

**REPORT OF THE SUBCOMMITTEE ON PERFORMANCE EVALUATION
AND EXPENDITURE REVIEW (PEER)
OF THE
ARKANSAS LEGISLATIVE COUNCIL**

July 23, 2021

Dear Co-Chairs:

Your Subcommittee on Performance Evaluation and Expenditure Review (PEER) met on Monday, July 19, 2021, and after having reviewed the following items, reports that the Subcommittee's review and/or approval is complete unless otherwise noted. Subcommittee rules were suspended to take up an item on the supplemental agenda. Item from the supplemental agenda will be noted with an asterisk (*).

Items for Approval

- A. Various Temporary Appropriation Increase Request
 - 1. Administrative Office of the Courts - \$440,332 to comply with Act 58 of 2021 which transfers the Accountability Court Fund to the AOC.
- B. CARES Appropriation Increase Requests
 - 1. Department of Transformation and Shared Services – Division of Information Systems - \$829,485 continuation appropriation to reimburse expenditures in response to COVID-19.
 - 2. Department of Finance and Administration – Disbursing Officer - \$350,200 to process payments to CTEH for fees associated with the Business Interruption Grant.
 - 3. Department of Public Safety- \$699,600 to extend supplemental funding to update Criminal Justice Information System online licensing system in the amount of \$597,000 and \$102,600 for Crime Victims Reparations Board. .
- C. American Rescue Plan Appropriation Increase Requests
 - 1. Henderson State University - \$493,000
 - 2. Southern Arkansas University - \$11,342,695
 - 3. Southern Arkansas University – Tech - \$2,664,629
 - 4. Arkansas State University – Beebe - \$612,868
 - 5. Arkansas State University – Mountain Home - \$335,169
 - 6. Arkansas State University – Newport - \$557,623
 - 7. Arkansas Tech University - \$12,650,000 – **Held for Action at ALC** (See Attachment 2)
 - 8. University of Arkansas - \$42,348,669
 - 9. University of Arkansas at Little Rock - \$11,858,721
 - 10. University of Arkansas for Medical Sciences - \$952,797
 - 11. University of Arkansas at Monticello - \$5,176,192
 - 12. University of Arkansas at Pine Bluff - \$10,098,105

13. University of Central Arkansas - \$12,630,640
14. University of Arkansas Community College at Hope-Texarkana - \$4,386,872
15. University of Arkansas Community College at Batesville - \$1,988,319
16. East Arkansas Community College - \$2,970,148
17. National Park College - \$7,272,223
18. Arkansas State University – Mid-South - \$224,206
19. Arkansas Northeastern College - \$2,242,922
20. North Arkansas College - \$5,106,323
21. University of Arkansas Rich Mountain Community College - \$1,637,963
22. South Arkansas Community College - \$1,086,725
23. University of Arkansas at Fort Smith - \$5,933,250
24. University of Arkansas Phillips Community College - \$3,575,324
25. Northwest Arkansas Community College - \$12,037,824
26. Black River Technical College - \$3,956,859
27. University of Arkansas Cossatot Community College - \$1,695,817
28. Arkansas State University – Three Rivers - \$534,662
29. Ozarka College - \$2,955,595
30. University of Arkansas Community College at Morrilton - \$6,208,885
31. Southeast Arkansas College - \$4,368,983
32. University of Arkansas Pulaski Technical College - \$8,152,876

D. Restricted Reserve Fund Transfer Request

1. University of Arkansas for Medical Sciences - \$124,924 for Rural Medical Practice Student Loans and Scholarships in the amount of \$100,000 and for Community Match Student Loans and Scholarships \$24,924

E. * Appropriation and/or Fund Transfer Requests FY22

1. Arkansas Department of Transportation - \$9,409,940 from the Arkansas Highway Transfer Fund to the State Highway and Transportation Department Fund to meet required state match

Items for Review

F. Cash Appropriation Increase Request

1. Department of Health – State Board of Examiners in Counseling - \$19,664 to purchase and transfer to a new licensing platform.

