropriation provides salary support for 15 Gifted and Talented supervisors in the Cooperatives, funding for the Governor's School, funding for Outstanding Gifted Program Awards, and an annual contribution to the Arkansans for Gifted and Talented Education Conference. The appropriation is \$1,335,381 which is an increase of \$250,000 to restore appropriation to the FY2015 authorized level.

INTERVENTION BLOCK GRANT (APPROPRIATION 565)

This appropriation provides grants to encourage parental involvement through the following student competitions: Arkansas Governor's Quiz Bowl, State History Day Competition, Creativity in Arkansas, Arkansas Destination Imagination, and Arkansas Science Fair. The appropriation is \$302,000 which is an increase of \$75,000 to restore the FY2015 authorized appropriation level.

MASTER PRINCIPAL BONUS (APPROPRIATION 2ZM)

This appropriation pays a salary bonus of \$9,000 annually for principals receiving a master principal designation and \$25,000 annually for those serving in high-need schools for no more than five (5) years. The appropriation is \$208,000 which is an increase of \$118,000 to provide for program growth.

NATIONAL BOARD OF PROFESSIONAL TEACHING STANDARDS (APPROPRIATION 438)

This appropriation provides bonuses to National Board Certified Teachers (NBCT), participation fees and substitute pay required for candidacy, and a support system for candidacy. The appropriation is \$13,854,260 which is an increase of \$4,748,000 in appropriation only for restoration to FY2015 authorized appropriation amounts and to provide for increasing candidate support costs.

NATIONAL SCHOOL LUNCH STUDENT FUNDING (APPROPRIATION 2HR)

This appropriation provides additional funding to districts based on the number of students from low socio-economic backgrounds who are eligible for free or reduced-price meals. The appropriation is \$224,450,590, which is an increase of \$10,756,692 in appropriation due projected growth in the number of students and an 0.84% increase in the NSLA rates for FY2016. In Act 1467 of 2013, the General Assembly required the House and Senate Education Committees in conjunction with the Bureau of Legislative Research and the Department of Education, to conduct a study and make a recommendation for a new NSL funding formula that provides funding for economically disadvantaged students on a sliding scale, and that weights the funding to provide more money to school districts for students who, under federal poverty guidelines, qualify for free meals than it provides to students who qualify for reduced-priced meals.

PROFESSIONAL DEVELOPMENT FUNDING (APPROPRIATION 2HS)

This appropriation currently provides up to \$32.40 per Average Daily Membership (ADM) to school districts for professional development activities. Special Language allows the Department to retain up to \$4 million for statewide PD support systems. The appropriation is \$16,186,268 which is an increase of \$98,584 in appropriation only to provide for anticipated growth in the Average Daily Membership of charter schools.

RESIDENTIAL CENTERS/JUVENILE DETENTION (APPROPRIATION 394)

This appropriation provides reimbursement to school districts for the educational costs associated with disabled and non-disabled students placed in approved residential psychiatric and drug and alcohol treatment facilities or juvenile detention centers. The appropriation is \$16,345,087 which is an increase of \$1,156,833 for restoration to the FY2015 authorized level.

SCHOOL FOOD SERVICES (APPROPRIATION 447)

This appropriation, combined with the Surplus Commodities program, provides for the state match for the total school food program in local schools. The match is required to continue to receive federal funding for the Child Nutrition program.

Grants are paid to school districts at a rate based on the number of lunches served. The appropriation is \$1,650,000 which restores the appropriation to the FY15 authorized amount.

SCHOOL RECOGNITION (APPROPRIATION F81)

This appropriation provides awards to public or public charter schools based upon student performance, student academic growth, and high school graduation rates (secondary schools only). Schools in the top 10% of all schools receive \$100 per student and schools ranked between 11% and 20% receive \$50 per student. This program is unique in that funds are distributed directly to schools, as opposed to district-level funding. The appropriation is \$10 million, which includes an increase of \$3,000,000 to accommodate the increased number of award recipients.

SCHOOL WORKER DEFENSE (APPROPRIATION 458)

This appropriation provides for claims and legal fees for liability suits against school personnel, and is \$390,000 which restores the appropriation to the FY2015 authorized level.

SERIOUS OFFENDER PROGRAM (APPROPRIATION 566)

This appropriation provides for educational costs of those students located in Serious Offender Units for juveniles, now referred to as Juvenile Treatment Centers (JTCs), located in Colt, Harrisburg, Lewisville, Mansfield, and Dermott. The total appropriation is \$1,716,859 which is an increase of \$665,913 and restores the FY2015 authorized appropriation level.

