

DOE - Public School Fund

Enabling Laws

Act 293 of 2014
A.C.A. §6-5-301 et seq.
A.C.A. §6-10-101 thru §6-26-305
A.C.A. §6-42-101 et seq.
A.C.A. §6-45-101 et seq.
A.C.A. §6-47-201 et seq.
A.C.A. §26-80-101 et seq.
A.C.A. §25-6-101 et seq.

History and Organization

See General Education Division page 1.

Agency Commentary

PUBLIC SCHOOL FUND 2015-2017 BIENNIAL BUDGET REQUEST

The following is a summary of Change Level requests by appropriation:

SMART START/SMART STEP (057)

This program provides professional development and technical assistance to schools/districts specifically in the areas of literacy, mathematics, and science. The program supports schools/districts in the goal of all students at grade level. The funds provide for literacy specialists, mathematics specialists, and science specialists housed at the ADE and at the 15 Educational Service Cooperatives. The specialists provide professional development and technical assistance in a variety of areas including content knowledge, curriculum alignment, coaching and assessment. In addition, materials such as professional texts and technology supports are provided to schools who participate in the state developed professional development. In light of the flexibility waiver from the U.S. Department of Education, funds are needed to support

the lowest achieving schools in Arkansas. The Base Level request for this program is \$8,139,934 in each year of the 2015-17 biennium. The Change Level request is for unfunded appropriation of \$2,526,369 for each year of the biennium. The request is to restore appropriation based on FY15 amounts that were budgeted subsequent to the biennial budget request process and that were paid in FY13, FY14 and FY15 from fund balances.

AT-RISK (088)

The College and Career Readiness Planning Program (CCRPP) is funded from the At Risk appropriation. The program provides remedial instruction during the summer for students entering the grades 11 and 12 whose scores on the American College Test (ACT) were below 19 in the areas of reading and/or mathematics. The students are provided 75 hours of instruction over a minimum of 20 days. At the conclusion of the program, students are given the opportunity to take the ACT, and the test cost is covered by the program. The ADE requests additional unfunded appropriation in order to disburse prior year refunds from the CCRPP program. These refunds come in July and August each year, and they do not restore appropriation since they relate to prior year payments.

ECONOMIC EDUCATION (1XE)

The Change Level request is to increase appropriation (unfunded) for Economics Arkansas by \$50,000 per year of the biennium. Economics Arkansas is a training resource for all school districts for the required high school Economics course. The number of teachers trained annually has increased from 1,000 in the 2006-07 school year to 1,724 in the 2012-13 school year.

STATE FOUNDATION FUNDING AID (2HP)

State Foundation Funding Aid is computed as the difference between the foundation funding amount per student, established by the General Assembly pursuant to Ark. Code Ann. § 6-20-2305(a)(2), times the school district's Average Daily Membership (ADM) for the previous school year, and the sum of 98% of the Uniform Rate of Tax (URT) times the property assessment of the district plus the calculated average miscellaneous funds of the district. The funding for charter schools used the same amount of per student foundation funding but used the ADM of the prior or current school year as required by law. In FY13, statewide ADM for school districts and public charter schools grew by 3,175, which required the ADE to pay approximately \$12 million from fund balances in FY14 state foundation funding aid. In FY14, statewide ADM increase again by 2,420, which required the ADE to pay approximately \$13 million from fund balances in FY15. This Change Level request assumes no increase in the FY15 per-ADM foundation funding rate of \$6,521. ADM growth for the 2015-17 biennium is projected based on a three-year average ADM growth rate of .27% for school districts and 16.7% for charter schools. This request assumes that projected growth in local URT will be sufficient to fund a portion of the projected ADM growth in FY16 and a larger portion of ADM growth in FY17. The Change Level request of \$17,744,783 in FY16 and \$14,152,155 in FY17 is to restore funding that was previously covered by fund balances for the FY13 and FY14 statewide ADM growth, and to provide funding for the projected phase-in of Majority to Minority (M to M) students into school district ADM counts for the calculation of state foundation funding aid, in compliance with the settlement agreement approved on January 13, 2014 regarding state desegregation funding.

NATIONAL SCHOOL LUNCH (2HR)

NSLA is a formula-driven program to target additional funding to school districts that have concentrations of poverty students. Districts with greater than 90% poverty will receive an additional \$1,549, those with greater than 70% and less than 90% will receive \$1,033 and those with less than 70% will receive \$517 per NSLA student identified in the previous year. The Base Level for the general revenue funded appropriation is \$213,768,543 in each year of the 2013-15 biennium. The Change Level request is for funding and appropriation for an additional \$8,886,391 in FY16 and \$18,128,630 in FY17. Growth rate is projected based on the 4.08% annual average rate of growth over the past three years, plus the projected phase-in of Majority to Minority (M to M) students into school district counts for the calculation of categorical funding, in compliance with the settlement agreement approved on January 13, 2014 regarding state desegregation funding.

PROFESSIONAL DEVELOPMENT FUNDING (2HS)

This is a formula driven program that provides up to \$32.40 per previous year Average Daily Membership (ADM) student to School Districts to provide activities and materials to improve the knowledge of teachers, administrators, and paraprofessionals. Section 26 of Act 293 of 2014 allows the Arkansas Department of Education to utilize \$4 million of the appropriation provided for this program to develop and implement statewide professional development support systems. The Base Level request for the general revenue funded appropriation is \$16,087,684 in each year of the 2015-17 biennium. The Change Level request is to provide funding and appropriation for an additional \$98,584 in FY16 and \$205,435 in FY17. This request assumes no increase in the per ADM funding rate of \$32.40; but it does provide for FY16 and FY17 projected ADM growth statewide. Growth rate is projected based on the average rate of growth of .27% for school districts and 16.7% for charter schools annually over the past three years. The projected phase-in of Majority to Minority (M to M) students into school district counts for the calculation of categorical funding, in compliance with the settlement agreement approved on January 13, 2014 regarding state desegregation funding, has also been factored into the request.

DISTANCE LEARNING OPERATIONS (2HX)

Distance learning is an educational process used to provide instruction to Arkansas students. The primary purpose of providing distance learning technologies is to assist school districts in offering students advanced high school courses, Advanced Placement courses, enriched course content, or other academic courses not otherwise available in the district. The ADE requests the restoration of appropriation that was unbudgeted in FY15 due to the delay in receiving E-rate refunds (\$1,500,000 for each year of the biennium). These E-rate refunds are expected to be restored in FY16.

SCHOOL FUNDING CONTINGENCY (2ZH)

This appropriation is an unfunded contingency appropriation for the Arkansas Department of Education to utilize to address unforeseen circumstances that occur. In order to use this appropriation, it must be transferred to a programmatic appropriation with the approval of the Chief Fiscal Officer of the State and the Arkansas Legislative Council or Joint Budget Committee. The Change Level request is for the unfunded appropriation to continue at the \$25 million appropriation level in each year of the 2013-2015 biennium.

MASTER PRINCIPAL BONUS (2ZM)

Pursuant to A.C.A. §6-17-1604, the ADE pays a high-need school salary bonus of \$25,000 for every school year for no more than five (5) years to any building-level principal who: Receives a master school principal designation from the Arkansas Leadership Academy; and is, at the time of receiving the bonus, employed full time as a building-level principal in an Arkansas public school district that is or was in school-improvement status or academic distress. The high-need school salary bonus is \$20,000 per year. It is projected that more principals will enter the program, and some may go to high needs school districts which will necessitate additional funds. The Change Level is requested to provide unfunded appropriation for program growth in FY16 and FY17 (\$8,000 per year of the biennium) and to restore appropriation based on FY15 amounts that were budgeted subsequent to the biennial budget request process (\$110,000 each year, paid with fund balances in FY13, FY14, and FY15), for a total unfunded Change Level request of \$118,000 per year of the biennium.

ALTERNATIVE LEARNING (311)

School districts are required to provide an alternative learning environment (ALE) for students who demonstrate an inability to function in the standard learning environment. The ALE program provides educational programs to eligible students in alternative classroom settings, as well as additional services to meet the needs of this group of at-risk students. The Department of Education calculated ALE funds in the 2014-15 school year by multiplying \$4,383 by the number of identified ALE students enrolled during the previous school year. This is an increase of \$78 per student from the FY13-14 school year. The Change Level request is to provide funding and appropriation for the growth in the number of students in the program, for a growth request of \$593,201 in the first year and \$1,200,415 in the second year of the biennium. Growth rate is projected based on the average annual rate of growth of 2.43% over the past three years. The phase-in of Majority to Minority (M to M) students into school district counts for the calculation of state categorical funding, in compliance with the settlement agreement approved on January 13, 2014 regarding state desegregation funding, has been factored into this request.

STUDENT GROWTH (332)

Due to the fact that foundation funding is calculated on prior year ADM, student growth funding is provided to school districts that experience current year ADM growth to enable them to serve the additional students for one year. A mandatory program pursuant to ACA 6-20-2305, student growth disbursements to school districts and charter schools have increased significantly in the last three fiscal years. Amounts disbursed in addition to the funded amount of \$28.5M in FY13, FY14, and FY15 were paid from fund balances. FY16 and FY17 growth was calculated by taking the average number of students funded by student growth from FY12, FY13, and FY14, and multiplying that averaged number by the FY15 foundation funding amount of \$6,521; for a Change Level request of \$9,190,144 for each year of the biennium.

DEPARTMENT OF CORRECTION (380)

In accordance with ACA 12-29-304, the cost of implementing and operating the school program in the Corrections School System shall be borne by the state and shall be paid from funds appropriated by the General Assembly from the general revenues of the state to the Department of Correction, the Department of Community Correction, and the Department of Education. The cost of facilities, equipment, and current operation in excess of the amount of grants and aids received from the Department of Education shall be borne by the Department of Correction and the Department of Community Correction as approved by the Board of Corrections. This program provides part of the required match for federal Special Education funds. The Base Level for the general revenue funded appropriation is \$5,597,675 in each year of the 2015-2017 biennium. The Change Level request is to restore appropriation (unfunded) based on FY15 amounts that were budgeted

subsequent to the biennial budget request process (\$799,100 each year, paid with fund balances in FY13, FY14, and FY15); and to provide unfunded appropriation for growth: FY16 growth is for a 2.5% COLA for instructors (\$144,372); FY17 growth is two new instructors at the Pine Bluff unit (\$100,000), plus a 2.5% COLA (\$148,360) for a FY17 total growth request of \$248,360.

RESIDENTIAL CENTERS / JUVENILE DETENTION (394)

This program provides reimbursement to school districts for educational costs associated with: (1) disabled and non-disabled students placed in approved residential psychiatric and drug and alcohol treatment facilities; (2) disabled students placed in approved residential intermediate care facilities, and (3) disabled and non-disabled students placed by the courts in juvenile detention centers. This program provides part of the required match for federal Special Education funds. The Base Level for this general revenue funded appropriation is \$15,188,254 in each year of the 2015-2017 biennium. The Change Level request is to restore unfunded appropriation based on FY15 amounts that were budgeted subsequent to the biennial budget request process (\$1,156,833) and that were paid from fund balances in FY13, FY14 and FY15.

CONSOLIDATION INCENTIVE (421)

These funds are paid to each school district that was 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. One hundred percent (100%) of the incentive allowance is added to the school district's aid in the first year of consolidation/annexation. In the second year of consolidation/annexation, the district receives fifty percent (50%) of the consolidation/annexation incentive funding granted the previous year. The Change Level request is to provide unfunded appropriation for a projection of two new consolidations per year of the biennium, plus the continuation of two consolidations from the previous year. 600 ADM for two consolidations X SFF of \$6,521 = \$3,912,600; plus \$1,956,300 for the continuation of two consolidations from the prior fiscal year, for a total growth request of \$5,868,900 for each year of the biennium.

COOPERATIVE EDUCATION TECHNOLOGY CENTERS OPERATIONS (434)

This program funds the Educational Service Cooperatives Technology Coordinators. The Change Level request is to restore unfunded appropriation for Educational Service Cooperatives Technology Coordinators based on FY15 amounts that were budgeted subsequent to the biennial budget request process and that were paid from fund balances in FY13, FY14, and FY15 (\$1,200,000).

TEACHER RETIREMENT MATCHING (437)

This program provides for the employer matching contribution 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 Base Level for this general revenue funded appropriation is \$6,655,000 in each year of the 2015-2017 biennium. The Change Level request is to restore unfunded appropriation based on FY15 amounts that were budgeted subsequent to the biennial budget request process that the ADE has paid with fund balances in FY13, FY14, and FY15 (\$3,100,000); and to provide unfunded appropriation for the increase of participants in the program in the amount of \$975,500 for FY16 and \$2,048,550 for FY17; for a total FY16 Change Level request of \$4,075,500 and total FY17 Change Level request of \$5,148,550.

NATIONAL BOARD OF PROFESSIONAL TEACHING STANDARDS (438)

A.C.A. §6-17-413(a)(1)(A) calls for teacher support in three distinct areas related to state support of advanced national teacher certification: bonuses to National Board Certified Teachers (NBCT), participation fees and substitute pay required for candidacy, and a support system for those candidates. Funding consists of general revenue and revenue from the Transit Tax on the rental of motor vehicles. The Change Level request is to restore unfunded appropriation based on FY15 amounts that were budgeted subsequent to the biennial budget request process (\$4,740,600) and that were paid from fund balances in FY13, FY14 and FY15; and additional unfunded appropriation to provide for increasing costs related to candidate support, such as workshops and training sessions (\$7,500 in FY16 and \$18,500 in FY17); for a total Change Level request of \$4,748,100 in FY16 and \$4,759,100 in FY17. The number of participants in the program is not expected to increase during this biennium.

SCHOOL FOOD SERVICES (447)

This program, combined with the Surplus Commodities program, provided the State match for the total school food program in local schools. This match is required to continue to receive federal funding for the Child Nutrition program. These grants are paid to school districts at a rate based on the number of lunches served. The Change Level request is to restore unfunded appropriation based on FY15 amounts that were budgeted subsequent to the biennial budget request process (\$1,650,000) and that were paid from fund balances in FY13, FY14 and FY15.

SURPLUS COMMODITIES (450)

The Department of Human Services (DHS) administers the Surplus Commodities Program. Under an agreement with DHS, the Arkansas Department of Education reimburses transportation costs of \$780,000 for the delivery of surplus commodities to the school districts. The Base Level for this general revenue funded appropriation is \$780,000 each year of the 2015-2017 biennium. The Change Level is to provide unfunded appropriation to maintain the program at its current operating level. The Change Level requested would provide unfunded appropriation for the increased program costs that the ADE has paid with fund balances in FY13, FY14 and FY15, in the amount of \$345,065 for each year of the biennium. This program, combined with the School Food Service program, provides the State match for the total school food program in local schools. This match is required to continue to receive federal funding for the Child Nutrition program.

GIFTED AND TALENTED (457)

This program makes available approximately \$44,500 in supplemental funding to 15 Educational Services Cooperatives (\$667,500) to fund a GT Specialist. In addition, funding in the amount of approximately \$890,000 is used to fund the Governor's School. Funds in the amount of \$3,000 each for three school districts (\$9,000) that are awarded the Outstanding Gifted Program Award authorized by A.C.A. §6-42-104, 6 (A) & (B) and \$2,500 is sent to AGATE and \$1000 is sent to AAGEA. The Base Level for this general revenue funded appropriation is \$1,085,381 in each year of the 2015-2017 biennium. The Change Level request is to restore unfunded appropriation based on FY15 amounts that were budgeted subsequent to the biennial budget request process (\$250,000) and that have been paid from fund balances in FY13, FY14, and FY15.