G. Miscellaneous Federal Grant Appropriation Requests

1. Department of Human Services – Division of County Operations – Emergency Solutions - \$17,449,592
2. Department of Human Services – Division of County Operations – Emergency Solutions II - \$1,306,938
3. Department of Human Services – Division of County Operations – SNAP Employment and Training - \$735,354
4. Department of Human Services – Division of County Operations – SNAP Outreach - \$138,596

5. Department of Human Services – Division of County Operations – SNAP State Administration - \$841,021
6. Department of Human Services – Division of County Operations – SNAP ED - \$685,113
7. Department of Human Services – Division of County Operations – Community Services Block Grant - \$9,012,202
8. Department of Human Services – Division of County Operations – Community Services Block Grant II - \$100,000
9. Department of Human Services – Division of County Operations – Community Services Block Grant III - \$9,271,751
10. Department of Human Services – Division of Childcare and Early Childhood Education - \$59,264,607
11. Department of Human Services – Division of Aging, Adult and Behavioral Health - \$181,052
12. Department of Education – Arkansas State Library - \$28,000

Reports

- H. National Cancer Institute Legislative Report – December 1, 2020 – May 31, 2021
- I. Year-End Items Approved on an Emergency Basis Report (See Attachment 1)
- J. Monthly Reports
 1. Rainy Day Fund Income and Distribution Report as of June 30, 2021
 2. Budget Stabilization Trust Fund Report as of June 30, 2021
 3. Tobacco Settlement Report as of 6-30-2021
 4. State Central Services Fund Report as of June 30, 2021

Respectfully submitted by Subcommittee Co-Chairs, Senator Jonathan Dismang and Representative Michelle Gray



STATE OF ARKANSAS
**Department of Finance
and Administration**

Attachment 1
OFFICE OF THE SECRETARY
1509 West Seventh Street, Suite 401
Post Office Box 3278
Little Rock, Arkansas 72203-3278
Phone: (501) 682-2242
Fax: (501) 682-1029
www.arkansas.gov/dfa

July 9, 2021

Senator Jonathan Dismang, Co-Chair
Representative Michelle Gray, Co-Chair
Performance Evaluation & Expenditure Review Committee
Arkansas Legislative Council
State Capitol Building
Little Rock, AR 72201

RE: Items Approved on an Emergency Basis

Dear Co-Chairs:

I am forwarding for appropriate action as required by law, the attached items that have received my approval as Chief Fiscal Officer of the State.

Sincerely,

A handwritten signature in cursive script that reads 'Larry W. Walther'.

Larry W. Walther
Cabinet Secretary

LWW

Attachment(s)



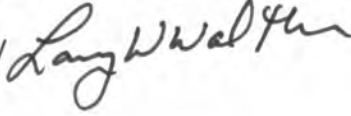
STATE OF ARKANSAS
**Department of Finance
and Administration**

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MEMORANDUM

TO: Agency Secretaries with Items Submitted for PEER Review

FROM: Larry W. Walther, Secretary 

DATE: July 9, 2021

SUBJECT: PEER Items Approved on an Emergency Basis

Attached is a schedule of all appropriation requests and changes that have received my emergency approval as Chief Fiscal Officer of the State and will be presented to the Legislative Council at the next regularly scheduled meeting as required by law.

Attachment(s)

THE PERFORMANCE FUND/PAY PLAN HOLDING ACCOUNT TRANSFERS
FOR FY21 - JULY PEER

<u>BUSINESS</u>				PAY PLAN		AMOUNT OF	EMERGENCY	PENDING	
<u>AREA</u>	<u>AGENCY</u>	<u>FISCAL</u>	<u>PERFORMANCE</u>	<u>HOLDING</u>	<u>DATE OF</u>	<u>APPROPRIATION</u>	<u>APPROVED</u>	<u>JBC - PEER</u>	<u>REASON</u>
		<u>YEAR</u>	<u>FUND</u>	<u>ACCOUNT</u>	<u>TRANSFER</u>	<u>TRANSFER</u>	<u>BY CFO</u>	<u>REVIEW</u>	<u>FOR TRANSFER</u>
0023	Administrative Office of the Courts	21		X		\$ 3,460.00	X		This funding is needed in Regular Salaries and Personal Services Matching due to FY21 performance increaes and other salary and match adjustments.
0238	Ethics Commission	21		X		\$ 5,000.00	X		This funding is needed in Personal Services Matching due to FY21 performance increases and other salary and match adjustments.
0246	Department of Health - Board of Examiners in Physical Therapy	21		X		\$ 500.00	X		This funding is needed in Regular Salaries due to FY21 performance increases and other salary and match adjustments.
0255	Department of Labor & Licensing - Home Inspector Registration Board	21		X		\$ 300.00	X		This funding is needed in Personal Services Matching due to FY21 performance increases and other salary and match adjustments.
0280	Department of Health - Board of Optometry	21		X		\$ 250.00	X		This funding is needed in Personal Services Matching due to FY21 performance increases and other salary and match adjustments.
0305	Department of Labor & Licensing - Manufactured Home Commission	21		X		\$ 2,600.00	X		This funding is needed in Regular Salaries due to FY21 performance increases and other salary and match adjustments.
0440	Department of Energy & Environment - Oil & Gas Commission	21		X		\$ 3,000.00	X		This funding is needed in Personal Services Matching due to salary adjustments in the biennium,
0710	Department of Human Services - Division of County Operations	21		X		\$ 1,730.00	X		The additional appropriation is needed in Personal Services Matching due to the 4th Quarter Workers' Comp payment.
0865	Department of Parks, Heritage & Tourism - Division of Heritage	21		X		\$ 5,000.00	X		The additional appropriation is needed in Personel Services Matching due to merit increases and other adjustments
0995	Department of Public Safety - Division of Emergency Management	21		X		\$ 483.00	X		The additional appropriation is needed in Personal Services Matching due to salary adjustments made in the biennium.
9902	Department of Commerce	21		X		\$ 7,548.00	X		The additional appropriation is needed in Regular Salaries due to a large retirement payout.
9909	Department of Inspector General	21		X		\$ 180.00	X		The additional appropriation is needed in Regular Salaries due to salary adjustments made in the biennium.
9913	Department of Public Safety	21		X		\$ 2,150.00	X		The additional appropriation request is needed in Regular Salaries and Personal Services Matching due to FY21 performance increases and other salary adjustments.
						\$ 28,741.00			