SMART START/SMART STEP (APPROPRIATION 057)

This appropriation provides for a state network of literacy, mathematics and science specialists to assist schools with professional development to maintain a highly qualified teaching staff. The appropriation is \$10,666,303 which is an increase of \$2,526,369 which restores the FY2015 appropriation level.

SPECIAL EDUCATION SERVICES (APPROPRIATION 668)

This program provides extended year summer programs for students with disabilities, provides special education services to foster children who are wards of the State placed in out-of-state residential facilities, and provides funds for the partial reimbursement of special education supervisors. This appropriation is \$2,802,527 which is an increase of \$1,657,242 to restore the FY2015 budgeted amount.

STATE FOUNDATION FUNDING (SFF) (APPROPRIATION 2HP)

SFF is the amount of state financial aid provided to school districts on a per Average Daily Membership (ADM) basis. The amount of State (funded) Foundation Funding is computed as the difference between the Foundation Funding Amount (\$6,584 for FY2016) times the ADM of the previous school year, less the sum of 98% of the uniform rate of tax (25 mills) times the property assessment of the school district plus miscellaneous funds. The appropriation is \$2,009,440,423 which is **an increase** of \$47,837,730 in appropriation, due to the projected increase in ADM of 1,992 for FY2016, for a total ADM of 473,840. The Per ADM Foundation Funding rate for FY2016 as approved by the Joint Senate and Education Committees is \$6,584.

STUDENT GROWTH FUNDING (APPROPRIATION 332)

This appropriation provides supplemental funding to school districts that have a

growth in students over the previous school year (based on four calculations), excluding any increase resulting solely from consolidation or annexation with another district. The appropriation is \$37,690,144 which includes an increase of \$9,190,144 in appropriation only.

SURPLUS COMMODITIES (APPROPRIATION 450)

This appropriation provides funding to supplement transportation costs resulting from delivery of surplus commodities to school districts. The appropriation is \$1,125,065 which is an increase of \$345,065 to maintain the program at its current operating level.

TEACHER LICENSING/MENTORING (APPROPRIATION 699)

This appropriation provides funds for mentoring, support, retention, and professional growth of new teachers and administrators. The total appropriation is \$5,065,758 each year, which includes an increase of \$57,000 each year in appropriation only to implement the Teacher Cadets Program.

TEACHER RETIREMENT MATCHING (APPROPRIATION 437)

This appropriation provides employer matching for employees of the Education Service Cooperatives, Vocational Centers, the Model Vocational-Technical Resource Center, Arkansas Easter Seals and the school operated by the Department of Correction. The appropriation is \$10,730,500 which is an increase of \$4,075,500 and will provide for the increase of participants in the program.

INTERNATIONAL BACCALAUREATE PROGRAM (APPROPRIATION F82)

This appropriation provides easily accessible advanced educational courses to prepare students for admission to and success in a postsecondary educational environment. A mandatory funding provision provides \$75,000 annually to school districts for this program. The total appropriation is \$75,000 in unfunded appropriation to restore the FY2015 authorized appropriation.

BROADBAND FACILITIES MATCHING GRANT PROGRAM (APPROPRIATION M74)

Funded with a \$5,000,000 one-time transfer from the General Improvement Fund per Sec. 3 of Act 298 2014, the total unfunded appropriation is \$5,000,000 and will be leveraged at the district level for up to an additional \$20,000,000 in E-Rate funding for local loop/WAN connectivity.

SCHOOL FUNDING CONTINGENCY (APPROPRIATION 2ZH)

This appropriation is an authorization of unfunded appropriation that is used to address unforeseen problems that arise during the course of a biennium. The Department of Education has special language allowing the transfer of this appropriation to address problem areas. This appropriation is \$25,000,000 which restores the FY2015 authorized appropriation level.

NEW APPROPRIATION **ENHANCED TRANSPORTATION FUNDING**

This appropriation provides \$3,000,000 in enhanced transportation funding, as recommended by the House and Senate Interim Committees on Education, as part of educational adequacy for districts with high transportation costs. The funding amount is recommended to be established at the equivalent of 2% of the funding provided for transportation in FY2015, using the Bureau of Legislative Research funding distribution model to determine the amount of funding districts receive.