SCHOOL WORKER DEFENSE (458)

As authorized under ACA 6-17-1113, this program provides protection against civil liability, attorney's fees, and costs of defense for acts or omissions of each employee or volunteer in the performance of his or her duties as a volunteer or his or her official duties as a school employee. The Change Level request is to restore unfunded appropriation based on FY15 amounts that were budgeted subsequent to the biennial budget request process (\$390,000) and that were paid from fund balances in FY13, FY14, and FY15.

ASSESSMENT/END OF LEVEL TESTING (459)

This program provides funds to develop and implement alternative assessments required by the Elementary and Secondary Education Act, End-of-Course Exams, and Augmented Benchmark Exams. In addition, Advanced Placement exams and incentive grants for scores of 3 or higher on AP exams are paid by this program. The program will function within base level in FY16, but in FY17 a Change Level of \$1,100,492 in unfunded appropriation is requested due to increasing costs of benchmark and end-of-course exams due to implementation of PARCC; and increasing numbers of students taking AP exams (\$1,100,492 for FY17 only).

COURT-ORDERED DESEGREGATION (460)

The state's obligation to the school districts was set at a total of \$65,794,267 per year in the desegregation settlement that was approved on January 13, 2014.

INTERVENTION BLOCK GRANTS (565)

Local school districts, education service cooperatives, institutions of higher education, and other organizations were eligible to apply for an intervention block grant. These grants were used to encourage parental involvement through the following four (4) student competitions: Arkansas Governor's Quiz Bowl, State History Day Competition, Creativity in Arkansas and Arkansas Destination Imagination. The Change Level request is to restore unfunded appropriation based on FY15 amounts that were budgeted subsequent to the biennial budget request process (\$75,000) and that were paid from fund balances in FY13, FY14, and FY15.

SERIOUS OFFENDER PROGRAM (566)

The Arkansas Department of Education established the Juvenile Treatment Centers Program (formerly Serious Offender Program) through a Memorandum of Understanding with the Department of Human Services, Division of Youth Services (DYS). The current program has been in effect since 1996 for the purpose of generating educational funds for the DYS Juvenile Treatment Centers Program (JTC). School districts were provided state funds based on the number of JTC participants in their districts. School districts in turn paid the JTC providers in their districts. This program provides part of the required match for federal Special Education funds. The Change Level request is to restore unfunded appropriation based on FY15 amounts that were budgeted subsequent to the biennial budget request process (\$665,913) and that were paid from fund balances in FY13, FY14 and FY15.

SPECIAL EDUCATION SERVICES (668)

This program provides (1) funding to support the provision of Extended School Year (ESY) services to eligible students with disabilities in need of such services, (2) special education services to children with disabilities who are wards of the State placed by the Department of Human Services (DHS) in out-of-state therapeutic treatment programs, and (3) funds to support the payment of salaries to special education supervisors. For the 2014-15 school year, funding is provided to school districts to support the salaries of special education supervisors based on the Average Daily Membership of the first three quarters of the previous year. In addition, funding is provided to school districts and education service cooperatives for ESY services. This program provides part of the required match for federal Special Education funds. The Change Level is requested to restore unfunded appropriation based on FY15 amounts that were budgeted subsequent to the biennial budget request process (\$1,657,242) and that were paid from fund balances in FY13, FY14 and FY15.

ARKANSAS PUBLIC SCHOOL COMPUTER NETWORK (APSCN) (688)

From a non-profit agency begun in 1992, APSCN became a part of the Arkansas Department of Education (ADE) in 1998. APSCN's mission is to implement a statewide data communication network that connects all Arkansas public school systems and Education Service Cooperatives with the ADE to provide electronic access to administrative computing services and remote instructional services. Schools, district offices and Cooperatives use APSCN to process financial and student data. The ADE requests the restoration of one (1) pool position that was established by the authority of Section 25 of Act 1310 of 2013. This same authority requires that if the agency requests the continuation of a Pool Position in the next fiscal year, it must be requested as a new position. The Pool Position being requested to continue is a G012C ADE Assistant to Director, Grade C129 position. This position was created to provide support and maintenance to APSCN's District Data warehouse and to build reports from both the statewide data warehouse and the district data warehouse using the Cognos Business Tools. Prior to implementing this position, ADE had a \$543,636 annual contract with DecisionEd to provide this service. It was determined that this position would save the State of Arkansas at least \$400,000 per year. The total change level request to restore this pool position is \$93,287, and the ADE is requesting this as unfunded appropriation. The ADE also requests the restoration of non-general-revenue-funded appropriation that was unbudgeted in FY15 due to the delay in receiving E-rate refunds (\$6,500,000 each year of the biennium). Funding for these E-rate refunds is expected to be restored in FY16. Additionally, the ADE is requesting unfunded appropriation of \$200,000 each year for unforeseen Capital Outlay needs of the Arkansas Public School Computer Network (APSCN) that may occur in the 2015-2017 biennium. APSCN is also requesting the reclassification of five positions. In response to the Agency's growing information technology needs and operations, the ADE requests the upgrade of the current C122; C123; C124 APSCN positions to C126; C127; C128 positions respectively. It is a significant challenge to keep up with the attrition rate and to find qualified technology staff under the current salary structure in the prevailing market. Presently, we are unable to competitively recruit at the entry pay level for several positions and an acute shortage of qualified applications exists. The Change Level request generated by these reclassifications totals \$17,797 unfunded appropriation per year of the biennium.

EARLY CHILDHOOD SPECIAL EDUCATION (697)

This program, which is authorized by A.C.A. §6-41-202 et seq., provides base funding for special education services through local education agencies for 11,500 three to five year old preschool children with disabilities. Funds are also provided to Education Services Cooperatives for behavioral intervention services to all local community preschool programs as well as to coordinate required transition activities for children

ages 0-2 that will remain in special education as 3-5 preschoolers. Also included in this program are funds for the Medicaid state match for preschool programs that bill for physical, occupational, and speech therapy services. This program provides part of the required match for federal Special Education funds. The Base Level for this general revenue funded appropriation is \$15,623,079 in each year of the 2015-2017 biennium. The Change Level request is to restore unfunded appropriation based on FY15 amounts that were budgeted subsequent to the biennial budget request process (\$1,274,841 per year of the biennium) and that were paid with fund balances in FY13, FY14, and FY15.

TEACHER LICENSURE/MENTORING (699)

This program covers the Arkansas induction program for new teachers and administrators. The change level request for \$57,000 unfunded appropriation in each year of the biennium is to implement the Teacher Cadets program. The ADE used existing funds to pilot the program with 3 districts during the 13-14 school year. Plans are to add 10 new districts per year to implement the program. To participate in the cadet program, high school students must complete a rigorous application process and meet GPA requirements of 3.0. Students enrolled in the cadet program participate in a rigorous academic program and also in field experiences. In addition to hands-on educational experience, students also earn concurrent credit per the district's agreement with a partnering Institution of Higher Education. Even if participating students do not become educators they do become advocates for education because of their participation in the program. Unfunded appropriation is requested to support this program.

INTERNATIONAL BACCALAUREATE (F82)

This program provides advanced educational courses that are easily accessible and that prepare students for admission to and success in a postsecondary educational environment. A mandatory funding provision for this program was added to during the 2013 regular session and was continued in the 2014 fiscal session (Act 293 of 2014) to provide \$75,000 annually to school districts for the International Baccalaureate program. This program was funded in FY14 and FY15 by fund balances. The ADE is requesting unfunded appropriation for this Change Level request.

BROADBAND FACILITIES MATCHING GRANT PROGRAM (M74)

This is a matching-grant program to help school districts improve Internet connectivity. The program was funded with a one-time transfer from the state General Improvement Fund to the Department of Education Public School Fund. These funds will be leveraged at the district level for up to an additional \$20 million in new E-Rate funding for local loop/WAN connectivity.

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2014

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				
N/A	N/A	N	N	0	N/A	0	0.00

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2013-2014		2014-2015		2014-2015		2015-2016					2016-2017						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
057 Smart Start/Smart Step	12,222,479	0	8,139,934	0	10,666,303	0	8,139,934	0	10,666,303	0	10,666,303	0	8,139,934	0	10,666,303	0	10,666,303	0
082 English Language Learners	12,644,481	0	14,004,642	0	14,004,642	0	14,004,642	0	14,004,642	0	14,284,735	0	14,004,642	0	14,004,642	0	14,570,430	0
088 At Risk	1,732,254	0	1,688,530	0	1,688,530	0	1,688,530	0	1,988,530	0	1,988,530	0	1,688,530	0	1,988,530	0	1,988,530	0
091 Special Ed-Catastrophic	10,999,532	0	11,000,000	0	12,900,000	0	11,000,000	0	11,000,000	0	11,000,000	0	11,000,000	0	11,000,000	0	11,000,000	0
094 Youth Shelters	165,000	0	165,000	0	165,000	0	165,000	0	165,000	0	165,000	0	165,000	0	165,000	0	165,000	0
108 Tech Improvements	499,672	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0
119 Tech Grants	3,902,247	0	3,602,678	0	3,602,678	0	3,602,678	0	3,602,678	0	3,602,678	0	3,602,678	0	3,602,678	0	3,602,678	0
136 Distressed School District Support	9,665	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0
150 Home School Test	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0
1PS Non-Traditional Licensure	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0
1QV Content & Curriculum	49,999	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0
1XE Economic Education	350,000	0	350,000	0	350,000	0	350,000	0	400,000	0	400,000	0	350,000	0	400,000	0	400,000	0
2HP State Foundation Funding	1,935,334,691	0	1,961,843,724	0	1,976,072,528	0	1,961,843,724	0	1,979,588,507	0	2,009,440,423	0	1,961,843,724	0	1,975,995,879	0	2,053,194,376	0
2HR National School Lunch	201,019,585	0	213,768,543	0	213,768,543	0	213,768,543	0	222,654,934	0	224,450,590	0	213,768,543	0	231,897,173	0	235,503,568	0
2HS Prof Development Fund	24,788,402	0	16,087,684	0	25,126,997	0	16,087,684	0	16,186,268	0	16,186,268	0	16,087,684	0	16,293,119	0	16,293,119	0
2HU Supplemental Millage	1,994,215	0	10,000,000	0	10,000,000	0	10,000,000	0	10,000,000	0	10,000,000	0	10,000,000	0	10,000,000	0	10,000,000	0
2HX Distance Learning Operations	7,496,497	0	6,075,000	0	7,575,000	0	6,075,000	0	7,575,000	0	7,575,000	0	6,075,000	0	7,575,000	0	7,575,000	0
2HY Education Renewal Zones	1,269,814	4	1,456,798	5	1,475,373	5	1,460,655	5	1,460,655	5	1,460,655	5	1,461,385	5	1,461,385	5	1,461,385	5
2JA Content Standards	124,407	0	161,000	0	161,000	0	161,000	0	161,000	0	161,000	0	161,000	0	161,000	0	161,000	0
2JC Teacher Recruitment	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0
2ZH School Funding Contingency	0	0	0	0	25,000,000	0	0	0	25,000,000	0	25,000,000	0	0	0	25,000,000	0	25,000,000	0
2ZK Leadership Acdmy-Mstr Principal	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0
2ZM Master Principal Bonus	164,000	0	90,000	0	200,000	0	90,000	0	208,000	0	208,000	0	90,000	0	208,000	0	208,000	0
2ZS Special Needs Isolated Funding	8,205,066	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0
311 Alternative Learning	22,109,450	0	23,733,153	0	23,733,153	0	23,733,153	0	24,326,354	0	24,812,881	0	23,733,153	0	24,933,568	0	25,940,361	0
326 General Facilities Funding	1,617,839	0	8,100,000	0	8,100,000	0	8,100,000	0	8,100,000	0	8,100,000	0	8,100,000	0	8,100,000	0	8,100,000	0
331 Isolated Funding	2,690,925	0	7,896,000	0	7,896,000	0	7,896,000	0	7,896,000	0	7,896,000	0	7,896,000	0	7,896,000	0	7,896,000	0
332 Student Growth	37,275,518	0	28,500,000	0	28,500,000	0	28,500,000	0	37,690,144	0	37,690,144	0	28,500,000	0	37,690,144	0	37,690,144	0
336 Bonded Debt Assistance	15,466,325	0	28,455,384	0	28,455,384	0	28,455,384	0	28,455,384	0	28,455,384	0	28,455,384	0	28,455,384	0	28,455,384	0
34N 98% URT Actual Collection Adj	19,448,927	0	34,500,000	0	34,500,000	0	34,500,000	0	34,500,000	0	34,500,000	0	34,500,000	0	34,500,000	0	34,500,000	0
380 Dept of Correction	6,220,892	0	5,597,675	0	6,396,775	0	5,597,675	0	6,541,147	0	6,541,147	0	5,597,675	0	6,645,135	0	6,645,135	0
394 Residential Ctrs/Juv Detention	16,344,571	0	15,188,254	0	16,345,087	0	15,188,254	0	16,345,087	0	16,345,087	0	15,188,254	0	16,345,087	0	16,345,087	0
421 Consolidation Incentive	1,917,900	0	0	0	5,640,300	0	0	0	5,868,900	0	5,868,900	0	0	0	5,868,900	0	5,868,900	0