STATE OF ARKANSAS
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Fax: 501.682.1029
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June 30, 2021

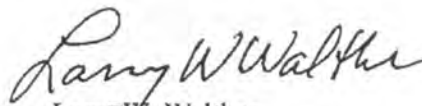
Dr. Jose Romero, Secretary
Department of Health
4815 West Markham Street
Little Rock, AR 72205

Dear Dr. Romero,

This is to inform you that I have approved on an emergency basis a Budget Classification Transfer request in the amount of \$3,925 for the State Board of Examiners in Counseling. This item will be presented at the next scheduled meeting of the Performance Evaluation and Expenditure Review Committee for appropriate action as required by law.

The transfer document has been submitted to the Office of Accounting for processing and you will be notified when the transfer is completed.

Sincerely,


Larry W. Walther
Secretary

LWW: DS


**ARKANSAS ADMINISTRATION STATEWIDE INFORMATION SYSTEM
REQUEST FOR BUDGET CLASSIFICATION TRANSFERS (BCT)
FY2021**

Business Area: 0228 Business Area Title: Board of Examiners in Counseling
Funds Center: 1GE Funds Center Title: Counseling Operations
Fund: NEC0000 Fund Title: Bd Examiners Counseling Treasury Cash Functional Area: PROF

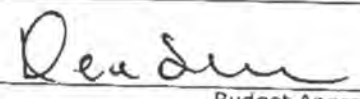
Line-Item Classifications	Authorized Appropriation	Actual Expenditures ** FY2020	Transfer From			Transfer To		
			CI	Fund	Amount	CI	Fund	Amount
502:00:02 Operating Expenses	\$113,800	\$90,675				5020002	NEC0000	\$3,925
505:00:09 Conference & Travel Expenses	\$4,000	\$75	5050009	NEC0000	\$3,925			
506:00:10 Professional Fees	\$11,000	\$426						
512:00:11 Capital Outlay *	\$0	\$0						
509:00:12 Data Processing *	\$0	\$0						

Reason for Transfer:

This is a request for Emergency Budget Classification Transfer for 0228 Boards of Examiners in Counseling. The Board went over the budget and does not have enough appropriation to pay their monthly expenses. The Board has \$1,718.00 in June expenses that are not covered. Since the Board does not have any appropriations, therefore they cannot pay this as a Y-voucher in July FY22. The request will be made for \$3,925.00 to make sure all invoices are covered.


Secretary

DFA IGS State Technology Planning
(approval only needed if applicable ***)


Budget Approval
Devin Shaw

- * Transfers may not be made from the capital outlay (512:00:11) sub classification unless specific authority for such transfers is provided by law. (ACA 19-4-522(C)(1))
** For transfers requested during the month of July 2020 use the agency's fiscal year 2020 expenditures as of April 30, 2020 for each of the Maintenance & Operations commitment items. For transfers requested during the months August 2020 - May 2021, use the agency's fiscal year 2020 expenditures. For transfers requested during the month of June 2021 use the agency's fiscal year 2021 as of April 30, 2021.
*** Transfers requested for the purchase of information technology related items must be in compliance with the agency's Information Technology Plan submitted to the DFA Technology Planning Unit.



STATE OF ARKANSAS
**Department of Finance
and Administration**

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June 30, 2021


Dr. Laurence B Alexander,
Chancellor
1200 N. University Drive
Mail Slot 4982
Pine Bluff, AR 71601

Dear Dr. Alexander,

This is to inform you that I have approved on an emergency basis a Budget Classification Transfer request in the amount of \$58. This item will be presented at the next scheduled meeting of the Performance Evaluation and Expenditure Review Committee for appropriate action as required by law.