III) ADDITIONAL POSITIONS (Total FY2015 Authorized Positions: 359)

DEPARTMENT :

Total Authorized Positions FY2016: 361

Total Base Level Positions FY2015: 350

Increase / (Decrease) over Base Level: 11

Extra help Positions FY2016: 12 (Total FY2015 Authorized Extra Help: 12)

PUBLIC SCHOOL FUND:

Total Authorized Positions FY2016: 56

Total Base Level Positions FY2015: 53

Increase / (Decrease) over Base Level: 3

Note: The 3 positions over Base Level are to be utilized for the APSCN program.

IV) SPECIAL LANGUAGE

DEPARTMENT :

LANGUAGE TO BE DELETED **TURNBACK FUNDS:** Provides Federal turn-back funds in the State Treasury are to be transferred to the Department of Education Public School Fund Account when the eligible county and/or school district cannot be identified and used for any lawful school purpose.

CARRY FORWARD (YEAR-END FUND BALANCE): Authorizes the Department of Education to carry forward its General Revenue Fund Balances in the Department of Education Fund Account at the end of a fiscal year. Requires prior statement of need, report to ALC or Joint Budget Committee (JBC) of all carried forward amounts, report of status of funds carried forward to ALC/JBC, and finally include all of the above information in the biennial budget manuals or a statement of non-compliance.

SALARY OF THE COMMISSIONER OF THE DEPARTMENT OF EDUCATION: Provides that the Commissioner is not to receive outside salary or payments for personal services for any reason and requires the Commissioner to devote all of his/her working time to the performance of the duties of the Commissioner of ADE. This language does not prohibit the Commissioner from accepting or receiving expense reimbursements and employee benefits as provided in State Law.

ESTABLISHMENT OF A "POSITION POOL": Establishes a pool of 5 Professional/Executive positions at a salary not to exceed the maximum for the grade N922 and a pool of 10 classified positions at up to a grade C130. Requires the Department to compare any proposed additions or adjustments to similar employees in school districts or other state education agencies. Authorizes the positions to be used upon determination of the Commissioner of ADE, and requires quarterly reports justifying and accounting for the use of the positions. Any pool positions the Department would like to continue in the next biennium must be requested as new positions in the biennial budget request. Classifies the legislative review language as non-severable and makes the entire section void if the legislative review provision is found to be unconstitutional.

ARKANSAS LEADERSHIP ACADEMY - REDUCTION OF FUNDS RESTRICTION: Limits the funding reductions to the Arkansas Leadership Academy appropriation to the average percentage reduction in the other appropriations made to the Department

of Education Fund Account.

LEADERSHIP ACADEMY: Requires the appropriation for the Leadership Academy will be used for the School Support Program which provides support to schools or school districts designated by the Department of Education as being in school improvement status and to provide for general operations of the Leadership Academy.

LANGUAGE TO BE DELETED **PULASKI COUNTY DESEGREGATION CASE COSTS FUND TRANSFER:** Section 34 of Act 1420 of 2007 provided a \$750,000 fund transfer from the Public School Fund to the Department of Education Fund Account for Pulaski County Desegregation Case Costs on July 1, 2007. Section 34 of Act 1420 provided \$210,000 in fund transfers and Section 91 of Act 1290 of 2007 also provided \$20,000 for Desegregation Case Costs. This section provides that any unexpended balances of funds transferred to the Department of Education Fund Account during the 2007-09 biennium for desegregation case costs shall be used exclusively to provide funds for case costs incurred by the Department of Education and the three Pulaski County School Districts under Arkansas Code §6-20-415 - §6-20-416. The funds may be expended upon certification by the Commissioner of the Department of Education and prior approval by the Chief Fiscal Officer of the State.

STATE FUND RESTRICTIONS: Reiterates that no state funds shall be used for abortion referral or services, and further states that the funds shall be expended in accordance with ACA §6-18-703 regarding school-based health clinics.

PUBLIC SCHOOL FUND:

BROADBAND FACILITIES MATCHING GRANT PROGRAM - RESTRICTION AND MATCHING FUNDS: Language states funds appropriated for state match for the Broadband Facilities Matching Grant program shall be paid on a one-to-one state/local matching basis.

BROADBAND FACILITIES MATCHING GRANT PROGRAM - CARRY FORWARD: Language authorizes the Department to carry forward unexpended funding in the Department of Education Public School Fund Account to be designated and retained for the Broadband Facilities Matching Grant Program at the end of each fiscal year. Requires prior statement of need, report to ALC or Joint Budget Committee (JBC) of all carried forward amounts, report of status of funds carried forward to ALC/JBC, and finally include all of the above information in the biennial budget manuals or a statement of non-compliance.