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2013-2014		2014-2015		2014-2015		2015-2016						2016-2017					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
434 Coop Education Tech Centers	1,182,916	0	0	0	1,200,000	0	0	0	1,200,000	0	1,200,000	0	0	0	1,200,000	0	1,200,000	0
437 Teacher Retirement Matching	8,480,097	0	6,655,000	0	11,112,407	0	6,655,000	0	10,730,500	0	10,730,500	0	6,655,000	0	11,803,550	0	11,803,550	0
438 Ntl Bd Prof Teaching Standards	12,329,232	0	9,106,160	0	15,016,160	0	9,106,160	0	13,854,260	0	13,854,260	0	9,106,160	0	13,865,260	0	13,865,260	0
440 Advanced Placement Incentive	823,903	0	825,000	0	825,000	0	825,000	0	825,000	0	825,000	0	825,000	0	825,000	0	825,000	0
444 Criminal Background Checks	1,781	0	25,000	0	25,000	0	25,000	0	25,000	0	25,000	0	25,000	0	25,000	0	25,000	0
445 AR Easter Seals	193,113	0	193,113	0	193,113	0	193,113	0	193,113	0	193,113	0	193,113	0	193,113	0	193,113	0
446 Public School Employee Ins	36,478,204	0	57,373,600	0	57,373,600	0	57,373,600	0	57,373,600	0	57,373,600	0	57,373,600	0	57,373,600	0	57,373,600	0
447 School Food Services	1,650,000	0	0	0	1,650,000	0	0	0	1,650,000	0	1,650,000	0	0	0	1,650,000	0	1,650,000	0
450 Surplus Commodities	1,100,000	0	780,000	0	1,349,810	0	780,000	0	1,125,065	0	1,125,065	0	780,000	0	1,125,065	0	1,125,065	0
451 Grants to School Districts	67,856	0	67,856	0	67,856	0	67,856	0	67,856	0	67,856	0	67,856	0	67,856	0	67,856	0
452 Workers' Compensation	144,831	0	450,000	0	450,000	0	450,000	0	450,000	0	450,000	0	450,000	0	450,000	0	450,000	0
454 School Food-Legislative Audit	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0
457 Gifted & Talented	1,316,244	0	1,085,381	0	1,335,381	0	1,085,381	0	1,335,381	0	1,335,381	0	1,085,381	0	1,335,381	0	1,335,381	0
458 School Worker Defense	47,704	0	0	0	390,000	0	0	0	390,000	0	390,000	0	0	0	390,000	0	390,000	0
459 Assessment/End Course Testing	18,193,198	0	22,250,189	0	24,223,861	0	22,250,189	0	22,250,189	0	22,250,189	0	22,250,189	0	23,350,681	0	23,350,681	0
460 Court Ordered Desegregation	65,789,492	0	69,814,372	0	69,814,372	0	69,814,372	0	65,794,267	0	65,794,267	0	69,814,372	0	65,794,267	0	65,794,267	0
4HM Teacher of the Year	70,932	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0
4HN Declining Enrollment	11,095,697	0	13,963,389	0	13,963,389	0	13,963,389	0	13,963,389	0	13,963,389	0	13,963,389	0	13,963,389	0	13,963,389	0
565 Intervention Block Grants	302,000	0	227,000	0	302,000	0	227,000	0	302,000	0	302,000	0	227,000	0	302,000	0	302,000	0
566 Serious Offender	1,530,306	0	1,050,946	0	1,716,859	0	1,050,946	0	1,716,859	0	1,716,859	0	1,050,946	0	1,716,859	0	1,716,859	0
59V Coord School Health	2,000,000	0	2,000,000	0	2,000,000	0	2,000,000	0	2,000,000	0	2,000,000	0	2,000,000	0	2,000,000	0	2,000,000	0
59W School Facility Joint Use	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0
59X Add Public School Employee Ins	58,000,000	0	15,000,000	0	15,000,000	0	15,000,000	0	15,000,000	0	15,000,000	0	15,000,000	0	15,000,000	0	15,000,000	0
652 Better Chance Program	111,000,000	0	111,000,000	0	111,000,000	0	111,000,000	0	111,000,000	0	111,000,000	0	111,000,000	0	111,000,000	0	111,000,000	0
668 Special Education Services	2,802,527	0	1,145,285	0	2,802,527	0	1,145,285	0	2,802,527	0	2,802,527	0	1,145,285	0	2,802,527	0	2,802,527	0
669 Human Dev Ctr Education Aid	526,150	0	526,150	0	526,150	0	526,150	0	526,150	0	526,150	0	526,150	0	526,150	0	526,150	0
670 Education Service Cooperatives	6,129,270	0	6,129,270	0	6,129,270	0	6,129,270	0	6,129,270	0	6,129,270	0	6,129,270	0	6,129,270	0	6,129,270	0
688 APSCN	20,016,059	44	16,258,757	49	22,875,544	49	16,196,101	48	23,011,203	49	23,168,900	51	16,197,561	48	23,012,794	49	23,170,491	51
697 Early Childhood Special Educ	16,897,918	0	15,623,079	0	16,897,920	0	15,623,079	0	16,897,920	0	16,897,920	0	15,623,079	0	16,897,920	0	16,897,920	0
698 Distance Learning	4,755,732	0	4,760,000	0	4,760,000	0	4,760,000	0	4,760,000	0	4,760,000	0	4,760,000	0	4,760,000	0	4,760,000	0
699 Teacher Licensing/Mentoring	5,000,245	0	5,008,758	0	5,008,758	0	5,008,758	0	5,065,758	0	5,065,758	0	5,008,758	0	5,065,758	0	5,065,758	0
F77 Safe School Init	0	0	0	0	691,500	0	0	0	0	0	0	0	0	0	0	0	0	0
F78 ALE Center-Trans	0	0	0	0	70,000	0	0	0	0	0	0	0	0	0	0	0	0	0

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2013-2014		2014-2015		2014-2015		2015-2016					2016-2017						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
F79 Alt Learning Enviro Center - Truancy Ofcr	0	0	0	0	275,000	0	0	0	0	0	0	0	0	0	0	0	0	0
F80 Technology R&D	0	0	0	0	3,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0
F81 School Recognition	0	0	7,000,000	0	10,000,000	0	7,000,000	0	7,000,000	0	7,000,000	0	7,000,000	0	7,000,000	0	7,000,000	0
F82 Inter Baccalaureate Prgm	75,000	0	0	0	75,000	0	0	0	75,000	0	75,000	0	0	0	75,000	0	75,000	0
M74 Broadband Facilities Matching Grant Prog	0	0	0	0	10,000,000	0	0	0	5,000,000	0	5,000,000	0	0	0	5,000,000	0	5,000,000	0
Total	2,737,539,760	48	2,775,897,304	54	2,881,618,770	54	2,775,838,505	53	2,874,073,840	54	2,906,645,729	56	2,775,840,695	53	2,882,728,367	54	2,965,263,537	56

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance 4000005	67,285,943	2.4	60,828,723	2.1	56,901,369	2.0	56,901,369	2.0	56,901,369	2.0	53,032,814	1.9	24,310,582	0.8	6,076,350	0.2		
Court Ordered Desegregation 4000180	65,770,577	2.4	65,794,267	2.3	65,794,267	2.3	65,794,267	2.3	65,794,267	2.3	65,794,267	2.3	65,794,267	2.3	65,794,267	2.3	65,794,267	2.3
DOE Public School Fund 4000195	2,008,442,215	71.8	2,073,953,020	73.2	2,073,953,020	73.3	2,110,466,123	72.8	2,124,803,780	72.9	2,073,955,210	73.4	2,116,831,989	73.7	2,151,532,000	74.5		
E-Rate Credit 4000207	1,059,943	0.0	0	0.0	0	0.0	8,000,000	0.3	8,000,000	0.3	0	0.0	8,000,000	0.3	8,000,000	0.3	8,000,000	0.3
Educational Adequacy Fund 4000210	434,031,541	15.5	434,031,542	15.3	434,031,542	15.3	434,031,542	15.0	434,031,542	14.9	434,031,542	15.4	434,031,542	15.1	434,031,542	15.0	434,031,542	15.0
Educational Excellence Fund 4000220	195,093,476	7.0	200,606,121	7.1	200,606,121	7.1	200,606,121	6.9	200,606,121	6.9	200,606,121	7.1	200,606,121	7.0	200,606,121	6.9	200,606,121	6.9
General Improvement Fund 4000265	48,000,000	1.7	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
M & R Sales 4000340	18,914	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Miscellaneous Adjustments 4000345	8,481,603	0.3	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
TANF Transfer 4000478	7,500,000	0.3	7,500,000	0.3	7,500,000	0.3	7,500,000	0.3	7,500,000	0.3	7,500,000	0.3	7,500,000	0.3	7,500,000	0.3	7,500,000	0.3
Trnfr frm DOE Pub School Fund 4000525	(38,623,904)	(1.4)	(11,115,000)	(0.4)	(11,115,000)	(0.4)	(11,115,000)	(0.4)	(11,115,000)	(0.4)	(11,115,000)	(0.4)	(11,115,000)	(0.4)	(11,115,000)	(0.4)	(11,115,000)	(0.4)
Transit Tax 4000700	1,308,175	0.0	1,200,000	0.0	1,200,000	0.0	1,200,000	0.0	1,200,000	0.0	1,200,000	0.0	1,200,000	0.0	1,200,000	0.0	1,200,000	0.0
Unfunded Appropriation 4000715	0	0.0	0	0.0	0	0.0	25,000,000	0.9	25,000,000	0.9	0	0.0	25,000,000	0.9	25,000,000	0.9	25,000,000	0.9
Total Funds	2,798,368,483	100.0	2,832,798,673	100.0	2,828,871,319	100.0	2,898,384,422	100.0	2,912,722,079	100.0	2,825,004,954	100.0	2,872,159,501	100.0	2,888,625,280	100.0		
Excess Appropriation/(Funding)	(60,828,723)		(56,901,369)		(53,032,814)		(24,310,582)		(6,076,350)		(49,164,259)		10,568,866		76,628,257			
Grand Total	2,737,539,760		2,775,897,304		2,775,838,505		2,874,073,840		2,906,645,729		2,775,840,695		2,882,728,367		2,965,263,537			

Agency Position Usage Report

FY2012 - 2013						FY2013 - 2014						FY2014 - 2015					
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	
54	41	12	53	1	24.07 %	53	42	11	53	0	20.75 %	53	42	12	54	-1	20.75 %

Total Budgeted positions exceed Authorized due to positions authorized by Act 291 of 2014, Section 25.

Analysis of Budget Request

Appropriation: 2HY - Education Renewal Zones

Funding Sources: JAA - Department of Education Public School Fund

The Office of Educational Renewal Zones is responsible for developing guidelines for the approval of education renewal zone strategic plans and guidelines for the evaluation and reporting of education renewal zone activities. The purpose of an education renewal zone is to: identify and implement education and management strategies designed specifically to improve public school performance and student academic achievement, with special focus on the State's most academically distressed public schools; provide for collaboration among the State's smaller schools and districts in order to achieve some of the advantages of economies of scale in providing educational and related activities; maximize benefits and outcomes of public schooling by concentrating and coordinating the resources of Arkansas' higher education institutions, the expertise of the regional education service cooperatives, and the technical assistance of other service providers to improve public school performance and student academic achievement; and enable small, rural, and low-wealth schools to make the best use of the latest cost-effective distance learning technology to enhance curricula and professional development through two-way interactive learning environments.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries do not include appropriation for Merit Pay Increases.

The Agency requests Base Level of \$1,460,655 in FY16 and \$1,461,385 in FY17.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2HY - Education Renewal Zones
Funding Sources: JAA - Department of Education Public School Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	178,974	248,972	259,688	251,647	251,647	251,647	252,247	252,247	252,247
#Positions	4	5	5	5	5	5	5	5	5
Personal Services Matching 5010003	63,564	78,676	86,535	79,858	79,858	79,858	79,988	79,988	79,988
Operating Expenses 5020002	30,375	91,800	91,800	91,800	91,800	91,800	91,800	91,800	91,800
Conference & Travel Expenses 5050009	2,596	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000
Professional Fees 5060010	19,155	306,900	306,900	306,900	306,900	306,900	306,900	306,900	306,900
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Grants and Aid 5100004	975,150	717,450	717,450	717,450	717,450	717,450	717,450	717,450	717,450
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	1,269,814	1,456,798	1,475,373	1,460,655	1,460,655	1,460,655	1,461,385	1,461,385	1,461,385
Funding Sources									
DOE Public School Fund 4000195	1,269,814	1,456,798		1,460,655	1,460,655	1,460,655	1,461,385	1,461,385	1,461,385
Total Funding	1,269,814	1,456,798		1,460,655	1,460,655	1,460,655	1,461,385	1,461,385	1,461,385
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	1,269,814	1,456,798		1,460,655	1,460,655	1,460,655	1,461,385	1,461,385	1,461,385

Analysis of Budget Request

Appropriation: 688 - APSCN

Funding Sources: JAA - Department of Education Public School Fund

Arkansas Public School Computer Network (APSCN) - From a non-profit Agency begun in 1992, APSCN became a part of the Department of Education in 1998. APSCN's mission is to implement a 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. Schools, district offices and Cooperatives use APSCN to process financial and student data.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries do not include appropriation for Merit Pay Increases.

The Base Level Request is \$16,196,101 in FY16 and \$16,197,561 in FY17, with general revenue funding of \$16,196,101 in FY16 and \$16,197,561 in FY17.

The Agency requests a Change Level of unfunded appropriation of \$6,815,102 in FY16 and unfunded appropriation of \$6,815,233 in FY17 as follows:

- Regular Salaries and Personal Services Matching of \$115,102 for FY16 and \$115,233 for FY17 for restoration of one (1) position and reclassification of five (5) positions.
- Operating Expenses of \$6,500,000 to restore appropriation not budgeted in FY15 due to a delay in receipt of E-Rate refunds.
- Capital Outlay of \$200,000 for unforeseen needs that may occur in the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency request for unfunded appropriation. In addition, the Executive Recommendation provides for the transfer of two (2) positions from the Department of Information Systems to support the APSCN program.

Appropriation Summary

Appropriation: 688 - APSCN

Funding Sources: JAA - Department of Education Public School Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	2,086,170	2,435,581	2,330,477	2,383,415	2,473,712	2,594,987	2,384,615	2,474,912	2,596,187
#Positions		44	49	49	48	49	51	48	49	51
Personal Services Matching	5010003	690,085	770,087	791,978	759,597	784,402	820,824	759,857	784,793	821,215
Operating Expenses	5020002	17,233,124	12,745,839	19,245,839	12,745,839	19,245,839	19,245,839	12,745,839	19,245,839	19,245,839
Conference & Travel Expenses	5050009	6,680	7,250	7,250	7,250	7,250	7,250	7,250	7,250	7,250
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	200,000	0	200,000	200,000	0	200,000	200,000
Data Access Implementation	5900046	0	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Total		20,016,059	16,258,757	22,875,544	16,196,101	23,011,203	23,168,900	16,197,561	23,012,794	23,170,491
Funding Sources										
DOE Public School Fund	4000195	18,956,116	16,258,757		16,196,101	16,196,101	16,196,101	16,197,561	16,197,561	16,197,561
E-Rate Credit	4000207	1,059,943	0		0	6,500,000	6,500,000	0	6,500,000	6,500,000
Total Funding		20,016,059	16,258,757		16,196,101	22,696,101	22,696,101	16,197,561	22,697,561	22,697,561
Excess Appropriation/(Funding)		0	0		0	315,102	472,799	0	315,233	472,930
Grand Total		20,016,059	16,258,757		16,196,101	23,011,203	23,168,900	16,197,561	23,012,794	23,170,491

FY15 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2013-2015 Biennium.

Change Level by Appropriation

Appropriation: 688 - APSCN
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	16,196,101	48	16,196,101	100.0	16,197,561	48	16,197,561	100.0
C05	Unfunded Appropriation	6,700,000	0	22,896,101	141.4	6,700,000	0	22,897,561	141.4
C06	Restore Position/Approp	93,287	1	22,989,388	141.9	93,287	1	22,990,848	141.9
C10	Reclass	21,815	0	23,011,203	142.1	21,946	0	23,012,794	142.1

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	16,196,101	48	16,196,101	100.0	16,197,561	48	16,197,561	100.0
C05	Unfunded Appropriation	6,700,000	0	22,896,101	141.4	6,700,000	0	22,897,561	141.4
C06	Restore Position/Approp	93,287	1	22,989,388	141.9	93,287	1	22,990,848	141.9
C07	Agency Transfer	157,697	2	23,147,085	142.9	157,697	2	23,148,545	142.9
C10	Reclass	21,815	0	23,168,900	143.1	21,946	0	23,170,491	143.0

Justification

C05	The ADE requests the restoration of non-general-revenue-funded appropriation that was unbudgeted in FY15 due to the delay in receiving E-rate refunds (\$6,500,000 each year of the biennium). Funding for these E-rate refunds is expected to be restored in FY16. Additionally, the ADE is requesting unfunded appropriation of \$200,000 each year for unforeseen Capital Outlay needs of the Arkansas Public School Computer Network (APSCN) that may occur in the 2015-2017 biennium.
C06	The ADE requests the restoration of one (1) pool position that was established by the authority of Section 25 of Act 1310 of 2013. This same authority requires that if the agency requests the continuation of a Pool Position in the next fiscal year, it must be requested as a new position. The Pool Position being requested to continue is a G012C ADE Assistant to Director, Grade C129 position. This position was created to provide support and maintenance to APSCN's District Data warehouse and to build reports from both the statewide data warehouse and the district data warehouse using the Cognos Business Tools. Prior to implementing this position, ADE had a \$543,636 annual contract with DecisionEd to provide this service. It was determined that this position would save the State of Arkansas at least \$400,000 per year. The total change level request to restore this pool position is \$93,287, and the ADE is requesting this as unfunded appropriation.
C07	The Executive Recommendation provides for a transfer of two (2) positions from the Department of Information Systems to the Department of Education Public School Fund APSCN appropriation (688).
C10	APSCN is also requesting the reclassification of five positions. In response to the Agency's growing information technology needs and operations, the ADE requests the upgrade of the current C122; C123; C124 APSCN positions to C126; C127; C128 positions respectively. It is a significant challenge to keep up with the attrition rate and to find qualified technology staff under the current salary structure in the prevailing market. Presently, the ADE is unable to competitively recruit at the entry pay level for several positions and an acute shortage of qualified applications exists. The change level request generated by these reclassifications totals \$17,797 per year of the biennium, and the ADE is requesting this as unfunded appropriation.