The transfer document has been submitted to the Office of Accounting for processing and you will be notified when the transfer is completed.

Sincerely,


Larry W. Walther
Secretary

LWW:mpk


**ARKANSAS ADMINISTRATION STATEWIDE INFORMATION SYSTEM
REQUEST FOR BUDGET CLASSIFICATION TRANSFERS (BCT)
FY2021**

Business Area: 0160 Business Area Title: University of Arkansas - Pine Bluff
Funds Center: B13 Funds Center Title: Operations
Fund: 2020000 Fund Title: UAPB-Cash Fund Functional Area: UNIV

Line-Item Classifications	Authorized Appropriation	Actual Expenditures ** FY2020	Transfer From			Transfer To		
			CI	Fund	Amount	CI	Fund	Amount
502:00:02 Operating Expenses	\$18,273,367	\$10,450,746	5020002	2020000	\$58			
505:00:09 Conference & Travel Expenses	\$776,093	\$26,829						
506:00:10 Professional Fees	\$4,440,232	\$1,715,850						
512:00:11 Capital Outlay *	\$4,000,000	\$3,999,641				5120011	2020000	\$58
509:00:12 Data Processing *	\$0	\$0						

Reason for Transfer:

In order to correct a budget error in the state's accounting system due to a credit memo, an emergency BCT was necessary for UAPB to allow for year end close outs to process.


University


Budget Approval

DFA IGS State Technology Planning
(approval only needed if applicable ***)

* Transfers may not be made from the capital outlay (512:00:11) sub classification unless specific authority for such transfers is provided by law. (ACA 19-4-522(C)(1))

** For transfers requested during the month of July 2020 use the agency's fiscal year 2020 expenditures as of April 30, 2020 for each of the Maintenance & Operations commitment items. For transfers requested during the months August 2020 - May 2021, use the agency's fiscal year 2020 expenditures. For transfers requested during the month of June 2021 use the agency's fiscal year 2021 as of April 30, 2021.

*** Transfers requested for the purchase of information technology related items must be in compliance with the agency's Information Technology Plan submitted to the DFA-Technology Planning Unit.



STATE OF ARKANSAS
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 and Administration**

OFFICE OF THE SECRETARY
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 Post Office Box 1278
 Little Rock, Arkansas 72203-0278
 Phone: (501) 682-2242
 Fax: (501) 682-1079
www.arkansas.gov/dfa

June 21, 2021

Alison Williams, Chief of Staff
 Governor's Office
 500 Woodlane St
 Suite 250
 Little Rock, AR 72201

Dear Ms. Williams,

- This is to inform you that I have approved on an emergency basis a Budget Classification Transfer request in the amount of \$\$9,805. This item will be presented at the next scheduled meeting of the Performance Evaluation and Expenditure Review Committee for appropriate action as required by law.

The transfer document has been submitted to the Office of Accounting for processing and you will be notified when the transfer is completed.

Sincerely,

A handwritten signature in cursive script that reads "Larry W. Walther".

Larry W. Walther
 Secretary

A handwritten signature in cursive script that reads "Alison Williams".

LWW:dy

**ARKANSAS ADMINISTRATION STATEWIDE INFORMATION SYSTEM
REQUEST FOR BUDGET CLASSIFICATION TRANSFERS (BCT)
FY2021**

Business Area: 0034 Business Area Title: Governor's Office
Funds Center: 001 Funds Center Title: Governor's Office Operations
Fund: HSC3400 Fund Title: Governor's Office Operations Functional Area: CNST

Line-Item Classifications	Authorized Appropriation	Actual Expenditures ** FY2020	Transfer From:			Transfer To		
			CI	Fund	Amount	CI	Fund	Amount
502:00:02 Operating Expenses	\$446,706	\$288,983.07	5020002	HSC3400	\$9,805	5120011	HSC3400	\$9,805
505:00:09 Conference & Travel Expenses	\$15,200	\$4,542.22						
506:00:10 Professional Fees	\$14,000	\$5,290.00						
512:00:11 Capital Outlay *	\$0	\$0						
509:00:12 Data Processing *	\$0	\$0						

Reason for Transfer:

To purchase shoulder mount camera for use by the Governor's Office.