LANGUAGE TO BE DELETED **MANDATORY FUNDING PROVISION:** Requires the Department to expend or commit for expenditure \$75,000 for the International Baccalaureate Program.

FUND ALLOCATION: Requires that any appropriation and funding not needed for the Isolated Funding appropriation be transferred to the Special Needs Isolated Funding appropriation and the funding is to be used to fund Arkansas Code 6-20-604 subsections (c) - (f) on a pro-rata basis until funds are exhausted or subsections are fully funded. Also provides that if any funding and appropriation remain after funding ACA §6-20-604 (c)-(f) the remaining balance shall be used to fund the provisions of ACA §6-20-604 (h) on an equal basis until all funds are exhausted.

GRANTS TO SCHOOL DISTRICTS: Defines school districts eligible to receive these grants as districts that contract with a district in an adjoining state for the education of pupils within Arkansas due to separation of where the students live and where the remainder of the district is located. The grants are to reimburse these districts for the expense of educating students in the separated portion of the district, and payments are limited to the available appropriation.

SPECIAL EDUCATION SERVICES: Requires Special Education Services funds to be used for extended year summer programs for handicapped students, special education services for foster children, and payment of salaries of special education supervisors.

DESEGREGATION EXPENSES: Requires the Department to certify the amounts needed for desegregation expenses under any "Desegregation Settlement Agreement" to the Treasurer of State and the Chief Fiscal Officer, and requires the State Treasurer to deduct these certified amounts from net general revenue and make them available to the Department for the purpose of paying for desegregation expenses.

CONSOLIDATION INCENTIVE: Requires appropriation allocations for Consolidation Incentive to adhere to rules and regulations established by the Board of Education.

RESIDENTIAL CENTERS/JUVENILE DETENTION: Requires appropriation allocations for Residential Centers/Juvenile Detention to adhere to rules and regulations established by the Board of Education.

TRANSFER AUTHORITY: Authorizes a maximum of two appropriation transfers and other related budget adjustments per fiscal year, within the Department of Education, as necessary with Chief Fiscal Officer approval and prior Arkansas Legislative Council or Joint Budget Committee approval. Classifies the legislative approval language as non-severable and makes the entire section void if the legislative approval provision is found to be unconstitutional.

AETN DOCUMENTED QUIZ BOWL COSTS: Allows AETN to receive up to \$40,000 of the total appropriation and funds for Quiz Bowl to recover AETN costs.

NEW LANGUAGE **INTERVENTION BLOCK GRANTS RESTRICTION:** States the Department shall allocate and expend \$302,000 funded by general revenue from the Public School Fund Account for the Intervention Block Grants appropriation to be distributed to the Quiz Bowl (\$100,000), Creativity in Arkansas, Inc., also known as Odyssey of the Mind(\$13,500), Destination Imagination (\$13,500), History Day (\$100,000) and Arkansas Science Fair Association (\$75,000).

NEW LANGUAGE **EAST FUNDING PROVISION:** Requires 18% or \$2,000,000, whichever is greater, of the Technology Grants appropriation to be awarded through a grant or a professional services contract for Environmental and Spatial Technologies (EAST) infrastructure, personnel, and operating expenses.

LANGUAGE TO BE DELETED **TECHNOLOGY GRANTS - QUALITY TEACHING AND LEARNING INITIATIVES (FORMERLY KNOWN AS EXPLOR-NET):** Funding provision requires \$187,575

in General Revenue be allocated through the Technology Grants appropriation to the Center for Quality Teaching And Learning Program to teach students computer repair in a hands-on environment.

DISTRESSED SCHOOL DISTRICT SUPPORT: The Department may expend some of the funds appropriated for Distressed School District Support for technical assistance or programs to districts in academic distress, and provides that the money may be used for teacher specialists, principal specialists, other personnel assigned by the Department, and research-based technical assistance programs. Alternate staffing and compensation programs must be approved by at least a majority of the teachers in the school, schools, or district participating.

LANGUAGE TO BE DELETED **PROFESSIONAL DEVELOPMENT:** Allows the Dept. of Education to use up to \$4M each year of the appropriation authorized for professional development to develop statewide professional development support systems for teachers.

RETIREMENT MATCHING: Requires districts to pay teacher retirement employer contribution rates for eligible employees in accordance with rules of the Teacher Retirement Board and requires the Department to provide the employer matching for employees of the Education Cooperatives, Vocational Centers, Arkansas Easter Seals and the Department of Correction School.

