



Arkansas Department of Higher Education

423 Main Street, STE 400 • Little Rock, Arkansas • 72201-3818 • (501) 371-2000 • Fax (501) 371-2001

Mike Beebe
Governor

Shane Broadway
Director

June 10, 2014

The Honorable Bill Sample, Chair
The Honorable John Charles Edwards, Chair
Arkansas Legislative Council
State Capitol Building
Little Rock, AR 72201

Dear Senator Sample and Representative Edwards:

According to the provisions of A.C.A. §19-5-1018, state institutions of higher education share in the distribution of monies received by the state from the United States government from the sale or lease of minerals, oil, and gas on federal property located in the state. Section 22 of Act 1397 of 2013 states, "After the sum of \$13,200,000 has been deposited into the Higher Education Building Maintenance Fund, any additional deposits are to be transferred to the Research Development Fund to be used as provided by law."

According to A.C.A. §6-61-801 et. seq., the Arkansas Research Development Program is established for providing Arkansas Research Development Program Grants to publicly-supported universities in Arkansas by the Department of Higher Education. The statute requires that the funds be disbursed by the Director of the Department of Higher Education after review by the Legislative Council.

The Arkansas Higher Education Coordinating Board approved the distribution of \$750,000 from the Research Development Fund to the University of Arkansas at Fayetteville for expenses associated with the Arkansas Research and Education Optical Network (ARE-ON) at its regular board meeting on April 25, 2014. Therefore, in accordance with A.C.A. §6-61-808, we submit this distribution of funds for review by the Legislative Council.

Sincerely,

A handwritten signature in black ink, reading "Shane Broadway".

Senator Shane Broadway
Director

UofA
UNIVERSITY OF ARKANSAS SYSTEM

Office of the President

April 3, 2014

Senator Shane Broadway, Director
Arkansas Department of Higher Education
114 East Capitol Avenue
Little Rock, Arkansas 72201

Dear Shane:

Please accept this letter as a revision to the request on behalf of the ARE-ON board of directors for a distribution from the Research Development Fund. Upon notification of the current balance of \$610,215.99, we would like to revise the requested release to be authorized at an amount up to \$750,000 and have this presented to the Arkansas Higher Education Coordinating Board at its meeting on April 25, 2014.

As you know this funding for the personal services and operating expenses of ARE-ON is crucial to the continuance of the statewide expansion of higher education's research infrastructure. Your continued support of ARE-ON, as well as the continued support of your Department, is critical to its success and very much appreciated.

Sincerely,



Donald R. Bobbitt
President

2404 North University Avenue / Little Rock, Arkansas 72207-3608 / 501-686-2505 / Fax 501-686-2506

University of Arkansas, Fayetteville / University of Arkansas at Little Rock / University of Arkansas at Pine Bluff
University of Arkansas for Medical Sciences / University of Arkansas at Monticello / Division of Agriculture / Criminal Justice Institute
Arkansas Archeological Survey / Phillips Community College of the University of Arkansas / University of Arkansas Community College at Hope
University of Arkansas Community College at Batesville / Cossatot Community College of the University of Arkansas
University of Arkansas Community College at Morrilton / University of Arkansas at Fort Smith
Arkansas School for Mathematics, Sciences and the Arts / University of Arkansas Clinton School of Public Service

The University of Arkansas is an equal opportunity/affirmative action institution.

DISTRIBUTION OF MINERAL LEASE FUNDS

According to the provisions of A.C.A. §6-61-801 through §6-61-808, there is established the Arkansas Research Development Program for providing Arkansas Research Development Program Grants to publicly-supported universities in Arkansas by the Department of Higher Education. Act 104 of 2014 provides that after the sum of \$13,200,000 has been deposited into the Higher Education Building Maintenance Fund, any additional deposits are to be transferred to the Research Development Fund to be used as provided by law.

In accordance with A.C.A. §6-61-803 and A.C.A. §6-61-807, "There is created a program to be known as the Arkansas Research Development program which shall be administered by the Director of the Department of Higher Education. Funds may be made available for administration of the Arkansas Development Research Program, for purchasing state-of-the-art equipment, for minor renovations of laboratory space, for publication of findings, for employing scientist or research assistants, and for providing any other assistance to scientists in order to develop a continuing research capacity in this state which is recognized as exemplary."

The floor for the Research Development Fund was reached in September 2006, and statute requires that the funds be disbursed by the Director of the Department of Higher Education in accordance with the recommendation of the Arkansas Higher Education Coordinating Board after review by Legislative Council.

Higher Education Research Development Fund:

The current balance in the Higher Education Research Development Fund is \$610,215.99. The fiscal 2014 appropriation of \$5,000,000 is adequate for the authorization of distribution of up to \$750,000 requested by the ARE-ON board of directors.

Recommendation:

The Arkansas Research and Education Optical Network (ARE-ON) represents an essential tool for research and development in the publicly supported universities of Arkansas. It is recommended that up to \$750,000 requested by the ARE-ON board of directors be distributed to the University of Arkansas, Fayetteville for continuing personal services and operating expenses related to ARE-ON.

ADHE Executive Staff recommend that the Arkansas Higher Education Coordinating Board approve the following resolution:

RESOLVED, That after review by the Legislative Council, the Director of the Arkansas Department of Higher Education is authorized to distribute up to \$750,000 from the Higher Education Research Development Fund to the University of Arkansas, Fayetteville for continuing personal services and operating expenses related to ARE-ON.