Secretary

Dekendria Young
Budget Approval

DFA IGS State Technology Planning
(approval only needed if applicable ***)

* Transfers may not be made from the capital outlay (512:00:11) sub classification unless specific authority for such transfers is provided by law. (ACA 19-4-522(C)(1))

** For transfers requested during the month of July 2020 use the agency's fiscal year 2020 expenditures as of April 30, 2020 for each of the Maintenance & Operations commitment items. For transfers requested during the months August 2020 - May 2021, use the agency's fiscal year 2020 expenditures. For transfers requested during the month of June 2021 use the agency's fiscal year 2021 as of April 30, 2021.

*** Transfers requested for the purchase of information technology related items must be in compliance with the agency's Information Technology Plan submitted to the DFA-Technology Planning Unit.



STATE OF ARKANSAS
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June 29, 2021

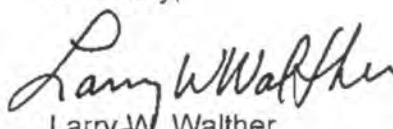
Marty Sullivan
Justice Building
625 Marshall Street
Suite 1100
Little Rock, AR 72201

Dear Mr. Sullivan,

This is to inform you that I have approved on an emergency basis a Budget Classification Transfer request in the amount of \$20,000. This item will be presented at the next scheduled meeting of the Performance Evaluation and Expenditure Review Committee for appropriate action as required by law.

The transfer document has been submitted to the Office of Accounting for processing and you will be notified when the transfer is completed.

Sincerely,


Larry W. Walther
Secretary

LWW:ey

**ARKANSAS ADMINISTRATION STATEWIDE INFORMATION SYSTEM
REQUEST FOR BUDGET CLASSIFICATION TRANSFERS (BCT)
FY2021**

Business Area: 0023 Business Area Title: Administrative Office of the Courts
Funds Center: 158 Funds Center Title: District Judges Continuing Education
Fund: HSC2300 Fund Title: AOC Judicial Functional Area: CNST

Line-Item Classifications	Authorized Appropriation	Actual Expenditures ** FY2020	Transfer From			Transfer To		
			CI	Fund	Amount	CI	Fund	Amount
502:00:02 Operating Expenses	\$60,000	\$19,779				502:00:02	HSC2300	\$20,000
505:00:09 Conference & Travel Expenses	\$20,000	\$0	505:00:09	HSC2300	\$20,000			
506:00:10 Professional Fees	\$0	\$0						
512:00:11 Capital Outlay *	\$0	\$0						
509:00:12 Data Processing *	\$0	\$0						

Reason for Transfer:

Judicial Training Expense in state was greater because of lack of 09 training in person during the COVID pandemic

Eva Yung

Budget Approval

Secretary

DFA IGS State Technology Planning
(approval only needed if applicable ***)

* Transfers may not be made from the capital outlay (512:00:11) sub classification unless specific authority for such transfers is provided by law. (ACA 19-4-522(C)(1))

** For transfers requested during the month of July 2020 use the agency's fiscal year 2020 expenditures as of April 30, 2020 for each of the Maintenance & Operations commitment items. For transfers requested during the month of August 2020 - May 2021, use the agency's fiscal year 2020 expenditures. For transfers requested during the month of June 2021 use the agency's fiscal year 2021 as of April 30, 2021.

*** Transfers requested for the purchase of information technology related items must be in compliance with the agency's Information Technology Plan submitted to the DFA Technology Planning Unit.



STATE OF ARKANSAS
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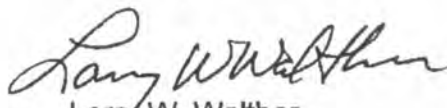
June 25, 2021

Mr. Bill Kincaid
 Interim Chancellor
 University of Arkansas, Fayetteville
 425 Administration Building
 Fayetteville, AR 72701

Dear Mr. Kincaid:

Pursuant to the provisions approved by Arkansas Legislative Council on Year End Adjustments for Fiscal Year 2021, the attached request for a Cash Fund Holding Account Appropriation transfer has received my approval as Chief Fiscal Officer of the State.

Sincerely,


 Larry W. Walther
 Cabinet Secretary

LWW

Attachment(s)

ARE·ON

Arkansas Research and Education Optical Network

BA0135
FC C78
F 2000400
FA UNIV
CI 00 \$151,000
CI 03 \$10,000
FB \$2,947,069
6/25/21
CH

6/25/2021

Commissioner Larry Walther
Department of Finance and Administration
1509 W. 7th St.
Little Rock, AR 72201

Dear Commissioner Walther:

The Arkansas Research and Education Optical Network [AREON] is requesting an emergency increase in its cash appropriation for regular salaries and personnel services matching for FY21. AREON's cash appropriation is in Act 140 of 2020.