Analysis of Budget Request

Appropriation: PSF - Public School Fund

Funding Sources: JAA - Department of Education Public School Fund

The Department of Education Public School Fund provides the primary State financial assistance to Arkansas' public elementary and secondary schools. For FY15 the major projected funding sources are: General Revenue of approximately \$2.073 billion, the Educational Excellence Trust Fund \$200.6 million and the Educational Adequacy Fund \$434 million. The following summarizes the fiscal status and change level requests for each program in the Department of Education Public School Fund.

Smart Start/Smart Step Assessment (057) - This is a comprehensive initiative that focuses on improving the academic achievement of Kindergarten through fourth grade students in the areas of reading and mathematics. This program has been expanded to include Smart Step and Next Step which covers grades five through eight. A state network of literacy and mathematics specialists assist schools with professional development to maintain a highly qualified teaching staff. The program provides professional development opportunities and a variety of resources to all K-12 educators through statewide conferences, regional workshops and satellite delivered meetings.

The Agency requests unfunded appropriation of \$2,526,369 each year to restore appropriation to previously authorized levels.

The Executive Recommendation provides for the Agency Request.

English Language Learners (082) - English Language Learners serves students identified as not being proficient in the English language. This program helps school districts to provide specially-trained staff, instructional materials and training for teachers of these qualified students. Summer training academies are offered to teachers desiring additional training in teaching and assisting these students. A.C.A. §6-20-2305(3)(b)(A) states that beginning with the 2012-2013 school year English language learners funding shall be \$317 for each identified English language learner.

The Agency requests Base Level appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for additional appropriation and general revenue funding of \$280,093 in FY16 and additional appropriation of \$565,788 and general revenue funding of \$285,695 in FY17.

At Risk (088) - The College Preparatory Enrichment Program (CPEP) is funded from the At Risk appropriation. The program provides remedial instruction during the summer for students entering the eleventh and twelfth grade whose scores on the American College Test (ACT) are below 19 in the areas of reading and/or mathematics. The students are provided 75 hours of instruction over a minimum of twenty days. At the conclusion of the program, students are given the opportunity to take the ACT; the cost is covered by the program. This is a special administration of the ACT for students who have successfully completed the CPEP program. This program has been replaced by the College and Career Readiness Planning Program (CCRPP).

The Agency requests unfunded appropriation of \$300,000 each year to disburse prior year refunds from the College and Career Readiness Planning Program (CCRPP).

The Executive Recommendation provides for the Agency Request.

Special Education - Catastrophic (091) - This provides for state funding to school districts for local occurrences when costs of special education and related services required by an individual child are unduly expensive, extraordinary, or beyond the routine and normal costs associated with special education. Reimbursement from this program for an individual child can be sought only after eligible costs equal or exceed \$30,000 for the special education child. Medicaid and other third party funding is obtained prior to requesting state catastrophic funding.

The Agency requests Base Level appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Youth Shelters (094) - The Department of Human Services (DHS) maintains contracts with community providers for operation of 10 youth shelters with approximately 250 beds. This program partially reimburses school districts for the additional costs of providing educational services to students placed in these facilities by DHS.

The Agency requests Base Level appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Technology Improvements (108) - This program is used to update the technology hardware and software available to Educational Service Cooperatives and local school districts. The funds are also used to make educational technology resources available through statewide projects such as APSCN and joint efforts with the state library system.

The Agency requests Base Level appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Technology Grants (119) - This program provides technology grants to school districts for such programs as the Environmental and Spatial Technology (EAST) Initiative. The EAST program has received high praise from local school administrators and parents as well as national recognition. Through the schools' EAST labs, students use technology, training, and knowledge to solve real-world problems facing their communities.

The Agency requests Base Level appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Distressed School District Support (136) - The Arkansas Academic Distress Program was legislated by Act 915 of 1995 to improve the capacity of local school districts whose students are not achieving at academically desired levels by school through targeted assistance coordinated by the Department of Education.

The Agency requests Base Level appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Home School Testing (150) - Each student enrolled in a home school program who is considered to be at grade level or no more than two (2) years beyond the normal age for the appropriate grade for which the state mandates norm-referenced tests for public school students shall be tested using a nationally recognized norm-referenced achievement test selected by the State Board of Education.

The Agency requests Base Level appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Non-Traditional Licensure Grants (1PS) - This program supplements the cash funded Alternative Certification program which was developed by the Department of Education for certifying individuals that have expertise and knowledge in a particular subject, but do not have the standard teaching certificate, to teach.

The Agency requests Base Level appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Content Standards and Curriculum Frameworks Revision (1QV) - Act 1706 of 2003 grants appropriation for expenses associated with the development of a comprehensive plan to revise content standards and curriculum frameworks in the core academic areas of reading, writing, mathematics, science, history, geography, and civics.

The Agency requests Base Level appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Economic Education (1XE) - The objective of this program is to integrate economics into the K-12 curriculum by training teachers and administrators in economic principles.

The Agency requests unfunded appropriation of \$50,000 due to the increase in the number of teachers trained from 1,000 during the 2006-2007 school year to 1,724 during the 2012-2013 school year.

The Executive Recommendation provides for the Agency Request.

State Foundation Funding (2HP) - State Foundation Funding is the amount of state financial aid provided to each school district. Act 59 of the Second Extraordinary Session of 2003 changed the process by which aid is distributed to school districts. Act 1467 of 2013 amended A.C.A. § 6-20-2305(a) to establish the Foundation Funding amount as \$6,521 in FY15 multiplied by the school district's average daily membership (ADM) for the previous school year.

The amount paid as State Foundation Funding is computed as the difference between the Foundation Funding amount established by the General Assembly (\$6,521 for FY15) times the ADM of the previous school year and less the sum of 98% of the uniform rate of tax (25 mills) times the property assessment of the school district plus 100% of miscellaneous funds (average over a 5 year period) of the school district. Open-Enrollment Charter Schools are also funded from the Foundation Funding line item at the Foundation amount times the current year ADM of the school.

The Agency requests a Change Level of \$17,744,783 in FY16 and \$14,152,155 in FY17 to restore appropriation and to provide funding for the projected phase-in of Majority to Minority (M to M) students into school district ADM counts for the calculation of state foundation funding aid in compliance with the settlement agreement approved January 2014 regarding state desegregation funding.

The Executive Recommendation provides for the Agency Request appropriation only; and additional appropriation of \$29,851,916 and general revenue funding of \$47,596,699 in FY16 and additional appropriation of \$77,198,497 and general revenue funding of \$73,554,240 in FY17.

National School Lunch Student Funding (2HR) - Funding for national school lunch students is based on the number of students eligible for free or reduced-price lunch program under the National School Lunch Act (NSLA) identified on the Arkansas Public School Computer Network Cycle Two Report.

The current rates for the NLSA as listed in A.C.A. § 6-20-2305(b)(4)(A), are:

- School districts in which 90% or greater of the enrolled students are national school lunch students, funding shall be \$1,549;
- For school districts in which at least 70% but less than 90% of the enrolled students are national school lunch students, funding shall be \$1,033; and
- For school districts in which less than 70% of the enrolled students are national school lunch students, funding shall be \$517.

The Agency requests a Change Level for general revenue funding and appropriation of \$8,886,391 in FY16 and \$18,128,630 in FY17 is for projected growth in NSLA for the biennium.

The Executive Recommendation provides for the Agency Request appropriation only and provides general revenue funding of \$1,795,656 in FY16 and additional appropriation of \$3,606,395 and general revenue funding of \$1,810,739 in FY17.

Professional Development Funding (2HS) - This aid, through A.C.A § 6-20-2305(b)(5), is a formula driven program that provides \$32.50 per the previous year ADM students to school districts for professional development activities. Professional development is used to provide activities and materials to improve the knowledge of teachers and administrators to ensure all students demonstrate proficiency in the state academic standards.

The Agency requests a Change Level for general revenue funding and appropriation of \$98,594 for FY16 and \$205,435 for FY17 for projected Average Daily Membership growth in charter schools.

The Executive Recommendation provides for additional appropriation and general revenue funding of \$98,584 in FY16 and \$205,435 in FY17.

Supplemental Millage Incentive Funding (2HU) - Act 1 of the First Extraordinary Session of 2013 allowed the savings of this program during each fiscal year be transferred to the Employee Benefits Division of the Department of Finance and Administration for the exclusive benefit of public school employee participants in the State and Public School Life and Health Insurance Program.

The Agency requests Base Level appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Distance Learning Operating Grants (2HX) - These grants provide 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. This enables school districts to receive advanced high school courses, advanced placement courses, enriched course content, or other academic courses not otherwise available in the school district.

The Agency requests unfunded appropriation of \$1,500,000 to restore appropriation for E-Rate refunds. The refunds are expected to be restored in FY16.

The Executive Recommendation provides for the Agency Request.

Content Standards Revision (2JA) - This is for the associated cost of the periodic review and revision of Academic Content Standards as required by A.C.A. §6-15-404(c). Academic Content Standards are documents that specify what a student enrolled in a public school should know and be able to do. The Academic Content Standards also provide the foundation for the development of the State assessment system.

The Agency requests Base Level appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Teacher Recruitment High-Priority District (2JC) - A.C.A. §6-17-811 requires the Department of Education provide a system of incentives for teacher recruitment and retention in high-priority districts. A "high-priority district" is one that has 1,000 or fewer students in which 80% or more public school students are eligible for the free or reduced-price lunch program under the National School Lunch Act and have a three-quarter ADM of 1,000 or fewer for the 2003-2004 school year. Beginning in the 2004-2005 school year, a teacher licensed by the state board who teaches in a school in a high-priority district shall receive, in addition to all other salary and benefits, bonus payments as specified by law.

The Agency requests Base Level appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

School Funding Contingency (2ZH) - This unfunded appropriation is used to address unforeseen problems that arise during the course of a biennium. Special language allows the transfer of this appropriation to address problem areas.

The Agency requests \$25,000,000 of unfunded appropriation in each year to enable the Department of Education to address unforeseen circumstances that may arise in each fiscal year.

The Executive Recommendation provides for the Agency Request.

Leadership Academy - Master Principal (2ZK) - The Arkansas Leadership Academy is responsible for administration of the Master School Principal Program which provides training programs and opportunities to expand the knowledge base and leadership skills of public school principals, teachers, superintendents and other administrators, and school board members.

The Agency requests Base Level appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Master Principal Bonus (2ZM) - This provides incentive bonuses for principals achieving Master Principal status through the Arkansas Leadership Academy; it allows for \$9,000 annually for five years while serving as a full-time principal in a public school in Arkansas; and provides for \$25,000 annually while working as a full time principal in an Arkansas "low-performing" school.

The Agency requests unfunded appropriation of \$118,000 each year restore appropriation and to provide for program growth during the biennium.

The Executive Recommendation provides for Agency Request.

Special Needs Isolated (2ZS) - Act 1452 of 2005 created this program for certain isolated schools and certain school districts with a low student density. The program allows these schools that meet the eligibility criteria set by the Department to receive additional funding to provide for an adequate education for the students.

The Agency requests Base Level appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Alternative Learning (311) - A.C.A. §6-18-508 requires every school district to establish an alternative learning environment (ALE) for students who have shown an inability to function in a standard learning environment. It requires the Department establish an incentive program for districts whose ALE programs meet Department guidelines. ALE's must provide all educational programs available in other classrooms, and must provide services to meet the needs of this group of at-risk children. Additionally, A.C.A. §6-20-2305(b)(2)(A)(i) establishes the ALE funding amount for FY2015 shall be \$4,383 multiplied by the number of identified ALE students enrolled during a school district's previous school year.

The Agency requests a Change Level of \$593,201 for FY16 and \$1,200,415 in FY17 to provide for the growth in the number of students in Alternative Learning.

The Executive Recommendation provides for the Agency Request appropriation only and additional appropriation of \$486,527 and general revenue funding of \$1,079,728 in FY16 and additional appropriation of \$520,266 and general revenue funding of \$1,720,681 in FY17.

General Facilities Funding (326) - Act 1 of the First Extraordinary Session of 2013 allowed the savings of this program during each fiscal year be transferred to the Employee Benefits Division of the Department of Finance and Administration for the exclusive benefit of public school employee participants in the State and Public School Life and Health Insurance Program.

The Agency requests Base Level appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Isolated Funding (331) - Due to location or geographic barriers, some districts are not able to share resources with other districts or may have unusual transportation needs. These districts under 350 Average Daily Membership (ADM) are termed "isolated" and receive additional funding. Act 65 of the Second Extraordinary Session of 2003 established 56 "isolated" school districts and set a per student dollar amount to be paid to each district for the 2003-04 school year. Beginning in the 2004-05 school year, and each year thereafter, isolated funding will be provided to each district in an amount equal to the prior year three-quarter average daily membership of the isolated school area multiplied by the per student isolated funding amount set for the 2003-04 school year.

The Agency requests Base Level appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Student Growth Funding (332) - This program provides supplemental funding to school districts that have a growth in students over the previous school year. Pursuant to Act 272 of 2007, student growth funding is comprised of four calculations. One quarter (1/4) of the per student foundation funding is multiplied by any increase in the school district's: (1) first quarter current year Average Daily Membership (ADM) over the 3-quarter ADM of the previous school year; (2) second quarter current year ADM over the 3-quarter ADM of the previous school year; (3) third quarter current year ADM over the 3-quarter ADM of the previous school year; and (4) fourth quarter current year ADM over the 3-quarter ADM of the previous school year, excluding any increase resulting solely from consolidation or annexation with another district.

The Agency requests a Change Level of \$9,190,144 each year based upon the average number of students funded by student growth from FY12, FY13, and FY14, and multiplying that average by the FY15 foundation funding amount of \$6,521.

The Executive Recommendation provides for the Agency Request appropriation only.

Bonded Debt Assistance (336) - A.C.A. §6-20-2503 created the Bonded Debt Assistance Program to enable the Division of Public School Academic Facilities and Transportation to provide eligible school districts with financial assistance to retire outstanding bonded indebtedness in existence as of January 1, 2005. The Commission for Public School Academic Facilities and Transportation directs the Division to work with the Department of Education to determine the amount of financial assistance for each eligible school district. The Division is responsible for ascertaining the scheduled debt payment on a fiscal year basis from the principal and interest payment in effect and on file with the Department. The available funding after final payments have been made for this program are then transferred to the Education Partnership Fund.