LANGUAGE TO BE DELETED **OPEN ENROLLMENT VIRTUAL CHARTER SCHOOL FUNDING RESTRICTIONS:** Prohibits a school district from receiving state funding for students who are in their prior year ADM count but are currently participating in an Open-Enrollment Long-Distance or Virtual Technology Charter School. Also allows for an increase of slots for the open-enrollment public virtual charter school from 500 to 3,000 beginning in FY2016 with the provision that all of the students that enroll in the additional 2,500 slots must be enrolled in an Arkansas public school for the first three quarters of the prior school year.

BETTER CHANCE PROGRAM ADMINISTRATIVE FEES: Authorizes the Department of Education to expend a maximum of 2% of the Better Chance Funding to administer the program and monitor grantees, and to contract with DHHS-Division of Child Care and Early Childhood Education to administer the program. With the further requirement that DHHS - Division of Child Care and Early Childhood Education must receive prior review and approval by ALC/JBC before spending the final .2% of the maximum 2% of the Arkansas Better Chance Program funds that are allowed to be spent on administration of the program.

AVERAGE TEACHER SALARY: Requests the Department to calculate an average teacher salary without extra duty funds and in accordance with the National Education Association (NEA) definitions, and requires the Department to submit this teacher salary data annually to the NEA for the NEA "Rankings and Estimates" Report.

CARRY FORWARD - ARKANSAS BETTER CHANCE: Language authorizes the Department to carry forward unexpended funding allocated for the Better Chance Program at the end of each fiscal year. Requires prior statement of need, report to ALC or Joint Budget Committee (JBC) of all carried forward amounts, report of status of funds carried forward to ALC/JBC, and finally include all of the above

information in the biennial budget manuals or a statement of non-compliance.

PUBLIC SCHOOL RETIREE HEALTH INSURANCE: Allows the Employee Benefits Division of the Dept of Finance and Administration to use \$11.20 from each contribution of \$131 made under Arkansas Code §6-17-1117 (a) to offset the cost of health insurance premiums for members of the Arkansas Teacher Retirement System electing to participate in the public school employees' health insurance program.

ARKANSAS/STRIVE PROGRAM TRANSFER LANGUAGE: Requires a \$200,000 transfer each year from the Department's Public School Fund Account to UALR for the Arkansas/STRIVE Program, and further requires that these funds shall not be subject to any indirect cost charges by UALR.

HEALTH INSURANCE: Requires the Department to use the Public School Employee Insurance appropriation to provide the state contribution for insurance premiums for employees of Cooperatives, Vocational Centers, and the Department of Correction school who participate in the Arkansas Public School Life and Health Insurance Program.

ALTERNATIVE LEARNING ENVIRONMENT: Provides that the Department may provide funding for Alternative Learning Environment Programs in excess of the 6 hour regulatory limitation if a program operates more than 12 hours per day, in a proportionate manner and upon special request.

STATE FUND RESTRICTIONS: reiterates that no state funds shall be used for abortion referral or services, and further states that the funds shall be expended in accordance with ACA §6-18-703 regarding school-based health clinics.

ADDITIONAL PUBLIC SCHOOL EMPLOYEE HEALTH INSURANCE FUNDING PROVISION: Requires the Department to pay up to \$15 million in quarterly installments to the DFA Employee Benefits Division (EBD) for PSE health insurance contributions. The actual amount to be paid shall be the amount the Uniform Rate of Tax (URT) funding used in the State Foundation Funding Formula, exceeds \$920,731,819, up to \$15 million, and adds that the funds provided to EBD shall be administered by the State And Public School Life And Health Insurance Board.

ARKANSAS GOVERNOR'S SCHOOL FUNDING: Requires the Department to allocate, budget and commit for expenditure \$250,000 in additional funding for the Arkansas Governor's School to fund the extension of the program from four (4) to six (6) weeks.

***LANGUAGE TO BE DELETED* ISOLATED FUNDING - SPECIAL PROVISIONS:** Requires the Department to provide an amount of isolated funding that is not less than what a school district would have received based on the school district's square miles calculated in the prior school year when the Department uses a new methodology or technology to recalculate square miles, as long as the district remains eligible for isolated funding. This language was made effective upon passage and approval of Act 1309 of 2013.

***NEW LANGUAGE* LOCAL SCHOOL DISTRICT ISOLATED - BASE FUNDING UNDER CERTAIN CIRCUMSTANCES:** Provides that an isolated school district will lose no more than

10% of their base funding amount in each school year in the event the current funding formula for isolated school districts in Arkansas Code 6-20-604 is changed.

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