The FY21 'Regular Salaries' cash appropriation line needs to be increased from the previously approved amount of \$800,000 to \$951,000. This increase is necessary to address salaries through the end of FY21. Additionally, the 'Personnel Services Matching' line needs to be increased from \$225,000 to \$235,000 to accommodate an increase in fringe benefits.

During this period, AREON had a change in management and added an additional staff member. Our appropriations request did not fully take into consideration these changes which is why I am requesting the cash appropriation increases noted above. AREON respectfully requests your favorable consideration of our request.

Sincerely,



Elon Turner
Executive Director of the Arkansas Research and Education Optical Network



STATE OF ARKANSAS
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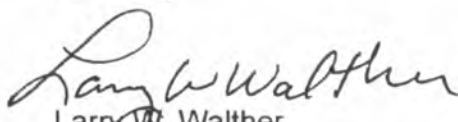
June 30, 2021

President John Hogan
National Park College
101 College Drive
Hot Springs, Arkansas 71913

Dear Mr. Hogan:

Pursuant to the provisions approved by Arkansas Legislative Council on Year End Adjustment for Fiscal Year 2021, the attached request for a Cash Fund Holding Account Appropriation transfer has received my approval as Chief Fiscal officer of the State.

Sincerely,


Larry W. Walther
Cabinet Secretary

LWW:rb:coh

BA0175
FA CCOL
FC A72
F 2120000
CI 502:00:02
FB \$1,275,822
6/30/2021
CH



Mr. Larry Walther, Secretary
Department of Finance and Administration
Office of Budget
1509 West 7th Street, Suite 401
Little Rock, AR 72203-3278

Memo: FY21 Cash Appropriation Request
Business Area: 0175 (National Park College)
Fund: 2120000
Fund Center: A72
Commitment Item: (502:00:02) Operating Expense
Amount: \$205,000

Dear Mr. Walther:

National Park College (NPC) respectfully requests a cash appropriation in the amount of \$205,000 for the establishment of a commitment line as referenced in the memo line above. The appropriation will provide the authority to disburse funds for operating expenses to complete the fiscal year. This request is needed due to additional spending from the Federal relief funds which have created budgeting concerns.

Thank you for your consideration,

A handwritten signature in blue ink, which appears to read 'John Hogan', is written over a light blue horizontal line.

Dr. John Hogan
President



STATE OF ARKANSAS
**Department of Finance
and Administration**

OFFICE OF THE SECRETARY

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June 30, 2021

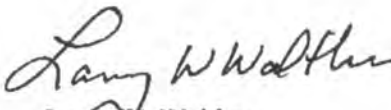
Dr. Jose Romero, Secretary
Department of Health
4815 West Markham Street
Little Rock, AR 72205

Dear Dr. Romero,

This is to inform you that I have approved on an emergency basis a cash appropriation increase request in the amount of \$1,000 for the State Board of Optometry. This item will be presented at the next scheduled meeting of the Performance Evaluation and Expenditure Review Committee for appropriate action as required by law.

The transfer document has been submitted to the Office of Accounting for processing and you will be notified when the transfer is completed.

Sincerely,


Larry W. Walther
Secretary

LWW: DS



Arkansas Department of Health

4815 West Markham Street • Little Rock, Arkansas 72205-3867 • Telephone (501) 661-2000

Governor Asa Hutchinson

José R. Romero, MD, Secretary of Health

June 29, 2021

Robert Brech
Administrator, Office of Budget
Department of Finance & Administration
1509 West 7th Street
Little Rock, AR 72201

RE: Emergency Cash Letter – Appropriation Increase Request for FY 2021

Dear Mr. Brech:

The Arkansas Department of Health (ADH) Board of Optometry is submitting this emergency request for an increase in operating fund appropriation for FY2021 in the amount of \$1,000. The details of the request are below:

Business Area:	0280	Fund: NBO0000
Functional Area:	PROF	Funds Center: Z66
Commitment:	502:00:02	Amount: \$1,000

During this fiscal year, the commercial bank account for this board was closed and funds were moved to the Arkansas State Treasury. During this transition, agency expenses occurred that were erroneously processed, which has resulted in the need for additional appropriation to correct the errors. The Board has sufficient funding for the needed corrections.

If you would like additional information, I can be contacted by email at jo.thompson@arkansas.gov or by phone at 501-280-4157.

Your consideration of this request will be greatly appreciated.

Sincerely,

A handwritten signature in blue ink that reads "Jo Thompson".