The Agency requests Base Level appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

98% URT Actual Collection Adjustment (34N) - To insure every public school district receives the full amount of Foundation Funding, the 86th General Assembly created Act 272 of 2007, amending A.C.A. §6-20-2305(a)(4)(A), which states by the end of each school year, for a school district whose net revenues are less than the sum of 98% of the uniform rate of tax (URT) multiplied by the property tax assessment of the school district, the Department of Education shall distribute to the school district the difference between the net revenues of the school district and the sum of 98% of the URT multiplied by the property assessment of the school district.

The Agency requests Base Level appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Department of Correction (380) - A.C.A. §12-29-301 et seq. established the Department of Correction School District and established a formula to determine the funding level and states that the cost of running the Department of Correction School District shall be borne by the Department of Correction and the Department of Education.

The Agency requests unfunded appropriation of \$943,472 in FY16 and \$1,047,460 in FY17 to restore appropriation to previously authorized levels and provide for growth in the program during the biennium.

The Executive Recommendation provides for the Agency Request.

Residential Centers/Juvenile Detention (394) - This program provides reimbursement to school districts for 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 Agency requests unfunded appropriation of \$1,156,833 to restore appropriation to previously authorized levels.

The Executive Recommendation provides for Agency Request.

Consolidation Incentive (421) - These additional funds are provided to schools created as a result of consolidation of existing school districts. These unrestricted funds may be used at the discretion of the local school district.

The Agency requests unfunded appropriation of \$5,868,900 for two (2) projected consolidations each year.

The Executive Recommendation provides for the Agency Request.

Cooperative Education Tech Centers (434) - Technology Coordinators in the Education Service Cooperatives assist local school districts by providing technology training, advising school districts in software/hardware purchases and overseeing technology initiatives. This program provides grants to each of the State's 15 Education Service Cooperatives.

The Agency requests unfunded appropriation of \$1,200,000 to restore appropriation to previously authorized levels.

The Executive Recommendation provides for the Agency Request.

Teacher Retirement Matching (437) - This is the 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 Agency requests unfunded appropriation of \$4,075,500 in FY16 and \$5,148,550 in FY17 to restore appropriation and provide for the increase in the number of participants in the program.

The Executive Recommendation provides for the Agency Request.

National Board of Professional Teaching Standards (438) - A.C.A. §6-17-413(a)(1)(A) requires teacher support in three distinct areas related to state support of advanced national teacher certification: bonuses to National Board Certified Teachers (NBCT), participation fees and substitute pay required for candidacy, and a support system for those candidates.

The Agency requests unfunded appropriation of \$4,748,100 in FY16 and \$4,759,100 in FY17 to restore appropriation and to provide for increasing candidate support costs.

The Executive Recommendation provides for the Agency Request.

Advanced Placement Incentive (440) - This is to establish advanced placement courses that are easily accessible and will prepare students for admission to, and success in, a postsecondary educational environment. The major aspect to this incentive program is for support for professional development of AP and Pre-AP teachers.

The Agency requests Base Level appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Criminal Background Checks (444) - This program covers the cost of both state and federal criminal background checks for the first renewal of non-expired licenses for certified personnel. The checks cost \$15 for the State Police check and \$24 for the FBI.

The Agency requests Base Level appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Arkansas Easter Seals (445) - This program funds partially the cost of educational services provided by the Easter Seal Society to children ages 3 to 21 who have orthopedic and/or communicative disorders. This funding reduces the amount local school districts must pay for these educational services and qualifies the facility federally as "state supported" and are eligible for federal funds, further reducing the cost to local school districts.

The Agency requests Base Level appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Public School Employee Insurance (446) - This program pays the state contribution for insurance premiums 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, and \$151 per month for each eligible employee electing to participate in the public school employee health insurance program.

The Agency requests Base Level appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

School Food Services (447) - This program combined with the Surplus Commodities program provides the State match for the total school food program in local schools. Grants are awarded to school districts based on the number of lunches served.

The Agency requests unfunded appropriation of \$1,650,000 to restore appropriation to previously authorized levels.

The Executive Recommendation provides for the Agency Request.

Surplus Commodities (450) - The Department of Human Services administers the Surplus Commodities Program. School districts currently receive a large share of the commodities. By agreement with DHS, the Department of Education provides funding to supplement transportation costs resulting from delivery of the goods to the school districts.

The Agency requests unfunded appropriation of \$345,065 to maintain the program at the current operating level.

The Executive Recommendation provides for the Agency Request.

Grants to School Districts (451) - Grants are awarded for educating students in North Arkansas who cannot attend their assigned district because Bull Shoals Lake separates them from their district; which would require a round trip of more than 35 miles to attend their assigned school.

The Agency requests Base Level appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Workers' Compensation (452) - Claims and administrative expenses are paid by a fund transfer to the Miscellaneous Revolving Fund based on the previous year's claims. This appropriation is for claims made before 1994-95 when districts were required by Act 862 of 1993 to provide their own workers' compensation coverage.

The Agency requests Base Level appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

School Food - Legislative Audit (454) - This is a fund transfer of up to \$75,000 each year to compensate Legislative Audit for auditing school food funds in the local school districts.

The Agency requests Base Level appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Gifted and Talented (457) - This program provides: (1) salary support for 15 Gifted and Talented supervisors in the Cooperatives; (2) funding for the Arkansas Governor's School; (3) Act 56 - Outstanding Gifted Program Awards (3 annually); and, (4) an annual contribution to the AGATE (Arkansans for Gifted and Talented Education) Conference.

The Agency requests unfunded appropriation of \$250,000 to restore appropriation to previously authorized levels.

The Executive Recommendation provides for the Agency Request.

School Worker Defense (458) - This program provides for claims and legal fees for liability suits against school personnel.

The Agency requests unfunded appropriation of \$390,000 for the 2015-2017 Biennium to restore appropriation to previously authorized levels.

The Executive Recommendation provides for the Agency Request for unfunded appropriation.

Assessment/End of Level Testing (459) - A.C.A. §6-15-404 requires standards based testing at the primary, intermediate, and middle levels, which currently is administered at grades 4, 6, and 8. It also requires end-of-course testing for Algebra, Geometry, and Literacy (grade 11). Advanced Placement exams are included in this appropriation and also awards of up to \$50 to schools for each score of 3 or better on AP exams.

The Agency requests Base Level for FY16 and unfunded appropriation of \$1,100,492 in FY17 due to increasing costs of benchmark and end-of-course exams due to implementation of PARCC and increasing numbers of students taking AP exams.

The Executive Recommendation provides for the Agency Request.

Court Ordered Desegregation (460) - This appropriation was established for costs of the Pulaski County School Desegregation Settlement Agreement and the Camden Fairview Desegregation Settlement.

The Agency requests a decrease of \$4,020,105 each year due to the settlement approved in January 2014, which set the state's obligation at \$65,794,267.

The Executive Recommendation provides for the Agency Request.

Teacher of the Year (4HM) - The Arkansas Teacher of the Year award requires the Department of Education to develop a selection process for the award and provides that the teacher shall be placed on administrative leave for the year following his or her selection to assist with improving teaching conditions in the state.

The Agency requests Base Level appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Declining Enrollment (4HN) - School districts with declining enrollment are provided additional funding equal to the difference between the average of the two immediately preceding years' average daily membership and the average daily membership for the previous school year multiplied by Foundation Funding or the special needs isolated funding under A.C.A. § 6-20-604. A school district may receive both declining enrollment funding and special needs isolated funding only if sufficient funding is available.

The Agency requests Base Level appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Intervention Block Grants (565) - Grants are provided to local school districts, schools and education cooperatives to encourage parental involvement. The grants support the Smart Start and Smart Step Initiatives by providing the child's first teacher, the parent, with resources that will support literacy and mathematics achievement.

The Agency requests unfunded appropriation of \$75,000 to restore appropriation to previously authorized levels.

The Executive Recommendation provides for the Agency Request for appropriation with no new general revenue funding.

Serious Offender Program (566) - Serious Offender Units for juveniles are operated by the Department of Human Services; but the Department of Education pays the educational costs of those located in these units through a Memorandum of Understanding (MOU) with DHS. School districts are provided funds based on the number of Serious Offender participants in the district. Currently there are Serious Offender Programs (SOP) located in Mansfield, Harrisburg, Lewisville, Palestine-Wheatley, and Dermott school districts.

The Agency requests unfunded appropriation of \$665,913 to restore appropriation to previously authorized levels.

The Executive Recommendation provides for the Agency Request for unfunded appropriation.

Coordinated School Health (59V) - This facilitates relationships between schools and communities through collaborative partnerships to provide or improve existing student health services and garner existing local resources.

The Agency requests Base Level appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

School Facility Joint Use Support (59W) - This program encourages schools to allow use of their indoor and outdoor facilities, by the public and by community members as an accessible and safe environment for community and family physical activity.

The Agency requests Base Level appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Additional Public School Employee Health Insurance (59X) - The Department of Education can pay up to \$15,000,000 in additional health insurance contributions for eligible employees electing to participate in the public school employees' health insurance program administered by the State and Public School Life and Health Insurance Board. The Department of Education is authorized to make these payments if 98% of the URT used in the calculation for State Foundation Funding Aid exceeds \$920,731,819.

The Agency requests Base Level appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Better Chance Program (652) - This funds innovative and developmentally appropriate early childhood programs for educationally deprived children aged 3-5. Act 1132 of 1997 transferred the Early Childhood Commission to the Department of Human Services with the Grants remaining with the Department of Education.

The Agency requests Base Level appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Special Education Services (668) - This 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.

The Agency requests unfunded appropriation of \$1,657,242 to restore appropriation to previously authorized levels.

The Executive Recommendation provides for the Agency Request for unfunded appropriation.

Human Development Center Education Aid (669) - This program provides funding for educational services to the children in the State's Human Development Centers.

The Agency requests Base Level appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Education Service Cooperatives (670) - The fifteen (15) educational cooperatives of the State facilitate sharing of resources and services between local school districts.

The Agency requests Base Level appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Early Childhood Special Education (697) - Special education services are provided through local education agencies for three to five year old preschool children with disabilities. Funds are provided to Education Service Cooperatives for behavioral intervention services to all community preschool programs as well as coordinate required transition activities for children ages 0 - 2 that will remain in special education as 3 - 5 preschoolers. This program includes the Medicaid state match for preschool programs for physical, occupational, and speech therapy services.

The Agency requests unfunded appropriation of \$1,274,841 to restore appropriation to previously authorized levels.

The Executive Recommendation provides for the Agency Request for unfunded appropriation.

Distance Learning (698) -This program provides for the establishment, organization, and administration of a distance learning program designed to improve course offerings available to students throughout the state. The program will demonstrate the efficiency of using distance learning to enhance elementary and secondary education and prepare students for greater success in a postsecondary educational environment.

The Agency requests Base Level appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Teacher Licensure/Mentoring (699) - The Arkansas Induction program is for new teachers and administrators. The Induction program provides Pathwise mentoring for support, retention, and professional growth of new educators. There are 200 mentor trainers certified statewide, and 12,000 mentors successfully trained in the Pathwise Observation mentoring model. Praxis III, a component of the Induction program is the teaching performance assessment that is conducted by a trained, site-based assessor for determining standard licensure decisions for new teachers. Currently there are 80 trained assessors.

The Agency requests unfunded appropriation of \$57,000 to implement the Teacher Cadets program.

The Executive Recommendation provides for the Agency Request of unfunded appropriation.

Safe School Initiative (F77)-Act 484 of 2013 established the Safe School Initiative Act, participating school districts are eligible for grants and aid for training and education of school district personnel, law enforcement officers, emergency management personnel and others who conduct school safety assessments and active shooter drills on a school campus.

This appropriation was not budgeted for FY15 and is not requested for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Alternative Learning Environment Center-Transportation (F78)-Provides grants and aid to local school districts that transport students to a regional community alternative learning environment center that serves three or more contiguous counties that the most recent Census indicates high rates of poverty or declining population.

This appropriation was not budgeted for FY15 and is not requested for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Alternative Learning Environment Center - Truancy Officers (F79)-Provides grants and aid to local school districts to employ one or more truancy officers for a school district with a high dropout rate.

This appropriation was not budgeted for FY15 and is not requested for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Technology Research & Development Grants (F80)-This program provides grants to the Arkansas Science and Technology Authority.

This appropriation was not budgeted for FY15 and is not requested for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

School Recognition Program (F81)-This program provides financial awards to outstanding public schools through the Arkansas School Recognition Program.

The Agency requests Base Level appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Inter Baccalaureate Program (F82)-This program 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 the International Baccalaureate Program.

The Agency requests unfunded appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request for unfunded appropriation.

Broadband Facilities Matching Grant Program (M74)-This program is funded by a one-time transfer from the State General Improvement Fund to the Department of Education Public School Fund. The funds will be leveraged at the district level for up to an additional \$20 million in E-Rate funding for local loop/WAN connectivity.

The Agency requests unfunded appropriation of \$5,000,000 for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request for unfunded appropriation.

Fund Transfers-In each fiscal year, \$11,115,000 is transferred from the Department of Education Public School Fund Account to various entities for the following purposes:

- (1) Act 2131 of 2005, Section 17, requires a transfer of \$200,000 during each fiscal year to the University of Arkansas at Little Rock, specifically to provide funding for the Arkansas/STRIVE Program.
- (2) Act 2090 of 2005, Section 7, states that "the Director of the Assessment Coordination Department of the State of Arkansas shall certify monthly to the Chief Fiscal Officer of the State, the amount of funding needed each month to pay counties and professional reappraisal companies for the reappraisal of real property as required by law. Upon receipt of such certification the Chief Fiscal Officer of the State shall transfer on his books and those of the State Treasurer 76% of the amounts certified from the Department of Education Public School Fund Account, 16% of the amount certified from the County Aid Fund, and 8% of the amount certified from the Municipal Aid Fund to the Arkansas Real Property Reappraisal Fund." The amount to be transferred from the Public School Fund is projected to be \$10,830,000 in FY15.
- (3) Surety Bond Transfer- This program pays for the surety bond for public school employees. The appropriation is made to the Department of Finance and Administration but paid from the Department of Education Public School Fund. The amount transferred is projected to be \$85,000 in FY15.

Appropriation Summary

Appropriation: PSF - Public School Fund
Funding Sources: JAA - Department of Education Public School Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Safe School Init	5100004	0	0	691,500	0	0	0	0	0	0
Non-Traditional Licensure	5100004	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Intervention Block Grants	5100004	302,000	227,000	302,000	227,000	302,000	302,000	227,000	302,000	302,000
Technology R&D	5100004	0	0	3,000,000	0	0	0	0	0	0
Tech Grants	5100004	3,902,247	3,602,678	3,602,678	3,602,678	3,602,678	3,602,678	3,602,678	3,602,678	3,602,678
School Recognition	5100004	0	7,000,000	10,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000
Inter Baccalaureate Prgm	5100004	75,000	0	75,000	0	75,000	75,000	0	75,000	75,000
Broadband Facilities Matching Gr.	5100004	0	0	10,000,000	0	0	0	0	0	0
Better Chance Program	5100004	111,000,000	111,000,000	111,000,000	111,000,000	111,000,000	111,000,000	111,000,000	111,000,000	111,000,000
Add Public School Employee Ins	5100004	58,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Grants to School Districts	5100004	67,856	67,856	67,856	67,856	67,856	67,856	67,856	67,856	67,856
Economic Education	5100004	350,000	350,000	350,000	350,000	400,000	400,000	350,000	400,000	400,000
Declining Enrollment	5100004	11,095,697	13,963,389	13,963,389	13,963,389	13,963,389	13,963,389	13,963,389	13,963,389	13,963,389
School Food-Legislative Audit	5900046	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
School Food Services	5900046	1,650,000	0	1,650,000	0	1,650,000	1,650,000	0	1,650,000	1,650,000
School Facility Joint Use	5900046	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
School Funding Contingency	5900046	0	0	25,000,000	0	25,000,000	25,000,000	0	25,000,000	25,000,000
Smart Start/Smart Step	5900046	12,222,479	8,139,934	10,666,303	8,139,934	10,666,303	10,666,303	8,139,934	10,666,303	10,666,303
Serious Offender	5900046	1,530,306	1,050,946	1,716,859	1,050,946	1,716,859	1,716,859	1,050,946	1,716,859	1,716,859
School Worker Defense	5900046	47,704	0	390,000	0	390,000	390,000	0	390,000	390,000
National School Lunch	5900046	201,019,585	213,768,543	213,768,543	213,768,543	222,654,934	224,450,590	213,768,543	231,897,173	235,503,568
Master Principal Bonus	5900046	164,000	90,000	200,000	90,000	208,000	208,000	90,000	208,000	208,000
Leadership Acdmy-Mstr Principal	5900046	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Ntl Bd Prof Teaching Standards	5900046	12,329,232	9,106,160	15,016,160	9,106,160	13,854,260	13,854,260	9,106,160	13,865,260	13,865,260
Residential Ctrs/Juv Detention	5900046	16,344,571	15,188,254	16,345,087	15,188,254	16,345,087	16,345,087	15,188,254	16,345,087	16,345,087
Public School Employee Ins	5900046	36,478,204	57,373,600	57,373,600	57,373,600	57,373,600	57,373,600	57,373,600	57,373,600	57,373,600
Prof Development Fund	5900046	24,788,402	16,087,684	25,126,997	16,087,684	16,186,268	16,186,268	16,087,684	16,293,119	16,293,119
Teacher Recruitment	5900046	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000
Teacher of the Year	5900046	70,932	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Teacher Licensing/Mentoring	5900046	5,000,245	5,008,758	5,008,758	5,008,758	5,065,758	5,065,758	5,008,758	5,065,758	5,065,758
Teacher Retirement Matching	5900046	8,480,097	6,655,000	11,112,407	6,655,000	10,730,500	10,730,500	6,655,000	11,803,550	11,803,550
Youth Shelters	5900046	165,000	165,000	165,000	165,000	165,000	165,000	165,000	165,000	165,000
Workers' Compensation	5900046	144,831	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000
Tech Improvements	5900046	499,672	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Special Needs Isolated Funding	5900046	8,205,066	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Special Education Services	5900046	2,802,527	1,145,285	2,802,527	1,145,285	2,802,527	2,802,527	1,145,285	2,802,527	2,802,527
Special Ed-Catastrophic	5900046	10,999,532	11,000,000	12,900,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000
State Foundation Funding	5900046	1,935,334,691	1,961,843,724	1,976,072,528	1,961,843,724	1,979,588,507	2,009,440,423	1,961,843,724	1,975,995,879	2,053,194,376
Surplus Commodities	5900046	1,100,000	780,000	1,349,810	780,000	1,125,065	1,125,065	780,000	1,125,065	1,125,065
Supplemental Millage	5900046	1,994,215	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Student Growth	5900046	37,275,518	28,500,000	28,500,000	28,500,000	37,690,144	37,690,144	28,500,000	37,690,144	37,690,144
Isolated Funding	5900046	2,690,925	7,896,000	7,896,000	7,896,000	7,896,000	7,896,000	7,896,000	7,896,000	7,896,000
Broadband Facilities Matching Gr.	5900046	0	0	0	0	5,000,000	5,000,000	0	5,000,000	5,000,000
Bonded Debt Assistance	5900046	15,466,325	28,455,384	28,455,384	28,455,384	28,455,384	28,455,384	28,455,384	28,455,384	28,455,384
At Risk	5900046	1,732,254	1,688,530	1,688,530	1,688,530	1,988,530	1,988,530	1,688,530	1,988,530	1,988,530
Consolidation Incentive	5900046	1,917,900	0	5,640,300	0	5,868,900	5,868,900	0	5,868,900	5,868,900
Coop Education Tech Centers	5900046	1,182,916	0	1,200,000	0	1,200,000	1,200,000	0	1,200,000	1,200,000
Content Standards	5900046	124,407	161,000	161,000	161,000	161,000	161,000	161,000	161,000	161,000
Content & Curriculum	5900046	49,999	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
ALE Center-Trans	5900046	0	0	70,000	0	0	0	0	0	0
Advanced Placement Incentive	5900046	823,903	825,000	825,000	825,000	825,000	825,000	825,000	825,000	825,000
98% URT Actual Collection Adj	5900046	19,448,927	34,500,000	34,500,000	34,500,000	34,500,000	34,500,000	34,500,000	34,500,000	34,500,000
Alt Learning Enviro Center - True	5900046	0	0	275,000	0	0	0	0	0	0
Assessment/End Course Testing	5900046	18,193,198	22,250,189	24,223,861	22,250,189	22,250,189	22,250,189	22,250,189	23,350,681	23,350,681
AR Easter Seals	5900046	193,113	193,113	193,113	193,113	193,113	193,113	193,113	193,113	193,113
Alternative Learning	5900046	22,109,450	23,733,153	23,733,153	23,733,153	24,326,354	24,812,881	23,733,153	24,933,568	25,940,361
English Language Learners	5900046	12,644,481	14,004,642	14,004,642	14,004,642	14,004,642	14,284,735	14,004,642	14,004,642	14,570,430
Education Service Cooperatives	5900046	6,129,270	6,129,270	6,129,270	6,129,270	6,129,270	6,129,270	6,129,270	6,129,270	6,129,270
Early Childhood Special Educ	5900046	16,897,918	15,623,079	16,897,920	15,623,079	16,897,920	16,897,920	15,623,079	16,897,920	16,897,920
General Facilities Funding	5900046	1,617,839	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000
Human Dev Ctr Education Aid	5900046	526,150	526,150	526,150	526,150	526,150	526,150	526,150	526,150	526,150
Home School Test	5900046	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Gifted & Talented	5900046	1,316,244	1,085,381	1,335,381	1,085,381	1,335,381	1,335,381	1,085,381	1,335,381	1,335,381
Criminal Background Checks	5900046	1,781	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Court Ordered Desegregation	5900046	65,789,492	69,814,372	69,814,372	69,814,372	65,794,267	65,794,267	69,814,372	65,794,267	65,794,267
Coord School Health	5900046	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Dept of Correction	5900046	6,220,892	5,597,675	6,396,775	5,597,675	6,541,147	6,541,147	5,597,675	6,645,135	6,645,135
Distressed School District Suppor	5900046	9,665	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Distance Learning Operations	5900046	7,496,497	6,075,000	7,575,000	6,075,000	7,575,000	7,575,000	6,075,000	7,575,000	7,575,000
Distance Learning	5900046	4,755,732	4,760,000	4,760,000	4,760,000	4,760,000	4,760,000	4,760,000	4,760,000	4,760,000
Total		2,716,253,887	2,758,181,749	2,857,267,853	2,758,181,749	2,849,601,982	2,882,016,174	2,758,181,749	2,858,254,188	2,940,631,661

Funding Sources										
Fund Balance	4000005	67,285,943	60,828,723		56,901,369	56,901,369	56,901,369	53,032,814	24,310,582	6,076,350
Court Ordered Desegregation	4000180	65,770,577	65,794,267		65,794,267	65,794,267	65,794,267	65,794,267	65,794,267	65,794,267
DOE Public School Fund	4000195	1,988,216,285	2,056,237,465		2,056,296,264	2,092,809,367	2,107,147,024	2,056,296,264	2,099,173,043	2,133,873,054
E-Rate Credit	4000207	0	0		0	1,500,000	1,500,000	0	1,500,000	1,500,000

Funding Sources									
Educational Adequacy Fund	4000210	434,031,541	434,031,542	434,031,542	434,031,542	434,031,542	434,031,542	434,031,542	434,031,542
Educational Excellence Fund	4000220	195,093,476	200,606,121	200,606,121	200,606,121	200,606,121	200,606,121	200,606,121	200,606,121
General Improvement Fund	4000265	48,000,000	0	0	0	0	0	0	0
M & R Sales	4000340	18,914	0	0	0	0	0	0	0
Miscellaneous Adjustments	4000345	8,481,603	0	0	0	0	0	0	0
TANF Transfer	4000478	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000
Trnfr frm DOE Pub School Fund	4000525	(38,623,904)	(11,115,000)	(11,115,000)	(11,115,000)	(11,115,000)	(11,115,000)	(11,115,000)	(11,115,000)
Transit Tax	4000700	1,308,175	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Unfunded Appropriation	4000715	0	0	0	25,000,000	25,000,000	0	25,000,000	25,000,000
Total Funding		2,777,082,610	2,815,083,118	2,811,214,563	2,874,227,666	2,888,565,323	2,807,346,008	2,848,000,555	2,864,466,334
Excess Appropriation/(Funding)		(60,828,723)	(56,901,369)	(53,032,814)	(24,625,684)	(6,549,149)	(49,164,259)	10,253,633	76,165,327
Grand Total		2,716,253,887	2,758,181,749	2,758,181,749	2,849,601,982	2,882,016,174	2,758,181,749	2,858,254,188	2,940,631,661

Variance in fund balance due to unfunded appropriation.

Change Level by Appropriation

Appropriation: 057 - Smart Start/Smart Step
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	8,139,934	0	8,139,934	100.0	8,139,934	0	8,139,934	100.0
C05	Unfunded Appropriation	2,526,369	0	10,666,303	131.0	2,526,369	0	10,666,303	131.0

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	8,139,934	0	8,139,934	100.0	8,139,934	0	8,139,934	100.0
C05	Unfunded Appropriation	2,526,369	0	10,666,303	131.0	2,526,369	0	10,666,303	131.0

Justification

C05	<p>This program provides professional development and technical assistance to schools/districts specifically in the areas of literacy, mathematics, and science. The program supports schools/districts in the goal of all students at grade level. The funds provide for literacy specialists, mathematics specialists, and science specialists housed at the ADE and at the 15 Educational Service Cooperatives. The specialists provide professional development and technical assistance in a variety of areas including content knowledge, curriculum alignment, coaching and assessment. In addition, materials such as professional texts and technology supports are provided to schools who participate in the state developed professional development. In light of the flexibility waiver from the U.S. Department of Education, funds are needed to support the lowest achieving schools in Arkansas. The Base Level request for this program is \$8,139,934 in each year of the 2015-17 biennium. The Change Level request is for unfunded appropriation of \$2,526,369 for each year of the biennium. The request is to restore appropriation based on FY15 amounts that were budgeted subsequent to the biennial budget request process and that were paid in FY13, FY14 and FY15 from fund balances.</p>
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Change Level by Appropriation

Appropriation: 082 - English Language Learners
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	14,004,642	0	14,004,642	100.0	14,004,642	0	14,004,642	100.0

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	14,004,642	0	14,004,642	100.0	14,004,642	0	14,004,642	100.0
C19	Executive Changes	280,093	0	14,284,735	102.0	565,788	0	14,570,430	104.0

Justification

C19	The Executive Recommendation provides for additional appropriation and general revenue funding of \$280,093 in FY16 and additional appropriation of \$565,788 and general revenue funding of \$285,695 in FY17.
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Change Level by Appropriation

Appropriation: 088 - At Risk
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	1,688,530	0	1,688,530	100.0	1,688,530	0	1,688,530	100.0
C05	Unfunded Appropriation	300,000	0	1,988,530	117.8	300,000	0	1,988,530	117.8

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	1,688,530	0	1,688,530	100.0	1,688,530	0	1,688,530	100.0
C05	Unfunded Appropriation	300,000	0	1,988,530	117.8	300,000	0	1,988,530	117.8

Justification

C05	The College and Career Readiness Planning Program (CCRPP) is funded from the At Risk appropriation. The program provides remedial instruction during the summer for students entering the grades 11 and 12 whose scores on the American College Test (ACT) were below 19 in the areas of reading and/or mathematics. The students are provided 75 hours of instruction over a minimum of 20 days. At the conclusion of the program, students are given the opportunity to take the ACT, and the test cost is covered by the program. The ADE requests additional unfunded appropriation in order to disburse prior year refunds from the CCRPP program. These refunds come in July and August each year, and they do not restore appropriation since they relate to prior year payments.
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Change Level by Appropriation

Appropriation: 1XE - Economic Education

Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	350,000	0	350,000	100.0	350,000	0	350,000	100.0
C05	Unfunded Appropriation	50,000	0	400,000	114.3	50,000	0	400,000	114.3

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	350,000	0	350,000	100.0	350,000	0	350,000	100.0
C05	Unfunded Appropriation	50,000	0	400,000	114.3	50,000	0	400,000	114.3

Justification

C05	The Change Level request is to increase appropriation (unfunded) for Economics Arkansas by \$50,000 per year of the biennium. Economics Arkansas is a training resource for all school districts for the required high school Economics course. The number of teachers trained annually has increased from 1,000 in the 2006-07 school year to 1,724 in the 2012-13 school year.
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Change Level by Appropriation

Appropriation: 2HP - State Foundation Funding
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	1,961,843,724	0	1,961,843,724	100.0	1,961,843,724	0	1,961,843,724	100.0
C01	Existing Program	17,744,783	0	1,979,588,507	100.9	14,152,155	0	1,975,995,879	100.7

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	1,961,843,724	0	1,961,843,724	100.0	1,961,843,724	0	1,961,843,724	100.0
C01	Existing Program	17,744,783	0	1,979,588,507	100.9	14,152,155	0	1,975,995,879	100.7
C19	Executive Changes	29,851,916	0	2,009,440,423	102.4	107,050,413	0	2,083,046,292	106.2

Justification

C01	State Foundation Funding Aid is computed as the difference between the foundation funding amount per student, established by the General Assembly pursuant to Ark. Code Ann. § 6-20-2305(a)(2), times the school district's Average Daily Membership (ADM) for the previous school year, and the sum of 98% of the Uniform Rate of Tax (URT) times the property assessment of the district plus the calculated average miscellaneous funds of the district. The funding for charter schools used the same amount of per student foundation funding but used the ADM of the prior or current school year as required by law. In FY13, statewide ADM for school districts and public charter schools grew by 3,175, which required the ADE to pay approximately \$12 million from fund balances in FY14 state foundation funding aid. In FY14, statewide ADM increase again by 2,420, which required the ADE to pay approximately \$13 million from fund balances in FY15. This Change Level request assumes no increase in the FY15 per-ADM foundation funding rate of \$6,521. ADM growth for the 2015-17 biennium is projected based on a three-year average ADM growth rate of .27% for school districts and 16.7% for charter schools. This request assumes that projected growth in local URT will be sufficient to fund a portion of the projected ADM growth in FY16, and a larger portion of ADM growth in FY17. The Change Level request of \$17,744,783 in FY16 and \$14,152,155 in FY17 is to restore funding that was previously covered by fund balances for the FY13 and FY14 statewide ADM growth, and to provide funding for the projected phase-in of Majority to Minority (M to M) students into school district ADM counts for the calculation of state foundation funding aid, in compliance with the settlement agreement approved on January 13, 2014 regarding state desegregation funding.
C19	The Executive Recommendation provides for the Agency Request appropriation only; and additional appropriation and general revenue funding of \$29,851,916 in FY16; and additional appropriation of \$77,198,497 and general revenue funding of \$73,554,240 in FY17.