Jo Thompson
Chief Financial Officer
Arkansas Department of Health

CC: Renee Mallory, ADH Interim Chief of Staff
Don Adams, ADH Deputy Director for Administrative Operations
Matt Gilmore, ADH Boards and Commissions Coordinator

Fund Bal. - \$67,012.34
June 29, 2021
DS **17**

**AMERICAN RESCUE PLAN ACT OF 2021 PROGRAM APPROPRIATION
AND PERSONNEL AUTHORIZATION REQUEST
SECTION 38 OF ACT 997 OF 2021**

Agency: Arkansas Tech University Business Area Code: 0130

Program Title: American Rescue Plan Act of 2021

Granting Organization: US Department of Education CFDA #: 84.425E/84.425F

Effective Date of Authorization: Beginning: 6/30/2021 Ending: 6/30/2022

Purpose of Grant / Reason for addition or change (include attachments as necessary to provide thorough information):
Supplemental appropriation request to allow expenditure of a portion of American Rescue Plan Act of 2021 grants funds for emergency financial aid grants to students, discharge student's unpaid balance, and a HVAC capital outlay project. Detailed explanation attached.

American Rescue Plan Act Program Funding

Functional Area Code: UNIV Fund Code: FRP1300
Funds Center Code: _____ Internal Order/WBS Element: _____

	Program Funding Amount
Regular Salaries	
Extra Help	
Personal Services Matching	
Operating Expenses	
Conference & Travel Expenses	
Professional Fees	
Capital Outlay	5,550,000
Data Processing	
Grants and Aid (CI: 04) Direct Student Aid	5,000,000
Other: Discharge student's unpaid debt	2,100,000
Other:	
Total	\$ 12,650,000

Anticipated Duration of Federal Funds: 6-30-2022

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DFA IGS State Technology Planning **Date**
Items requested for information technology must be in compliance with Technology Plans as submitted to DFA IGS State Technology Planning.

Positions to be established: (list each position separately)

Org Unit	Pers Area	Pers SubArea	Cost Center	Position Number	Comnt Item	Position Title	Class Code	Grade	Line Item Maximum *

State funds will not be used to replace federal funds when such funds expire, unless appropriated by the General Assembly and authorized by the Governor.

Approved by: Suzanne McCall 6-30-21
Cabinet Secretary/Agency Director Date

[Signature] 7-7-21
Office of Budget Date

Office of Personnel Mgmt Date

CH 7/1/21

Arkansas Tech University has received funding from U.S. Department of Education as part of the American Rescue Plan Act of 2021. \$11,702,936 is the “student” portion, and \$10,900,582 is the “institutional” portion.

In June 2021, Arkansas Tech University requested and received a supplemental appropriation from the Peer committee and the Legislative Council. Pursuant to that request, \$1,100,000 is to be used solely for emergency financial aid grants to students for Summer 2021. For consideration by the July 2021 meeting of the Peer Committee and the Legislative Council, Arkansas Tech University is requesting a supplemental appropriation in the amount of \$12,650,000 that will be spent as follows:

A. Student Funds -Emergency Financial Aid Grants to Students

\$5,000,000 of emergency financial aid grants to students would be funded from the “student portion” of the American Rescue Plan Funds.

The guidance accompanying the American Rescue Plan Act funds states that when making emergency financial aid grants to students, institutions receiving these funds are to prioritize students with exceptional need, such as students who receive Pell Grants or are undergraduates with extraordinary financial circumstances when awarding emergency financial aid grants to students. Beyond Pell eligibility, other types of exceptional need could include students who may be eligible for other federal or state need-based aid or have faced significant unexpected expenses either for themselves or that would affect their financial circumstances, such as loss of employment, reduced income, or food or housing insecurity.

Consistent with the requirement that institutions prioritize students with exceptional need the maximum amount of emergency assistance that is provided by this grant at this time is as follows:

- \$2,500 for undergraduate students who have exceptional need such as full Pell eligible or extraordinary financial circumstances.
- \$1,500 for undergraduate students who are eligible for some Pell Grant funds, but not the full award.
- \$1,000 for undergraduate or graduate students who have need but are not eligible for Pell Grants.

There is an application process for students to request funding from this grant. The Arkansas Tech University application process asks students to identify how the grant funds will be used. These grant funds may be used for any component of the student’s cost of attendance¹, and for costs that have arisen due to coronavirus such as tuition, food, housing, health care (including mental health care) or child care.

Consistent with the requirement that institutions prioritize students with exceptional need, the **application will open to undergraduate students with exceptional need on August 11, 2021**. To ensure priority consideration for funding, Pell eligible or extraordinary need undergraduate students should complete the application by the priority deadline date of **September 15, 2021**.

Undergraduate students who are not Pell eligible and graduate students may apply beginning September 16, 2021. The deadline for all students to submit applications is 5:00 p.m., November 15, 2021. Funds will be awarded on a first come, first serve basis. Once the priority deadline has passed, all other students who are not eligible for Pell Grants may apply. Applications will be processed in the order they are received and grants may continue to be awarded if funds remain.