Change Level by Appropriation

Appropriation: 2HR - National School Lunch
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	213,768,543	0	213,768,543	100.0	213,768,543	0	213,768,543	100.0
C01	Existing Program	8,886,391	0	222,654,934	104.2	18,128,630	0	231,897,173	108.5

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	213,768,543	0	213,768,543	100.0	213,768,543	0	213,768,543	100.0
C01	Existing Program	8,886,391	0	222,654,934	104.2	18,128,630	0	231,897,173	108.5
C19	Executive Changes	1,795,656	0	224,450,590	105.0	3,606,395	0	235,503,568	110.2

Justification

C01	NSLA is a formula driven program to target additional funding to school districts that have concentrations of poverty students. Districts with greater than 90% poverty will receive an additional \$1,549, those with greater than 70% and less than 90% will receive \$1,033 and those with less than 70% will receive \$517 per NSLA student identified in the previous year. The Base Level for the general revenue funded appropriation is \$213,768,543 in each year of the 2013-15 biennium. The Change Level request is for funding and appropriation for an additional \$8,886,391 in FY16 and \$18,128,630 in FY17. Growth rate is projected based on the 4.08% annual average rate of growth over the past three years, plus the projected phase-in of Majority to Minority (M to M) students into school district counts for the calculation of categorical funding, in compliance with the settlement agreement approved on January 13, 2014 regarding state desegregation funding.
C19	The Executive Recommendation provides for the Agency Request appropriation only; additional appropriation and general revenue funding of \$1,795,656 in FY16 and additional appropriation of \$3,606,395 and general revenue funding of \$1,810,739 in FY17.

Change Level by Appropriation

Appropriation: 2HS - Prof Development Fund
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	16,087,684	0	16,087,684	100.0	16,087,684	0	16,087,684	100.0
C01	Existing Program	98,584	0	16,186,268	100.6	205,435	0	16,293,119	101.3

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	16,087,684	0	16,087,684	100.0	16,087,684	0	16,087,684	100.0
C01	Existing Program	98,584	0	16,186,268	100.6	205,435	0	16,293,119	101.3

Justification

C01	<p>This is a formula driven program that provides up to \$32.40 per previous year Average Daily Membership (ADM) student to School Districts to provide activities and materials to improve the knowledge of teachers, administrators, and paraprofessionals. Section 26 of Act 293 of 2014 allows the Department of Education to utilize \$4 million of the appropriation provided for this program to develop and implement statewide professional development support systems. The Base Level request for the general revenue funded appropriation is \$16,087,684 in each year of the 2015-17 biennium. The Change Level request is to provide funding and appropriation for an additional \$98,584 in FY16 and \$205,435 in FY17. This request assumes no increase in the per ADM funding rate of \$32.40; but it does provide for FY16 and FY17 projected ADM growth statewide. Growth rate is projected based on the average rate of growth of .27% for school districts and 16.7% for charter schools annually over the past three years.</p>								
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Change Level by Appropriation

Appropriation: 2HX - Distance Learning Operations
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	6,075,000	0	6,075,000	100.0	6,075,000	0	6,075,000	100.0
C05	Unfunded Appropriation	1,500,000	0	7,575,000	124.7	1,500,000	0	7,575,000	124.7

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	6,075,000	0	6,075,000	100.0	6,075,000	0	6,075,000	100.0
C05	Unfunded Appropriation	1,500,000	0	7,575,000	124.7	1,500,000	0	7,575,000	124.7

Justification

C05	Distance learning is an educational process used to provide instruction to Arkansas students. The primary purpose of providing distance learning technologies is to assist school districts in offering students advanced high school courses, Advanced Placement courses, enriched course content, or other academic courses not otherwise available in the district. The ADE requests the restoration of appropriation that was unbudgeted in FY15 due to the delay in receiving E-rate refunds (\$1,500,000 for each year of the biennium). These E-rate refunds are expected to be restored in FY16.
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Change Level by Appropriation

Appropriation: 2ZH - School Funding Contingency
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
C05	Unfunded Appropriation	25,000,000	0	25,000,000	100.0	25,000,000	0	25,000,000	100.0

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
C05	Unfunded Appropriation	25,000,000	0	25,000,000	100.0	25,000,000	0	25,000,000	100.0

Justification

C05	Unfunded appropriation is requested to accommodate needs that arise during a fiscal year in the public school fund, per ADE's transfer authority (Act 293 of 2014, Section 20).								
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Change Level by Appropriation

Appropriation: 2ZM - Master Principal Bonus
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	90,000	0	90,000	100.0	90,000	0	90,000	100.0
C05	Unfunded Appropriation	118,000	0	208,000	231.1	118,000	0	208,000	231.1

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	90,000	0	90,000	100.0	90,000	0	90,000	100.0
C05	Unfunded Appropriation	118,000	0	208,000	231.1	118,000	0	208,000	231.1

Justification

C05	Pursuant to A.C.A. §6-17-1604, the ADE pays a high-need school salary bonus of \$25,000 for every school year for no more than five (5) years to any building-level principal who: Receives a master school principal designation from the Arkansas Leadership Academy; and is, at the time of receiving the bonus, employed full time as a building-level principal in an Arkansas public school district that is or was in school-improvement status or academic distress. The high-need school salary bonus is \$20,000 per year. It is projected that more principals will enter the program, and some may go to high needs school districts which will necessitate additional funds. The Change Level is requested to provide unfunded appropriation for program growth in FY16 and FY17 (\$8,000 per year of the biennium) and to restore appropriation based on FY15 amounts that were budgeted subsequent to the biennial budget request process (\$110,000 each year, paid with fund balances in FY13, FY14, and FY15), for a total unfunded Change Level request of \$118,000 per year of the biennium.								
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Change Level by Appropriation

Appropriation: 311 - Alternative Learning
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	23,733,153	0	23,733,153	100.0	23,733,153	0	23,733,153	100.0
C01	Existing Program	593,201	0	24,326,354	102.5	1,200,415	0	24,933,568	105.1

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	23,733,153	0	23,733,153	100.0	23,733,153	0	23,733,153	100.0
C01	Existing Program	593,201	0	24,326,354	102.5	1,200,415	0	24,933,568	105.1
C19	Executive Changes	486,527	0	24,812,881	104.5	1,006,793	0	25,940,361	109.3

Justification

C01	School districts are required to provide an alternative learning environment (ALE) for students who demonstrate an inability to function in the standard learning environment. The ALE program provides educational programs to eligible students in alternative classroom settings, as well as additional services to meet the needs of this group of at-risk students. The Department of Education calculated ALE funds in the 2014-15 school year by multiplying \$4,383 by the number of identified ALE students enrolled during the previous school year. This is an increase of \$78 per student from the FY13-14 school year. The Change Level request is to provide funding and appropriation for the growth in the number of students in the program, for a growth request of \$593,201 in the first year and \$1,200,415 in the second year of the biennium. Growth rate is projected based on the average annual rate of growth of 2.43% over the past three years. The phase-in of Majority to Minority (M to M) students into school district counts for the calculation of state categorical funding, in compliance with the settlement agreement approved on January 13, 2014 regarding state desegregation funding, has been factored into this request.
C19	The Executive Recommendation provides for the Agency Request appropriation only; additional appropriation of \$486,527 and general revenue funding of \$1,079,728 in FY16; additional appropriation of \$1,006,793 and general revenue funding of \$1,720,681 in FY17.

Change Level by Appropriation

Appropriation: 332 - Student Growth
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	28,500,000	0	28,500,000	100.0	28,500,000	0	28,500,000	100.0
C01	Existing Program	9,190,144	0	37,690,144	132.2	9,190,144	0	37,690,144	132.2

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	28,500,000	0	28,500,000	100.0	28,500,000	0	28,500,000	100.0
C01	Existing Program	9,190,144	0	37,690,144	132.2	9,190,144	0	37,690,144	132.2

Justification

C01	Due to the fact that foundation funding is calculated on prior year ADM, student growth funding is provided to school districts that experience current year ADM growth to enable them to serve the additional students for one year. A mandatory program pursuant to ACA 6-20-2305, student growth disbursements to school districts and charter schools have increased significantly in the last three fiscal years. Amounts disbursed in addition to the funded amount of \$28.5M in FY13, FY14, and FY15 were paid from fund balances. FY16 and FY17 growth was calculated by taking the average number of students funded by student growth from FY12, FY13, and FY14, and multiplying that averaged number by the FY15 foundation funding amount of \$6,521; for a Change Level request of \$9,190,144 for each year of the biennium.								
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Change Level by Appropriation

Appropriation: 380 - Dept of Correction
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	5,597,675	0	5,597,675	100.0	5,597,675	0	5,597,675	100.0
C05	Unfunded Appropriation	943,472	0	6,541,147	116.9	1,047,460	0	6,645,135	118.7

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	5,597,675	0	5,597,675	100.0	5,597,675	0	5,597,675	100.0
C05	Unfunded Appropriation	943,472	0	6,541,147	116.9	1,047,460	0	6,645,135	118.7

Justification

C05	In accordance with ACA 12-29-304, the cost of implementing and operating the school program in the Corrections School System shall be borne by the state and shall be paid from funds appropriated by the General Assembly from the general revenues of the state to the Department of Correction, the Department of Community Correction, and the Department of Education. The cost of facilities, equipment, and current operation in excess of the amount of grants and aids received from the Department of Education shall be borne by the Department of Correction and the Department of Community Correction as approved by the Board of Corrections. This program provides part of the required match for federal Special Education funds. The Base Level for the general revenue funded appropriation is \$5,597,675 in each year of the 2015-2017 biennium. The Change Level request is to restore appropriation (unfunded) based on FY15 amounts that were budgeted subsequent to the biennial budget request process (\$799,100 each year, paid with fund balances in FY13, FY14, and FY15); and to provide unfunded appropriation for growth: FY16 growth is for a 2.5% COLA for instructors (\$144,372); FY17 growth is two new instructors at the Pine Bluff unit (\$100,000), plus a 2.5% COLA (\$148,360) for a FY17 total growth request of \$248,360.
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Change Level by Appropriation

Appropriation: 394 - Residential Ctrs/Juv Detention
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	15,188,254	0	15,188,254	100.0	15,188,254	0	15,188,254	100.0
C05	Unfunded Appropriation	1,156,833	0	16,345,087	107.6	1,156,833	0	16,345,087	107.6

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	15,188,254	0	15,188,254	100.0	15,188,254	0	15,188,254	100.0
C05	Unfunded Appropriation	1,156,833	0	16,345,087	107.6	1,156,833	0	16,345,087	107.6

Justification

C05	This program provides reimbursement to school districts for educational costs associated with: (1) disabled and non-disabled students placed in approved residential psychiatric and drug and alcohol treatment facilities; (2) disabled students placed in approved residential intermediate care facilities, and (3) disabled and non-disabled students placed by the courts in juvenile detention centers. This program provides part of the required match for federal Special Education funds. The Base Level for this general revenue funded appropriation is \$15,188,254 in each year of the 2015-2017 biennium. The Change Level request is to restore unfunded appropriation based on FY15 amounts that were budgeted subsequent to the biennial budget request process (\$1,156,833) and that were paid from fund balances in FY13, FY14 and FY15.
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Change Level by Appropriation

Appropriation: 421 - Consolidation Incentive
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
C05	Unfunded Appropriation	5,868,900	0	5,868,900	100.0	5,868,900	0	5,868,900	100.0

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
C05	Unfunded Appropriation	5,868,900	0	5,868,900	100.0	5,868,900	0	5,868,900	100.0

Justification

C05	These funds are paid to each school district that was 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. One hundred percent (100%) of the incentive allowance is added to the school district's aid in the first year of consolidation/annexation. In the second year of consolidation/annexation, the district receives fifty percent (50%) of the consolidation/annexation incentive funding granted the previous year. The Change Level request is to provide unfunded appropriation for a projection of two new consolidations per year of the biennium, plus the continuation of two consolidations from the previous year. 600 ADM for two consolidations X SFF of \$6,521 = \$3,912,600; plus \$1,956,300 for the continuation of two consolidations from the prior fiscal year, for a total growth request of \$5,868,900 for each year of the biennium.
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Change Level by Appropriation

Appropriation: 434 - Coop Education Tech Centers
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
C05	Unfunded Appropriation	1,200,000	0	1,200,000	100.0	1,200,000	0	1,200,000	100.0

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
C05	Unfunded Appropriation	1,200,000	0	1,200,000	100.0	1,200,000	0	1,200,000	100.0

Justification

C05	This program funds the Educational Service Cooperatives Technology Coordinators. The Change Level request is to restore unfunded appropriation for Educational Service Cooperatives Technology Coordinators based on FY15 amounts that were budgeted subsequent to the biennial budget request process and that were paid from fund balances in FY13, FY14, and FY15 (\$1,200,000).								
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Change Level by Appropriation

Appropriation: 437 - Teacher Retirement Matching
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	6,655,000	0	6,655,000	100.0	6,655,000	0	6,655,000	100.0
C05	Unfunded Appropriation	4,075,500	0	10,730,500	161.2	5,148,550	0	11,803,550	177.4

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	6,655,000	0	6,655,000	100.0	6,655,000	0	6,655,000	100.0
C05	Unfunded Appropriation	4,075,500	0	10,730,500	161.2	5,148,550	0	11,803,550	177.4

Justification

C05	This program provides for the employer matching contribution 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 Base Level for this general revenue funded appropriation is \$6,655,000 in each year of the 2015-2017 biennium. The Change Level request is to restore unfunded appropriation based on FY15 amounts that were budgeted subsequent to the biennial budget request process that the ADE has paid with fund balances in FY13, FY14, and FY15 (\$3,100,000); and to provide unfunded appropriation for the increase of participants in the program in the amount of \$975,500 for FY16 and \$2,048,550 for FY17; for a total FY16 Change Level request of \$4,075,500 and total FY17 Change Level request of \$5,148,550.
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Change Level by Appropriation

Appropriation: 438 - Ntl Bd Prof Teaching Standards
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	9,106,160	0	9,106,160	100.0	9,106,160	0	9,106,160	100.0
C05	Unfunded Appropriation	4,748,100	0	13,854,260	152.1	4,759,100	0	13,865,260	152.3

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	9,106,160	0	9,106,160	100.0	9,106,160	0	9,106,160	100.0
C05	Unfunded Appropriation	4,748,100	0	13,854,260	152.1	4,759,100	0	13,865,260	152.3

Justification

C05	A.C.A. §6-17-413(a)(1)(A) calls for teacher support in three distinct areas related to state support of advanced national teacher certification: bonuses to National Board Certified Teachers (NBCT), participation fees and substitute pay required for candidacy, and a support system for those candidates. Funding consists of general revenue and revenue from the Transit Tax on the rental of motor vehicles. The Change Level request is to restore appropriation based on FY15 amounts that were budgeted subsequent to the biennial budget request process (\$4,740,600) and that were paid from fund balances in FY13, FY14 and FY15; and additional appropriation to provide for increasing costs related to candidate support, such as workshops and training sessions (\$7,500 in FY16 and \$18,500 in FY17); for a total Change Level request of \$4,748,100 in FY16 and \$4,759,100 in FY17. The number of participants in the program is not expected to increase during this biennium.
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Change Level by Appropriation