¹ For information on cost of attendance, please see: https://www.atu.edu/finaid/Est_COA.php

B. Institutional Funds – Discharge of Unpaid Balances Owed by Students to Institution

\$2,100,000 in HEERF institutional funds will be used to discharge student's unpaid balances by discharging the complete balance of the debt as lost revenue and then reimbursing the institution via the HEERF institutional grant funds. On May 11, 2021, the U.S. Department of Education published the *Higher Education Emergency Relief Fund III Frequently Asked Questions* that provide guidance on the use of American Rescue Plan Act of 2021 funds. Question number 26 specifically addresses discharge of student unpaid balances to the institution as follows:

26. Question: Can my institution use ARP or other HEERF institutional grant funds to discharge student debt or unpaid balances to their institutions?

Answer: Yes. Institutions may discharge student debt or unpaid balances by discharging the complete balance of the debt as lost revenue and reimbursing themselves through their HEERF institutional grants or by providing additional emergency financial grants to students (with their permission). The Department strongly encourages institutions to discharge such debt. The following examples are listed to provide guidance to institutions on handling these situations:

Example 1: Transcript withholding: A student who was enrolled in an institution at any point on or after March 13, 2020 with a now-completed degree owes an unpaid debt to the institution and could not obtain an official transcript until the debt is paid off.

Example 2: Enrollment hold: A student who is enrolled at the institution at any point on or after March 13, 2020 and in progress toward a degree is blocked from enrolling in the next term because of an unpaid balance.

Example 3: Transfer student: A student who is enrolled at the institution at any point on or after March 13, 2020 and has completed progress toward a degree is blocked from obtaining an official transcript to transfer their credits because of an unpaid balance.

The following are two possible solutions to address the three examples above:

Solution #1: Get affirmative written consent to provide an emergency financial aid grant to the student's account:

- *What the institution can do:* Institutions can provide an emergency financial aid grant to the student in the amount of the outstanding balance through their HEERF grants, including associated fees and penalties. The Department encourages institutions to waive associated fees and/or penalties that may have resulted from delays, actions, or needs related to the pandemic.³

- *What the institution cannot do:* Institutions cannot discharge a student's outstanding account balance, without prior written consent from the student. As always, students have discretion about how they receive their grants, and institutions must receive affirmative written consent from students before using emergency financial aid grants to satisfy a student's outstanding account balance. In obtaining such affirmative written consent, the Department encourages institutions to include a disclaimer whereby students are expressly notified that they have the ability to decline the emergency financial aid grant to pay off debts and instead may use the funds for any component of the student's cost of attendance or for emergency costs that arise due to coronavirus, such as tuition, food, housing, health care (including mental health care), or child care.

Solution #2: Discharge the student's outstanding balance and count it as lost revenue:

- *What the institution can do:* Institutions can discharge the complete balance of the debt as lost revenue and reimburse themselves through their HEERF grants, including associated fees and penalties.⁴
- *What the institution cannot do:* The institution cannot condition, nor imply that it will condition, discharging these funds on the condition the student takes any specified actions (i.e., no conditioning a discharge of debt on continued reenrollment). Additionally, institutions may only charge the debt as lost revenue and reimburse themselves through one of the HEERF programs (i.e., no double-dipping).

C. Institutional Funds - HVAC

\$5,550,000 in HEERF institutional funds will be used to replacement/renovate HVAC systems for three major classroom buildings on campus - Witherspoon Hall, Crabaugh Hall, and Dean Hall. On May 11, 2021, the U.S. Department of Education published the *Higher Education Emergency Relief Fund III Frequently Asked Questions* that provide guidance on the use of American Rescue Plan Act of 2021 funds. Question number 24 from that guidance specifically addresses use of institutional funds for HVAC expenditures, as follows:

24. Question: What are some examples of permissible "minor remodeling" that HEERF grant funds may support under the definition in [34 CFR § 77.1](#)?

Answer: Minor remodeling means minor alterations in a previously completed building, for purposes associated with the coronavirus. The term also includes the extension of utility lines, such as water and electricity, from points beyond the confines of the space in which the minor remodeling is undertaken but within the confines of the previously completed building. The term does not include permanent building construction, structural alterations to buildings, building maintenance, or repairs.

Some examples of permissible minor remodeling may include, but are not limited to:

- The installation or renovation of an HVAC system, to help with air filtration to prevent the spread of COVID-19.
- The purchase or lease of temporary trailer classroom units to increase social distancing.
- The purchase or costs of the installation of “room dividers” within a previously completed building to increase social distancing.