Appropriation: 447 - School Food Services
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
C05	Unfunded Appropriation	1,650,000	0	1,650,000	100.0	1,650,000	0	1,650,000	100.0

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
C05	Unfunded Appropriation	1,650,000	0	1,650,000	100.0	1,650,000	0	1,650,000	100.0

Justification

C05	This program, combined with the Surplus Commodities program, provided the State match for the total school food program in local schools. This match is required to continue to receive federal funding for the Child Nutrition program. These grants are paid to school districts at a rate based on the number of lunches served. The Change Level request is to restore unfunded appropriation based on FY15 amounts that were budgeted subsequent to the biennial budget request process (\$1,650,000) and that were paid from fund balances in FY13, FY14 and FY15.
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Change Level by Appropriation

Appropriation: 450 - Surplus Commodities
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	780,000	0	780,000	100.0	780,000	0	780,000	100.0
C05	Unfunded Appropriation	345,065	0	1,125,065	144.2	345,065	0	1,125,065	144.2

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	780,000	0	780,000	100.0	780,000	0	780,000	100.0
C05	Unfunded Appropriation	345,065	0	1,125,065	144.2	345,065	0	1,125,065	144.2

Justification

C05	The Department of Human Services (DHS) administers the Surplus Commodities Program. Under an agreement with DHS, the Arkansas Department of Education reimburses transportation costs of \$780,000 for the delivery of surplus commodities to the school districts. The Base Level for this general revenue funded appropriation is \$780,000 each year of the 2015-2017 biennium. The Change Level is to provide unfunded appropriation to maintain the program at its current operating level. The Change Level requested would provide unfunded appropriation for the increased program costs that the ADE has paid with fund balances in FY13, FY14 and FY15, in the amount of \$345,065 for each year of the biennium. This program, combined with the School Food Service program, provides the State match for the total school food program in local schools. This match is required to continue to receive federal funding for the Child Nutrition program.
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Change Level by Appropriation

Appropriation: 457 - Gifted & Talented
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	1,085,381	0	1,085,381	100.0	1,085,381	0	1,085,381	100.0
C05	Unfunded Appropriation	250,000	0	1,335,381	123.0	250,000	0	1,335,381	123.0

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	1,085,381	0	1,085,381	100.0	1,085,381	0	1,085,381	100.0
C05	Unfunded Appropriation	250,000	0	1,335,381	123.0	250,000	0	1,335,381	123.0

Justification

C05	This program makes available approximately \$44,500 in supplemental funding to 15 Educational Services Cooperatives (\$667,500) to fund a GT Specialist. In addition, funding in the amount of approximately \$890,000 is used to fund the Governor's School. Funds in the amount of \$3,000 each for three school districts (\$9,000) that are awarded the Outstanding Gifted Program Award authorized by A.C.A. §6-42-104, 6(A) & (B) and \$2,500 is sent to AGATE and \$1000 is sent to AAGEA. The Base Level for this general revenue funded appropriation is \$1,085,381 in each year of the 2015-2017 biennium. The Change Level request is to restore unfunded appropriation based on FY15 amounts that were budgeted subsequent to the biennial budget request process (\$250,000) and that have been paid from fund balances in FY13, FY14, and FY15.
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Change Level by Appropriation

Appropriation: 458 - School Worker Defense
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
C05	Unfunded Appropriation	390,000	0	390,000	100.0	390,000	0	390,000	100.0

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
C05	Unfunded Appropriation	390,000	0	390,000	100.0	390,000	0	390,000	100.0

Justification

C05	As authorized under ACA 6-17-1113, this program provides protection against civil liability, attorney's fees, and costs of defense for acts or omissions of each employee or volunteer in the performance of his or her duties as a volunteer or his or her official duties as a school employee. The Change Level request is to restore unfunded appropriation based on FY15 amounts that were budgeted subsequent to the biennial budget request process (\$390,000) and that were paid from fund balances in FY13, FY14, and FY15.								
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Change Level by Appropriation

Appropriation: 459 - Assessment/End Course Testing
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	22,250,189	0	22,250,189	100.0	22,250,189	0	22,250,189	100.0
C05	Unfunded Appropriation	0	0	22,250,189	100.0	1,100,492	0	23,350,681	104.9

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	22,250,189	0	22,250,189	100.0	22,250,189	0	22,250,189	100.0
C05	Unfunded Appropriation	0	0	22,250,189	100.0	1,100,492	0	23,350,681	104.9

Justification

C05	This program provides funds to develop and implement alternative assessments required by the Elementary and Secondary Education Act, End-of-Course Exams, and Augmented Benchmark Exams. In addition, Advanced Placement exams and incentive grants for scores of 3 or higher on AP exams are paid by this program. The program will function within base level in FY16, but in FY17 a Change Level of \$1,100,492 in unfunded appropriation is requested due to increasing costs of benchmark and end-of-course exams due to implementation of PARCC; and increasing numbers of students taking AP exams (\$1,100,492 for FY17 only).
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Change Level by Appropriation

Appropriation: 460 - Court Ordered Desegregation
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	69,814,372	0	69,814,372	100.0	69,814,372	0	69,814,372	100.0
C03	Discontinue Program	(4,020,105)	0	65,794,267	94.2	(4,020,105)	0	65,794,267	94.2

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	69,814,372	0	69,814,372	100.0	69,814,372	0	69,814,372	100.0
C03	Discontinue Program	(4,020,105)	0	65,794,267	94.2	(4,020,105)	0	65,794,267	94.2

Justification

C03	The state's obligation to the school districts was set at a total of \$65,794,267 for FY15 in the desegregation settlement that was approved on January 13, 2014.
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Change Level by Appropriation

Appropriation: 565 - Intervention Block Grants
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	227,000	0	227,000	100.0	227,000	0	227,000	100.0
C05	Unfunded Appropriation	75,000	0	302,000	133.0	75,000	0	302,000	133.0

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	227,000	0	227,000	100.0	227,000	0	227,000	100.0
C05	Unfunded Appropriation	75,000	0	302,000	133.0	75,000	0	302,000	133.0

Justification

C05	Local school districts, education service cooperatives, institutions of higher education, and other organizations were eligible to apply for an intervention block grant. These grants were used to encourage parental involvement through the following four (4) student competitions: Arkansas Governor's Quiz Bowl, State History Day Competition, Creativity in Arkansas and Arkansas Destination Imagination. The Change Level request is to restore unfunded appropriation based on FY15 amounts that were budgeted subsequent to the biennial budget request process (\$75,000) and that were paid from fund balances in FY13, FY14, and FY15.
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Change Level by Appropriation

Appropriation: 566 - Serious Offender
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	1,050,946	0	1,050,946	100.0	1,050,946	0	1,050,946	100.0
C05	Unfunded Appropriation	665,913	0	1,716,859	163.4	665,913	0	1,716,859	163.4

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	1,050,946	0	1,050,946	100.0	1,050,946	0	1,050,946	100.0
C05	Unfunded Appropriation	665,913	0	1,716,859	163.4	665,913	0	1,716,859	163.4

Justification

C05	The Arkansas Department of Education established the Juvenile Treatment Centers Program (formerly Serious Offender Program) through a Memorandum of Understanding with the Department of Human Services, Division of Youth Services (DYS). The current program has been in effect since 1996 for the purpose of generating educational funds for the DYS Juvenile Treatment Centers Program (JTC). School districts were provided state funds based on the number of JTC participants in their districts. School districts in turn paid the JTC providers in their districts. This program provides part of the required match for federal Special Education funds. The Change Level request is to restore unfunded appropriation based on FY15 amounts that were budgeted subsequent to the biennial budget request process (\$665,913) and that were paid from fund balances in FY13, FY14 and FY15.
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**CARRY FORWARD OF ANY REMAINING FUND BALANCES
FROM FISCAL YEAR 2014 TO FISCAL YEAR 2015**

Agency: Education Department-Public School Fund

Program: Better Chance Program

Act #: 1309 Section(s) #: 27

Estimated Carry Forward Amount \$ 1,412,000.00 Funding Source: General Revenue, TANF, Educational Excellence

Accounting Information:

Business Area: 0500 Funds Center: 652 Fund: JAA Functional Area: EDUC

Current law requires a written statement be submitted to the DFA Office of Budget stating the reason(s) to carry forward funding for a program or a specific line item within a program remaining on June 30th of a fiscal year.

Justification for carry forward of fund balance:

Act 1309 of 2014 requires the Department of Education to carry forward any unexpended balance of funds remaining on June 30, 2014 to be used for the Arkansas Better Chance for School Success program. The funds will be used as deemed appropriate by the Department of Human Services - Child Care and Early Childhood Education Division and the Department of Education.

Actual Funding Carry Forward Amount \$ 829,094.00

Current status of carry forward funding:

The carry forward amount has been budgeted for FY15 to maintain the current program budget level.

Mr. Tony Wood
Commissioner of Education

08-11-2014
Date

Change Level by Appropriation

Appropriation: 668 - Special Education Services
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	1,145,285	0	1,145,285	100.0	1,145,285	0	1,145,285	100.0
C05	Unfunded Appropriation	1,657,242	0	2,802,527	244.7	1,657,242	0	2,802,527	244.7

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	1,145,285	0	1,145,285	100.0	1,145,285	0	1,145,285	100.0
C05	Unfunded Appropriation	1,657,242	0	2,802,527	244.7	1,657,242	0	2,802,527	244.7

Justification

C05	This program provides (1) funding to support the provision of Extended School Year (ESY) services to eligible students with disabilities in need of such services, (2) special education services to children with disabilities who are wards of the State placed by the Department of Human Services (DHS) in out-of-state therapeutic treatment programs, and (3) funds to support the payment of salaries to special education supervisors. For the 2014-15 school year, funding is provided to school districts to support the salaries of special education supervisors based on the Average Daily Membership of the first three quarters of the previous year. In addition, funding is provided to school districts and education service cooperatives for ESY services. This program provides part of the required match for federal Special Education funds. The Change Level is requested to restore funding and appropriation based on FY15 amounts that were budgeted subsequent to the biennial budget request process (\$1,657,242) and that were paid from fund balances in FY13, FY14 and FY15.
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Change Level by Appropriation

Appropriation: 697 - Early Childhood Special Educ
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	15,623,079	0	15,623,079	100.0	15,623,079	0	15,623,079	100.0
C05	Unfunded Appropriation	1,274,841	0	16,897,920	108.2	1,274,841	0	16,897,920	108.2

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	15,623,079	0	15,623,079	100.0	15,623,079	0	15,623,079	100.0
C05	Unfunded Appropriation	1,274,841	0	16,897,920	108.2	1,274,841	0	16,897,920	108.2

Justification

C05	This program, which is authorized by A.C.A. §6-41-202 et seq., provides base funding for special education services through local education agencies for 11,500 three to five year old preschool children with disabilities. Funds are also provided to Education Services Cooperatives for behavioral intervention services to all local community preschool programs as well as to coordinate required transition activities for children ages 0-2 that will remain in special education as 3-5 preschoolers. Also included in this program are funds for the Medicaid state match for preschool programs that bill for physical, occupational, and speech therapy services. This program provides part of the required match for federal Special Education funds. The Base Level for this general revenue funded appropriation is \$15,623,079 in each year of the 2015-2017 biennium. The Change Level request is to restore funding and appropriation based on FY15 amounts that were budgeted subsequent to the biennial budget request process (\$1,274,841 per year of the biennium) and that were paid with fund balances in FY13, FY14, and FY15.
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Change Level by Appropriation

Appropriation: 699 - Teacher Licensing/Mentoring
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	5,008,758	0	5,008,758	100.0	5,008,758	0	5,008,758	100.0
C05	Unfunded Appropriation	57,000	0	5,065,758	101.1	57,000	0	5,065,758	101.1

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	5,008,758	0	5,008,758	100.0	5,008,758	0	5,008,758	100.0
C05	Unfunded Appropriation	57,000	0	5,065,758	101.1	57,000	0	5,065,758	101.1

Justification

C05	<p>This program covers the Arkansas induction program for new teachers and administrators. The change level request for \$57,000 additional funding in each year of the biennium is to implement the Teacher Cadets program. The ADE used existing funds to pilot the program with 3 districts during the 13-14 school year. Plans are to add 10 new districts per year to implement the program. To participate in the cadet program, high school students must complete a rigorous application process and meet GPA requirements of 3.0. Students enrolled in the cadet program participate in a rigorous academic program and also in field experiences. In addition to hands-on educational experience, students also earn concurrent credit per the district's agreement with a partnering Institution of Higher Education. Even if participating students do not become educators they do become advocates for education because of their participation in the program.</p>
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Change Level by Appropriation

Appropriation: F82 - Inter Baccalaureate Prgm
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
C05	Unfunded Appropriation	75,000	0	75,000	100.0	75,000	0	75,000	100.0

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
C05	Unfunded Appropriation	75,000	0	75,000	100.0	75,000	0	75,000	100.0

Justification

C05	This program provides advanced educational courses that are easily accessible and that prepare students for admission to and success in a postsecondary educational environment. A mandatory funding provision for this program was added to during the 2013 regular session and was continued in the 2014 fiscal session (Act 293 of 2014) to provide \$75,000 annually to school districts for the International Baccalaureate program. This program was funded in FY14 and FY15 by fund balances.								
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Change Level by Appropriation

Appropriation: M74 - Broadband Facilities Matching Grant Prog
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
C05	Unfunded Appropriation	5,000,000	0	5,000,000	100.0	5,000,000	0	5,000,000	100.0

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
C05	Unfunded Appropriation	5,000,000	0	5,000,000	100.0	5,000,000	0	5,000,000	100.0

Justification

C05	This is a matching-grant program to help school districts improve Internet connectivity. The program was funded with a one-time transfer from the state General Improvement Fund to the Department of Education Public School Fund. These funds will be leveraged at the district level for up to an additional \$20 million in new E-Rate funding for local loop/WAN connectivity.								
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**CARRY FORWARD OF ANY REMAINING FUND BALANCES
FROM FISCAL YEAR 2014 TO FISCAL YEAR 2015**

Agency: Education Department-Public School Fund

Program: Broadband Facilities Matching Grant Prog

Act #: 298 Section(s) #: 4

Estimated Carry Forward Amount \$ 5,000,000.00 Funding Source: General Improvement Fund

Accounting Information:

Business Area: 0500 Funds Center: M74 Fund: JAA Functional Area: EDUC

Current law requires a written statement be submitted to the DFA Office of Budget stating the reason(s) to carry forward funding for a program or a specific line item within a program remaining on June 30th of a fiscal year.

Justification for carry forward of fund balance:

Act 298 of 2014 requires the Department of Education to carry forward any unexpended balance of funds remaining on June 30, 2014 to be used for the Broadband Facilities Matching Grant program. The funds will be used as deemed appropriate by the Department of Education.

Actual Funding Carry Forward Amount \$ 5,000,000.00

Current status of carry forward funding:

The carry forward amount will be utilized to provide matching funds for the Broadband Facilities Matching Grant program.

Mr. Tony Wood
Commissioner of Education

08-11-2014
Date